



Gandhi Special Tubes Ltd.

Regd. Off.: 201-204, Plaza, 2nd Floor, 55 Hughes Road, Next to Dharam Palace, Mumbai - 400 007.

Tel.: 2363 4179 / 2363 4183 / 2363 5042 • Fax : 91-22-2363 4392

E-mail : gstl@mtnl.net.in • Website : www.gandhitubes.com


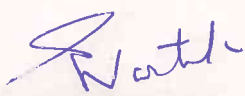

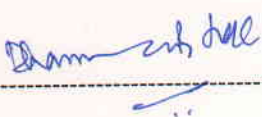
CIN NO.: L27104MH1985PLC036004



May 21, 2015

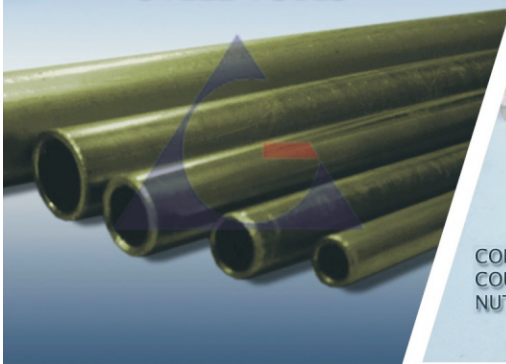
FORM A

(Pursuant to Clause 31 (a) of the Listing Agreement)

1	Name of the Company	Gandhi Special Tubes Limited
2	Annual Financial Statement for the year ended	31 st March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	Signed by : <ul style="list-style-type: none">Chairman & Managing DirectorChief Financial OfficerAuditor of CompanyAudit Committee Chairman	 _____  _____  _____  _____

30th Annual Report 2014-15

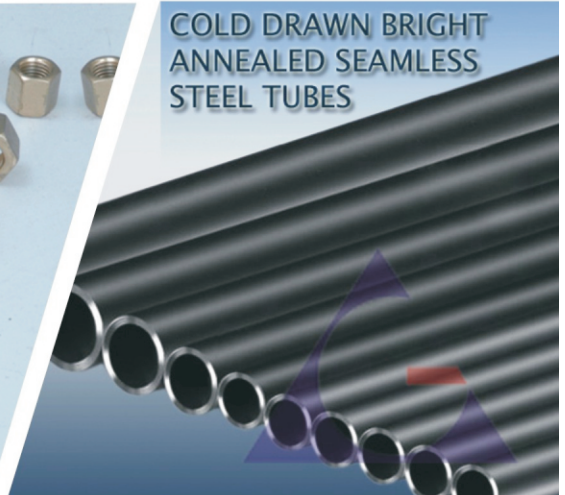
PRECISION ELECTRIC
RESISTANCE WELDED
STEEL TUBES



COLD FORMED
COUPLING
NUTS



COLD DRAWN BRIGHT
ANNEALED SEAMLESS
STEEL TUBES



GANDHI SPECIAL TUBES LIMITED



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

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15

BOARD OF DIRECTORS	:	MANHAR G. GANDHI Chairman & Managing Director
		BHUPATRAI G. GANDHI Joint Managing Director
		DHIRAJLAL S. SHAH Director
		KAVAS N. WARDEN Director
		DHARMEN B. SHAH Director
		JAYESH M. GANDHI Director
		BHAVI JATIN KORADIA Director
AUDIT COMMITTEE	:	DHIRAJLAL S. SHAH Chairman
		DHARMEN B. SHAH Director
		JAYESH M. GANDHI Director
		BHAVI JATIN KORADIA Director
COMPANY SECRETARY	:	PRIYANKA M. BORKAR
CHIEF FINANCIAL OFFICER	:	SHOBHANA RAJAN VARTAK
REGISTERED OFFICE	:	201-204 PLAZA, 2ND FLOOR 55 HUGHES ROAD, NEXT TO DHARAM PALACE MUMBAI 400007 Tel No: 23634179, 23634183, 23635042 complianceofficer@gandhitubes.com
WORKS	:	VILLAGE NURPURA TALUKA- HALOL, DIST: PANCHMAHAL GUJARAT - 389350
AUDITORS	:	S.V.DOSHI & CO. CHARTERED ACCOUNTANTS
BANKERS	:	HDFC BANK LTD., MUMBAI
COMPANY LAW CONSULTANTS	:	DHOLAKIA & ASSOCIATES LLP COMPANY SECRETARIES
DETAILS OF STOCK EXCHANGE	:	COMPANY'S EQUITY SHARES ARE LISTED ON BSE LTD & NATIONAL STOCK EXCHANGE OF INDIA LTD
LISTING FEES	:	LISTING FEES PAID FOR THE YEAR 2015-16

