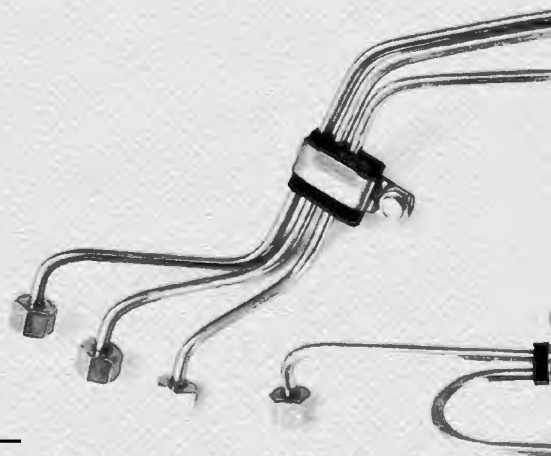
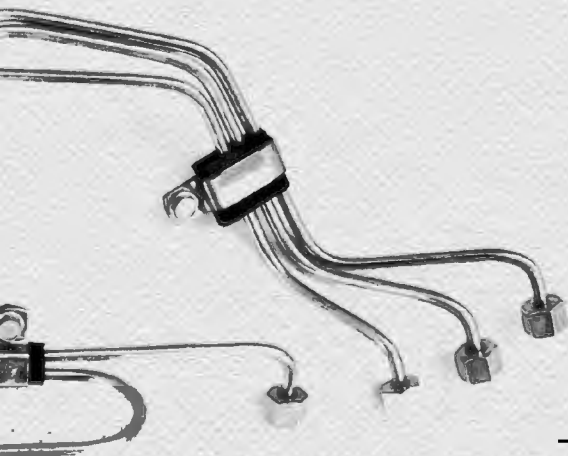


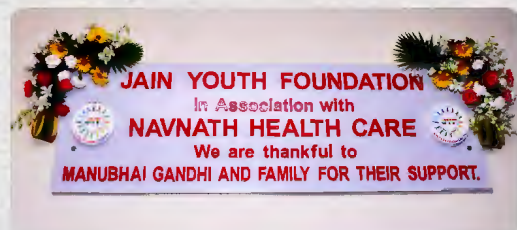
**Gandhi**  
Special Tubes Ltd.

## 35<sup>th</sup> Annual Report 2019-20



ISO 9001:2008 & ISO/TS 16949:2009  
Certified Company

# Social Welfare Activity



"The Jain Youth Foundation Dialysis Centre, situated at Takshshila Commercial Complex, Mulund West, consists of 16 new dialysis machines donated by Gandhi Special Tubes Ltd. The Centre is managed by Navnath Health Care and provides daily dialysis treatment to underprivileged patients at subsidized rates."



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**GANDHI SPECIAL TUBES LIMITED**

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

GANDHI SPECIAL TUBES LIMITED  
10-YEARS FINANCIAL HIGHLIGHTS

Particulars	(₹ Lakhs)									
	IND AS									
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18	2018-19	2019-20
Net Sales	9,017.40	10,652.93	9,593.96	8,352.55	9,139.77	9,117.37	9,757.23	11,393.17	12,290.68	8,093.84
Total Income	9,425.27	11,065.90	9,862.19	9,144.02	9,632.55	9,417.47	10,712.94	12,217.66	13,061.55	8,664.96
EBIDTA (Earning Before Dep. Interest & Tax)	4,214.87	4,620.26	3,509.83	3,407.02	2,774.79	2,991.27	4,252.79	4,934.73	5,344.39	2,958.18
Depreciation	471.27	452.69	433.68	493.66	495.03	470.58	445.65	387.31	369.05	355.48
Profit After Taxation	2,629.15	2,981.74	2,206.28	1,730.84	1,579.63	1,855.00	3,080.63	3,356.51	3,863.13	2,137.28
Equity Dividend (%)	100.00	120.00	120.00	120.00	150.00	150.00	180.00	0.00	180.00	180.00
Dividend Payout	734.93	881.92	881.92	881.92	1,102.40	1,102.40	1,322.88	0.00	1,243.67	1,243.67
Equity Share Capital	734.93	734.93	734.93	734.93	734.93	734.93	734.93	690.93	690.93	645.93
Reserves & Surplus	11,188.66	13,145.42	14,326.72	15,025.76	15,273.62	15,801.80	18,029.08	17,032.43	19,413.90	14,011.25
Net Worth	11,923.59	13,880.35	15,061.65	15,760.69	16,008.55	16,536.73	18,764.01	17,723.36	20,104.83	14,657.18
Gross Fixed Assets	8,741.90	8,915.72	10,957.77	12,670.83	12,897.51	13,014.98	12,998.16	12,980.58	13,290.19	13,318.53
Net Fixed Assets	3,789.25	3,553.49	5,195.71	6,415.11	6,274.00	5,901.42	5,520.49	5,139.14	5,128.33	4,811.64

