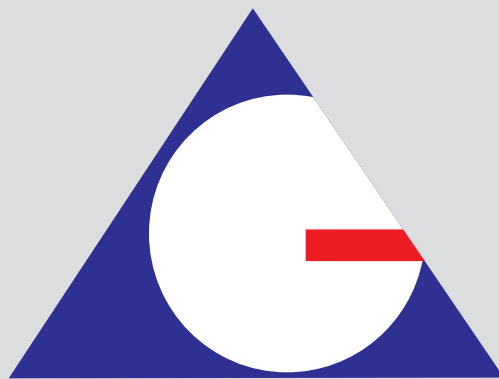
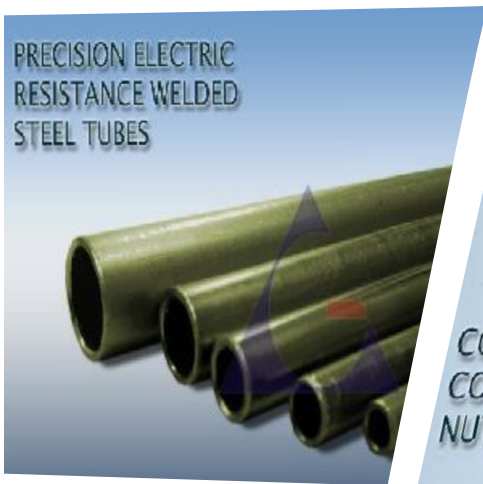


33rd Annual Report 2017-18



GANDHI SPECIAL TUBES LIMITED



ISO 9001:2008 & ISO/TS 16949:2009

Certified Company

“GANDHI SPECIAL TUBES-OLD AGE HOME”-OUR NEW CSR ACTIVITY



“GANDHI SPECIAL DEAF AND MUTE SCHOOL: - OUR PREVIOUS CSR ACTIVITY



BOARD OF DIRECTORS	:	MR. MANHAR G. GANDHI Chairman & Managing Director
		MR. BHUPATRAI G. GANDHI Joint Managing Director
		MR. DHIRAJLAL S. SHAH Director
		MR. KAVAS N. WARDEN Director
		MR. DHARMEN B. SHAH Director
		MR. JAYESH M. GANDHI Director
		MS. BHAVI JATIN KORADIA Director
AUDIT COMMITTEE	:	MR. DHIRAJLAL S. SHAH Chairman
		MR. DHARMEN B. SHAH Director
		MR. JAYESH M. GANDHI Director
		MS. BHAVI JATIN KORADIA Director
COMPANY SECRETARY	:	MS. JEEGEESHA G. SHROFF
CHIEF FINANCIAL OFFICER	:	MS. SHOBHANA RAJAN VARTAK
REGISTERED OFFICE	:	201-204 PLAZA, 2 ND FLOOR 55 HUGHES ROAD, NEXT TO DHARAM PALACE MUMBAI 400007 Tel No: 23634179, 23634183, 23634789 complianceofficer@gandhitubes.com
WORKS	:	VILLAGE NURPURA TALUKA- HALOL, DIST: PANCHMAHAL GUJARAT – 389350
AUDITORS	:	SHASHIKANT J. SHAH & CO. CHARTERED ACCOUNTANTS
BANKERS	:	HDFC BANK LTD., MUMBAI
SECRETARIAL AUDITORS	:	DHOLAKIA & ASSOCIATES LLP COMPANY SECRETARIES
DETAILS OF STOCK EXCHANGE	:	COMPANY'S EQUITY SHARES ARE LISTED ON BSE LTD & NATIONAL STOCK EXCHANGE OF INDIA LTD