10-YEARS FINANCIAL HIGHLIGHTS

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Net Sales	5,428.45	6,015.21	7,623.13	5,606.96	7,549.17	9,017.40	10,652.93	9,593.96	8,352.55	9,189.77
Total Income	5,700.92	6,251.15	7,998.65	6,287.71	8,750.36	9,425.27	11,065.90	9,862.19	9,144.02	9,632.55
EBIDTA (Earning Before Dep, Interest & Tax)	2,197.95	2,344.76	3,148.09	2,854.89	4,147.43	4,214.87	4,620.26	3,509.83	3,407.02	2,774.79
Depreciation	343.45	408.53	463.32	535.85	508.26	471.27	452.69	433.68	493.66	495.03
Profit After Taxation	1,614.29	1,287.13	1,884.42	1,592.75	2,533.31	2,629.15	2,981.74	2,206.28	1,730.84	1,579.63
Equity Dividend (%)	40.00	40.00	50.00	50.00	100.00	100.00	120.00	120.00	120.00	150.00
Dividend Payout	293.97	293.97	367.46	367.46	734.92	734.93	881.92	881.92	881.92	1,102.40
Equity Share Capital	734.93	734.93	734.93	734.93	734.93	734.93	734.93	734.93	734.93	734.93
Reserves & Surplus	4,173.77	5,125.69	6,580.20	7,743.03	9,416.50	11,188.66	13,145.42	14,326.72	15,025.76	15,273.62
Net Worth	4,908.70	5,860.62	7,315.13	8,477.96	10,151.43	11,923.59	13,880.35	15,061.65	15,760.69	16,008.55
Gross Fixed Assets	5,460.70	6,704.75	8,466.77	8,702.26	8,692.18	8,741.90	8,915.72	10,957.77	12,670.83	12,897.51
Net Fixed Assets	2,746.10	3,605.07	4,958.92	4,688.87	4,210.81	3,789.25	3,553.49	5,195.71	6,415.11	6,274.00

Key Indicators

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Earning per share	21.97	17.51	12.82*	10.84*	17.24*	17.89*	20.29*	15.01	11.78	10.75
Turnover per share - Rs.	73.86	81.85	51.86	38.15	51.36	61.35	72.48	65.27	56.83	62.52
Book Value per share	66.79	79.74	49.77	57.68	69.06	81.12	94.43	102.47	107.23	108.91
Debt/Equity Ratio	0.15	0.12	0.08	0.04	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit Margin %	29.74	21.40	24.72	28.41	33.56	29.16	27.99	23.00	20.72	17.19
EBDIT/ Net Sales %	40.49	38.98	41.30	50.92	54.94	46.74	43.37	36.58	40.79	30.19

*During the year 2007-08, the Company has split the paid up value of its equity shares of the face value of Rs.10/- each into equity of share of Rs. 5/- each , Accordingly, EPS for the year 2007-08 to 2014-15 has been restated, as per the AS 20 "Earning Per Share"

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:-
 - sale of shares is possible only through demat mode as the Company's shares are traded compulsorily in demat mode only.
 - Realize better price for transfer/sale of shares
 - Eliminate loss of shares through burglary or theft, misplacement or mutilation
 - Easy and faster transaction of shares
 - Minimum brokerage.
 - No stamp duty on purchase/sale
- Steps involved in dematerialization of shares
 - Open an account with a Depository Participant (DP) of your choice.
 - You may choose your DP based on your evaluation of their reputation, service standards, charges, comfort level, other conveniences, etc.
 - Submit a dematerialization request form (DRF) to your DP along with the defaced shares certificates.
 - 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 Shares Transfer Agent of the Company.
- **ECS:-** To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). 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 THIRTIETH ANNUAL GENERAL MEETING

NOTICE is hereby given that Thirtieth Annual General Meeting of the Members of **GANDHI SPECIAL TUBES LIMITED** will be held on Wednesday, the 29th day of July, 2015 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 Financial Statements and the reports of the Board of Directors and Auditors thereon for the Financial Year ended on 31st March, 2015.
2. To confirm the payment of Interim Dividend paid on Equity Shares as Final Dividend
3. To appoint Director in place of Mr. Jayesh M. Gandhi (DIN 00041330) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the appointment of existing statutory auditors i.e. M/s. S. V. DOSHI & CO., Chartered Accountants, having the ICAI Registration No. 102752W and holding valid Peer Review Certificate issued by the Institute of Chartered Accountants of India and who having consented to act as the Statutory Auditors of the Company be and is hereby ratified for the financial year 2015-2016 in terms of resolution passed at the Annual General Meeting held on 24th July, 2014, under Section 139 of the Companies Act, 2013 and Rule 3 of the Companies (Audit and Auditors) Rules, 2014 on such remuneration as may be decided by the Board of Directors from time to time pursuant to Section 142 of the Companies Act 2013 for the said year."

SPECIAL BUSINESS:

1. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and such other applicable provisions read with Schedule IV of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement entered into with Stock Exchanges, Mrs. Bhavi Jatin Koradia (DIN 07004836), who was appointed as an Additional Director of the Company in the category of an Independent and Woman Director with effect from 30th October, 2014 in terms of Section 161 of the Act, and who holds office as such up to the date of this Annual General Meeting and having submitted declarations for her eligibility for appointment and meeting the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s), be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 29th July, 2015 up to 28th July, 2020."