## Key Indicators

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18	2018-19	2019-20
Earning per share	17.89	20.29	15.01	11.78	10.75	12.62	20.96	22.85	27.96	15.93
Turnover per share - Rs.	61.35	72.48	65.27	56.83	62.52	62.03	66.38	82.45	88.94	62.65
Book Value per share	81.12	94.43	102.47	107.23	108.91	112.51	127.66	128.26	145.49	113.46
Debt/Equity Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit Margin %	29.16	27.99	23.00	20.72	17.19	20.35	31.57	29.46	31.43	26.41
EBDIT/ Net Sales %	46.74	43.37	36.58	40.79	30.19	32.81	43.59	43.31	43.48	36.55

\* Figures are restated as per IND AS

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**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 made 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 & Share Transfer Agent of the Company; M/s. KFin Technologies Private Limited Formerly known as M/s. Karvy Fintech Private Limited at [kishore.bv@kfintech.com](mailto:kishore.bv@kfintech.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 Registrar and Share Transfer Agent.

**GREEN INITIATIVE:-** Please register your email ID with the Registrar and Share Transfer Agent of the Company or with the Secretarial department of the Company at [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com). Your initiative will save forest wealth of our Country.

**ECS BANK MANDATES/PAN/AADHAR/MOBILE/EMAIL-ID  
UPDATION REQUEST FORM**

ECS helps to avoid any delay, loss in transit, pilferage and fraud.

To avail of this service, you are requested to furnish details of your Bank Account in the below Mandate Form and send the same to our Registrars. **Kfin Technologies Private Limited** to enable us to make arrangements for Electronic Credit of Dividend through the Bankers of the Company whenever such payments are due.

Kindly also note that if you have already furnished any mandate instructions of bank particulars for printing on the face of the Warrant, the same will stand cancelled and this ECS mandate will be taken on record, in case you opt for ECS.

**The information should be complete, accurate in all respects and preferably certified by your Bank Manager. A blank cancelled cheque or a photocopy of a cheque issued by your bank relating to your above account should be attached to the ECS mandate form for verifying the accuracy of the code number.**

**The above said documents should be mailed to:**

**KFIN TECHNOLOGIES PRIVATE LIMITED,**

**UNIT:**

SELENIUM TOWER-B,  
6FH FLOOR, RIS DEPARTMENT,  
PLOT NO.31 & 32,  
FINANCIAL DISTRICT,  
GACHIBOWLI,  
**HYDERABAD – 500 032.**

The information provided by you will be kept confidential and will be used only for the purpose of crediting dividends.

Kindly note that this facility is optional. You are at liberty to opt for receipt of warrants directly, if you so desire.

**ECS BANK MANDATES/PAN/AADHAR/MOBILE/EMAIL-ID  
UPDATION REQUEST FORM**

I/We.....are holding ..... Shares against Folio No. ....  
do hereby Authorize:

1. To credit my dividend amount directly to my/our Bank Account in accordance with RBI'S scheme. (strike out whichever is not applicable)

**Particulars of Investor's Bank Account:**

- a. Bank Name : .....
- b. Branch Name : .....
- Bank Address : .....
- .....
- .....
- c. 9 Digit Code number of the Bank & Branch name appearing on the MICR cheque
- d. Account type (Savings/Current) & IFSC Code:
- e. Account Number as appearing on the Cheque:
- f. Bank's STD code & Telephone No.

**Particulars of Investor's PAN/AADHAR/Mobile/E-Mail Details:**

- g. Mobile Number (Investor):
- h. Email-ID (Investor):
- i. PAN Number (Investor):
- j. AADHAR Number (Investor):

We shall not hold the Company responsible if the ECS could not be implemented or the Bank discontinues the ECS, for any reason.

Signature of Share Holders  
(To be signed by all the holders.)

Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank, self attested PAN, AADHAR card, Email-ID & Mobile Number relating to your for verifying accuracy.

**NOTICE OF THIRTY FIFTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that Thirty Fifth Annual General Meeting of the Members of **GANDHI SPECIAL TUBES LIMITED** will be held on TUESDAY, 22 SEPTEMBER, 2020 at 11.00 a.m. through VIDEO CONFERENCE ("VC") OR OTHER AUDIO VISUAL MEANS ("OAVM"), to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements for the year ended March 31, 2020 and the Reports of the Board of Directors and Auditors thereon for the Financial Year ended March 31, 2020.
2. To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2020.
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.

