

14TH
ANNUAL REPORT
1998-99

GANDHI SPECIAL TUBES LIMITED

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GANDHI SPECIAL TUBES LIMITED

BOARD OF DIRECTORS : JAGDISH M. MEHTA
Chairman

MANUBHAI G. GANDHI
Managing Director

BHUPATRAI G. GANDHI
Joint Managing Director

DHIRAJLAL S. SHAH
Director

KAVAS N. WARDEN
Director

JAYESH M. GANDHI
Director

REGISTERED OFFICE : JARIWALA MANSION
43, K. M. MUNSHI MARG,
NEAR BHARATIYA VIDYA BHAVAN,
MUMBAI - 400 007.
Tel. No. : 363 4179, 363 4183, 363 4789
Fax : 91-22-363 4392

WORKS : NURPURA VILLAGE,
TALUKA HALOL, DIST. PANCHMAHAL,
GUJARAT. PIN - 389 350
T-39, M.I.D.C., BHOSARI,
PUNE - 411 026

AUDITORS : S. V. DOSHI & CO.
CHARTERED ACCOUNTANTS

BANKERS : CANARA BANK,
GIRGAUM BRANCH,
MUMBAI - 400 004

COMPANY LAW CONSULTANTS : DHOLAKIA & ASSOCIATES,
COMPANY SECRETARIES

DETAILS OF STOCK EXCHANGE : COMPANY'S EQUITY SHARES ARE
LISTED ON MUMBAI STOCK EXCHANGE

LISTING FEES : LISTING FEES PAID UPTO 1999-2000

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the members of Gandhi Special Tubes Limited will be held at Kanji Khetsey Sabhagriah, Bharatiya Vidya Bhavan, Kulpati K. M. Munshi Marg, Mumbai - 400 007 on Tuesday, the 3rd August, 1999 at 11.00 a.m. to transact the following business :

1. To receive and adopt the Directors' Report, Auditors' Report and Audited Statement of Accounts for the year ended 31st March, 1999.
2. To declare a dividend.
3. To appoint a Director in place of Mr. B.G.Gandhi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. D.S.Shah who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

By Order of the Board of Directors

M. G. GANDHI
Managing Director

Registered Office:
Jariwala Mansion,
43 K.M.Munshi Marg,
Near Bharatiya Vidya Bhavan,
Mumbai 400 007.
Mumbai : 28th May, 1999.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
 2. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 20th July, 1999 to Tuesday, 3rd August, 1999 (both days inclusive).
 3. Dividend, as recommended by the Board of Directors, if declared by the members at the meeting, will, subject to the provisions of Section 206A of the Companies Act, 1956, be payable to those shareholders or their mandate(s) whose names appear on the Company's Register of Members as on 3rd August, 1999.
 4. Shareholders who have not encashed their Dividend Warrants pertaining to First Dividend for the year 31st March, 1997 and Second Dividend for the year 31st March, 1998 are requested to write to the Company's Share Department immediately.
 5. Those members who are desirous of having their bank account details on the Dividend Warrants so as to avoid any misuse or its fraudulent encashment, should give details to the Company before 27th July, 1999. For convenience of members, a form is provided alongwith the report.
 6. Members desirous of getting any information about the accounts and operations of the Company are requested to write their queries to the Company at least seven days in advance of the meeting so that the information required can be made readily available at the meeting.
 7. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
 8. Members are requested to notify immediately any change in their address to the Company.
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DIRECTORS' REPORT

To
The Shareholders,

Your Directors have pleasure in presenting the Fourteenth Annual Report together with Audited Accounts for the year ended 31st March, 1999.

1. FINANCIAL RESULTS

(Rs. in Lakhs)

	31.03.1999	31.03.1998
SALES	2570.19	2399.90
Profits before Depreciation	692.12	654.01
Less : Depreciation	139.96	146.33
PROFIT BEFORE TAXATION	552.16	507.68
Less : Provision for Taxation	157.00	54.50
PROFIT AFTER TAXATION	395.16	453.18
Less : Depreciation adjustment of earlier years (Net)	—	23.66
	395.16	429.52
Add : Profit/(Loss) B/F from Previous Year	592.15	307.36
PROFIT AVAILABLE FOR APPROPRIATION	987.31	736.88
APPROPRIATIONS :		
Proposed Dividend	113.39	113.39
Dividend Tax	12.47	11.34
General Reserve	20.00	20.00
Balance carried to Balance Sheet	841.45	592.15
	987.31	736.88

Your Directors are pleased to inform you that the Company has not only sustained the performance but also able to register increase in turnover during the year under review. The profit before taxation is also higher amounting to Rs. 552.16 Lacs as against Rs. 507.68 Lacs in the previous year. However, the higher provision for taxation has resulted in lower net profit after taxation as compared to the previous year.

2. DIVIDEND

With a view to conserve the resources, your Directors recommend payment of a Dividend of 12% (Previous year 12%) which, if approved by the Members at the Annual General Meeting will absorb Rs. 113.39 lakhs (previous year Rs. 113.39 lakhs)

3. FUTURE PROSPECTS

Despite recessionary trend in all the Industries, your Company expects to achieve better performance in the current year. The Company is concentrating more on value added products as per the market demand. The Satellite Unit of the company at Pune has started functioning.

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FOR THE YEAR ENDED 31ST MARCH, 1999.

I. CONSERVATION OF ENERGY

The company continues to take adequate measures for conservation and saving of energy.

FORM – A**A. POWER AND FUEL CONSUMPTION**

PARTICULARS		1998-99	1997-98
1. Electricity Purchased :			
Units Purchased	(Lakhs KWH)	27.58	27.47
Total Amount	(Rs. lakhs)	122.39	113.06
Average Rate/KWH	(Rupees)	4.44	4.12
2. LPG Consumed :			
Quantity Consumed	(Tonnes)	726.23	710.01
Total Amount	(Rs. Lakhs)	75.57	94.55
Average Rate/Tonnes	(Rupees)	10405.79	13316.58

B. CONSUMPTION PER UNIT OF PRODUCTION

PARTICULARS		1998-99	1997-98
		Per Tonnes	Per Tonnes
1. Electricity *	(KWH)	1253.74	1297.08
2. LPG *	(Tonnes)	0.330	0.335

(* Indicates combined consumption of welded and seamless tubes)

FORM – B**II. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION AS PER FORM B :****A. RESEARCH AND DEVELOPMENT****(1) SPECIFIC AREAS IN WHICH R&D WAS CARRIED OUT BY THE COMPANY**

Research & Development has continuously been carried out for improvement in quality of existing products and improved products and new processing technology for better productivity, quality and cost effectiveness.