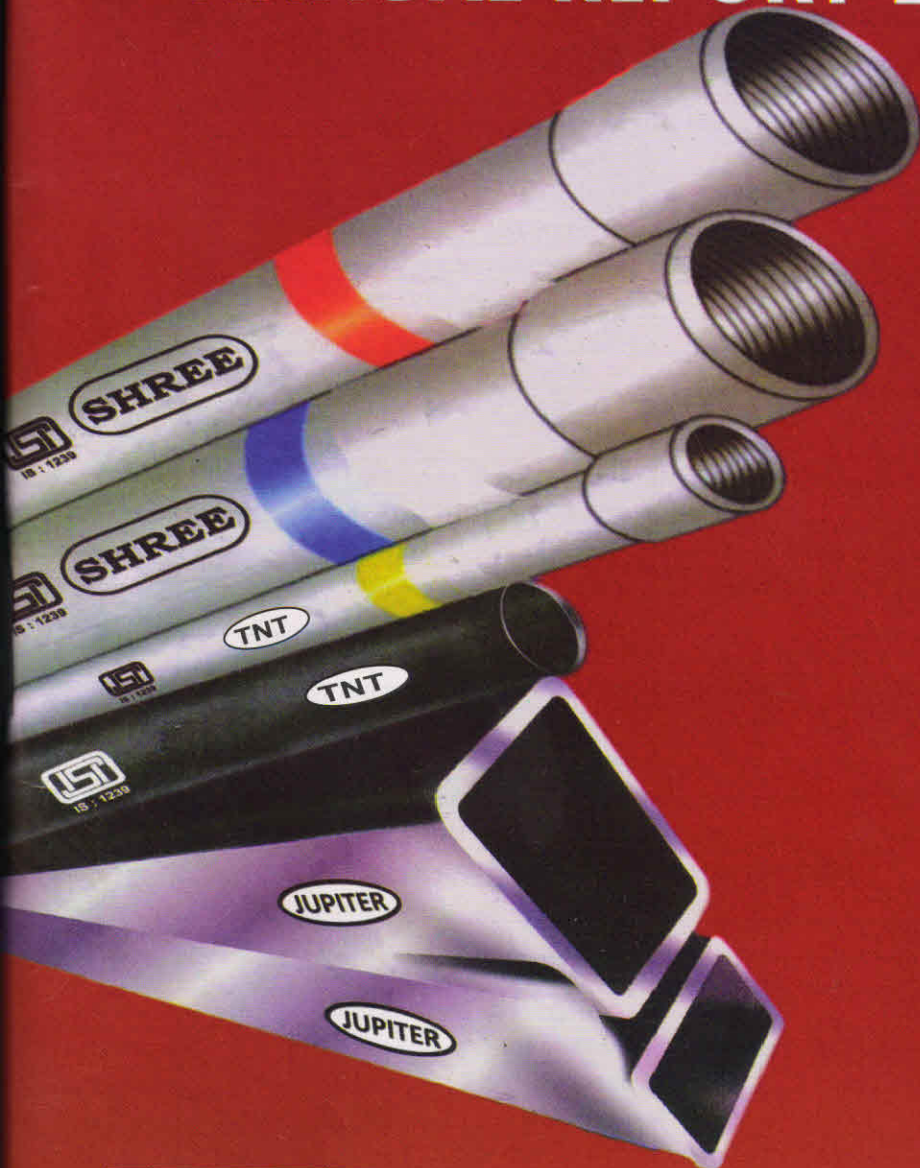




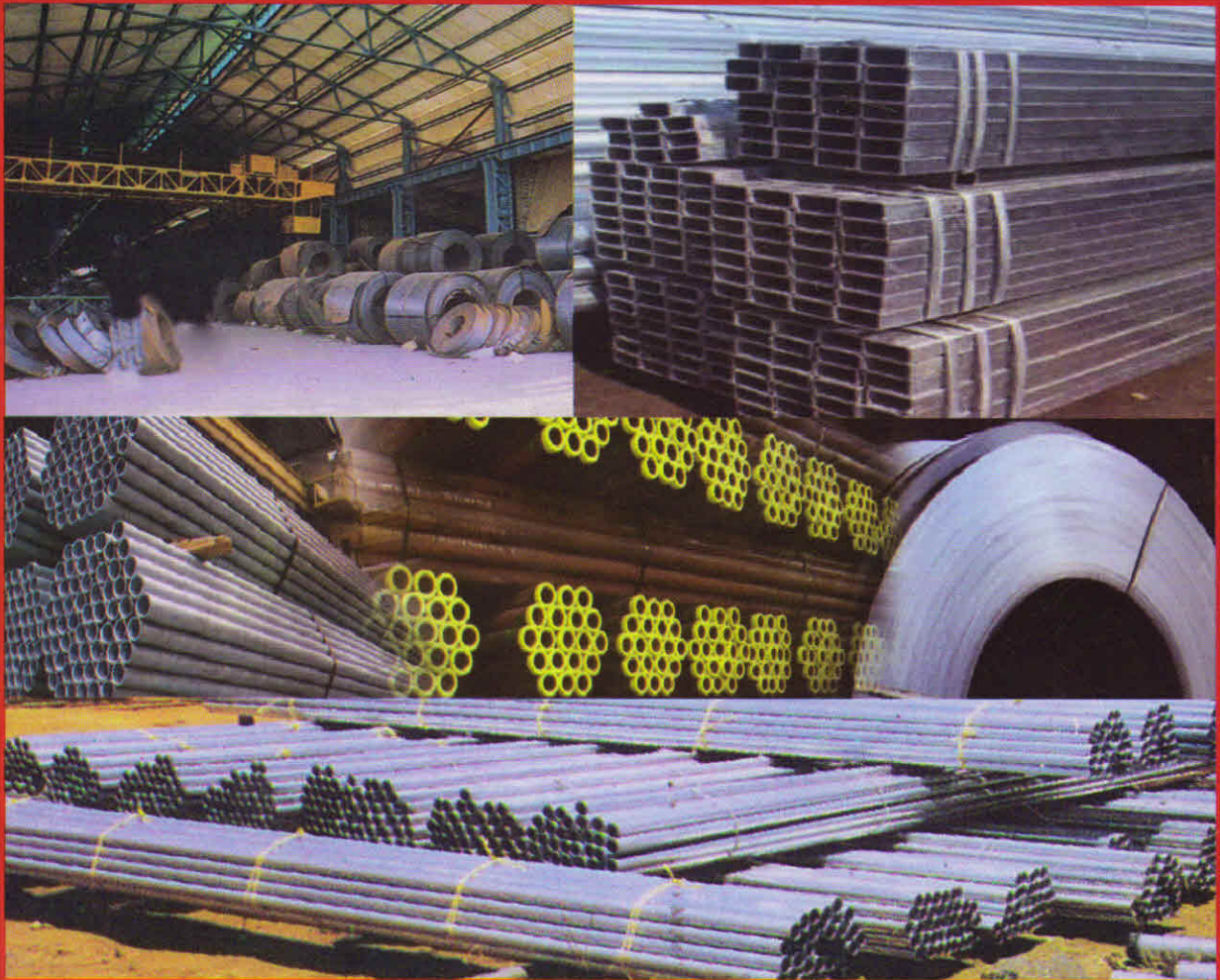
# TAMILNADU STEEL TUBES LIMITED

## ANNUAL REPORT 2014 - 2015



**BOOK POST  
PRINTED MATTER**

**To**



**TNT**

**SHREE**

**JUPITER**

**SUPER**

**STAR**

**VICTOR**

If Undelivered Please Return to :

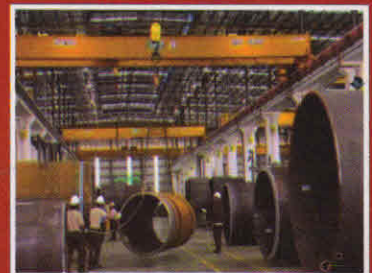
**TAMILNADU STEEL TUBES LTD.,**

REGD. OFF : MERCURY APARTMENTS, 1ST FLOOR,  
65, PANTHEON ROAD, EGMORE, CHENNAI - 600 008.

