



## **TAMILNADU STEEL TUBES LTD.**

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### **CHAIRMAN'S SPEECH**

**Speech by the Chairman of the Meeting, Shri. M. J. Lakshmi Narasimha Rao, at the 39<sup>th</sup> AGM held on Thursday 20.09.2018, at Rani Seethai Hall, 603, Anna Salai, Chennai-6**

Dear Shareowners,

A very warm Good Morning to each and every one of you. I thank the Members for electing me to Chair this Meeting. It gives me a very great pleasure to welcome you to the 39<sup>th</sup> Annual General Meeting of Tamilnadu Steel Tubes Ltd. The Company's Accounts for the year ended 31<sup>st</sup> March 2018 along with Directors' Report & Auditors' Report thereon; along with Management Discussion & Analysis have already been circulated to you. With your permission, I would like to take them as read.

Permit me to deliver the customary Chairman's Speech before commencing the business of the AGM Agenda.

As explained in the last year AGM, I am obliged to reiterate even though a repetition, that your Company is a name synonymous by its Brand Name "TNT" and Tamilnadu Steel Tubes Ltd. has embarked on a journey of creating a bench mark in business that will come to fruition in the coming years. Significant efforts are continued in Technology deployment, talent deployment and completing production in time keeping in mind the cost of production vis-à-vis the competitive market. The Steel Pipe business demonstrated robust performance in challenging conditions primarily due to the integrated nature of our

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economy, and due to heavy import, very high competition and world scale capacities. This year also Steel Industry in India witnessed a market slow down as in the last year. Notwithstanding such an adverse operating environment, your company business recorded a profit. Your company's relentless efforts to rebuild its Brand backed by cutting edge and Research Implement more development and innovation, will continue to drive performance in the years ahead to survive in the competitive market.

We continue to live today in challenging times. Persistent inflation, high Fiscal, Trade and Current Account deficits have severely curbed the growth potential. However, the construction industry is showing increase in activities with rising demand from construction materials like cement and steel. We have accomplished a lot in the past 38 years and we are confident to capture our share of market in this scenario. The best is just ahead of us. Let me conclude by saying that your faith with us is potential as robust as ever. Our sustained investment of the several decades in the industry has a clear testimony to that belief. Our business are geared to produce more products and services that are at par with best industries.

The two land mark Revolutions in the National Fiscal Policy viz. Demonetization during November 2017 and introduction GST w.e.f. 01.07.2017 which has enabled us to follow uniform Goods & Service Tax in place of innumerable tax systems faced by us which differed from State to State. The federal system of taxation is thus proposed to be given a good bye with effect from 1<sup>st</sup> July 2017 with proven results at the national level. These two revolutions render temporary

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hardships to the company due to stiff competition and curb on cash purchase and sales. The company expects to get out of these temporary hardships eventually and adopt smooth flow of the commercial activities.

Dear Members, as we stated in the last AGM, some new pressing liabilities have crept in during the previous year and have been duly included in the Draft Rehabilitation Scheme incorporating the repayment of the said fresh liabilities and the “Scheme” is under active consideration at concerned levels, viz. erstwhile BIFR and its successors NCLT. Meantime, your company is meeting this new liability as per the proposed scheme even though the scheme is pending approval at concerned levels.

I would like to thank the Central and State Governments, Shareholders / Investors, Suppliers and Customers for their support. I am thankful to all my Members for their timely support and immense encouragement. I personally appreciate our Management and all your staffs for their hard work and dedication.

I have special words to acknowledge collective efforts of the name Tamilnadu Steel Tubes Team working tirelessly to creating and sustaining the best Industry in South of India.

Thank you, Ladies & Gentlemen.

CHAIRMAN  
M J LAKSHMI NARASIMHA RAO

