



TAMILNADU STEEL TUBES LIMITED

ANNUAL REPORT 2016-2017



**TAMILNADU STEEL TUBES LTD.**Regd. Office: Mercury Apts., 1st 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

38th ANNUAL REPORT 2016-17**CONTENTS**

S.No.	Particulars	Page No.
1	MAPPING TO THE SEBI Frame Work	3
2	Composition of Board	6
3	Letter to Shareholder	7
4	Our Vision, Mission & Core Values	9
5	Hallmark of Quality	14
6	A Brand That Cares	16
7	Performance Highlights with Charts	17
8	Financial Highlights, 10 years at a Glance	21
9	Value Added Statement	23
10	Notice to Shareholders	25
11	Board's Report and Management Discussion & Analysis.	38
12	Annexures - I to XII To Board's Report	53
	Annexure – I - CSR Policy Statement	54
	Annexure – II - Amount spent on CSR Activities	55
	Annexure –III -Policy for selection of Directors and Determining Directors Independence.	56
	Annexure – IV - Remuneration Policy for Directors, KMPs & other Employees	60
	Annexure – V - Form No. MR-3 - Secretarial Audit Report	62
	Annexure – VI - Particulars of Energy Conservation, Technology, etc.	66
	Annexure – VII - Form No. MGT-9 - Extract of Annual Return	70
	Annexure – VIII - Information pursuant to Section 197(2) read with Rule 5 of the Act (Appointment & Remuneration of Managerial Personnel) Rules, 2014	78
	Annexure – IX - Related Party Transactions –AOC-2	79
	Annexure – X - Corporate Governance	80
	Annexure – XI - General Information to Shareholders	103
	Annexure – XII – Disclosures with respect to Employees' Stock Option scheme, 2006.	108
13	CEO & CFO Certification	109
14	Analysis of Standalone Financial with break up details	110
15	Business Responsibility Report	116
16	Ratio Analysis	125
17	Transition to IND AS	126
18	Auditors and Auditors' Report	128
19	Auditors' Certificate	129
20	Independent Auditors' Report	130
21	Balance Sheet	137
22	Statement of Profit and Loss	138
23	Cash Flow Statement	139
24	Notes to Financial Statements	140
25	Shareholders' Reference	152
26	Green Initiatives & E-Communication Registration Form	175
27	Members' Feedback Form	176
28	Form No.MGT – 11 (Proxy Form)	177
29	Form No.MGT – 12 (Polling Paper)	178
30	Attendance Slip	179



ANNEXURE

MAPPING TO THE SEBI FRAME WORK

Question	Reference	
	Section	Page No
Section A : General Information about the Company		
1. Corporate Identity Number (CIN) of the Company 2. Name of the Company 3. Registered Address 4. Website 5. Email id 6. Financial Year Reported 7. Sector(s) that the Company is engaged in (industrial activity code-wise)	AR	116
8. List three key products/services that the Company Manufactures / provides (as in balance sheet) 9. Total number of locations where business activity is undertaken by the Company	AR	116
10. Markets served by the Company– Local/State/National/International	AR	116
Section B : Financial Details of the Company		
1. Paid up Capital (INR)	AR	116
2. Total Turnover (INR)	AR	116
3. Total profit after taxes (INR)	AR	116
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	AR	116
Section C : Other Details	AR	116
Section D : BR Information		119
1. Details of Director/Directors responsible for BR a) Details of the Director/Director the BR policy/policies <ul style="list-style-type: none"> • DIN Number • Name • Designation b) Details of the BR head <ul style="list-style-type: none"> • DIN Number (if applicable) • Name • Designation • Telephone number • e-mail ID 	AR	
2. Details of Director/Directors responsible for BR a) Details of the Director/Director the BR policy/policies <ul style="list-style-type: none"> • DIN Number • Name • Designation b) Details of the BR head <ul style="list-style-type: none"> • DIN Number (if applicable) • Name • Designation • Telephone number • e-mail ID 	AR	119

3. Governance Related to BR Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	AR	119
Does the Company publish a BR or a Sustainability Report? What is the Hyperlink for viewing this report? How frequently it is published?	AR	119
Section E : Principle-wise Performance		
Principle1: Ethics, Transparency and Accountability		
Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors / NGOs /Others?	AR	119
How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	AR	119
Principle 2 : Sustainable Products and Services		
List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	AR	120
For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	AR	120
Does the company have procedures in place for sustainable sourcing (including transportation)?	AR	120
Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	AR	120
If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	AR	120
Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	AR	120
Principle 3 : Employee Well Being	AR	121
Total number of employees. Total number of employees hired on temporary/contractual/casual basis. Number of permanent women employees. Number of permanent employees with disabilities	AR	121
Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	AR	121
What percentage of your under mentioned employees were given safety and skill up gradation training in the last year?	AR	121
Principle 4 : Valuing Marginalized Stakeholders :		122
Has the company mapped its internal and external stakeholders?	AR	122
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders	AR	122
Principle 5 : Human Rights		
Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures/Suppliers / Contractors / NGOs/ Others	AR	122