By Order of the Board of Directors

PRIYANKA M. BORKAR
COMPANY SECRETARY

Place : Mumbai

Date : 21st May, 2015

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.gandhispecialtubes.com

NOTES:

1. The relevant Explanatory Statement as required under section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
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.**

Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf 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.

The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Company at its Registered Office not less than 48 hours before the commencement of the meeting.

3. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 28th July, 2015 to Wednesday, 29th July, 2015 (both days inclusive).
4. 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 only to the Depository Participant of the Members.
5. SEBI, vide its circular No. CIR/MRD/DP/10/2013, dated 31st March, 2013 has made it 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.
6. **Members' attention is particularly drawn to the provisions of Section 205A and 205C of the Companies Act, 1956, wherein the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹ 5,00,550/- (Five Lakh Five Hundred and Fifty Only) being the unpaid and unclaimed dividend amount pertaining to Dividend for the Financial Year 2007-08, to the Investor Education and Protection Fund of the Central Government on 19th March, 2015.**
7. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules). The objective of the IEPF Rules is to help the shareholders ascertain Status of the unclaimed amounts and overcome the problem due to misplacement of intimation thereof by post etc. the company has uploaded the information in respect of the Unclaimed Dividends in respect of the Financial years 2008 - 2009 up to 2013 -2014 on the website of the IEPF viz. www.iepf.gov.in and under "Investor Section" on the website of the Company viz. www.gandhispecialtubes.com.

8. Members who have not encashed their dividends warrants for Financial Year 2008-09 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.gandhispecialtubes.com)
9. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file nomination in the prescribed Form SH-13 (Annexed to the Report) 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.
10. 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 to attend and vote on their behalf at the Meeting.
11. 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.
12. 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.
13. 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 information required readily available at the Meeting.
14. Members/Proxies 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.
15. The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at www.gandhispecialtubes.com. and on the website of Karvy Computershare Pvt. Ltd. at "<https://evoting.karvy.com>"
16. Shareholders can register their complaints, if any, on an exclusive e-mail id complianceofficer@gandhitubes.com which has been designated for the said purpose.
17. Pursuant to Section 101 and Section 136 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 address 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.
18. 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.
- 19. Members are requested to bring their copies of the Annual Report at the Meeting.**
- 20. Voting through electronic means**

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with, Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means (remote e-voting) and the business may be transacted through remote e-voting services provided by Karvy Computershare Private

Limited.

Procedure / Instructions for e-voting are as under

- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii) Enter the login credentials (i.e., user-id & password) which will be sent to you separately. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDI :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • <u>Event no.</u> followed by Folio Number registered with the company
Password	Your Unique password will be sent to you separately by courier / via email forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Please contact our toll free No. **1-800-34-54-001** for any further clarifications.
- iv) Members can cast their vote online from 9.00 a.m. on Sunday, 26th July, 2015 and will end at 5.00 p.m. on Tuesday, 28th July, 2015.
- v) After entering these details appropriately, click on “LOGIN”.
- vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., '**Company Name**'.
- ix) If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (corporate /FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to gstlevoting2015@dholakia-associates.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format “Corporate Name_ Event no.”

A. In case a Member receives physical copy of the Notice of AGM and Attendance Slip [for members whose email IDs are not registered with the Company / Depository Participants(s)] or requesting physical copy:

- (i) Initial password will be sent separately
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) Above, to cast vote.

(2) Voting at AGM: The members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM.

The Company will make arrangements of poll papers in this regards at the AGM Venue.

OTHER INSTRUCTIONS

- I. In case of any queries, you may refer the

Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of "<https://evoting.karvy.com>. If you are already registered with Karvy for e-voting then you can use your existing USER ID AND PASSWORD/PIN for casting your vote.

- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 22nd July, 2015, are entitled to vote on the Resolutions set forth in this Notice by way of remote e-voting and poll.**
- IV. The remote e-voting period will commence at 9.00 a.m. on Sunday, 26th July, 2015 and will end at 5.00 p.m. on Tuesday, 28th July, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Wednesday, 22nd July, 2015**, may cast their vote electronically. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd July, 2015 for both remote e-voting and poll.
- VI. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd July, 2015 may obtain the login ID and password by sending an email to complianceofficer@gandhitubes.com or evoting@karvy.com by mentioning their Folio No./DP ID and Client ID No. however, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on <https://evoting.karvy.com>.
- VII. Pursuant to Section 107 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, voting through polling paper shall also be made available to those Members who attends the Annual General Meeting and have not already cast their vote by e-voting.**
- VIII. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
- X. Mr. Bhumitra V. Dholakia or in his absence Mr. Nrupang B. Dholakia, Practicing Company Secretary of Dholakia & Associates LLP has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XI. The Scrutinizer shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer shall within 3 days of conclusion of the meeting submit a

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15

consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.

- XII. The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of Karvy and shall be communicated to BSE Limited and National Stock Exchange of India.
22. As required by Clause 49 of the Listing Agreement brief profile of the Directors proposed to be appointed / re-appointed at the Annual General Meeting is given below:

Name of the Director	Mr. Jayesh M Gandhi
Date of Birth	28.11.1965
Date of Appointment	07.05.1998
Qualification	B.COM., M.B.A.
Experience in specific functional areas	Mr. Jayesh M. Gandhi has a rich and extensive experience for more than 25 years in manufacturing, administration and marketing automobile and diesel engine, oil engine parts including exports. He has achieved good export orders visiting various countries. He is also a key person in developing the ERP system for your Company.
Directorships in other Companies	Jaishri Engineering Company Private Limited. B. M. Gandhi Investments Company Private Limited.
Chairman/ Member of the Committees of the Board of Directors of the Company	Member of Audit Committee and Corporate Social Responsibility Committee
Chairman/Member of the Committees of the Board of Directors of the other Companies in which he is a Director	Nil
No. of Shares held in the Company	11,67,466 Equity Shares of ₹ 5/- each.
Director Identification Number	00041330

By Order of the Board of Directors

PRIYANKA M. BORKAR
COMPANY SECRETARY

Place : Mumbai
Date : 21st May, 2015

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.gandhispecialtubes.com

EXPLANATORY STATEMENT
(Pursuant to Section 102 of The Companies Act, 2013)

ITEM NO. 5

As required by Clause 49 of the Listing Agreement brief profile of the Directors proposed to be appointed / re-appointed at the Annual General Meeting is given below:

Name of Director	Mrs. Bhavi Jatin Koradia
Date of Birth	20/08/1983
Date of Appointment on the Board	30/10/2014
Qualification	Chartered Accountant
Experience in specific functional areas	SAP FICO Consultant
Directorships in other Companies	None
Chairman/Member of the Committee(s) of the Board of Directors of the Company	Member in Audit Committee and Nomination & Remuneration Committee
Chairman/Member of the Committee(s) of Directors of other Companies in which he is a Director	Nil
No. of Shares held in the Company	Nil
Director Identification No.	07004836

Mrs. Bhavi Jatin Koradia (DIN NO: 07004836) was appointed as an Additional Director of the Company in the category of an Independent Director on the Board of the Company on 30th October, 2014. In terms of Section 149, 152 and 161 of the Companies Act, 2013 (the Act) read with the relevant Rules, she holds office as an Additional Director up to the date of ensuing Annual General Meeting. Mrs. Bhavi Jatin Koradia will be appointed as a Non-Executive Independent Director on the Board of the Company pursuant to the provision of Section 149 of the Act read with the relevant Rules and Clause 49 of the Listing Agreement.

The Company has received declaration from Mrs. Bhavi Jatin Koradia that she meets the criteria of independence as provided in Section 149(6) of the Act and Clause 49 of the Listing Agreement(s) entered with the Stock Exchanges.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mrs. Bhavi Jatin Koradia for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Bhavi Jatin Koradia as an Independent Director. Accordingly, the Board recommends the resolution to the shareholders in relation to the approval of Mrs. Bhavi Jatin Koradia to continue to hold office as an Independent Director for a term of five years commencing from 29th July, 2015 up to 28th July, 2020 pursuant to provisions of section 149 read with schedule IV to the Act. In terms of provisions of Section 149(13) of the Act Mrs. Bhavi Jatin Koradia shall not be liable to retire by rotation.

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15

Except Mrs. Bhavi Jatin Koradia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

By Order of the Board of Directors

**PRIYANKA M. BORKAR
COMPANY SECRETARY**

**Place : Mumbai
Date : 21st May, 2015**

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.comWebsite: www.gandhispecialtubes.com

BOARDS' REPORT

Dear Members,

The Board of Directors are pleased to present the Thirtieth Annual Report on the business and operations of your Company along with the audited financial statements for the financial year ended 31st March, 2015. The Statement of Accounts, Auditors' Report, Board's Report and attachment thereto have been prepared in accordance with the provisions contained in Section 134 of Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2015 is summarized below:

Particulars	For the year ended 31.03.2015 (₹ in Lacs)	For the year ended 31.03.2014 (₹ in Lacs)
Revenue from operations	9189.77	8352.55
Profit before Tax	2279.76	2913.36
Less: Tax Expenses		
Current Tax	574.00	580.00
Current Tax for Prior Years	66.70	384.82
Deferred Tax	59.43	217.71
Profit for the year	1579.63	1730.84
Interim Dividend	1102.40	881.92
Corporate Dividend Tax	225.71	149.88
Transfer to General Reserve	300.00	300.00
Earnings Per Share of ₹ 5/-	₹ 10.75	₹ 11.78

2. RESERVES

During the year under review, your Company transferred a sum of ₹ 300 lakhs to the General Reserves.

3. PERFORMANCE AND AFFAIRS OF THE COMPANY

It is heartening to note that in spite of general depression, your Company's Net Sales has increased by 10.02% from ₹ 8353 lacs to ₹ 9190/- lacs. However the operating profit has reduced by 13.43 % from ₹ 2122/- lacs to ₹ 1837/- lacs. This is primarily on account of increase in fuel and labour cost and increase in other manufacturing expenses. The Company was unable to pass on the increase in costs to its customers on account of overall depression in the industry.

The performance and outlook of the Company have been discussed in the Management Discussion and Analysis Report, which is forming part of the Annual Report.

4. DIVIDEND

The Company has increased the rate of dividend and paid an Interim Dividend @150 % on 16th February, 2015 i.e. ₹ 7.50 per share as compared to last year dividend of ₹ 6/- per share. The dividend has been paid to the shareholders whose names appeared in the Register of Members as on 3rd February, 2015. The total dividend paid for the year ended 31st March, 2015 was ₹ 1102.40 lacs. Your Directors recommend that the Interim Dividend be confirmed as Final Dividend.

5. CURRENT STATUS

The order book position of the Company in the current financial year 2015-16 is satisfactory. The Company expects to achieve better performance during the current year.

6. CHANGES IN NATURE OF BUSINESS AND REVISION IN THE BOARD'S REPORT

There is no change in the nature of business of the Company during the year. There is no revision made in the Board's Report and whatever submitted herewith is the final report.

7. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your Company did not have any subsidiary, associate and joint venture Company.

8. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchanges, Corporate Governance Report and Certificate regarding compliance of conditions of Corporate Governance form an integral part of this report and are set out as separate Annexure to this Report.

9. PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. The question of non-compliance of the relevant provisions of the law relating to acceptance of deposit does not arise.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL**(i) Directors**

Mr. Jayesh M. Gandhi, (DIN NO: 00041330) Director will retire by rotation and being eligible and not being disqualified under section 164 of the Companies Act, 2013, offers himself for re-appointment.

Mrs. Bhavi Jatin Koradia (DIN NO: 07004836) was appointed as an Additional Director with effect from 30th October, 2014. As an Additional Director Mrs. Bhavi Jatin Koradia holds office up to the date of the ensuing Annual General Meeting and being eligible, offers herself for appointment as Director afresh.

The Company has received a letter from a member along with the requisite deposits proposing the candidature of Mrs. Bhavi Jatin Koradia for her appointment as Director at the next Annual General Meeting. The Boards recommends for her appointment.

There is no other change in the composition of the Board of Directors.

(ii) Key Managerial Personnel

Mrs. Shobhana Rajan Vartak was appointed as Key Managerial Personnel designated as Chief Financial Officer of the Company on 12th October, 2010. Ms Priyanka M Borkar was appointed as Key Managerial Person designated as Company Secretary of the Company w.e.f 29th January, 2015 in place of Ms Kinjal D Padrakar who resigned with effect from 2nd January, 2015.

(iii) Declaration by an Independent Director(s)

The Company has complied with clause 49 of Listing Agreement and according to the provisions of section 149(6) of the Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to section 149(7) of the Companies Act, 2013

(iv) Annual Evaluation of Board

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance and other Directors. A

structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, promotion of participation by all directors and developing consensus amongst the directors for all decisions.

11. NUMBER OF BOARD MEETINGS

During the Financial year, total 4 (Four) meetings of the Board of Directors were held on 22nd May, 2014, 24th July, 2014, 30th October, 2014 and 29th January, 2015 respectively.

12. DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by your Directors they make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 and hereby confirm that:-

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis; and the directors have laid down proper systems financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. NOMINATION AND REMUNERATION COMMITTEE

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

14. AUDIT COMMITTEE:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The Audit Committee comprises of:

1. Mr. Dhirajlal S. Shah - Chairman and Independent Director
2. Mr. Dharmen B. Shah- Independent Director
3. Mr. Jayesh M. Gandhi - Non-Executive Director.
4. Mrs. Bhavi Jatin Koradia -Independent Director

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act and the Listing Agreement entered into with the Stock Exchanges. The Managing Director, Chief Financial officer, Internal Auditors and Statutory Auditors are permanent invitees to the Audit Committee meetings.

15. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal and unethical behavior.

The Board of Directors of the Company have, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

16. RISK MANAGEMENT POLICY

The Board of Directors of the Company during the year have designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. At present there is no identifiable risk which, in the opinion, of the Board may threaten the existence of the Company.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in "Annexure A" which forms part of this Report.

18. INTERNAL CONTROL SYSTEMS

Adequate internal control systems commensurate with the nature of the Company's business, size and complexity of its operations are in place. It has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

19. EXTRACT OF ANNUAL RETURN

Extract of the Annual Return in form MGT-9 for the financial year ended 31st March, 2015 made under the provisions of Section 92(3) of the Act is annexed as "Annexure B" which forms part of this Report.

20. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee comprises of:

1. Mr. Manhar G. Gandhi – Chairman & Managing Director
2. Mr. Jayesh M. Gandhi – Non- Executive Director
3. Mr. Dhirajjal S. Shah - Independent Director

The Company has formulated and recommended the Board a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities is annexed as "Annexure C" and forms a part of this Report.

21. AUDITORS**(i) STATUTORY AUDITOR**

The Statutory Auditors of your Company namely, M/s. S. V. Doshi & Co., Chartered Accountants have been appointed for a period of three years at the previous annual general meeting held on 24th July, 2014. The appointment is required to be ratified by the shareholders at this annual general meeting to conduct the audit for the financial year 2015-2016. Auditors have confirmed their eligibility and submitted the Certificate in writing that their appointment, if ratified, would be within the prescribed limit under the Act and they are not disqualified for re-appointment.

The Statutory Auditors Report does not contain any qualification, reservation or adverse remark.

(ii) SECRETARIAL AUDITOR

The Board has appointed M/S Dholakia & Associates LLP, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2014-2015. The Report of the Secretarial Audit Report is annexed herewith as "Annexure D". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

(iii) COST AUDITOR

The Company is not required to appoint Cost Auditor as it is not required to submit cost audit report pursuant to the provision of the Companies (Cost Records and Audit) Rules, 2014.

22. GREEN INITIATIVES

Pursuant to Sections 101 and 136 of the Companies Act, 2013 The Company will be sending Annual Report through electronic mode email to all the shareholders who have registered their email addresses with the Company or with the Depository to receive Annual Report through electronic mode and initiated steps to reduce consumption of paper.

23. HUMAN RESOURCES

Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

24. ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources. There was no accident during the year.

25. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR END OF THE COMPANY TO WHICH FINANCIAL RESULTS RELATE

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

26. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

27. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

The Company has not given any loan during the year. The details of Guarantees, Investments and Securities are covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes No. 10, 12 and 24 to Financial Statements.

28. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. Few transactions have been made under the approval of the Central Government obtained under the Companies Act, 1956 and valid for the year under review. Hence, the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in form AOC-2 is not required. However, the details have been furnished in the Notes No. 35 to the financial statement.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval at every quarterly meeting.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link of the same has been provided in the Corporate Governance Report.

29. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014.

There were no employees except the Managing Director and Joint Managing Director of the Company drawing remuneration of Rs. 60 lacs per annum or more or Rs. 5 lacs per month or more during the year under review. Both the Managing Director and Joint Director are related to each other and they are promoters of the Company. Their appointment is contractual as approved by the Board and members of the Company.

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2015 is given in a separate Annexure to this Report.

The above Annexure is not being sent along with this Report to the Members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by members at the Registered Office of the Company, 21 days before the Annual General Meeting and up to the date of the Annual General Meeting during the business hours on working days.

30. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

The Company has set up an Internal Complaints Committee (ICC) for providing a Redressal mechanism pertaining to Sexual harassment of women employees at workplace. There was no complaint received during the year under review.

31. GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
2. The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
3. The Company has not issued any equity shares under Employees Stock Option Scheme during the year

under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

4. During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.
5. No orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

32. ACKNOWLEDGEMENT

Your Directors wish to thank Bankers, Government authorities and various stakeholders, such as, shareholders, customers and suppliers, among others for their support and valuable guidance to the Company. Your Directors also wish to place on record their appreciation for the committed services of all the Employees of the Company.

For and On behalf of the Board of Directors

Place: Mumbai
Date : 21.05.2015

Manhar G. Gandhi
Chairman & Managing Director

“ANNEXURE A”**ANNEXURE TO BOARD'S REPORT**

PARTICULARS REQUIRED PURSUANT TO SECTION 134(3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014 FOR THE YEAR ENDED ON 31ST MARCH, 2015.

I. Conservation of Energy**A. Energy conservation measures taken:**

Furnace atmosphere in bright annealing furnaces was changed from Exo-gas to Endo-gas which resulted in considerable reduction in consumption of Pipe Natural Gas.

B. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

At present the Company is not considering any specific investment but normal investment, wherever required, will be made on need basis from time to time.

C. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods:

There will be marginal reduction in the cost of Pipe Natural Gas.

A. POWER AND FUEL CONSUMPTION

Sr. No.	Particulars		2014-15	2013-14
1.	Electricity Purchased			
	Units Purchased	Lacs KWH	55.71	46.79
	Total Amount	₹ Lacs	417.65	345.96
	Average Rate / KWH	Rupees	7.50	7.39
2.	GSPC Gas Consumed			
	Quantity Consumed	SCM	21,74,204.40	20,95,230.70
	Total Amount	₹ Lacs	987.15	871.60
	Average Rate / SCM	Rupees	45.40	41.60

B. CONSUMPTION PER UNIT OF PRODUCTION

Sr. No.	Particulars		2014-15	2013-14
			Per Tonne	Per Tonne
1.	Electricity*	KWH	1211.70	1119.80
2.	GSPC GAS*	Tonne	0.381	0.410**

* Indicates combined consumption of Welded / Seamless Tubes and Nuts.

** Indicates only GSPC GAS consumption

II. Research and Development and Technology Absorption

A. RESEARCH AND DEVELOPMENT

(1) SPECIFIC AREAS IN WHICH R & D WAS CARRIED OUT BY THE COMPANY

The Company is undertaking regular developmental activities to strengthen its operations through innovation to improve productivity and quality.

(2) BENEFITS DERIVED AS A RESULT OF THE ABOVE R & D

The Company is achieving efficiency in production, and improvement in quality of product.

(3) FURTHER PLAN OF ACTION

At present, there are no specific areas in which the Company is undertaking Research & Development.

