

# 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:

GIRIRAJ & LOHIYA  
CHARTERED ACCOUNTANTS  
JAIPUR

## CORPORATE ADVISOR

MEGHA KHANDELWAL & ASSOCIATES  
COMPANY SECRETARY  
Jaipur

## COMPANY SECRETARY

KOMAL JAIN  
JAIPUR

## BANKERS:

STATE BANK OF INDIA

## 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](mailto:scores@beetalfinancial.com)
- (2) [rajtube@hotmail.com](mailto: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 Thirty First 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 23<sup>rd</sup> September, 2017 at 10.00 A.M. to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2017, 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 ratify the Appointment of M/s Giriraj and Lohiya, Jaipur, as Statutory Auditors of the Company, and to pass, with or without modification(s), the following resolution as an Ordinary Resolution  
“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the appointment of M/s Giriraj and Lohiya, Chartered Accountants, (Firm Registration No. 006031C), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM to be held in 2018 to examine and audit the accounts of the Company for the financial year 2017-18 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

### SPECIAL BUSINESS:

4. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2018 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 Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, to the extent applicable, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.18,000/- (Eighteen thousand only) plus GST as applicable, to be paid to M/s. G.K. Gupta & Company, (Firm Registration No. 100205), Cost Accountants, Cost Auditors of the Company, for the financial year 2017-18, as approved by the Board of Directors of the Company, be and is hereby ratified.”
5. Change of Registered Office within same state but different city and in this regard to consider, and, if thought fit, to pass the following resolution as a **Special Resolution**:  
“RESOLVED THAT pursuant to the provisions of the section 12 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) & rules framed there under the registered office of the company be & is hereby shifted from 404, SHEKHAWATI COMPLEX STATION ROAD, JAIPUR, to 28-37, BANKE BIHARI INDUSTRIAL AREA JATAWALI MOD, MAHARKALA ROAD, DEHRA TEH: CHOMU, DIST: JAIPUR RAJASTHAN-303806, which falls within the state of Rajasthan but outside the local limits of the city, town or village.”  
  
“RESOLVED FURTHER THAT Mr. Harish Chand Jain (DIN: 01504391), Managing Director of the company, failing him any of the Directors on Board and Company Secretary be and are hereby severally authorized to make an application with registrar of companies, Rajasthan and to do all such acts, deeds, matters and things and execute all such agreements, documents, instruments and writings as may be required including filing of requisite forms, files, reports, returns and documents with such appropriate authorities, with the authority to delegate all or any of its powers herein conferred to any officer(s) of the Company and/ or any other person(s), to give effect to this resolution.”

August 5, 2017  
Registered Office:  
404, Shekhawati Complex,  
Station Road, JAIPUR  
Rajtube@hotmail.com  
Ph No. - 0141-2372734  
CIN: L27107RJ1985PLC003370

**(Komal Jain)**  
Company Secretary  
(Membership No.A40470)

**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 21st September, 2017 to 23rd September, 2017 (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 Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
10. 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.
11. Members are requested to bring with them the attendance slip and hand it over at entrance duly signed by them.
12. 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.

13. Copies of the Annual Report 2016-2017 along with Notice of the 31<sup>st</sup> 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.
14. 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 3 years in administration of 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 30.06.2017	169661
Relationship with any Director(s)	Daughter-in-law of Harish Chand Jain, Managing Director of Company.
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

**15. E-VOTING**

Pursuant to the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder and regulation 44 of the SEBI (LODR) Regulations, 2015, 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 and 5 of the accompanying Notice dated August 5, 2017.

**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, 2018.

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, 2018.

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.

**Item No. 5**

The Board of the Directors at their meeting held on 5<sup>th</sup> August 2017 have decided to change the registered office of the Company from its present Location 404, Shekhawati Complex Station Road, Jaipur, To 28-37, Banke Bihari Industrial Area Jatawali Mod, Maharkala Road, Dehra Teh: Chomu, Dist: Jaipur Rajasthan-303806.

As all the entire managerial & secretarial as well as corporate affairs are being substantially controlled, handled and managed from the Company's Corporate Office at Chomu (State of Rajasthan), the maintenance of Registered Office at Jaipur (State of Rajasthan) has now become progressively uneconomical and inconvenient to all.

The change of the Registered Office as aforesaid is in the best interests of the company, its shareholders and all concerned. The proposed change will in no way be detrimental to the interest(s) of any member of the public, employees or other associates of the Company in any manner whatsoever.

In terms of the provisions of section 12 of the Companies Act 2013, read with Rules framed there under, for change of the Registered Office from one City to another requires the approval of Members by way of Special Resolution.

The Board recommends passing of the Special Resolution set out at Item No. 5 of the Notice.

None of the Directors, Promoters, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise in the proposed resolution.

By Order of the Board of Directors

August 5, 2017  
Registered Office:  
404, Shekhawati Complex, Station Road,  
JAIPUR  
Ph No.- 0141-2372734  
CIN: L27107RJ1985PLC003370

**(Komal Jain)**  
Company Secretary  
M.No. A40470

# RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 31st Annual Report on the businesses and operations of your company together with audited statement of accounts for the year ended on 31st March, 2017.

### 1. FINANCIAL PERFORMANCE:

	For the year ended on 31.3.2017 (Rs. in Lacs)	For the year ended on 31.3.2016 (Rs. in Lacs)
Total Sales & Other Income	7394.14	8094.78
Profit Before Interest & Depreciation	68.40	167.21
Interest	239.37	237.52
Profit/(Loss) Before Depreciation	(170.97)	(70.31)
Depreciation	12.77	16.98
Profit/ (Net Loss) before Taxation	(183.74)	87.29
Provision for Taxation	-	-
Deferred Tax (Net)	(56.78)	(110.30)
Profit/ (Net Loss) after Taxation	(126.96)	23.01
Bal brought forward from previous year	250.56	227.55
Profit available for appropriation	-	250.56
Balance carried to Balance Sheet	123.60	250.56

### 2. DIVIDEND:

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

### 3. AMOUNT TRANSFER TO RESERVES:

In view of the losses, 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.7394.14 Lacs as compared to Rs. 8094.78 Lacs in the previous year. The loss after tax during the year is Rs. 126.96 lacs as compared to a profit of Rs.23.01 lacs in the previous year.

### 5. CHANGE IN THE NATURE OF BUSINESS:

In pursuance to Rule 8 (5) of the Companies (Accounts) Rules, 2014, there is no change in the nature of business in the year under review.

### 6. MATERIAL CHANGES & COMMITMENTS:

In pursuance to Section 134(3) (L) of the Companies Act, 2013, 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. MATERIAL ORDERS:

In pursuance to Rule 8 (5) (vii) of the Companies (Accounts) Rules, 2014, 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 invited or accepted any fixed deposit during the year as per the provisions of Section 73 (2) of the Companies Act, 2013 and rules made there under.

## **11. STATUTORY AUDITORS:**

In the last AGM held on 24<sup>th</sup> September, 2016, M/s Giriraj & Lohiya, Chartered Accountants, Jaipur, Statutory Auditors, (FRN-006031C) were appointed statutory auditors of the Company for a period of five years. Ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

## **12. EXPLANATION TO AUDITORS REMARK:**

The observations of the Auditors have been suitably dealt within the notes on accounts. The Auditor's Report does contain one qualification, reservation or adverse remark which has been suitably explained at Note No.-28.

Further there was no fraud in the Company, which was required to be reported by Statutory auditors of the Company under Section 143 (12) of the Companies Act, 2013.

## **13. COST AUDITOR:**

Pursuant to the provisions of Section 148(2) of the Companies Act, 2013 read with Companies (Cost Records and Audit), Amendment Rules, 2014, required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the re-appointment of M/s. G.K. Gupta & Company, (Firm Registration No. 100205), Cost Accountants as the Cost Auditors of the Company for the year ending 31 March, 2018. The remuneration proposed to be paid to the Cost Auditor requires ratification in terms of Section 148 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 and is accordingly forms part of the notice convening the AGM.

## **14. 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 2016-2017 and a copy of the Secretarial Audit Report is annexed to this Report as **Annexure- III**. The Secretarial Audit Report is self-explanatory and does not contain any qualification, reservation or adverse remark.

## **15. SHARE CAPITAL:**

There was no change in the Company's share capital during the year under audit. The paid-up equity share capital as on 31<sup>st</sup> March, 2017 was Rs.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, 2017, none of the Directors of the company hold any convertible instruments of the company.