How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	AR	122
Principle 6 : Environment		
Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/Suppliers/Contractors/ NGOs/ others.	AR	122
Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?	AR	122
Does the company identify and assess potential environmental risks?	AR	122
Does the company have any project related to Clean Development Mechanism? Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N.	AR	122
Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year	AR	122
Principle 7 : Policy Advocacy		123
Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Have you advocated/lobbied through above associations for the advancement or improvement of public good?	AR	123
Principle 8 : Inclusive Growth		
Does the company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8?	AR	123
Are the programs/projects undertaken through in-house team/own foundation/external/ NGO/Govt. structures/any other organisation?	AR	123
Have you done any impact assessment of your initiative?	AR	124
What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.	AR	124
Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	AR	124
Principle 9 : Customer Welfare		
What percentage of customer complaints/consumer cases are pending as on the end of financial year.	AR	124
Does the company display product information on the product label, over and above what is mandated as per local laws?	AR	124
Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as of end of financial year Did your company carry out any consumer survey/ consumer satisfaction trends?	AR	124

COMPOSITION OF BOARD

BOARD OF DIRECTORS

Mr.Rakesh Goyal
Mr.Mahaveer Singh
Mr.M.T.Elumalai
Mr.Bivashwa Das
Mr.Pradip Kumar Dubey
Mr.M.J.Lakshmi Narasimha Rao
Mr.Gopal Singh
Mrs.Seshadhri Rajalakshmi

Managing Director

Mr.Rakesh Goyal

Independent Directors

Mr.M.J.Lakshmi Narasimha Rao
Mr.Gopal Singh

Women Director

Mrs.Seshadhri Rajalakshmi\

Wholetime Director

Mr.Bivashwa Das
Mr.Pradip Kumar Dubey
Mr.Mahaveer Singh
Mr.M.T.Elumalai

BOARD COMMITTEES

Audit Committee

Mr.Rakesh Goyal
Mr.Gopal Singh
Mr.M.T.Elumalai
Mrs.Seshadhri Rajalakshmi
Mr.M.J.Lakshmi Narasimha Rao
Mr.Mahaveer Singh,

Corp.Social Responsibility & Governance Committee

Mr.M.J.Lakshmi Narasimha Rao
Mr.Mahaveer Singh
Mr.Gopal Singh
Mrs.Seshadhri Rajalakshmi
Mr.Bivashwa Das

Stakeholders'/Shareholders' Relation & Grievance Committee

Mr.M.J.Lakshmi Narasimha Rao
Mr.Gopal Singh
Mr.Mahaveer Singh
Mrs.Seshadhri Rajalakshmi
Mr.M.T.Elumalai

Risk Management & Vigil Mechanism Committee

Mr.M.J.Lakshmi Narasimha Rao
Mr.Mahaveer Singh
Mr.Bivashwa Das
Mr.Pradip Kumar Dubey

Health, Safety, Enviroment & Women Protection Committee

Mrs.Seshadhri Rajalakshmi
Mr.M.J.Lakshmi Narasimha Rao
Mr.Pradip Kumar Dubey
Mr.Bivashwa Das
Mr.M.T.Elumalai

Nomination & Renumeration & BR Committee

Mr.M.J.Lakshmi Narasimha Rao
Mr.Mahaveer Singh
Mr.Bivashwa Das
Mr.Gopal Singh
Mrs.Seshadhri Rajalakshmi

Registered Office

Mercury Apts., 1st Floor
65, Pantheon Road
Egmore, Chennai - 600 008
Ph: 044-28555653; 28555673
E-mail:tnstl@vsnl.net;tnt.share@yahoo.in

Factory Address

B-10 Industrial Comple
Maraimalai Nagar-603 209
Kancheepuram District
Ph: 044-27452233

Bankers

1. The Jammu & Kashmir Bank Ltd., Chennai-2
- 2.City Union Bank. Chennai-1
- 3.City Union Bank Ltd., M.M.Nagar
- 4.Indian Bank, MGT Branch, Chennai-1
5. State Bank Of India, Chennai-6

Registrar & Share Transfer Agents

M/s.Cameo Corporate Services Limited
No.1 Subramanian Building
Club House Road
Chennai - 600 002

Company Secretary

CS. Kamal Lochan Ray

Statutory Auditors

Mr.A.K.Jain, FCA
M/s Abhay Jain & Co
Bhushaira House
6/46, Nowroji Road
Chetpet, Chennai- 600 031

Internal Auditor

Mrs.Niraja, FCA
No.31, 69th street
11th Sector, K.K.Nagar
Chennai-600 078

Chief Financial Officer

Mr.N.Sudharsan

Cost Auditor

CMA Lathavenkatesh

Secretarial Auditor

Mr.V.S.Sowrirajan
Practising Company Secretary

Share Transfer Scrutinize

Mrs.Sobana Pranesh,
Practising Company Secretary

Legal Advisor

P.R.Shankar, Advocate
Supreme Court of India,
New Delhi

ANNUAL GENERAL MEETING

On Monday the 4th September, 2017
at 10:00 am

Rani Seethai Hall, Anna Salai, Chennai-600 002

Website: www.tamilnadusteeltubesltd.com

LETTER TO SHAREHOLDER(S)

I have great pleasure in welcoming you to the 38th Annual General Meeting. The role out of the much awaited goods and services tax, the radical steps to demonetize high value currency, the large scale mobilization of Jan-Dhan Yojana, the direct benefit transfer schemes are undoubtedly examples of inspired action towards progress, the spirit of competitiveness, federalism and also spurned the state government's ease of doing business. This in turn showed positive impact in the investment climate. Today in the annual address I would like to highlight your company's integrated approach towards personalization of professionalism of management of the company.

During the Financial Year 2016-17, your Company completed 38 years of its tryst with the Nation, a vintage enjoyed by a mere handful of names in our corporate annals.

The current year 2017-18 was also a testing year, with an economy that failed to energize the pipe industry and confronted the steel market with subdued sales. But amid these challenges, there were positive developments in Steel Pipe Industry by way of greater cost efficiency, strengthened product development and energetic customer excellence initiatives.

Made up of eminent personalities of professional prowess and indubitable integrity, the Board guides the company in retaining its reputation of being professionally managed with its core values firmly rooted in demonstrating sound ethics and good corporate citizenship to deliver maximum value to its stakeholders.

The Union Budget proposals announced this February have brightened prospects for the national economy with plans that are expected to advance macroeconomic growth, boost investor confidence and provide impetus to the rural economy. The Steel Pipe Industry and we are particularly enthused by measures devised to accelerate investment in infrastructure development and Agricultural Sector.

In this unfolding scenario, I am confident that your Company's continued focus on cost competitiveness and the thrust on enhancing customer excellence will help it present an improved performance.

TNT has a strong and dedicated team of Employees, responsive to every problem, to meet any challenge with purposeful grit and determination.

In the decades of the company's operations, its products and services have been used in raising mega structures and iconic landmarks that symbolize South India in progress.

TNT has played a meaningful role in the Steel Industry providing quality Steel Pipes materials and services and sharing its expertise as the government moves ahead with plans for greater investments in infrastructure development, Smart Cities and urban transformation, the company has also revved up its capability to provide quality Steel Tubes/Pipes and services to match the engineering excellence that go into implementing ambitious projects necessary in these segments.

TNT has been an unrivalled pioneer in Steel Pipe Industry in South India. Its facilities for the production of Steel Pipes, which have state-of-the-art technology including a considerable degree of automated process control systems, demonstrate high performance levels and assure consistent quality to match world class standards.

TNT's Steel Plant is capable of meeting specific needs of Dealers/Customers – beginning with the basic requirements of every individual and challenging demand of mega projects for High Performance and other specialized applications.

TNT's unique track record of innovative research and development has led to its recognition as a pioneer and trendsetter with several breakthroughs in Steel Tubes/Pipes over the years and more recently to include many new products that have widened its portfolio of value added varieties for special and customized applications.

The customer is the pivot in the process of innovation, quality and product development - with systems in place to harvest new customer insights and expectations to improve on service levels. With the customer strategically ensconced in the driver's seat of the planning process, a purposeful direction and metrics emerge in the context of decision-making in all aspects of creating and securing value for the customer.

It has been your company's resolve to build a strong industrial approach for the company's growth with a responsibility to ensure that the growth is increasingly creates meaningful trust, livelihood and secure ecological environment. I have tremendous faith in TNT's best class team of dedicated professionals and I know that they will have no stones unturned in the quest to take their company to greater heights to serve you, our shareholders and our society.

As always may I once again on behalf of the company take this opportunity to thank you for your support and encouragement.

Thank You dear shareholders let's put Tamilnadu Steel Tubes Limited on the top.

With Best Wishes,

Sincerely Yours,

RAKESH GOYAL

Managing Director

THE “TNT” VISION >>	<p>Sustain TNT’s position as one of South India’s most valuable company through best class of performance, creating growing value for the Company’s stakeholders.</p>
THE “TNT” MISSION >>	<p>To enhance the wealth generating capability of the enterprise in a environment, delivering superior and sustainable stakeholder value.</p>
CORE VALUES >>	<p>TNT’s Core Values are aimed at developing a customer-focused, high performance organization which creates value for all its stakeholders:</p> <p>Trusteeship As professional managers, we are conscious that TNT has been given to us in “trust” by all our stakeholders. We will actualize stakeholder value and interest on a long term sustainable basis</p> <p>Customer Focus We are always customer focused and will deliver what the customer needs in terms of value, quality and satisfaction.</p> <p>Respect for People We are result oriented, setting high performance standards for ourselves as individuals and teams. We will simultaneously respect and value people and uphold humanness and human dignity.</p> <p>We acknowledge that every individual brings different perspectives and capabilities to the team and that a strong team is founded on a variety of perspectives.</p> <p>We want individuals to dream, value differences, create and experiment in pursuit of opportunities and achieve leadership through teamwork.</p> <p>Excellence We do what is right, do it well and win. We will strive for excellence in whatever we do.</p> <p>Innovation We will constantly pursue newer and better processes, products, services and management practices.</p>