40th ANNUAL REPORT 2018 - 2019

TNT

TAMILNADU STEEL TUBES LIMITED

Corporate Information

The Board of Directors#

Mr. Rakesh Goyal
Managing Director

Mr. M.J.Lakshmi Narasimha Rao
Lead Independent Director

Mr. N.Sudharsan
Whole time Director

Mr. M.T. Elumalai
Whole time Director

Mr. Bivashwa Das
Whole time Director

Mrs. Seshadhri Rajalakshmi
Independent Director

Mr. Rajesh Sai Iyer
Independent Director

Mrs. Renuka Ramesh
Independent Director

[*As on August 14 2019]

Board Committees#

Audit Committee:
Mr. M.J.Lakshmi Narasimha Rao
Mr. N.Sudharsan
Mr. Rakesh Goyal
Mr. Rajesh Sai Iyer
Mrs. Renuka Ramesh
Mrs. Seshadhri Rajalakshmi

Nomination and Remuneration Committee:
Mr. Rajesh Sai Iyer
Mr. M.J.Lakshmi Narasimha Rao
Mrs. Seshadhri Rajalakshmi

CSR Committee:
Mr. M.J.Lakshmi Narasimha Rao
Mr. N.Sudharsan
Mrs. Renuka Ramesh
Mr. Bivashwa Das
Mrs. Seshadhri Rajalakshmi

Risk Management Committee:
Mr. M.J.Lakshmi Narasimha Rao
Mr. N.Sudharsan
Mr. Bivashwa Das

Stakeholders Relationship Committee:
Mr. M.J.Lakshmi Narasimha Rao
Mrs. Renuka Ramesh
Mr. M.T. Elumalai
Mr. N.Sudharsan
Mrs. Seshadhri Rajalakshmi

Executive Officers#
Mr. C Muruganandam
Company Secretary & Compliance Officer

Mrs. G Chitra
Chief Financial Officer

Statutory Auditors:
Mr. Abhay Kumar Jain
M/s. Abhay Jain & Co
Bhushaira House
6/46, Nowroji Road,
Chetpet, Chennai- 31

Cost Auditor:
CMA Latha venkatesh

Secretarial Auditor
Mr. V.S. Sowrirajan
Practising Company Secretary
Internal Auditor:
Ms. N. Neerja, FCA
Compliance Advisor:
Ms. Sobhna Pranesh, FCS
GST Audit:
Mr. Kesavan, CA
Legal Advisor
Mr. P.R. Shankar, Advocate
Supreme Court of India,
New Delhi

Corporate Identification Number (CIN)
L27110TN1979PLC007887

Website
www.tamilnadusteeltubesltd.com

Registrar & Share Transfer Agent:
M/s. Cameo Corporate Services Limited
No.1 Subramanian Building
Club House Road
Chennai-600002
Ph: +91 44 4002 0723, 4002 0700
Fax: +91 44 4002 0129
E-mail: cameo@cameoindia.com

Registered Office:

Mercury Apartments, 1st Floor,
65, Pantheon Road,
Egmore, Chennai-600008
Ph: +91 44 28555653/ 28555673
E-mail: tnsteel79@gmail.com; tnt.share@yahoo.in

Factory:
B-10, Industrial Complex,
Maraimalai Nagar-603209
Kancheepuram District
Ph: +91 44 27452233

Bankers
HDFC Bank, Egmore
City Union Bank, Chennai-1
City Union Bank, M.M. Nagar
Indian Bank
State Bank of India

Report Contents

Corporate Overview 1-27

01 Letter to Shareholder
03 Mission & Vision
08 Quality Statement
10 Brand
11 Financial Highlights
17 Value Added Statement
19 Notice of 40th AGM
26 AGM Hall Route Map

Statutory Reports 28-87

28 Board's Report Management Discussions and Analysis
41 CSR Report
47 Secretarial Audit Report
50 Energy Conservation & Technological Absorbtion
53 Extract of Annual Report
63 Report on Corporate Governance

Financial Statements 88-117

88 Auditors Report
94 Standalone Financial Statements
100 Notes on Accounts

Board of Directors

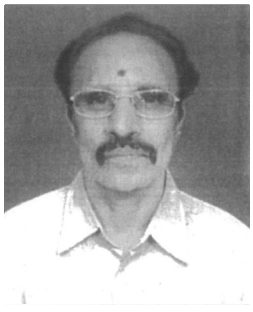
Mr. Rakesh Goyal
Managing Director

Mr. M.J.Lakshmi Narasimha Rao, CA.
Independent Director

Mrs. Renuka Ramesh, CA.
Independent Director

Mrs. Seshadhri Rajalakshmi
Independent Director

Mr. Rajesh Sai Iyer, CMA.
Independent Director



Mr. N. Sudharsan
Whole-time Director

Mr. M.T.Elumalai
Whole-time Director

Mr. Bivashwa Das
Whole-time Director

Letter to Shareholders

Dear Fellow Shareowners,

It gives me great pleasure to share with you Good performance of our Company in the Financial Year 2018-19. Our aim to strengthening our position as "South India's Largest Quality Pipe Manufacturer & Supplier", by expanding our supply in the Pipe Industry.

While other measures of the Government, namely, the enactment of the Real Estate (Regulation and Development)Act, 2016 (RERA) and implementation of the Insolvency and Bankruptcy Code, 2016 (IBC) shall play a positive role for the economy over a period of time.

The improvement seen lower in the Indian Industrial Production (IIP) numbers in last couple of months suggest that the Indian economy has now moved on a recovery path which is a good indicator. The Indian economy is poised to grow at a rate of 6% in 2018-19, after an estimated 6.6% growth in 2017-2018.

During the Financial Year 2018-19, your Company completed 40 years of its tryst with the Nation, a vintage enjoyed by a mere handful of names in our corporate annals.

In spite of challenging macro environment in FY 2019, we passionately launched new products, advanced our product pipeline, pursued innovation, enhanced our manufacturing capabilities with improved technologies and made a real difference to the lives of people.

Made up of eminent personalities of professional progress 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.

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

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.

Creating Digital System in Production : We are making a strategic transition by creating an Electronic/ Computer guided atmosphere to achieve the 100 % perfection of our products manufactured.

Governance and Safety : TNT's Governance standards are built on the foundation of systems that support transparency and ethical business conduct. In an effort to strengthen risk management and internal controls, TNT instituted the Management System designed to operationalise harmonious work culture by codifying and embedding standardized processes.

Sustainability : We are committed to making continuous improvements across the triple bottom line and enabling positive change in the society. Our ability to manage, utilize and transform our Production at a reduced cost and to supply the product in the Market at a competitive price to withstand the challenges during the current financial year

Conclusion : We are in a rapidly changing the Pipe Manufacturing Industry where the digital connectivity and abundance of data is reshaping value creation models. We continue to improve and evolve consistently fostering an entrepreneurial mindset across the Organisation. Overall, we delivered yet another year of good performance, achieving remarkable success across our businesses.

I would like to thank the entire team at TNT for their untiring efforts and unflinching commitment to achieve the lofty goals we have set for our coming years.

As always I would once again take this opportunity to thank our talented employees for their passion and dedication and our stakeholders for their continued support

With Best Wishes,

Sincerely Yours,

RAKESH GOYAL

Managing Director

THE "TNT" VISION	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.
THE "TNT" MISSION	To enhance the wealth generating capability of the enterprise in a environment, delivering superior and sustainable stakeholder value.
CORE VALUES	TNT's Core Values are aimed at developing a customer-focused, high performance organization which creates value for all its stakeholders: **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. **Customer Focus** We are always customer focused and will deliver what the customer needs in terms of value, quality and satisfaction. **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. 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. We want individuals to dream, value differences, create and experiment in pursuit of opportunities and achieve leadership through teamwork. **Excellence** We do what is right, do it well and win. We will strive for excellence in whatever we do.

	Innovation We will constantly pursue newer and better processes, products, services and management practices.
	Nation Orientation We are aware of our responsibility to generate economic value for our stakeholders. In pursuit of our goals, we will make no compromise in complying with applicable laws and regulations at all levels. TNT is a board-managed professional company, committed to creating enduring value for the stakeholders. It has a rich organizational culture rooted in its core values of respect for people and belief in the empowerment. Its philosophy of all-round value creation is backed by strong corporate governance policies and systems.
CORPORATE STRATEGIES	**TNT's corporate strategies are:** • Create multiple drivers of growth by developing business that best matches organizational capabilities in domestic markets. • Continue to focus on the latest technology for galvanized and stainless steel pipes production • Benchmark the health of each branded products comprehensively across the criteria of Market Standing, Profitability and Internal Vitality • Enhance the competitive power of the portfolio through synergies derived by blending the diverse skills and capabilities residing in TNT's business. • Create distributed leadership within the organization by nurturing talented and focused top management teams for the businesses. • Continuously strengthen and refine Corporate Governance processes and systems to catalyse the entrepreneurial energies of management by striking the golden balance between executive freedom and the need for effective control and accountability

CODE OF CONDUCT	**Preamble** TNT's Code of Conduct ids derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct.
	Philosophy TNT recognizes society as an important stakeholder in this enterprise and therefore it is part of our responsibility to ensure that the organization is managed in a manner that protects and furthers the interests of our stakeholders. **Corporate Governance Policy** The Corporate Governance Policy is the apex level instrument guiding conduct of the affairs of the Company and clearly delineates the roles, responsibilities and authorities of the key entities in the governance structure of the Company **Good Corporate Citizenship** We recognize society as an important stakeholder in this enterprise and therefore it is part of our responsibility to practice good corporate citizenship. **Personal Conduct** All directors, senior management and employees are expected to demonstrate exemplary personal conduct by adhering to ethical manners such as transparency, audit ability, avoidance of conflict of interest, protection of confidential information and by leading an example. **Waivers** Any waiver of any provision of this Code of Conduct for a director, senior management or employee must be placed for approval before the Company's Board of Directors / Corporate Management Committee, as appropriate. **Non Adherence** Any instance of non-adherence of this Code of Conduct should be brought to the attention of the immediate reporting authority with copies to the relevant Divisional Chief Executive / Head of Corporate Department and the Head of Corporate Human Resources. **Duties of Independent Directors** The duties of Independent Directors of the Company, as laid down under Schedule IV to the companies Act,2013 in pursuant to Clause 49 of the Listing Agreement with Stock Exchange