## **16. EXTRACT OF ANNUAL RETURN:**

Extract of Annual Return of the company as provided under section 92(3) Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure-I** in the prescribed Form MGT-9 to this Report.

## **17. 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.

## **18. CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of CSR are not applicable to the company for the Financial Year 2016-2017 as the company does not fall under the provisions of Section 135 of the Companies Act, 2013.

## **19. DIRECTORS AND KEY MENERGRIAL PERSONNEL:**

**a) Directors**-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) Declaration by Independent Directors**-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) Key managerial Personnel**-Pursuant to the Provisions of Section 203 of the companies Act, 2013 the Key Managerial Personnel of the company are Mr. Harish Chand Jain (Chairman & Managing Director) Mr. Pradeep Jain (Chief Financial Officer) and Ms. Komal Jain (Company Secretary). During the year Ms. Komal Behl Company Secretary has resigned on 01.10.2016 in place of her Ms. Komal Jain has been appointed as Company Secretary of the Company w.e.f., 11.11.2016.

## **20. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:**

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. The current policy is to have a balance mix of executive and non-executive Independent Directors to maintain the Independence of the Board, and separate its function of governance and management. As at 31 March, 2017, the Board of Directors comprises of 5 Directors including 1 women Director of which 3 are non-executive. The number of Independent Directors is 3, which is one half of the total numbers of Directors The Policy of the Company on Directors appointment including criteria for determining qualifications, positive attributes, independence of Directors and other matters as required



under Section 178 of Companies Act 2013 is governed by Nomination Policy read with Company's policy on appointment/reappointment of Independent Directors. The remuneration paid to the Directors is in accordance with the remuneration policy of the Company.

## **21. PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE:**

The Company is committed to provide a safe and conducive work environment to its employees. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **22. EVALUATION OF BOARDS PERFORMANCE:**

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.

## **23. NO. OF BOARD MEETINGS:**

During the year 2016-2017 5 (Five) meetings of the Board of Directors were held during the year. The intervening gap between the meeting was within the period prescribed under Companies Act, 2013 and regulation 17 of SEBI (LODR) Regulation 2015.

Apart from this one meeting of Independent Directors was also held during the year.

## **24. 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.

## **25. 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 weblink for the same is <http://rajtube.com/data/blower.pdf>.

## 26. 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.

## 27. 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. The details of investments held as on 31.03.2017 are given in Financial Statements.

## 28. 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. 32 of the financial statements as at 31st March, 2017 which forms part of this Annual Report for details of related party transactions.

## 29. MANAGERIAL REMUNERATION/PARTICULARS OF EMPLOYEES:

A. 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:

I. 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	3.19
Mrs. Rajshree Patni	-

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

II. The remuneration of any of the directors/CFO/CS did not increase in the relevant financial year.

III. The percentage increase in the median remuneration of employees in the Financial Year:

Median Remuneration at the end of F.Y. 2015-2016	Median Remuneration at the end of F.Y. 2016-2017	% increase in the median remuneration of employees
192000	225235	17.30

\*While calculating median remuneration, remuneration of only those employees is considered who were in employment for the complete financial year 2016-2017.

IV. The number of permanent employees on the payroll of the company at the end of the relevant financial year: 28

V. There is no increase in the remuneration of employees or Key managerial personnel, hence comparison is not made.

VI. There is no variable component of remuneration availed by directors in the relevant financial year.

- VII. The company affirms the remuneration is as per the remuneration policy of the company.
- VIII. None of the directors of the company (MD or WTD) receives any commission from company.
- IX. None of the employee of the Company is drawing more than Rs.10200000/- per annum or Rs 850000/- per month or for the part of the year, during the year under review therefore particulars of the employees as required under section 197 of the Companies Act,2013 read with rule 5(2) & rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are not applicable, during the year under review.

B. Details pursuant to section 197 (12) of the Companies Act,2013 read with the rule 5 (2) of the companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

NAME	AGE	REMUNERATION RECEIVED (PER ANNUM)	DESIGNATION	NATURE OF EMPLOYMENT	QUALIFICATION	COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT	% OF EQUITY SHARES HELD	WHE THE R REL ATIVE OF DIR ECTOR
SAURABH JAIN	33	480000/-	Marketing manager	ONROLL EMPLOYEE	B.COM	March 2014	Unemployed	2.40 %	YES
PRADEEP JAIN	37	480000/-	CFO	ONROLL EMPLOYEE	B.COM	October 2014	Unemployed	4.24%	YES
KOMAL JAIN	26	102667/-	COMPANY SECRETARY	ONROLL EMPLOYEE	M.COM, CS	Nov 2016	Unemployed	-	NO
Jagdish	57	224879/-	Space Supervisor	ONROLL EMPLOYEE	SECONDARY	March 2014	Unemployed	-	NO
SAROJ JAIN	44	228596/-	Office Assistant	ONROLL EMPLOYEE	B.A.	March 2014	Unemployed	-	NO
SHUBH KARAN	54	227199/-	Quality controller	ONROLL EMPLOYEE	B.A.	March 2014	Unemployed	-	No
RADHE SHYAM	55	225235/-	Mill Supervisor	ONROLL EMPLOYEE	SENIOR SECONDARY	Feb 2014	Unemployed	-	NO
SHASHANK JAIN	47	229335/-	General Manager	ONROLL EMPLOYEE	B.COM	March 2014	Unemployed	-	NO
BANSIDHAR YADAV	52	224189/-	Accountant	ONROLL EMPLOYEE	B.A.	Feb 2014	Unemployed	-	NO
BALDEV CHOUDHARY	52	223458/-	Assistant Accountant	ONROLL EMPLOYEE	B.A.	Feb 2014	Unemployed	-	No

### 30. 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.

### 31. 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.

### **32. INSURANCE**

The Property and assets of the Company are adequately financed.

### **33. 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, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed with proper explanation relating to material departures, if any as stated in Note No-28 of the Financial Statement;
- 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, 2017 and of the loss 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.

### **34. MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

#### **a) INDUSTRY STRUCTURE & DEVELOPMENT:**

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

#### **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. organizations 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 realization.

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 constituents. Rise in price of H.R. Coils, Zinc are also a matter of concern.

#### **c) SEGMENT:**

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

d) **OUTLOOK:**

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

e) **INTERNAL CONTROL SYSTEM:**

Your company maintains an internal control system in different areas like purchases, billing for the jobs etc. Moreover, there are internal auditors who make consistent 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.

### **35.LISTING OF SHARES:**

The shares of the company are listed on the Bombay Stock Exchange Limited. The company has paid annual listing fees for the financial year 2017-2018.

### **36.FAMILIARIZATION OF INDEPENDENT DIRECTOR:**

The details of familiarization programme for independent Directors have been disclosed on the website of the Company. Weblink for the same is <http://rajtube.com/data/Familiarization.pdf>

### **37.TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

The provision of section 125 (2) of the companies Act, 2013 do not apply as there was no dividend declared and paid last year.

### **38.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.

**For and on Behalf of the Board**

**Registered office:**

**404, Shekhawati Complex,  
Station Road, JAIPUR**

**Dated: 5<sup>th</sup> August, 2017**

**(RAJSHREE PATNI)**

**(DIRECTOR)**

**DIN NO.:06934858**

**(HARISH CHAND JAIN)**

**CHAIRMAN & MANAGING DIRECTOR**

**DIN NO.: 01504391**

## CEO / CFO CERTIFICATE

To,  
The Board of Directors  
Rajasthan Tube Manufacturing Company Limited

We Harish Chand Jain, Managing Director and Pradeep Jain, Chief Financial Officer of Rajasthan Tube Manufacturing Company Limited certify that:

1. We have reviewed financial statements and the cash flow statement and Board's Report of Rajasthan Tube Manufacturing Company Limited for the year ended 31st March, 2017 and to the best of our knowledge, belief and information:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to ratify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - i. that there are no significant changes in internal control over financial reporting during the year;
  - ii. that there are no significant changes in accounting policies during the year; and
  - iii. that there are no instances of significant fraud of which we have become aware.