**SPECIAL BUSINESS**

4. To re-appoint Smt. Bhavi J. Koradia 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), Smt. Bhavi J. Koradia (DIN: 07004836), who was appointed as an Independent Director and who holds office up to July 28, 2020 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 July 29, 2020."

5. 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, the remuneration of Rs 50,000/- (Rupees Fifty Thousand) for the Financial Year ending March 31, 2021 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**

**Jitendra D. Khadye**  
**Company Secretary**

**Place: Mumbai**

**Date: August 12, 2020**

**Regd. Office:**

201-204, Plaza, 2nd Floor,

55 Hughes Road,

Next to Dharam Palace,

Mumbai – 400 007

Tel: 022 – 23634179

Fax: 91-22-2363 4392

CIN: L27104MH1985PLC036004

Email: [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com)

Website: [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com)



**NOTES:****APPOINTMENT OR REAPPOINTMENT OF DIRECTOR**

1. In respect of resolution at item no 3, 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.

**SPECIAL BUSINESS AND EXPLANATORY STATEMENT**

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013,(Act) relating to Special Business to be transacted at the Annual General Meeting (the "AGM" or "Meeting"), is annexed hereto.
3. As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated 5th May 2020, the matters of Special Business as appearing at Item No. 4 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forms part of this Notice.

**MEMBER'S ENTITLEMENT TO ATTEND MEETING VIA VIDEO CONFERENCE**

4. i. In view of the Covid-19 pandemic and the need for ensuring social distancing, the Government of India, Ministry of Corporate Affairs ("MCA") allowed conducting Annual General Meeting through Video Conferencing or other audio-visual means (OAVM) without the physical presence of Members at a common venue. Accordingly, MCA issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 ("MCA Circulars"), prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. Securities and Exchange Board of India ("SEBI") also vide its Circular dated May 12, 2020 ("SEBI Circular"), permitted holding of Annual General Meetings through VC/OAVM. In compliance with the applicable provisions of the Companies Act, 2013, MCA Circulars and applicable provisions of the SEBI Circular, the 35th Annual General Meeting (AGM) of the Members will be held through VC/ OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The venue of the Meeting shall be deemed to be the registered office of the Company.
  - ii. The Helpline number regarding any queries/assistance for participation in the AGM through VC/OAVM is 1800-345-4001
  - iii. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
  - iv. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members (Physical/Demat) who have not registered their email addresses with the Company can get the same registered with the company by requesting in member updation form by sending an email at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [evoting@kfintech.com](mailto:evoting@kfintech.com). Please submit duly filled and signed member updation form to the abovementioned email. Upon Verification of the Form the email will be registered with the Company.
- 5. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS NOT ENTITLED TO APPOINT A PROXY TO ATTEND ANNUAL GENERAL MEETING SINCE THE ANNUAL GENERAL MEETING IS GOING TO BE HELD THROUGH VIDEO CONFERENCING OR OTHER AUDIO-VISUAL MEANS (OAVM).**
- a) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is not entitled to appoint a proxy to attend and vote on his/her behalf as the general meeting is held through video conference. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- b) Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 minutes from the schedule time of the AGM. However, the participation of members holding 2% or more, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis. Members can login and join 15(fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till expiry of 15(fifteen) minutes after the schedule time. Participation is restricted upto 2000 members only.
- c) Members attending the Meeting through VC/OAVM will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.
- d) In line with the MCA Circulars and the SEBI Circular, the Notice calling the AGM has been uploaded on the website of the Company at [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and is also available on the website of M/s. KFin Technologies Private Limited at <https://evoting.kfintech.com>.

#### **INSTITUTIONAL INVESTORS/CORPORATE MEMBER**

6. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members intending to appoint their Authorized Representatives to attend the AGM through VC/OAVM and to Vote thereat through Remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at [info@dholakia-associates.com](mailto:info@dholakia-associates.com). with a copy marked to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [evoting@kfintech.com](mailto:evoting@kfintech.com). Or [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com),

#### **JOINT HOLDERS**

7. In case of joint holder attending the Meeting through VC/OAVM, only such joint holder who is higher in the order of names will be entitled to vote.

#### **RECORD DATE**

8. In view of the discontinuation of the physical transfer of shares there will not be any Book Closure but the Company has fixed the Record Date as Friday, the 11th September, 2020 (close of the business hours).

#### **DIVIDEND AND ITS PAYMENT**

9. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the meeting, payment of such dividend subject to deduction of tax at source 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 of the close of the business hours on **Friday, September 11, 2020**.
10. 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.
11. 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: