41ST ANNUAL REPORT
2019-2020

TAMILNADU STEEL TUBES LIMITED

TNT

Corporate Information

The Board of Directors#

Mr. Rakesh Goyal
Managing Director

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

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 2020]

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. Sudharsan Narasimhan

Mr. Bivashwa Das

Stakeholders Relationship Committee:
Mr. M.J. Lakshmi Narasimha Rao
Mrs. Renuka Ramesh
Mr. M.T. Elumalai
Mr. Sudharsan Narasimhan
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, Now roji Road,
Chetpet, Chennai- 31

Cost Auditor:
M/s Latha Venkatesh & Associates

Secretarial Auditor
Mr. V.S. Sowrirajan
Practising Company Secretary
Internal Auditor:
Ms. N. Neerja, FCA
Compliance Advisor:
Ms. Sobana Pranesh, FCS
GST Audit:
Mr. TMN 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-600 008
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 1-30

01 About the Report
02 Message to Shareholder
04 Mission & Vision
09 Hall Mark of Quality
11 Brand
12 Financial Highlights
20 Value Added Statement
22 Notice of 41st AGM

Statutory Reports 31-88

31 Board's Report Management Discussions and Analysis
45 CSR Report
51 Secretarial Audit Report – MR 3
54 Energy Conservation & Technological Absorbtion
57 Extract of Annual Report
68 Report on Corporate Governance

Financial Statements 89-123

89 Analysis of Standalone Financial Stts.
93 Auditors' Report
99 Balance Sheet, and P & L Account
103 Cash Flow Stmnt.
105 Notes on Accounts
123 Green Initiative

Board of Directors

1Mr. 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

About the Report

Scope and Boundary of Reporting and Reporting Period

The Report covers financial and non-financial information and activities of TNT for the period April 1, 2019 to March 31, 2020. While the financial information has been audited by Abhay Jain & Co, Chartered Accountants.

Reporting Principles

The Report is prepared in line with the Companies Act, 2013 (and the Rules made thereunder), Indian Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards.

Forward-looking Statements

Certain statements in this Report relating to our business operations and prospects may be forward-looking statements. These statements can be identified by usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance. These forward-looking statements are dependent on assumptions, data or methods that may be incorrect or imprecise and hence may be incapable of being realised. Such statements are not guaranteed of future operating, financial and other results, but constitute our current expectations based on reasonable assumptions. The Company's actual results could materially differ from those projected in any forward-looking statements due to various future events, risks and uncertainties some of which are beyond our control. We do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Message to Shareholders

Dear fellow Shareowners,

It gives me great pleasure to share with you the performance of your Company in the Financial Year 2019-20. Our aim to strengthening our position as "South India's Largest Quality Pipe Manufacturer & Supplier", by expanding our supply in the Pipe Industry. While this was a year of extreme economic challenges for the world, a situation aggravated almost beyond measure by the unprecedented Covid-19 pandemic, your Company continued to play on its strengths and posted a stable performance.

The macro-economic factors that caused a slowdown in FY 2019-20 will continue in FY 2020-21, with the first half of Calendar Year (CY) 2020 completely dominated by the pandemic and the consequent lockdowns, and the US-China trade war still going on, two years after it began.

Covid-19 developments

The Covid-19 outbreak from China was declared a pandemic by World Health Organization in the last quarter of the financial year, causing a social and economic turbulence. We have taken actions to ensure safety, health and well-being of our employees and their respective families.

Going Ahead

During the Financial Year 2019-20, our Company completed 41 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 2020, 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 operationalize 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 Organization. Overall, we delivered yet another year of good performance, achieving remarkable success across our businesses.

The Covid-19 pandemic may have an extended impact, but this means opportunities as well as challenges. The Board, through its engagement with the management, will guide the Company in recalibrating its growth strategy to address these challenges and to make use of the new opportunities. On behalf of the Board, we seek support from each and every stakeholder to bring prosperity to one and all. Before I conclude, I wish to thank all my Board Members, regulatory authorities, our management and employees and the larger stakeholder fraternity for their guidance and support.

With Best Wishes,

Sincerely Yours,

Mr. 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.

CORPORATE STRATEGIES

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.

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 catalyst the entrepreneurial energies of management by striking the golden balance between executive freedom and the need for effective control and accountability

CODE OFCONDUCT

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