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

	PRADEEP JAIN (CHIEF FINANCIAL OFFICER)	(HARISH CHAND JAIN) CHAIRMAN & MANAGING DIRECTOR DIN NO.:01504391
Dated: 30 <sup>th</sup> May, 2017		

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

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and Senior Management Personnel of the Company. The same has also been posted on the weblink <http://rajtube.com/data/cc.pdf> It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2017 as envisaged in SEBI (Listing Obligations

and Disclosure Requirements) Regulations 2015.

For the purpose of this declaration, senior management personnel means the means the members of the Management one level below the Managing Director of the Company as 31 March, 2017.

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

	(HARISH CHAND JAIN) CHAIRMAN & MANAGING DIRECTOR DIN NO.:01504391
Dated: 30 <sup>th</sup> May, 2017	

# AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To  
**The Members,**  
**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, 2017, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to 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 a review of the procedures and implementation thereof, 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 provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with the stock exchanges.

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

For Giriraj & Lohiya  
Chartered Accountants  
(FRN-006031C)

Jaipur  
Dated:30<sup>th</sup> May, 2017

(Giriraj Prasad)  
Partner  
(Membership No.73380)

## EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L27107RJ1985PLC003370
REGISTRATION DATE	29/07/1985
NAME OF THE COMPANY	RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED
CATEGORY/SUB-CATEGORY OF THE COMPANY	PUBLIC COMPANY/LIMITED BY SHARES
ADDRESS OF THE REGISTERED OFFICE AND CONTACT DETAILS	404, SHEKHAWATI COMPLEX, STATION ROAD, JAIPUR TEL-0141-2372734 EMAIL: <a href="mailto:RAJTUBE@HOTMAIL.COM">RAJTUBE@HOTMAIL.COM</a>
LISTED COMPANY (YES/NO)	YES
NAME, ADDRESS AND CONTACT DETAILS OF REGISTRAR AND TRANSFER AGENT	BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD. BEETAL HOUSE, 3 <sup>RD</sup> FLOOR, 99 MADANGIR, BEHIND LOCAL SHOPPING CENTRE, NEAR DADA HARSUKH DAS MANDIR, NEW DELHI-110062 Tel No. 91-11-2996 1281-83 Fax- 91-11-2996 1284

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	ERW Steel Tube Pipes	99611925	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- NIL****IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

h) Category-wise Share Holding





h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									
<b>2. Non- Instituti ons</b>									
a) Bodies Corp.									
i) Indian	304595	115700	420295	9.33	288623	115700	404323	8.97	(0.36)
ii) Overseas									
b) Individual s									
i) Individual sharehold ers holding nominal share capital upto Rs. 2 lakh	681736	487714	1169450	25.94	670841	486714	1157555	25.68	(0.26)
ii) Individual sharehold ers holding nominal share capital in excess of Rs 2 lakh	646256	47210	693466	15.38	516580	47210	563790	12.51	(2.87)
c) Others (specify)									
Non Resident Indians	7492	29500	36992	0.82	7492	29500	36992	0.82	0.00
Clearing Members									
HUF	435536	-	435536	9.66	439436	-	439436	9.75	0.09
<b>Sub-total (B)(2):-</b>	2075615	680124	2755739	61.13	1922972	679124	2602096	57.73	(3.4)
Total Public Sharehold ing (B)=(B)(1) + (B)(2)	2075615	680124	2755739	61.13	1922972	679124	2602096	57.73	(3.4)

C. Shares held by Custodian for GDRs & ADRs					-	-	-	-	-
<b>Grand Total (A+B+C)</b>	3827676	680124	4507800	100	3828676	679124	4507800	100	0

ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Share holding at the end of the year 31.03.2017			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Tridev Finance Co. Ltd.	392262	8.70	-	545938	12.11	-	3.41
2	Kanta Devi Jain	182550	4.05	-	182550	4.05	-	-
3	Saurabh Jain	203822	4.52	-	203822	4.52	-	-
4	Harish Chand Jain	282796	6.27	-	282796	6.27	-	-
5	Pradeep Jain	190849	4.24	-	190849	4.24	-	-
6	Rajshree Patni	169661	3.77	-	169661	3.76	-	(0.01)
7	Deepika Manakchand Jain	330121	7.32	-	330088	7.32	-	-
	Total	1752061	38.87	-	1905704	42.27	-	3.4

iii) Change in Promoters' (Directors & their relatives) Shareholding

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	TRIDEV FINANCE CO. LTD. At the beginning of the year- 392262	392262	8.70		
	17.06	134876	Transfer	527138	11.69
	30.06	18800	Transfer	545938	12.11
	At the end of the year			<b>545938</b>	<b>12.11</b>
2.	DEEPIKA MANAKCHAND JAIN At the beginning of the year-330121	330121	7.32		
	08.04.2016	-21	Transfer	330100	7.32
	15.04.2016	-12	Transfer	330088	7.32
	At the end of the year			<b>330088</b>	<b>7.32</b>

\* There is no change in the shareholding of any other promoters/directors between 01.04.2016-31.03.2017

**iv) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the top ten shareholders				
1.	Binod Kumar Tholia	412547	9.15	412547	9.15
2.	Raj Kumari Tholia	223500	4.96	223500	4.96
3.	Anita Poddar	200000	4.44	200000	4.44
3.	Swastika Investmart Limited At the beginning of the year- 188803	188803	4.19		
	08.04.2016    15    Transfer			188818	4.19
	15.04.2016    9    Transfer			188827	4.19
	22.04.2016    19    Transfer			188846	4.19
	At the end of the year			188846	4.19
5.	Subramanian P	93080	2.06	93080	2.06
6.	Transpower Marketing (P) Ltd	50000	1.11	50000	1.11
7.	Sushma Mercantile (P) Ltd	50000	1.11	50000	1.11
8.	Lata Jain	25040	0.55	25040	0.55
9.	B Lodha Securities Ltd.	25000	0.55	25000	0.55
10.	B Raj Capfin Private Limited	24000	0.53	24000	0.53

**v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Harish Chand Jain (MD)	282796	6.27	282796	6.27
2.	Rajshree Patni (Director)	169661	3.77	169661	3.77
3.	Pradeep Jain (CFO)	190849	4.24	190849	4.24

\*The directors and KMP (except above) do not hold any shares in the company during the financial year 2016-17.

**V. INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	205267285	-	-	205267285
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-

<b>Total (i+ii+iii)</b>	205267285	-	-	205267285
<b>Change in Indebtedness during the financial year</b>				
* Addition				
* Reduction	30735518	-	-	30735518
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	174531767	-	-	174531767
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	174531767			174531767

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		HARISH CHAND JAIN (M.D)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	720000	720000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	720000/-	720000/-
	Ceiling as per the Act	84 lakhs	-

### B. Remuneration to other directors-

No other director draws remuneration except sitting fees for attending meetings.

S.No.	Name of Director	Fee for attending per meeting	Other	Total
1.	Mrs. Rajshree Patni	750	Nil	750
2.	Mr. Sunil Kumar Jain	750	Nil	750
3.	Mr. Deepesh Jain	750	Nil	750
4.	Mr. Mahendra Kumar Jain	750	Nil	750

*C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD*

SN	Particulars of Remuneration	Key Managerial Personnel		
		Komal Jain	Pradeep Jain	Total
1	Gross salary	102667	480000	582667
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others specify...	-	-	-
5	Others, please specify	-	-	-
	Total	102667	480000	582667

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

**For and on Behalf of the Board**

**Registered office:  
404, Shekhawati Complex,  
Station Road, JAIPUR  
Dated: 5<sup>th</sup> August, 2017**

**(RAJSHREE PATNI)  
(DIRECTOR)  
DIN NO.:06934858**

**(HARISH CHAND JAIN)  
CHAIRMAN & MANAGING DIRECTOR  
DIN NO.: 01504391**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis**

NONE; DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS.

- (a) Name(s) of the related party and nature of relationship: NA
- (b) Nature of contracts/ arrangements/ transactions: NA
- (c) Duration of the contracts/ arrangements/ transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Justification for entering into such contracts or arrangements or transactions: NA
- (f) Date(s) of approval by the Board: NA
- (g) Amount paid as advances, if any: NA
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

**2. Details of material contracts or arrangement or transactions at arm's length basis**

NONE: DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL CONTRACT OR ARRANGEMENT.

(\*As defined under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the Company.)

- (a) Name(s) of the related party and nature of relationship: NA
- (b) Nature of contracts/ arrangements/ transactions: NA
- (c) Duration of the contracts/ arrangements/ transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Date(s) of approval by the Board, if any: NA
- (f) Amount paid as advances, if any: NA

Registered office:

For and on Behalf of the Board

404, Shekhawati Complex,  
Station Road, JAIPUR  
Dated: 5<sup>th</sup> August, 2017

(HARISH CHAND JAIN)  
CHAIRMAN & MANAGING DIRECTOR  
DIN NO.: 01504391

(RAJSHREE PATNI)  
(DIRECTOR)  
DIN NO.:06934858

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

**The Members**

**Rajasthan Tube Manufacturing Company Ltd**  
**404, Shekhawati Complex, Station Road**  
**JAIPUR- 302006**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rajasthan Tube Manufacturing Company Ltd (CIN: L27107RJ1985PLC003370) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (Not Applicable to the Company during the Audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not Applicable to the Company during the Audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not Applicable to the Company during the Audit period)



I have also examined compliance with the applicable clauses of The Listing Agreements entered into by the Company with Stock Exchanges and the Secretarial Standards as issued by the Institute of the Company Secretaries of India.

During the audit period under review and as per information and clarifications provided by the management, I hereby confirm that the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned above subject to the observations as mentioned hereinabove.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes took place in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that an order dated 29.12.2016 was issued by the Ministry of Corporate Affairs to the Company under sub-section (4) of Section 206 of the Companies Act, 2013 seeking clarification regarding the financials filed by the Company for the years 31/03/2008, 31/03/2014 and 31/03/2015. A reply for the same was given to the Ministry in the adequate time period.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Megha Khandelwal and Associates  
(Company Secretaries)

Megha Khandelwal  
Proprietor  
M. No. 35990  
C.P. No. 13405

Place: Jaipur  
Date: 5<sup>th</sup> August, 2017

To  
The Members  
Rajasthan Tube Manufacturing Company Ltd  
CIN: L27107RJ1985PLC003370  
404, Shekhawati Complex, Station Road  
JAIPUR- 302006

Our report of even date is to be read along with this letter.

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Place: Jaipur  
Date: 5<sup>th</sup> August, 2017

Sd/-  
For Megha Khandelwal and Associates  
Company Secretaries  
Megha Khandelwal  
M. No. 35990  
C.P. No. 13405

# INDEPENDENT AUDITORS' REPORT

To  
The Members of  
RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

## **Report on the Financial Statements**

We have audited the accompanying financial statements of RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **Basis of Qualified Opinion**

Refer Note No.-28 regarding non-provision of gratuity payable as per AS-15. The gratuity liability as per AS-15 for the year amounting to Rs.319963/- and cumulative liability as on 31.03.2017 amounting to Rs.711586/- has not been accounted in the financial statement consequently the loss for the year is understated by Rs. 319963/- and non-current liabilities are understated by Rs.709640/- and current liabilities

are understated by Rs 1946/- and Reserve and surpluses are overstated by Rs.711586/- as on 31.03.2017.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis of qualified opinion paragraphed above*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Losses and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) Except for the matter described in the basis for Qualified Opinion paragraph, In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of March 31, 2017.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The company has provided requisite disclosures at note No.-39 in its financial statements as to holding as well as dealing in specified bank notes (SBN) during the period from 8<sup>th</sup> Nov to 30<sup>th</sup> Dec 2016 and they are in accordance with the book of accounts maintained by the company.

For Giriraj & Lohiya  
Chartered Accountants  
(FRN-006031C)

Jaipur  
Dated: 30<sup>th</sup> May, 2017

(Giriraj Prasad)  
Partner  
(Membership No.73380)

**ANNEXURE-A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE**

**Re. Rajasthan Tube Manufacturing Company Limited:**

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
3. The Company has granted loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - (b) In the case of the loans granted to the body corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities granted in respect of which provisions of Section 185 of the Companies Act 2013 are applicable and hence not commented upon. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has complied with provisions of Section 186 of the Companies Act 2013 in respect of loans and investments made during the year.
5. The Company has not accepted any deposits from public.
6. We have broadly reviewed the books of accounts maintained by the Company, pursuant to rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not,

however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, value added tax, Excise Duty, Cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. 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 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
RVAT ACT 2003	VAT	2013-2014	2621772	Appellate Authority

- b) 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.
8. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. Further, the Company does not have any debentures and loan from financial institution or government.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the

related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Giriraj & Lohiya  
Chartered Accountants  
(FRN-006031C)

Jaipur:  
Dated: 30<sup>th</sup> May, 2017

(Giriraj Prasad)  
Partner  
(Membership No.73380)

## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Rajasthan Tube Manufacturing Company Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Giriraj & Lohiya  
Chartered Accountants  
(FRN- 006031C)

Jaipur:  
Dated: 30<sup>th</sup> May, 2017

(Giriraj Prasad)  
Partner  
(Membership No. 73380)

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED  
BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

		Rupees in Rs.	
		As at	As at
		31.03.2017	31.03.2016
A.	EQUITY AND LIABILITIES	Note No.	
	<b>1. Shareholders' Funds</b>		
	(a) Share Capital	3	44998500
	(b) Reserves and Surplus	4	49418175
			<u>81720123</u>
	<b>2. Non-Current Liabilities</b>		
	(a) Long term borrowings	5	226592
			<u>-</u>
	<b>3. Current Liabilities</b>		
	(a) Short Term Borrowings	6	205267285
	(b) Trade Payables	30	
	i. Total outstanding dues of micro enterprises and small enterprises		-
	ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		143594819
	(c) Other Current Liabilities	7	3720692
	(d) Short Term Provisions	8	10326394
			<u>310814278</u>
	<b>TOTAL</b>		<b><u>392534401</u></b>
	<b>B. ASSETS</b>		
	<b>1. Non-current Assets</b>		
	(a) Fixed Assets	9	
	i. Property, Plant and equipment		20197376
	(b) Non-Current Investments	10	907000
	(c) Deferred tax assets (Net)	11	9096312
	(d) Long Term Loans and Advances	12	14922838
	(e) Other Non-Current Assets	13	217562
			<u>50073717</u>
	<b>2. Current Assets</b>		
	(a) Inventories	14	225251730
	(b) Trade Receivables	15	101497427
	(c) Cash and Bank Balance	16	14567790
	(d) Short Term Loans and Advances	17	69382579
	(e) Other Current Assets	18	1511843
			<u>342460684</u>
	<b>TOTAL</b>		<b><u>457552457</u></b>

**C. SIGNIFICANT ACCOUNTING POLICIES**

**NOTE ON FINANCIAL STATEMENT**

1-42

As per our Report even date Attached

FOR AND ON BEHALF OF THE BOARD

For GIRIRAJ & LOHIYA  
Chartered Accountants  
(FRN-006031C)

(HARISH CHAND JAIN)  
CHAIRMAN & MANAGING DIRECTOR  
DIN NO.:01504391

JAIPUR,  
30th May, 2017

(GIRIRAJ PRASAD)  
PARTNER  
M.NO.-73380

(RAJSHREE PATNI)  
DIRECTOR  
DIN NO.:06934858

(KOMAL JAIN)  
COMPANY SECRETARY  
M.NO. A40470

(PRADEEP JAIN)  
CFO

# RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2017

	Note No.	For the Year 31.03.2017	Rupees in Rs. For the Year 31.03.2016
I Revenue from Operation(Gross)	19	797255451	875622431
Less: Excise Duty		<u>58778114</u>	<u>67222420</u>
Revenue from Operation(Net)		738477337	808400011
II Other Income	20	<u>936627</u>	<u>1078543</u>
III TOTAL REVENUE		<u>739413964</u>	<u>809478554</u>
IV EXPENSES			
Cost of Material Consumed	21	739182774	782770261
Change in Inventories of Finished Goods, Stock- in-Process and Stock-in-Trade	22	(28960637)	(13862722)
Employee Benefit Expenses	23	7186426	6731954
Finance Costs	24	23937400	23751693
Depreciation and amortization Expenses	9	1276823	1697517
Other Expenses	25	<u>15165347</u>	<u>17118504</u>
TOTAL EXPENSES		<u>757788133</u>	<u>818207207</u>
V Profit/(Loss) Before Exceptional And Extra Ordinary Items & Tax (III-IV)		(18374169)	(8728653)
VI Exceptional Items		-	-
VII Profit/(Loss) Before Extra Ordinary Items & Tax (V-Vi)		(18374169)	(8728653)
VIII Extraordinary items		-	-
IX Profit/(Loss) Before Tax(VII-VIII)		(18374169)	(8728653)
X Tax Expense			
Current Tax		-	-
Deferred Tax		<u>(5677617)</u>	<u>(11030200)</u>
XI Profit/(Loss)from continuing operations(IX-X)		(12696552)	2301547
XII Profit/(Loss)from Discontinuing operations		-	-
XIII Tax expenses of Discontinuing operations		-	-
XIV Profit/(Loss)from Discontinuing operations After Tax (XII-XIII)		-	-
XV PROFIT/(LOSS) FOR THE YEAR		<u>(12696552)</u>	<u>2301547</u>
XVI EARNINGS PER EQUITY SHARE			
(Face value of Rs.10/- each)	35	(2.81)	0.51
Basic		(2.81)	0.51
Diluted			

**SIGNIFICANT ACCOUNTING POLICIES**

1-42

**NOTE ON FINANCIAL STATEMENT**

As per our Report of even date Attached

For GIRIRAJ & LOHIYA  
Chartered Accountants  
(FRN-006031C)

(HARISH CHAND JAIN)  
CHAIRMAN & MANAGING DIRECTOR  
DIN NO.:01504391

JAIPUR,  
30th May, 2017

(GIRIRAJ PRASAD)  
PARTNER  
M.NO.-73380

(RAJSHREE PATNI)  
DIRECTOR  
DIN NO.:06934858

(KOMAL JAIN)  
COMPANY SECRETARY  
M.NO. A40470

(PRADEEP JAIN)  
CFO

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2017

	Year Ended 31-3-2017	(Rs."000) Year Ended 31-3-2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss Before Tax and Extra-Ordinary Items	(18374)	(8729)
Adjustment for:		
Depreciation	1277	1698
(Profit)/Loss on Sale of Fixed Assets	-	-
Investment Income (Interest on Deposits etc.)	(937)	(1079)
Interest Expenses	<u>23937</u>	<u>23752</u>
<b>Operating Profit before working Capital Changes</b>	<b>5903</b>	<b>15642</b>
Movements in working capital:		
<b>Decrease/(Increase) in Trade and other Receivables</b>	(7374)	(9150)
<b>Decrease/(Increase) Inventories</b>	34806	(4182)
<b>(Decrease)/Increase in Trade Payables</b>	(19962)	39086
<b>Decrease/(Increase) in Long Term Loans and Advances</b>	(273)	(433)
<b>Decrease/(Increase) in Short Terms Loans &amp; Advances</b>	40237	(16625)
<b>Decrease/(Increase) in Other Non-Current Assets</b>	-	-
<b>Decrease/(Increase) in Other Current Assets</b>	356	(254)
<b>(Decrease)/Increase in Short Term Provisions</b>	13	313
<b>(Decrease)/Increase in Other Current Liabilities</b>	<u>(1410)</u>	<u>(6841)</u>
<b>Cash Generated from Operations</b>	52296	17556
Less: Income Tax Paid (Net of Refunds)	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b><u>52296</u></b>	<b><u>17556</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
(Purchase)/Sale of Fixed Assets, including intangible assets, CWIP and capital Work-in-Progress	(59)	(1181)
Interest Received	937	1079
Increase/(Decrease) in Long Term Borrowings	(227)	202
Increase in Interest Accrued on Investment	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b><u>651</u></b>	<b><u>100</u></b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/(Decrease) in Short Term Borrowings	(30736)	4450
<b>Interest Paid</b>	<u>(23937)</u>	<u>(23752)</u>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b><u>(54673)</u></b>	<b><u>(19302)</u></b>
<b>Net Increase/Decrease in Cash and Cash Equivalentents</b>	<b>(1726)</b>	<b>(1646)</b>
Cash and Cash Equivalentents as at (Opening Balance)	<u>14568</u>	<u>16214</u>
Cash and Cash Equivalentents as at (Closing Balance)	12842	14568
Note: Figures in Brackets Represent Outflows.		
As per our Report of even date Attached		

FOR AND ON BEHALF OF THE BOARD

For GIRIRAJ & LOHIYA  
Chartered Accountants  
(FRN-006031C)

(HARISH CHAND JAIN)  
CHAIRMAN & MANAGING DIRECTOR  
DIN NO.:01504391

JAIPUR,  
30th May, 2017

(GIRIRAJ PRASAD)  
PARTNER  
M.NO.-73380

(RAJSHREE PATNI)  
DIRECTOR  
DIN NO.:06934858

(KOMAL JAIN)  
COMPANY SECRETARY  
M.NO. A40470

(PRADEEP JAIN)  
CFO

# RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

## NOTES 1 TO 42: NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION:

Rajasthan Tube Manufacturing Company Limited is a Public limited company domiciled in India and incorporated under the provision of the Companies Act 1956. The Company is engaged in manufacturing and trading of Black and Galvanised ERW Steel Tubes and Pipes.

### 2 SIGNIFICANT ACCOUNTING POLICIES:

#### (A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the rule 7 of the Companies (Accounts) Rules, 2014 and relevant Provisions of the companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention as a going concern. The accounting policies adopted in preparation of financial statement are consistent with those followed in the previous year.

Accounting policies not specifically referred to otherwise have been followed consistently and are in consonance with generally accepted accounting principles.

#### (B) USE OF ESTIMATES:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### (C) IMPAIRMENT OF ASSETS:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carry amount of the assets exceeds the recoverable amount. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is revised if there has been change in the estimate of the recoverable amount.

#### (D) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION:

Property, Plant and Equipment are carried at cost less accumulated depreciation / amortization and impairment of losses if any, in the books of accounts. The company capitalized all costs incidental to acquisition and installation of fixed assets. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Depreciation

Depreciable amount for asset is the cost of an asset less its estimated residual value. Depreciation on Property, Plant and Equipment is charged on straight line method as per useful life of prescribed in Schedule II to the Companies Act, 2013 except on GI Plant and Building which have commenced commercial production w.e.f. 16th February, 1996, and vehicles purchased after 01-04-1998 depreciation has been provided on written down value method as per useful life of prescribed in Schedule II to the Companies Act, 2013.

From the date Schedule II of the Companies Act 2013 comes into effect, the carrying amount of the assets as on that date after retaining the residual value has been depreciated over the remaining useful life of the assets as per this Schedule. Depreciation methods, useful lives and residual values are reviewed periodically, at each financial year end. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under non-current assets and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

**(E) VALUATION OF INVENTORIES:**

Inventories are valued at the lower of cost and the net realizable value after providing for obsolescence and damages. As per the consistent practice of the company, while valuing stocks, the relative impact/incidence of overheads has been considered. Cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition and estimated apportioned overheads. Finished goods lying in factory premise are valued inclusive of excise duty. Goods sent on Consignment held in stock have been valued at the Invoice Price. Cost of inventories are determined on FIFO basis.

Net realizable value represents the estimated selling price for inventories less all estimated cost of completion and costs necessary to make the sale

**(F) REVENUE RECOGNITION:**

All revenues are accounted for on accrual basis except where there is no reasonable certainty.

Sales are recognized net of returns, rebate, claims, Freight and discount, on transfer of significant risk and reward of ownership to the buyer, which generally coincide with the delivery of good to the customers. Consignment Sales are recognized on receipt of statement of account from the Agent. Sales include excise duty but excludes sales tax / value added tax.

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

Interest income is accounted on accrual basis. Dividend income if any is accounted on receipt basis

**(G) INVESTMENT:**

Long term Investments are carried at cost less Provision for diminution other than temporary if any, in value of such investment. Reduction (Provision) is determined and made for each investment individually.

Current investments are carried in the financial statements are lower of cost and fair value. Fair value is determined either on an individual investment basis or by category of investment, but not on an overall basis.

**(H) BORROWING COSTS:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

**(I) EMPLOYEE BENEFITS:**

i) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss accounted of the year in which the related services are rendered. Benefits such as salaries, bonus, incentives etc. are recognized in the period in which employees rendered services. Employee benefit such as PF, family pension, ESI etc. are treated as defined contribution plan and such contributions are charged to P&l account when contribution to the respective funds are applicable and due.

ii) the company's liability on account of gratuity are determined at each financial year on the basis of actuarial valuation in respect of eligible employees.