PHONE : 28555653, 28555673, 28555733 FAX : 28555643

E-MAIL : [tnstl@vsnl.net](mailto:tnstl@vsnl.net) / [tnt.share@yahoo.in](mailto:tnt.share@yahoo.in)

Web : [www.tamilnadusteeltubesltd.com](http://www.tamilnadusteeltubesltd.com)



**Works : Plot B-10, Industrial Complex, Maraimalai Nagar - 603 209, Kancheepuram District, Phone : 044-27452233**

**TAMILNADU STEEL TUBES LTD.**Regd. Office: Mercury Apts., 1<sup>st</sup> Floor, No. 65, Pantheon Road, Egmore, CHENNAI-600 008

Phones: 2855 5653 / 2855 5673; Fax: 091-044-2855 5643

**CIN : L27110TN1979PLC007887**

e-mail: tnstl@vsnl.net / tnt.share@yahoo.in / contact@tamilnadusteeltubesltd.com

website: www.tamilnadusteeltubesltd.com

**36<sup>th</sup> ANNUAL REPORT 2014-15****CONTENTS**

<b>S.No.</b>	<b>Particulars</b>	<b>Page No.</b>
1	General Information about the Company	2
2	Composition of Board	3
3	Letter to Shareholder(s)	4
4	Enriching Customer Experience	5
5	A Customer Centric Approach	6
6	Our Products	7
7	Performance Highlights	8
8	Financial Highlights	10
9	10 Years at a Glance	11
10	Notice	12
11	Directors' Report and Management Discussion & Analysis	26
12	ANNEXURE to Directors' Report	36
	Annexure – I : Form No. MGT-9 - Extract of Annual Return	37
	Annexure – II(a) : Policy for selection of Directors & Determining Directors' Independence	45
	Annexure – II(b) : Declaration of Independence	48
	Annexure – III : Remuneration Policy – SECTION - 197	50
	Annexure – IV : Secretarial Audit Report	54
	Annexure – V : Related Party Transactions – AOC-2	58
	Annexure – VI : Conservation of Energy, Technology etc.	60
	Annexure – VII: Corporate Governance Report	63
13	Standalone Financial Statements & Notes	93
14	Independent Auditors' Report	95
15	Balance Sheet	99
16	Statement of Profit and Loss	100
17	Cash Flow Statement	101
18	Corporate Information & Significant Accounting Policies.	102
19	Notes on Financial Statements	106
20	Shareholders' Referencer	118
21	Green Initiatives & E-Communication Registration Form	136
22	Members' Feedback Form	137
23	Form No.MGT – 11 ( Proxy Form )	138
24	Form No.MGT – 12 ( Polling Paper )	139
25	Attendance Slip	140



**GENERAL INFORMATION ABOUT THE COMPANY**

1. Corporate Identity Number (CIN) : **L27110TN1979PLC007887**
2. Name of the Company : **TAMILNADU STEEL TUBES LTD.**
3. Registered Address : Mercury Apartments, I Floor,  
65, Pantheon Road, Egmore  
CHENNAI – 600 008.
  
- Factory : B-10, Industrial Complex  
Maraimalai Nagar – 603 209  
Kancheepuram District
  
4. Website : [www.tamilnadusteeltubesltd.com](http://www.tamilnadusteeltubesltd.com)
5. E-mail id : [tnstl@vsnl.net](mailto:tnstl@vsnl.net) / [tnt.share@yahoo.in](mailto:tnt.share@yahoo.in)
6. Financial Year Reported : 01.04. 2014 to 31. 03.2015
7. Sector(s) that the Company is engaged  
in (industrial activity code wise) : STEEL TUBES & STEEL PIPES
8. Markets served by the Company : SOUTH INDIA

LEGAL ADVISOR	STATUTORY AUDITORS	INTERNAL AUDITOR	CHIEF FINANCIAL OFFICER
P.R. SHANKAR ADVOCATE SUPREME COURT OF INDIA, NEW DELHI	Mr ABHAYKUMAR JAIN, FCA M/s ABHAY JAIN & CO. Bhushaira House 6/46, Nowroji Road Chetpet, Chennai – 31	Mr GAURAV JAIN, C.A. Bhushaira House 6, Nowroji Road Chetpet, Chennai – 31	Mr. N. SUDHARSAN
COMPANY SECRETARY	SECRETARIAL AUDITOR	PRACTICING COMPANY SECRETARY	COST AUDITOR
Mr KAMALA LOCHAN RAY COMPANY SECRETARY	Mr V.S. SOWRIRAJAN COMPANY SECRETARY	Mrs SOBANA PRANESH COMPANY SECRETARY	CMA LATHA VENKATESH
BANKERS	1. THE JAMMU & KASHMIR BANK LTD., CHENNAI – 2 2. CITY UNION BANK LTD., CHENNAI - 1		



## **COMPOSITION OF BOARD**

### **BOARD OF DIRECTORS**

#### **Managing Director**

Mr. RAKESH GOYAL

#### **Independent Directors**

Mr. M.J.Lakshmi Narasimha Rao  
Mr. Pradip Kumar Dubey  
Mr. Pradeep Kumar Tiwari  
Mr. Gopal Singh

Woman Director / Ind. Director  
Mrs.Seshadhri Rajalakshmi

#### **Wholetime Directors**

Mr. Mahaveer Singh  
Mr. Vikram Singh  
Mr. MT Elumalai

### **BOARD COMMITTEES**

#### **Audit Committee**

Mr. M.J.Lakshmi Narasimha Rao  
Mr. Mahaveer Singh  
Mr. Vikram Singh  
Mr. Pradip Kumar Dubey  
Mr. Pradeep Kumar Tiwari  
Mrs.Seshadhri Rajalakshmi

#### **Nomination & Remuneration Committee**

Mrs.Seshadhri Rajalakshmi  
Mr. M.J.Lakshmi Narasimha Rao  
Mr. Pradip Kumar Dubey  
Mr. Pradeep Kumar Tiwari

#### **Stakeholder Relationship Com. & Sh. Transfer Committee**

Mr. M.J.Lakshmi Narasimha Rao  
Mr. Pradip Kumar Dubey  
Mr. Pradeep Kumar Tiwari  
Mrs.Seshadhri Rajalakshmi  
Mr. M.T. Elumalai

#### **Corp. Social Responsibility & Grievance Committee**

Mr. Rakesh Goyal  
M.J.Lakshmi Narasimha Rao  
Mr. Mahaveer Singh  
Mr. Vikram Singh

#### **Risk Management Committee**

Mr. Rakesh Goyal  
MJ Lkashmi Narasimha Rao  
Mr. Pradip Kumar Dubey  
Mr.Mahaveer Singh  
Vikram Singh

#### **Health, Safety, Environmental & Women Protection Com.**

Mrs Seshadhri Rajalakshmi  
Mr. MJ Lkashmi Narasimha Rao  
Mr. Pradip Kumar Dubey  
Mr. Pradeep Kumar Tiwari

#### **Independent Directors' Committee**

Mr. Gopal Singh  
Mr. M.J.Lakshmi Narasimha Rao  
Mr. Pradip Kumar Dubey  
Mr. Pradeep Kumar Tiwari  
Mrs.Seshadhri Rajalakshmi



**LETTER TO SHAREHOLDER(S)**

I am delighted to write once again to you on the performance of Tamilnadu Steel Tubes Limited for the Financial Year 2014-15, your Company Records, despite a challenging economic scenario due to Volatility in prices, slow growth of major industries and sluggish growth of economy.

The Production was lower compared to the prior year due to increase in cost of raw materials and slow off take of the major consumers and less demand required by the Government Departments. Particularly South Indian economy is in a mixed recovery with the lower financial and current account deficit, lower inflation and weak commodity prices.

It is in this context, Tamilnadu Steel Tubes Limited continues to quest for sustained growth. Our business continues to show strong growth potential. Our effort is to provide gathering momentums.

Our Company – “ TNT “ remain committed to our Goal of enriching the Customers’ experience, and providing quality merchandise at an attractive value proposition. T.N.T.’s introductions of Square & Rectangular Pipes have made a significant contribution. We will continue our relentless strategy and actively shape our future. We will focus on improving our portfolio, increasing efficiency, product innovation and expanding our business in the Steel Pipe Industry in South India.

During the year, “ TNT “ continued to retain its market share, and attract, retain the talent, performance management system and corporate working atmosphere. We are now making deep commitment to TNT’s Growth by investing our integrated energy.

I would like to thank all my colleagues for the un-flickering dedications in strengthening our core, we look at the future eagerly to continue to generate Shareholders’ value.

I would like to make a record of my sincere appreciation to the Board of Directors, Independent Directors, Stakeholders, Statutory Auditors, Solicitors, Cost Auditors, Secretarial Auditors for their valuable guidance, and to the Employees for their support.

I would like to express my gratitude to all our Shareholders for their continuous faith and trust reposed with us.

With Warm regards,

Sincerely Yours,

RAKESH GOYAL  
Managing Director

➤ **ENRICHING CUSTOMER EXPERIENCE :**

**Our vision requires that we work to ensure that the customer perceives value in all that we do to fulfill his needs in every interface with us. It is that which creates a special customer experience which we strive to enhance. Again, our customer denotes every partner in our supply chain right up to the end user.**

Our pipe project is based on the belief that Galvanized, square, rectangular, Conductive Pipes of various sizes create an enduring impression in the customer's mind. We define a light, medium and heavy pipe as one that not only looks appealing but also carries the correct weight, is dust free and sturdy enough to withstand multiple handling without any unseemly damage in the journey to the end user. It is a tough task that involves a host of improvements from the plant to the customer. A light, medium and heavy pipe signifies concern for all stakeholders.

Every frontline sales personnel spends a day at a retail counter to observe in-store consumer behavior from the moment a customer enters till the actual purchase is concluded. This helps us understand the buying process, what a consumer is looking for and the drivers that lead to final purchase.

We engage with each group of customers, supply chain members and influencers to impart product knowledge and appropriate skill development.

Our Customer Service teams also connect with construction engineers and contractors through a mix of engagements such as technical training programs, seminars and plant visits. In 2014, we conducted such training and arranged their factory visit.

➤ **OUR CHANNEL PARTNERS**

**TNT's vast network of dealers and retailers, our channel partners, plays a fundamental role in reaching out to customers - in making our pipes available and providing them primary service. Channel partners play a vital role in the successful sale of our products. They are central to the continued success of our brand equity. Through their effort and attentiveness, channel partners are responsible for contributing over three-fourths of our business.**

On our part, we Endeavour to team up with channel partners who have the required mind-set that makes them responsive to customers. Channel partners work in tandem with our sales teams. We provide them with a range of our quality products and assure them of the marketing, customer service and they need to succeed in serving the market and delivering value to satisfied customers. We offer them opportunities for skill development and training in product knowledge. We measure our responsiveness to them with tools like Easy TNT. And we gauge their satisfaction with us through regular structured surveys. Channel partners act as our valuable ambassadors.

➤ **A CUSTOMER CENTRIC APPROACH :**

In adopting a customer-centric approach we mean simply to demonstrate value in everything we do for our customers. We Endeavour to give our customers three valuable offerings:

<b>High Standard Products    Quick Delivery    Query &amp; Complaint Handling</b>
-----------------------------------------------------------------------------------

We have strived to ensure that the customer - the most valued among our stakeholders - sees and experiences value in everything we do to fulfill his or her needs at every stage, in every transaction, in every interface.

➤ **High Standard**

The Company believes that Quality control is essential to building a successful business that delivers products that meet or exceed customers' expectations. It also forms the basis of an efficient business that minimizes waste and operates at high levels of productivity. All products of TNT conform to highest Quality standards. It is our commitments, our Custom

➤ **Enhancing Customer Value**

Inspired by our Group vision, we follow a Customer Charter that comprises a set of guiding principles to lead us on the path to be a customer-centric organization. Three fundamental commitments ensure that we remain focused on the customer in everything we do:

- **We are easy to do business with**
- **We keep our promises**
- **We create value**

**In Keeping with our commitments, our customer Charter puts forth three simple objectives for us to follow :**

- **Consistently meet highest product quality standards**
- **Consistently serve, support and seek feedback from end customer**
- **Consistently develop the skills of our channel partners and influencers**

Foremost in the charter is the demand that we provide a safe and secure environment which ensures no harm to customers and the communities we deal with, beyond the boundaries of our plants and establishments.

Our customer-centric approach is designed to enrich the customer experience and enhance customer value.

## OUR PRODUCTS

TNT	SHREE	JUPITER	SUPER	STAR	VICTOR
-----	-------	---------	-------	------	--------

### ➤ OUR CHANNEL PARTNERS :

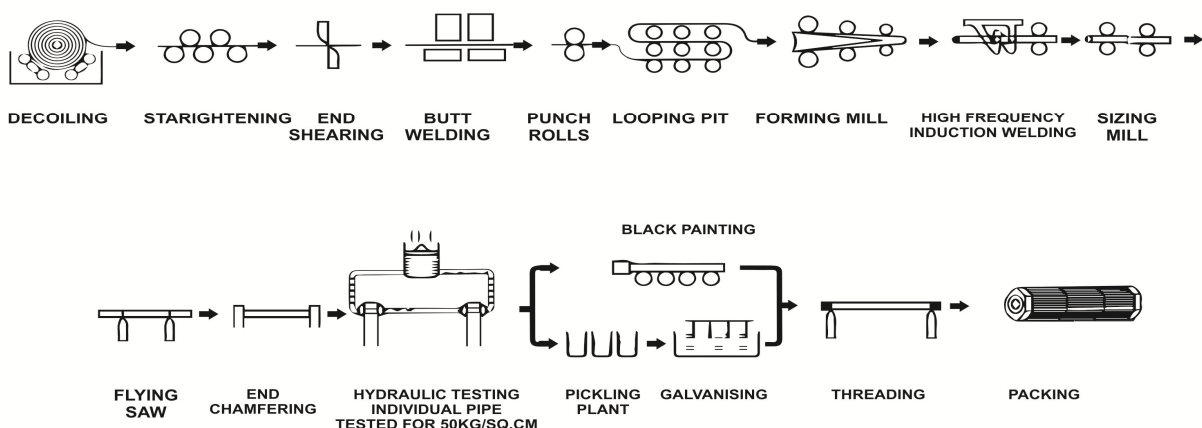
TNT's vast network of dealers plays a fundamental role in reaching out to customers - in making our Steel Pipes available and providing them primary service. Dealers play a vital role in the successful sale of our products. They are central to the continued success of our brand equity. On our part, we endeavor to team up with Dealers who have the required mind-set that makes them responsive to customers. Dealers work in tandem with our sales teams. We provide them with a range of our quality products and assure them of the marketing, customer service and logistics support they need to succeed in serving the market and delivering value to satisfied customers. We offer them opportunities for skill development and training in product knowledge. We measure our responsiveness to them with tools like Easy Access and we gauge their satisfaction with us through regular structured surveys. Dealers act as our valuable ambassadors.

Our latest initiative in semi-urban and rural markets as a hub for affordable steel pipes based products, and has unfurled a whole new kind of opportunity in creating a different kind of Dealership.

PRODUCTS	SIZES	MARKS	BUSINESS BRANDS
ERW M.S. Pipes	½ " upto 10 "	IS1239 part-1 IS – 1161 IS – 3601 IS – 9295 IS – 4923	TNT, KST, SHREE, VICTOR, SUPER, JUPITER, STAR
ERW Galvanised Pipes	½ " upto 10 "		
M.S. Square	½ " upto 10 "		
Galvanised Square	½ " upto 10 "		
M.S. Rectangular	½ " upto 10 "		
Galvanised Rectangular	½ " upto 10 "		
M.S. Round	½ " upto 10 "		
Galvanised Round	½ " upto 10 "		

## FLOW CHART

MACHINE LAY-OUT OF TAMILNADU STEEL TUBES LIMITED AT FACTORY LOCATED AT MARAIMALAI NAGAR





## PERFORMANCE HIGHLIGHTS

(Rs. in Lakhs)