(4) CAPITAL EXPENDITURE ON R & D

The Company has not made separate allocation in the accounts, but the expenditure (other than capital expenditure) is shown under respective heads of expenditure in the Profit & Loss Account.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company is taking steps on a continuous basis to improve product and process technology in an effort to provide quality products to the consumers.

III. Foreign Exchange Earnings and Outgo

- (i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;
- (ii) Total foreign exchange used and earned.

Foreign Exchange Earnings	₹ 37,43,152/-
Foreign Exchange Outgo	₹ 7,02,70,805/-

For and on behalf of the Board of Directors

Manhar G. Gandhi
Chairman & Managing Director

Place: Mumbai
Date: 21.05.2015

**FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN****As on the financial year ended 31.03.2015**

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L27104MH1985PLC036004
Registration Date	22/04/1985
Name of the Company	GANDHI SPECIAL TUBES LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	201-204, PLAZA, 2ND FLOOR, 55 HUGHES ROAD,MUMBAI, MAHARASHTRA,INDIA, 400007
Whether listed Company	YES
Name, address and contact details of Registrar and Transfer Agent, if any	KARVY COMPUTERSHARE PRIVATE LIMITED SEAT NO.52 ,6-FLOOR ,KARVY SELENIUM TOWER-B, PLOT NO. 31 & 32 , FINANCIAL DIST, GACHIBOWLI, NANAKRAMGUDA,SERI LINGAMPALLY HYDERABAD - 500 008 ,TELANGANA STATE ,INDIA. PHONE NOS.: +91 040 6716 1585

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Welded Tubes	99611925	21.29
2	Seamless Tubes	99611925	71.29

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Not applicable as there is no subsidiary and associate company.

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.PROMOTERS									
(1) Indian									
a) Individual/HUF	9699867	-	9699867	65.99	9699867	-	9699867	65.99	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1069700	-	1069700	7.28	1069700	-	1069700	7.28	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	10769567	-	10769567	73.27	10769567	-	10769567	73.27	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	10769567	-	10769567	73.27	10769567	-	10769567	73.27	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-
B. PUBLIC SHAREHOLDING	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	1000	1000	0.01	-	1000	1000	0.01	-
b) Banks / FI	-	7200	7200	0.05	-	7200	7200	0.05	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	290000	-	290000	1.97	311280	-	311280	2.12	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	290000	8200	298200	2.03	311280	8200	319480	2.18	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	271247	900	272147	1.85	304400	400	304800	2.07	-
ii) Overseas	-	-	-	-	-	-	-	-	-

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1733104	629594	2362698	16.07	1729459	612994	2342453	15.94	-
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	711162	-	711162	4.84	685152	-	685152	4.66	-
c) Others Directors and Relatives	33950	-	33950	0.23	33750	-	33750	0.23	-
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	97383	150750	248133	1.69	92465	149350	241815	1.65	-
v) Clearing Members / Clearing House	2759	-	2759	0.02	1599	-	1599	0.01	-
vi) Trusts	-	-	-	-	-	-	-	-	-
vii) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	2850105	780744	3630849	24.70	2846825	762744	3609569	24.56	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	3140105	788944	3929049	26.73	3158105	770944	3929049	26.73	-
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13909672	788944	14698616	100.00	13927672	770944	14698616	100.00	-

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15**(ii) Shareholding of Promoters**

Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
MANHAR G. GANDHI	2115670	14.39	-	2115670	14.39	-	-
BHUPATRAI G. GANDHI	1940571	13.20	-	1940571	13.20	-	-
JAYESH M GANDHI	1167466	7.95	-	1167466	7.95	-	-
MANOJ B GANDHI	1097168	7.46	-	1097168	7.46	-	-
BHARTI M.GANDHI	783776	5.33	-	783776	5.33	-	-
CHANDRA B.GANDHI	470520	3.20	-	470520	3.20	-	-
GOPI J.GANDHI	458273	3.12	-	458273	3.12	-	-
JIGNA M.GANDHI	449443	3.06	-	449443	3.06	-	-
KARISHMA J GANDHI	244300	1.66	-	244300	1.66	-	-
KARAN MANOJ GANDHI	243000	1.65	-	243000	1.65	-	-
MANHAR G GANDHI (SMALL) HUF	134060	0.91	-	134060	0.91	-	-
BHUPATRAI G GANDHI (SMALL) HUF	127720	0.87	-	127720	0.87	-	-
BHUPATRAI G GANDHI HUF	120360	0.82	-	120360	0.82	-	-
KAVITA B GANDHI	99600	0.68	-	99600	0.68	-	-
MANHAR G GANDHI HUF	90140	0.61	-	90140	0.61	-	-
RAHUL JAYESH GANDHI	69000	0.47	-	69000	0.47	-	-
JIGNA NILESH MEHTA	47200	0.32	-	47200	0.32	-	-
BINA TUSHAR SHAH	32800	0.22	-	32800	0.22	-	-
NILESH VINODRAI MEHTA	8800	0.06	-	8800	0.06	-	-
B M GANDHI INVESTMENT CO. PVT. LTD.	559300	3.81	-	559300	3.81	-	-
GANDHI FINANCE COMPANY PVT. LTD.	510400	3.48	-	510400	3.48	-	-
Total	10769567	73.27	-	10769567	73.27	-	-

(iii) Change in Promoters' Shareholding

There is no change in the shareholding of the Promoter Group.