**(J) ACCOUNTING FOR TAXES ON INCOME:**

- i) Provision for current tax is made on the basis of estimated tax liability as per the applicable provisions of tax laws.
- ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes 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 recognized to the extent there is reasonable certainty that the assets can be realized in future.

**(K) CASH FLOW STATEMENT:**

Cash Flow statement is prepared by the indirect method set out in the Accounting Standard 3 on the Cash Flow Statements and present the Cash Flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the cash flow statement consist of cash on hand and cash at bank and demand deposits with bank.

**(L) EARNING PER SHARE:**

Basic earnings per share is calculated by dividing the net Profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. for the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**(M) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**3 SHARE CAPITAL**

	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
<b>Authorised</b>		
80,00,000 (Previous Year 80,00,000) Equity Shares of Rs.10/- each	8,00,00,000 =====	8,00,00,000 =====
<b>Issued, Subscribed &amp; Paid up</b>		
45,07,800 (Previous Year 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>Reconciliation of Number of Shares</b>		
	Number of Shares	Number of Shares
Equity Shares		
Opening Balance	45,07,800	45,07,800
Changes During The year	-	-
Closing Balance	45,07,800	45,07,800

**a) Rights, Preferences and restrictions attached to shares.**

**Equity Shares:**

The Company has one class of equity shares having a par value of Rs.10/- each. Each Shareholder is eligible for one vote per share held. In the event of Liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts if any, in proportion to their shareholding.

- b) During the period of five financial years immediately preceding the Balance Sheet date, the company has not:
- I. allotted any fully paid-up equity shares by way of bonus shares;
  - II. allotted any equity shares pursuant to any contract without payment being received in cash;
  - III. brought back any equity shares
- c) The Company has calls in arrears / unpaid calls amounting to 79,500/-, however it does not have any outstanding calls due from directors and officers of the company.

**d) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company.**

	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
Equity Shares	Number of Share (%)	Number of Share (%)
TRIDEV FINANCE COMPANY LIMITED	545938 (12.11%)	392262 (8.70%)
HARISH CHAND JAIN	282796 (6.27%)	282796 (6.27%)
DEEPIKA MANAK CHAND JAIN	330088 (7.32%)	330121 (7.32%)
BINOD KUMAR THOLIYA HUF	412547 (9.15%)	412547 (9.15%)

**4 : RESERVES & SURPLUS**

<b>General Reserve</b>		
<b>Opening balance</b>	<u>6101636</u>	<u>6101636</u>
	<u>6101636</u>	<u>6101636</u>
<b>Securities Premium Account</b>		
<b>Opening balance</b>	16539000	16539000
Less: allotment Money due towards Premium account	<u>26500</u>	<u>26500</u>
	<u>16512500</u>	<u>16512500</u>
<b>Investment Allowance Utilization Reserve</b>	1747490	1747490
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	25056549	22755002
Add: Profit/(Loss) for the year	<u>(12696552)</u>	<u>2301547</u>
	<u>12359997</u>	<u>25056549</u>
	<b><u>36721623</u></b>	<b><u>49418175</u></b>

**5 : LONG-TERMS BORROWINGS**

<b>SECURED LOANS</b>		
<b>From Other</b>	0.00	388064
<b>(Sundaram Finance Limited)</b>		
<b>Less: Amount disclosed under the head other</b>	<u>0.00</u>	<u>(161472)</u>
<b>current liabilities</b>	<u>0.00</u>	<u>226592</u>

**NOTE:**

In the previous year the term loan on vehicle is secured by hypothecation of vehicle financed repayment term is 36 equated monthly installments of Rs.16170 from 03.07.15 to 03.06.2018 interest rate 10.31% monthly compounded.

**6 : SHORT-TERM BORROWINGS**

<b>SECURED LOANS (FROM BANKS)</b>		
<b>ON CASH CREDIT ACCOUNT</b>	<u>174531767</u>	<u>205267285</u>
<b>(With SBI)</b>	<u>174531767</u>	<u>205267285</u>



**NOTE:**

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 fixed assets of Company and personal guarantee of Shri Harish Chand Jain, Managing Director of the company.

<b>7 : OTHER CURRENT LIABILITIES</b>	<u>As at</u> <u>31.03.2017</u>	<u>As at</u> <u>31.03.2016</u>
TDS PAYABLE	11467	6474
CURRENT MATURITIES OF LONG TERM BORROWINGS	0.00	198496
OTHER LIABILITIES	<u>2299241</u>	<u>3515722</u>
	<u>2310708</u>	<u>3720692</u>

**8 : SHORT-TERM PROVISIONS**

PROVISION FOR EXCISE ON FINISHED GOODS	10294703	8865394
PROVISION FOR AUDIT FEES	45000	61000
PROVISION FOR TAXATION	<u>0.00</u>	<u>1400000</u>
	<u>10339703</u>	<u>10326394</u>

**9 : FIXED ASSETS**

Depreciation	Gross Block As at 1.04.2016	Addition	Deletion/Adjustment	Gross Block As at 31.03.2017	Accumulated Depreciation as at 1.4.2016	Depreciation for the year	Deletion/Adjustment	Accumulated Depreciation as at 31.3.17	Net Block Value as at 31.3.17	Net Block Value as at 31.3.16
(a) PROPERTY, PLANT AND EQUIPMENT TANGIBLE ASSETS (OWNED)	-	-	-	-	-	-	-	-	-	-
Freehold Land	4752650	-	-	4752650	-	-	-	-	4752650	4752650
Building	23365669	-	-	23365669	11665598	561398	-	12226996	11138673	11700071
Plant & Machinery	50448136	-	-	50448136	48154985	227795	-	48382780	2065356	2293151
Furniture & Fixtures	352296	-	-	352296	329504	2871	-	332375	19921	22792
Vehicles	10922724	58550	-	10981274	9689797	408211	-	10098008	883266	1232927
Office Equipment's	1060073	-	-	1060073	864288	76548	-	940836	119237	195785
<b>Total</b>	<b>90901548</b>	<b>58550</b>	<b>-</b>	<b>90960098</b>	<b>70704172</b>	<b>1276823</b>	<b>-</b>	<b>71980995</b>	<b>18979103</b>	<b>20197376</b>
Previous Year	89720557	1180991	-	90901548	69006655	1697517	-	70704172	20197376	20713902

10: NON-CURRENT INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)	As at 31.03.2017	As at 31.03.2016
<b>TRADE INVESTMENTS (UNQUOTED)</b>		
<b>A) 54500 Equity Share of Rs.10 each fully paidup of M/s Tridev Finance Company Ltd. (Previous year 54500 Equity Shares of Rs.10/- each fully paidup)</b>	545000	545000
<b>b) INVESTMENT IN GOVERNMENT SECURITIES</b>		
N.S.C.	<u>362000</u>	<u>362000</u>
TOTAL	<u>907000</u>	<u>907000</u>
AGEREGATE AMOUNT OF UNQUOTED INVESTMENTS	907000	907000
<b>11: DEFERRED TAX Assets (NET)</b>		
<b>DEFERRED TAX ASSETS</b>		
DIFFERENCE BETWEEN CARRYING AMOUNT OF FIXED ASSETS IN THE FINANCIAL STATEMENT AND THE INCOME TAX COMPUTATION AND TAX EFFECT OF UNABSORBED LOSS & DEPRECIATION	14773929	9096312
	<u>14773929</u>	<u>9096312</u>
<b>12: LONG-TERM LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)</b>		
SECURITIES DEPOSIT	<u>15196123</u>	<u>14922838</u>
THE AMOUNT DUES BY:		
DIRECTORS	NIL	NIL
OFFICERS EITHER SEVERALLY OR JOINTLY WITH OTHER PERSONS	NIL	NIL
FIRMS OR PRIVATE COMPANIES IN WHICH ANY DIRECTOR IS PARTNER OR DIRECTOR OR A MEMBER	NIL	NIL
<b>13: OTHER NON-CURRENT ASSETS</b>		
INTEREST ACCRUED ON NSC	<u>217562</u>	<u>217562</u>
<b>14: INVENTORIES</b>		
<b>AT LOWER OF COST OR NET RELIZABLE VALUE</b>		
RAW MATERIAL	31091508	94658099
STORES	7640500	7840500
SPARES LOOSE TOOLS	186319	186319
STOCK -IN-PROCESS	58875127	42778262
FINISHED STOCK	<u>92652322</u>	<u>79788550</u>
	<u>190445776</u>	<u>225251730</u>
<b>BREAKUP OF INVENTORIES</b>		
<b>RAW MATERIAL</b>		
HR COILS	28452549	89803201
ZINC AND OTHERS	<u>2638959</u>	<u>4854898</u>
	<u>31091508</u>	<u>94658099</u>
<b>STOCK IN PROCESS</b>		
SLITTED HR COILS	<u>58875127</u>	<u>42778262</u>
<b>FINISHED GOODS</b>		
MS PIPES	<u>92652322</u>	<u>79788550</u>

	<b>As At</b>	<b>As At</b>
	31.03.2017	31.03.2016
<b>15: TRADE RECEIVABLE</b>		
<b>(UNSECURED, CONSIDERED GOOD)</b>		
DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	15837092	18173989
OTHER DEBTS	<u>93034261</u>	<u>83323438</u>
THE AMOUNT DUES BY:	<u>108871353</u>	<u>101497427</u>
DIRECTORS	NIL	NIL
OFFICERS EITHER SEVERALLY OR JOINTLY WITH OTHER PERSONS	NIL	NIL
FIRMS OR PRIVATE COMPANIES IN WHICH ANY DIRECTOR IS PARTNER OR DIRECTOR OR A MEMBER	NIL	NIL
<b>16: CASH AND BANK BALANCES</b>		
BALANCE WITH BANK		
IN CURRENT ACCOUNT	31664	25943
IN FIXED DEPOSIT ACCOUNTS*	11650000	12249000
CASH ON HAND	<u>1160349</u>	<u>2292847</u>
	<u>12842013</u>	<u>14567790</u>
* Fixed Deposit with Banks include Deposit of Rs.11650000 (Previous year Rs.12249000) with maturity of more than 12 months.		
* out of which FDR pledge with bank as margin money Rs. 11650000/- (Previous yr Rs. 12249000/-)		
<b>17: SHORT-TERM LOANS AND ADVANCES</b>		
<b>(UNSECURED CONSIDERED GOOD)</b>		
PREPAID EXPENSES	1995669	2363776
OTHER ADVANCES RECOVERABLE IN CASH OR KIND FOR VALUE TO BE RECEIVED	<u>27149690</u>	<u>67018803</u>
THE AMOUNT DUES BY:	<u>29145359</u>	<u>69382579</u>
DIRECTORS		
OFFICERS EITHER SEVERALLY OR JOINTLY WITH OTHER PERSONS	NIL	NIL
FIRMS OR PRIVATE COMPANIES IN WHICH ANY DIRECTOR IS PARTNER OR DIRECTOR OR A MEMBER	NIL	NIL
	NIL	NIL
<b>18: OTHER CURRENT ASSETS</b>		
INTEREST ACCRUED ON FDR	58103	281895
TDS RECEIVABLE	<u>1098080</u>	<u>1229948</u>
	<u>1156183</u>	<u>1511843</u>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31.03.2017</b>	<b>31.03.2016</b>
<b>19: REVENUE FROM OPERATIONS</b>		
SALES OF GOODS	797255451	875622431
LESS: EXCISE DUTY	<u>58778114</u>	<u>67222420</u>
DETAILS OF SALES (FINISHED GOODS)	<u>738477337</u>	<u>808400011</u>
MS PIPES AND H.R SHEETS	738477337	808400011
<b>20: OTHER INCOME (NET)</b>		
INTEREST ON BANK DEPOSIT	862931	1020691
OTHER INTEREST	<u>73696</u>	<u>57852</u>
	<u>936627</u>	<u>1078543</u>
<b>21: COST OF MATERIAL CONSUMED</b>		
INDIGENOUS	<u>739182774</u>	<u>782770261</u>
BREAKUP OF RAW MATERIALS CONSUMED	<u>739182774</u>	<u>782770261</u>
HR COILS AND PIPES	736966835	782770261
ZINC AND OTHERS	<u>2215939</u>	<u>-</u>
	<u>739182774</u>	<u>782770261</u>

<b>22: CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE INVENTORIES (AT CLOSE)</b>	<b>Year ended 31.03.2017</b>	<b>Year ended 31.03.2016</b>
FINISHED GOODS	92652322	79788550
STOCK-IN-PROCESS	58875127	42778262
	<u>151527449</u>	<u>122566812</u>
<b>INVENTORIES (AT OPENING)</b>		
FINISHED GOODS	79788550	62640820
WORK-IN-PROGRESS	42778262	46063270
	<u>122566812</u>	<u>108704090</u>
	<u>(28960637)</u>	<u>(13862722)</u>
<b>23: EMPLOYEES BENEFIT EXPENSES</b>		
SALARIES WAGES AND BONUS	7137686	6689813
STAFF WELFARE EXPENSES	5259	9025
ESI CONTRIBUTION	9692	-
PROVIDENT FUND	33789	33116
	<u>7186426</u>	<u>6731954</u>
<b>24: FINANCE COSTS</b>		
INTEREST	23937400	23751693
<b>25: OTHER EXPENSES</b>		
CONSUMPTION OF STORES AND SPARE PARTS	1861588	2244106
POWER AND FUEL	4315687	5155392
RATE AND TAXES	319266	291558
REPAIRING MAINTENANCE OF PLANT & MACHINERY	136981	84802
LEGAL AND PROFESSIONAL AND CONSULTANCY CHARGES	123980	101955
INSURANCE	353137	312355
TRAVELLING AND CONVEYANCE	216746	203568
PRINTING AND STATIONERY	55331	25162
POSTAGE, TELEGRAM & TELEPHONE	169607	147824
BANK COMMISSION	2551153	2956945
CONSIGNMENT COMMISSION & OTHER EXPENSES	91595	97536
MISCELLANEOUS EXPENSES	563537	549902
BOARD MEETING EXPENSES	43500	24750
REMUNERATION TO AUDITOR'S	45000	45000
COST AUDIT FEES	18000	18000
VEHICLE RUNNING & MAINTENANCE	4300239	4859649
	<u>15165347</u>	<u>17118504</u>

**NOTES ON FINANCIAL STATEMENT:**

	As at 31.3.2017 (Rs.)	As at 31.3.2016 (Rs.)
(26) Contingent liabilities not provided for:		
(i) Guarantee given by Bank against which the Directors have given counter guarantees.	50000000	55075000
(ii) Letter Credit Outstanding	66000000	72400000
(27) Payment to Auditors.		
	Current Year (Rs)	Previous Year (Rs)
	-----	-----
(i) Audit fees	18500	18500
(ii) Tax Audit	11000	11000
(iii) Reimbursement of Expenses	15500	15500

(28) There is no pending encashment of leave of employees at the end of year hence no provision is required. Provision for Gratuity has not been considered as none of the employees has Completed Prescribed year of service. The company has not made provision of gratuity as per Accounting Standard (AS-15) issued by MCA for the employees who have not completed eligible year of service. The Company is following the above policy consistently and as per the actuarial valuation gratuity liability for the year amounting to Rs.319963/- and the cumulative gratuity required to be paid as on 31.03.2017 is Rs. 711586/- as per AS-15, which in the opinion of the management is not significant and material. Hence, not provided in the Financial Statements.

(29) Provision for taxation if any 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. In the opinion of Management there will be significant improvement in the business and economic conditions post demonetization and there is expectation of lowering of interest rate too, which will result in sufficient future taxable Profits. Hence, deferred tax is recognized.

(30) The Company has no amounts payable to Micro and Small Enterprises as defined in section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(31) The Company has only one segment i.e, manufacturing of ERW steel tubes, therefore segment reporting as required under Accounting Standard-17 is considered as not applicable.

