

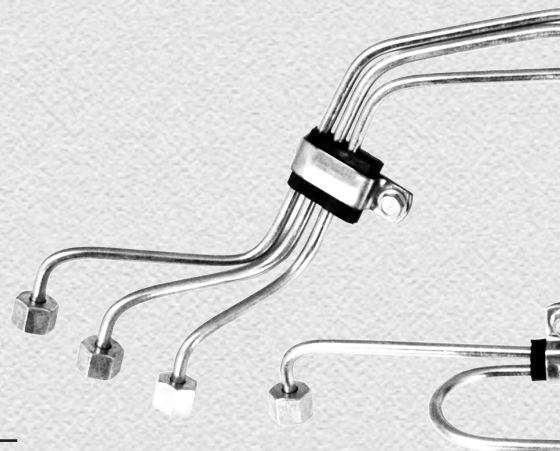
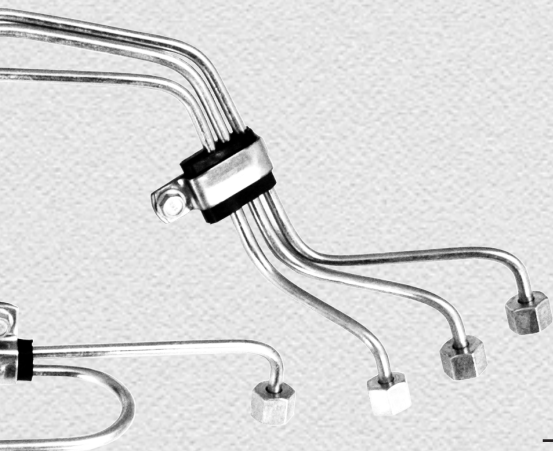
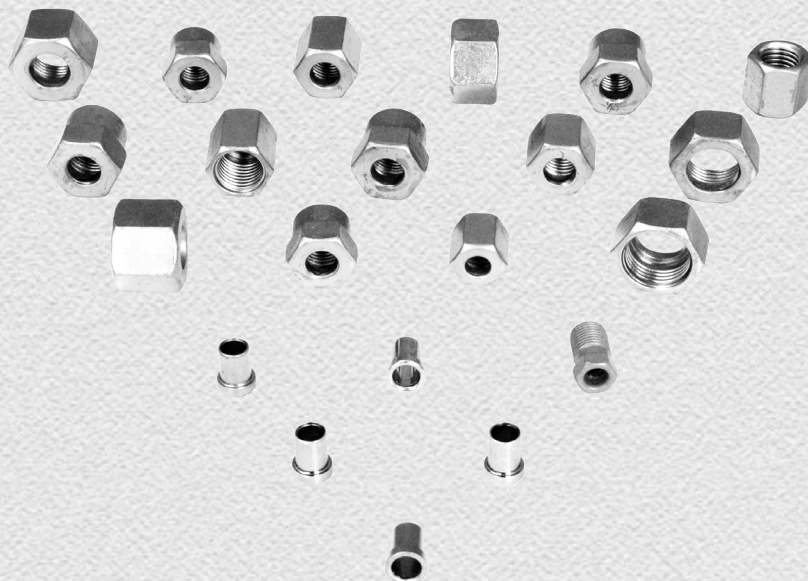
# Gandhi

Special Tubes Ltd.

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## 36<sup>th</sup> Annual Report 2020-21

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IATF 16949:2016  
Certified Company



# Social Welfare Activity

"GANDHI SPECIAL PRIMARY / SECONDARY SCHOOL  
VALUKAD, GUJARAT"

Enhancing an existing school building to ensure as many underprivileged children have access to high quality education that can enable them to gain employment and bring financial relief to their families.



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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, MUMBAI 400007 Tel No: 23634179, 23634183, 23635042 <a href="mailto:complianceofficer@gandhitubes.com">complianceofficer@gandhitubes.com</a>
<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

(₹ Lakhs)

Particulars	IND AS									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18	2018-19	2019-20	2020-21
Net Sales	10,652.93	9,593.96	8,352.55	9,189.77	9,117.37	9,757.23	11,393.17	12,290.68	8,093.84	11,352.58
Total Income	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	11,965.50
EBIDTA (Earning Before Dep. Interest & Tax)	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	5,086.37
Depreciation	452.69	433.68	493.66	495.03	470.58	445.65	387.31	369.05	355.48	329.74
Profit After Taxation	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	3,615.23
Equity Dividend (%)	120.00	120.00	120.00	150.00	150.00	180.00	0.00	180.00	180.00	180.00
Dividend Payout	881.92	881.92	881.92	1,102.40	1,102.40	1,322.88	0.00	1,243.67	1,243.67	1,162.68
Equity Share Capital	734.93	734.93	734.93	734.93	734.93	734.93	690.93	690.93	645.93	645.93
Reserves & Surplus	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	16,548.67
Net Worth	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	17,194.60
Gross Fixed Assets	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	13,342.70
Net Fixed Assets	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	4,514.11

## Key Indicators

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18	2018-19	2019-20	2020-21
Earning per share	20.29	15.01	11.78	10.75	12.62	20.96	22.85	27.96	15.93	27.98
Turnover per share - ₹	72.48	65.27	56.83	62.52	62.03	66.38	82.45	88.94	62.65	87.88
Book Value per share	94.43	102.47	107.23	108.91	112.51	127.66	128.26	145.49	113.46	133.10
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 %	27.99	23.00	20.72	17.19	20.35	31.57	29.46	31.43	26.41	31.85
EBDIT/ Net Sales %	43.37	36.58	40.79	30.19	32.81	43.59	43.31	43.48	36.55	44.80

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

**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 Registrar and 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: GANDHI SPECIAL TUBES LIMITED**

SELENIUM TOWER-B,  
6TH 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 SIXTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that Thirty Sixth Annual General Meeting of the Members of **GANDHI SPECIAL TUBES LIMITED** will be held on TUESDAY, AUGUST 10, 2021 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, 2021 and the Reports of the Board of Directors and Auditors thereon for the Financial Year ended March 31, 2021.
2. To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2021.
3. To appoint a Director in place of Shri Jayesh Gandhi (DIN 00041330), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS****4. To approve Buyback of shares through Tender Offer Route**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Article 24A and 24B of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**), the Companies (Share Capital and Debentures) Rules, 2014 (the **"Share Capital Rules"**) to the extent applicable, the Companies (Management and Administration) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"SEBI LODR Regulations"**) and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (**"Buyback Regulations"**), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, as amended from time to time, and subject to such other approvals, permissions, sanctions and exemptions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the Securities and Exchange Board of India (the **"SEBI"**), Registrar of Companies, Mumbai (the **"ROC"**), the stock exchanges on which the equity shares of the Company are listed (the **"Stock Exchanges"**) and/ or other appropriate authorities while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which expression shall include any Committee constituted / to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution) and on the terms and conditions set out in the explanatory statement (which may be modified based on regulatory requirements), the consent of the members be and is hereby accorded for the buyback by the Company of its fully paid-up equity shares of face value of ₹ 5/- (Rupees Five) each (the **"Equity Shares"**) up to **7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen)** Equity Shares (representing **5.93%** of the total issued and paid-up equity share capital of the Company as per the audited financial statements as at and for the period ended March 31, 2021) at a maximum price of **₹ 550/- (Rupees Five Hundred Fifty only)** per Equity Share, payable in cash for an aggregate consideration not exceeding **₹ 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only)** excluding transaction costs viz. filing fees, advisors' fees, brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, public announcement expenses, printing and dispatch expenses and other incidental and related expenses etc., being within the limit of 25% of the aggregate of the paid-up share capital and free reserves as per the audited accounts of the Company as on March 31, 2021, out of the free reserves of the Company (including securities premium account) and or such other source as may be permitted by the Buyback Regulations or the Act, from the Members of the Company, as on the record date, on a proportionate basis, through the **"Tender Offer"** route as prescribed under the Buyback Regulations (the **"Buyback"**).

**RESOLVED FURTHER THAT** the Company, to the extent legally permissible, implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April



13, 2015, as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereof.

**RESOLVED FURTHER THAT** the Company may buyback Equity Shares from all the existing Members holding Equity Shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback or number of Equity Shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the Buyback Regulations.

**RESOLVED FURTHER THAT** the Buyback of Equity Shares from non-resident Members of the Company, including Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs), Members of foreign nationality, etc., shall be subject to Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder, as applicable, and shall also be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India or authorized dealers under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred hereinabove as it may in its absolute discretion deem fit, to any Committee of Director(s) ("Buyback Committee") of the Company in order to give effect to the aforesaid resolution, including but not limited to finalizing the terms of the Buyback like record date, entitlement ratio, the time frame for completion of Buyback, appointment of merchant banker, brokers, lawyers, depository participants, escrow agents, bankers, advisors, registrars, scrutinizers, consultants, representatives, intermediaries, agencies, printers, advertising agency, compliance officer, as may be required, for the implementation of the Buyback; preparation, finalizing, signing and filing of the Public Announcement, the Draft Letter of Offer / Letter of Offer with the Securities and Exchange Board of India, the stock exchanges where the Equity Shares are listed and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the Securities and Exchange Board of India, Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder; and to initiate all necessary actions for preparation and issue of various documents including letter of offer, opening, operation and closure of necessary accounts including escrow account with the bank, entering into agreements, release of public announcement, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, extinguishment in respect of the Equity Shares bought back by the Company, and such other undertakings, agreements, papers, documents and correspondence, as may be required to be filed in connection with the Buyback with the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies, Depositories and / or other regulators and statutory authorities as may be required from time to time.

**RESOLVED FURTHER THAT** nothing contained herein shall confer any right on the part of any Members to offer and/or any obligation on the part of the Company or the Board or the Buyback Committee to Buyback any shares, and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such Buyback, if so permissible by law.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board or the Buyback Committee be and is hereby empowered and authorised on behalf of the Company to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as the Board and / or Buyback Committee may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

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 ₹ 60,000/- (Rupees Sixty Thousand) for the Financial Year ending March 31, 2022, 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: June 22, 2021**

**Regd. Office:**  
201-204 Plaza, 2<sup>nd</sup> Floor,  
55 Hughes Road,  
Mumbai – 400 007  
Tel: 022 – 23634179  
CIN: L27104MH1985PLC036004  
Email: [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com)  
Website: [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com)