10-YEARS FINANCIAL HIGHLIGHTS

Particulars	IGAAP										IND AS	
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18		
Net Sales	5,606.96	7,549.17	9,017.40	10,652.93	9,593.96	8,352.55	9,189.77	9,117.37	9,757.23	11,393.17		
Total Income	6,287.71	8,750.36	9,425.27	11,065.90	9,862.19	9,144.02	9,632.55	9,417.47	10,712.94	12,217.66		
EBIDTA (Earning Before Dep, Interest & Tax)	2,854.89	4,147.43	4,214.87	4,620.26	3,509.83	3,407.02	2,774.79	2,991.27	4,252.79	4,934.73		
Depreciation	535.85	508.26	471.27	452.69	433.68	493.66	495.03	470.58	445.65	387.31		
Profit After Taxation	1,592.75	2,533.31	2,629.15	2,981.74	2,206.28	1,730.84	1,579.63	1,855.00	3,080.63	3,356.51		
Equity Dividend (%)	50.00	100.00	100.00	120.00	120.00	120.00	150.00	150.00	180.00	0.00		
Dividend Payout	367.46	734.92	734.93	881.92	881.92	881.92	1,102.40	1,102.40	1,322.88	0.00		
Equity Share Capital	734.93	734.93	734.93	734.93	734.93	734.93	734.93	734.93	734.93	690.93		
Reserves & Surplus	7,743.03	9,416.50	11,188.66	13,145.42	14,326.72	15,025.76	15,273.62	15,801.80	18,029.08	17,032.43		
Net Worth	8,477.96	10,151.43	11,923.59	13,880.35	15,061.65	15,760.69	16,008.55	16,536.73	18,764.01	17,723.36		
Gross Fixed Assets	8,702.26	8,692.18	8,741.90	8,915.72	10,957.77	12,670.83	12,897.51	13,014.98	12,998.16	12,980.58		
Net Fixed Assets	4,688.87	4,210.81	3,789.25	3,553.49	5,195.71	6,415.11	6,274.00	5,901.42	5,520.49	5,139.14		

Key Indicators

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18
Earning per share	10.84	17.24	17.89	20.29	15.01	11.78	10.75	12.62	20.96	22.85
Turnover per share - ₹	38.15	51.36	61.35	72.48	65.27	56.83	62.52	62.03	66.38	82.45
Book Value per share	57.68	69.06	81.12	94.43	102.47	107.23	108.91	112.51	127.66	128.26
Debt/Equity Ratio	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit Margin %	28.41	33.56	29.16	27.99	23.00	20.72	17.19	20.35	31.57	29.46
EBDIT/ Net Sales %	50.92	54.94	46.74	43.37	36.58	40.79	30.19	32.81	43.59	43.31

* Figures are restated as per IND AS

FOR KIND ATTENTION OF SHAREHOLDERS:

- **DEMAT:-** if you are still holding shares in physical mode kindly consider following advantages by opting shares in demat mode:-
 - o sale of shares is possible only through demat mode as the Company's shares are traded compulsorily in demat mode only.
 - o Realize better price for transfer/sale of shares
 - o Eliminate loss of shares through burglary or theft, misplacement or mutilation
 - o Easy and faster transaction of shares
 - o Minimum brokerage.
 - o No stamp duty on purchase/sale
 - o SEBI (Securities and Exchange Board of India) has proposed to make it compulsory for listed company to entertain transfer of shares only in demat form.
- Steps involved in dematerialization of shares
 - o Open an account with a Depository Participant (DP) of your choice.
 - o You may choose your DP based on your evaluation of their reputation, service standards, charges, comfort level, other conveniences, etc.
 - o Submit a Dematerialization Request Form (DRF) to your DP along with the defaced shares certificates.
 - o Shares will be converted into electronic form and will get credited into your demat account.
- To understand about the procedure and for all queries relating to dematerialization, kindly contact the Registrar & Transfer Agent of the Company; M/s Karvy Computershare Private Limited at kishore.bv@karvy.com or at 040 67161585.
- **ECS:-** To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS), NEFT and other permitted mode. The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents.
- **GREEN INITIATIVE:-** Please register your email ID with the Registrars and Transfer Agents of the Company or with the Secretarial department of the Company at complianceofficer@gandhitubes.com. Your initiative will save forest wealth of our Country.

