



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 37th Annual General Meeting held on Monday, the 19th September 2016

Dear Shareholders,

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 37th Annual General Meeting of Tamilnadu Steel Tubes Ltd. The Company's Accounts for the year ended 31st March 2016 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 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. Beneath financial investments are significant efforts in Technology deployment, talent deployment and completing production in time. The Steel Pipe business demonstrated robust performance in challenging conditions primarily due to the integrated nature of our economy, and due to heavy import, very high competition and world scale capacities. This year Steel Industry in

India witnessed a market slow down. 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.

We continue to live today in challenging times. Persistent inflation, high Fiscal, Trade and Current Account deficits have severely curbed the growth potential. Now, we have put in place a comprehensive management system, organization strength process and requirements. We believe the management system has substantially enabled us to become more systematic and simpler company with digitalization. Decision rights have been pushed down and systems have been simplified and it is allowed our employees their own careers in our job market. We have accomplished a lot in the past 36 years. The best has just ahead of us. We have set ourselves high bar of performance and aspirations. 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 a par with best industries.

At the National level, we are all glad to witness the historical amendment to our constitution which enables us to follow uniform Goods and Services 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 1st April 2017.

At your Company's level, this change is expected to remove difficulties in Trade & Commerce with free and expeditious movement of goods and services through out the Country. This in turn is expected to benefit your company's product to penetrate into wider and new markets throughout the country.

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Dear Members, you are well aware that presently your Company is complying with various commitments. In the meantime, some new pressing liabilities have crept in during the previous year and have been duly included in the Modified Draft Rehabilitation Scheme (M.D.R.S.) incorporating the repayment of the said fresh liabilities and the "Scheme" is under active consideration at concerned levels, i.e. Indian Bank which has been nominated as "Operating Agency" by the Hon'ble B.I.F.R. 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 consistent and resolute 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 India.

Thank you, Ladies & Gentlemen.

CHAIRMAN
M.J. LAKSHMI NARASIMHA RAO

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