(32) Related Party Transactions:

A) list of related parties where transactions have taken place:

S.NO	NAME OF RELATED PARTY	NATURE OF RELATIONSHIP
1.	Key Managerial Personnel a. Harish Chand Jain b. Pradeep Jain	Managing Director Chief Financial Officer
2.	Relative of Key Managerial Personnel a. Mr. Saurabh Jain b. Mrs. Rajshree Patni c. Mrs. Kanta Devi Jain	Son of Managing Director Daughter-in-law of Managing Director Wife of Managing Director
3.	Enterprises owned /Controlled by Key Managerial Personnel	a. Tridev Finance Company Limited

B) Transactions with related parties: -

Particulars	KMP	Relative Of KMP	Enterprises over which as mentioned above able to excise significant influence

<b>Salary Paid</b>	720000/- P.a	-	-
1. Harish Chand Jain	(720000/-P.a)		
	480000/- P.a	-	-
2. Predeep Jain	(480000/- P.a)		
	-	480000/- P.a	-
3. Saurabh Jain		(480000/- P.a)	
<b>Sitting fees</b>	3750/-	-	-
1.Hrish Chand Jain	(4500/-)		
	-	3750/-	-
2.Rajshree Patni		(4500/-)	
<b>Investment in Equity Share</b>	-	-	Rs.545000/-
1.Trived finance Co. Ltd.			(Rs.545000/-)
<b>Loans and Advances made/ repayment</b>	-	-	
1.Trived finance Co.Ltd.			15391431/-
			(24119700/-)
<b>Amount outstanding pertaining to related parties at the Balance Sheet Date</b>	Nil (Nil)	Nil (Nil)	Nil (Nil)
<b>Hiring Charges Paid to Trived finance Co.Ltd.</b>	-	-	- (72000)
<b>Loans and Advances received / paid and repayment there of</b>	-	-	15391431/- (241197000/-)
1.Trived finance Co.Ltd.			
<b>Interest Paid</b>	-	-	21431/- (-)

Figures shown in bracket ( ) indicates previous year figures

(33) The Managing Director has been paid Rs.720000/- (previous year RS.720000/-) as remuneration as per schedule V of the Companies Act, 2013. Computation of net profit for the purpose, of managerial remuneration in accordance with the Companies Act, 2013 has not been given as no commission by way of a percentage of profit is payable for the year under review.

(34) Tax deducted at source on interest income included in other income is Rs.86320/- (Previous year Rs. 102086/-).

(35) **Earning Per Share**

S.no.	Particulars	As on 31.03.2017	As on 31.03.2016
A.	Profit/(Loss)after tax: -Numerator	(12696552)	2301547
B.	Weighted average No. of equity shares:- Denominator	4507800	4507800
C.	Nominal value of shares	10/-	10/-
D.	Earnings Per share (Basic & Diluted) (A/B)	(2.81)	0.51

(36) Additional information, to the extent applicable, required under paragraphs 5(viii) (c) of general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act,2013.

A) Composition of Raw Materials Consumption:

Raw Material consumption	2016-2017		2015-2016	
A) Raw Material consumption	Value	Percentage	Value	Percentage
Imported	NIL	NIL	NIL	NIL
Indigenous	739182774	100	782770261	100

B) Value of Imports on CIF Basis:

Particulars	2016-2017	2015-2016
Raw Materials	NIL	NIL

c) Earning in Foreign Currency:

Particulars	2016-2017	2015-2016
F.O.B. Value of Export	NIL	NIL

D) Expenditure in Foreign Currency (on payment basis):

Particulars	2016-2017	2015-2016
Expenditure in Foreign Currency (on payment basis):	NIL	NIL

(37) Pursuant to Accounting Standard-29, Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2017 is as follows:

(Amt.in Rs)

Particulars	Provision for Excise duty and audit fees for 2016-2017	Provision for Excise duty and audit fees for 2015-2016
Opening Balance	8926394	7013499
Additions	10339703	8926394
Payments	61000	61000
Reversals	8865394	6952499
Closing Balance	10339703	8926394

(38) Statement of Management

(A) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts.

Provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

(B) Balance Sheet and Statement of Profit and Loss read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review.

- (39) During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R.308 (E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016. the denomination-wise SBNs and other notes as per the notification are as follows:

(Amt in Rs.)

Particulars	SBNs	Other Denomination notes	Total
Closing cash in hands as on 8.11.16	4910000.00	17930.00	4927930.00
Add: Permitted receipts	0.00	2667500.00	2667500.00
Less: Permitted payments	0.00	523709.00	523709.00
Less: Amount deposited in banks	4910000.00	0.00	4910000.00`
Closing cash in hand as on 30.12.2016	0.00	2161721.00	2161721.00

\*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated November 8, 2016

- (40) The previous year financials were audited by Pramod & Associates, another firm of Chartered accountants.
- (41) Figures have been rounded off to the nearest rupee.
- (42) The previous year's figures have been reworked, regrouped and reclassified wherever necessary so as to make them comparable with those of the current year.

As per our Report of even date

FOR AND ON BEHALF OF THE BOARD

For GIRIRAJ & LOHIYA  
Chartered Accountants  
(Registration No.006031C)

(HARISH CHAND JAIN)  
CHAIRMAN & MANAGING DIRECTOR  
DIN NO.:01504391

JAIPUR,  
30th May, 2017

(GIRIRAJ PRASAD)  
PARTNER  
M.NO.-73380

(RAJSHREE PATNI)  
DIRECTOR  
DIN NO.:06934858

(KOMAL JAIN)  
COMPANY SECRETARY  
M.NO.A40470

(PRADEEP JAIN)  
CFO



## RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

Registered folio no./DP ID no./Client ID No.

No. of shares held

Dear Member,

### **Subject: Instructions for e-voting**

Pursuant to provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 31st Annual General Meeting to be held on Saturday 23rd September, 2017, at 10.00 A.M. at Anokha Gaon, Road No. 14, VKIA Industrial Area, Jaipur.

The Company has engaged the services of **Beetal Financial & Computer Services Private Limited** and Central Depository Limited (CDSL) to provide the e-voting facility.

The e-voting facility is available at the link <https://www.evotingindia.com>

The electronic voting particulars are set out below:

EVSN (Electronic Voting Sequence Number)	User ID:	Password
170811005		

The e-voting facility will be available during the following voting period:

#### **Commencement of e-voting**

Sept 20, 2017 at 9.00 a.m.

#### **End of e-voting**

Sept 22, 2017 at 5.00 p.m.

Please read the instruction printed below before exercising your vote.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on September 23<sup>rd</sup>, 2017.

#### **Step for e-voting**

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 20<sup>th</sup> September, 2017 at 9:00 a.m. and ends on 22<sup>nd</sup> September 2017 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16<sup>th</sup> September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first-time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for M/s Rajasthan Tube Manufacturing Company Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

### **General instructions**

**a.** The e-voting period commences on Sept 20, 2017 (9.00 a.m.) and ends on Sept 22, 2017 (5:00 p.m.). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September, 16, 2017, may cast their vote electronically. The e-voting module shall also be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

**b.** Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September, 16, 2017 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

**c.** Shri Giriraj Prasad, Practicing Chartered Accountant (Membership Number 073380), Jaipur has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

**d.** The Scrutinizer shall, on the date of the Annual General Meeting after unblocking the votes cast at the meeting, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.

**e.** The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on September, 16, 2017.

**f.** The result declared along with the Scrutinizer's Report shall be placed on the Company's websites [www.rajtube.com](http://www.rajtube.com) and on the website of CDSL within three days of the passing of the resolutions at the 31st Annual General Meeting of the company on September 23, 2017, and communicated to the BSE Ltd.

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 31st Annual General Meeting of the Company.

By Order of the Board of Directors

Dated: 5<sup>th</sup> August, 2017  
Registered Office:  
404, Shekhawati Complex,  
Station Road,  
JAIPUR  
Ph No.- 0141-2372734  
CIN: L27107RJ1985PLC003370

(KOMAL JAIN)  
COMPANY SECRETARY  
M.No.-A40470

RAJASTHAN TUBE MANUFACTURING COMPANY LIMITED

CIN: L27107RJ1985PLC003370

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 31ST ANNUAL GENERAL MEETING on Saturday 23rd September, 2017 at 10.00 A.M. at "ANOKHA GAON "Near Road No.14, Vishwakarma 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.

CIN: L27107RJ1985PLC003370

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 .....

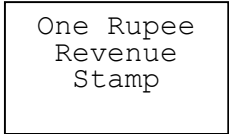
of ..... or failing him .....

of ..... ) as my/our Proxy to attend and vote for me/us

and on my/our behalf at the 31<sup>ST</sup> Annual General Meeting of the Company to be held on Saturday, the 23<sup>rd</sup> September,2017 at 10.00 A.M. and at any adjournment thereof.

Signed this ..... day of ..... 2017.

Signed by the said .....



Note : This Form in order to be effective should, completed and must be deposited within 48 hours in the registered office of the company.