NOTICE OF THIRTY THIRD ANNUAL GENERAL MEETING

NOTICE is hereby given that Thirty Third Annual General Meeting of the Members of **GANDHI SPECIAL TUBES LIMITED** will be held on Monday, August 13, 2018 at 11.00 a.m. at Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai - 400 007, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements and the reports of the Board of Directors and Auditors thereon for the Financial Year ended 31st March, 2018.
2. To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2018.
3. To appoint a Director in place of Shri Bhupatrai Gandhi (DIN 00041273), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Shashikant J. Shah & Co. as Statutory Auditors

“**RESOLVED** in partial modification of the resolution passed at the Thirty Second Annual General Meeting of the Company held on July 12, 2017 and pursuant to the enforcement of first proviso and explanation to Section 139 of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 and all other applicable sections read with relevant rules under the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) that M/s. Shashikant J. Shah & Co., Chartered Accountants (Firm Registration No. 109996W), who were appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the Thirty-Second Annual General Meeting shall continue to hold such office till the conclusion of the Thirty -Seventh Annual General Meeting without any ratification from the members at a remuneration inclusive of Goods and Service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of-pocket expenses (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee.

SPECIAL BUSINESS

5. To re-appoint Shri Dhirajlal Shah as an Independent Director and in this regard, pass the following resolution as a **Special Resolution:-**

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Dhirajlal Shah (DIN: 00044163), who was appointed as an Independent Director and who holds office up to March 31, 2019 and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company with effect from April 1, 2019.”

6. To re-appoint Shri Kavas Warden as an Independent Director and in this regard, pass the following resolution as a **Special Resolution:-**

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors)

Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Kavas Warden (DIN: 00045840), who was appointed as an Independent Director and who holds office upto March 31, 2019 and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company with effect from April 1, 2019."

7. To re-appoint Shri Dharmen Shah as an Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")(including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Dharmen Shah (DIN: 01834884), who was appointed as an Independent Director and who holds office upto March 31, 2019 and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company with effect from April 1, 2019."

8. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹50,000/- (Rupees Fifty Thousand) for the Financial Year ending 31st March, 2019 as approved by the Board of Directors of the Company payable to Shri Dakshesh Zaveri, the Cost Accountant, having ICWAI Registration No. 8971 for conducting the Cost Audit of the Company be and is hereby ratified."

By Order of the Board of Directors

JEEGEESHA G. SHROFF
COMPANY SECRETARY

Place : Mumbai
Date : May 28, 2018

Regd. Office:

201-204 Plaza, 2nd Floor,
55 Hughes Road,
Next to Dharam Palace,
Mumbai - 400007

Tel : 022 – 23634179
Fax : 91-22-2363 4392
CIN : L27104MH1985PLC036004
Email : complianceofficer@gandhitubes.com
Website : www.gandhitubes.com

NOTES:

1. In respect of resolution at item no 3, 5,6 and 7 a statement giving additional information on director seeking re-appointment is annexed herewith as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
 - (a) Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of a member or number of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total paid up share capital of the Company. Member holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.
 - (b) The instrument appointing Proxy as per the format included in the Annual Report should be lodged with the Company at its Registered Office not less than 48 hours before the commencement of the meeting i.e by 11.00 a.m. on Saturday, August 11, 2018.
 - (c) During the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged with the Company during normal business hours (9.30 a.m. IST to 6.00 p.m. IST) at the registered office of the Company, provided that a requisition for the same from a Member is received in writing not less than 3 days before the commencement of the Meeting.
3. The Register of Members and the Share Transfer books of the Company will remain closed from **Saturday, August 4, 2018 to Monday, August 13, 2018 (both days inclusive).**
4. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on **Friday, August 3, 2018.**
5. In case of Dematerialized Shares, the Company is obliged to print Bank details on the dividend warrants, as are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) ("the Depositories") to the Company. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company or its Registrars for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised by the members only to their Depository Participant.
6. Pursuant to Regulation 12 read with Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is mandatory to print the bank account details of the investors on Dividend Warrant Instrument. Hence, in order to avoid incidents of fraudulent encashment of the Dividend warrants, Members holding shares in physical form are requested to intimate the RTA of the Company, under the signatures of the sole/first joint holder, the following information so that the Bank Account number and name and address of the Bank can be printed on the dividend warrant, if and when issued:
 - (a) Name of the sole/first joint holder and folio number.
 - (b) Particulars of Bank Account viz:
 - (i) Name of Bank;
 - (ii) Name of branch;
 - (iii) Complete address of the Bank with pin code number;

- (iv) Account type, whether Savings or Current;
- (v) Bank account number allotted by the Bank
- (vi) 9 Digits MICR No.

7. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of ₹17,23,900/- (Seventeen Lakh Twenty Three Thousand Nine Hundred Only) of the Company for the financial year ended 31st March, 2011 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government on March 26, 2018 pursuant to Section 125 of the Companies Act, 2013..
8. Pursuant to Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the company has uploaded the information in respect of the Unclaimed Dividends in respect of the Financial years 2010-2011 up to 2016-17 on the website of the IEPF viz. www.iepf.gov.in and under "Investor Section" on the website of the Company viz. www.gandhitubes.com The objective of the IEPF Rules is to help the shareholders ascertain Status of the unclaimed amounts and thus overcome their problem..
9. Members who have not encashed their dividends warrants for Financial Year 2011-12 or any subsequent years are requested to write to the Company immediately claiming dividends declared by the Company for the said period (Proforma of Indemnity Bond for Duplicate Dividend Warrant is available under "Investor Section" on the website of the Company viz. www.gandhitubes.com).

Members are requested to note that the Dividend for the year ended 31st March, 2012 declared on January 23, 2012 is due to be transferred to IEPF in February 2019 pursuant to Section 125 of the Companies Act, 2013 and the rules made thereunder.

10. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Account:

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("Rules") as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF Account after complying with the procedure laid down under the "Rules".

Accordingly, during the year under review, the Company has transferred 1,24,340 shares to the IEPF Account maintained with NSDL on December 4, 2017 taking the year 2009-10 as base and 14326 shares on April 10, 2018 taking the year 2010-11 as base. The details of the shares transferred to IEPF are uploaded under "Investor Section" on the website of the Company viz. www.gandhitubes.com).

The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in

11. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant. Form SH-13 is available under "Investor Section" on the website of the Company viz. www.gandhitubes.com;
12. Members who still hold share certificates in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which include easy liquidity, since trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

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13. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative along with their specimen signature to attend and vote on their behalf at the Meeting.
 14. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 15. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
 16. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
 18. Member who is desirous of getting any information as regard to the business to be transacted at the meeting are requested to write to the Company their queries at least seven days in advance of the Meeting in order to keep the required information readily available at the Meeting.
 19. Members/Proxies and authorized signatories should bring the attendance slip duly filled in for attending the meeting. The identity/signature of the Members holding shares in electronic/demat form is liable for verification with specimen signatures as may be furnished by NSDL/CDSL to the Company. Such Members are advised to bring the relevant identity card, issued by the Depository Participant, to attend the Annual General Meeting.
 20. The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at www.gandhitubes.com and on the website of Karvy Computershare Pvt. Ltd. at <https://evoting.karvy.com>.
 21. Shareholders can register their complaints, if any, on an exclusive e-mail id complianceofficer@gandhitubes.com which has been designated for the said purpose.
 22. Pursuant to Section 101 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
 23. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
 - 24. Members are requested to bring their copies of the Annual Report at the Meeting.**
 25. A route map showing directions to reach the venue of the 33rd Annual General Meeting is given at the end of the notice as per the requirement of Secretarial Standard 2 on "General Meeting".
 26. The Company's Equity Shares are listed at (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai- 400051.