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MALABAR INDIA FUND LIMITED	290000	1.97	311280	2.12
2	KRISHNARAJ VENKATARAMAN	137800	0.93	137800	0.93
3	M P JAIN	120897	0.82	120897	0.82
4	RAJESH P SHAH	110996	0.75	110996	0.75
5	IL AND FS TRUST COMPANY LIMITED	98682	0.67	137912	0.94
6	JEETAY INVESTMENTS PVT LTD	96033	0.65	79507	0.54
7	MAHAVEER PRASAD JAIN	52475	0.36	52475	0.36
8	JITENDRA RASIKLAL SHAH	47214	0.32	47214	0.32
9	SANJEEV CHOPRA	51999	0.35	-	-
10	JYOTI KETAN VAKHARIA	41588	0.28	41588	0.28
11	SANJEEV CHOPRA	-	-	38443	0.26
	Total	1047684	7.10	1078112	7.32

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
	Directors						
1	Mr. Manhar G. Gandhi	2115670	14.39	2115670	14.39	-	-
2	Mr. Bhupatrai G. Gandhi	1940571	13.20	1940571	13.20	-	-
3	Mr. Jayesh M. Gandhi	1167466	7.95	1167466	7.95	-	-
4	Mr. Dharmen B. Shah	-	-	-	-	-	-
5	Mr. Dhirajlal S. Shah	4250	0.03	4250	0.03	-	-
6	Mr. Kavas N. Warden	28700	0.19	28500	0.19	02-07-2014	Sale
7	Mrs. Bhavi Jatin Koradia.	-	-	-	-	-	-
8	Mrs. Shobhana Rajan Vartak	-	-	-	-	-	-
9	Ms. Priyanka M. Borkar	-	-	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

The Company has not borrowed any amount from the Bank or financial institution.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director / Whole Time Director and/or Manager:

Sr No.	Particulars of Remuneration	Name of MD Mr. Manhar G. Gandhi (₹ In lacs p.a)	Name of Joint MD Mr. Bhupatrai G. Gandhi (₹ In lacs p.a)	Total Amount (₹ In lacs p.a)
	Gross Salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	120.00	120.00	240.00
	Gross Salary			
	(b) Value of Perquisites u/sec 17 (2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961	-	-	-
	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission	4.00	4.00	8.00
	a. as a % of profit			
	b. others, specify			
	Others, Please specify	-	-	-
	Total (A)	124.00	124.00	248.00

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
	Independent Directors	Mr. Dhirajlal S Shah (₹ in lacs)	Mr. Dharmen B. Shah (₹ in lacs)	Mr. Kavas N Warden (₹ in lacs)	Mrs. Bhavi Jatin Koradia (₹ in lacs)	(₹ in lacs)
	• Fee for attending board/other committee meeting	0.83	0.74	0.79	0.15	2.51
	Total (1)	0.83	0.74	0.79	0.15	2.51
	Other Non-Executive Directors	Mr Jayesh Gandhi (₹ in lacs)				
	• Fee for attending board /other committee meeting	0.69	-	-	-	0.69
	Total (2)	0.69	-	-	-	0.69
	Total (B) = (1 + 2)	1.52	0.74	0.79	0.15	3.20

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15**C. Remuneration to key managerial personnel other than MD/Manager/WT**

Sr No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹ in lacs)
		Chief Financial Officer	Company Secretary	
		Mrs. Shobhana Rajan Vartak	Ms. Priyanka M. Borkar	
		(₹ in lacs)	(₹ in lacs)	
1	Gross Salary	9.36	0.84	10.20
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	-	-	-
	(b) Value of Perquisites u/sec 17 (2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	a. as a % of profit			
	b. others, specify			
5	Others, Please specify	-	-	-
	Total	9.36	0.84	10.20

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act) : There were no instances of any penalty/punishments/compounding of offences for the year ended 31-03-2015.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 21.05.2015

Manhar G. Gandhi
Chairman & Managing Director

ANNUAL REPORT ON CSR ACTIVITIES

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Company has adopted the CSR Policy in line with the Schedule VII to the Companies Act, 2013. The Company has entered into a Memorandum of Understanding with Shree Panchmahal Anusuchit Jati Education Trust Adadara duly registered under Bombay Public Trust Act, 1950 (Rule 29 of 1950) with the noble objective of providing education to tribal children for their development. The Company has agreed to provide for financial assistance of ₹ 60, 00,000/- to their project "Construction of Deaf and Dumb School Godhara at Bamroli road, Godhra" for scheduled tribe and disabled children and the payment will be made to the said trust progressively. The name of New Deaf and Dumb School will be "Gandhi Special Deaf and Dumb School". The location is in the vicinity of the factory of the Company.</p> <p>The detail is available on the website of the Company www.gandhitubes.com</p>
2.	The Composition of the CSR Committee.	<p>Mr. Manhar G. Gandhi Mr. Jayesh M. Gandhi Mr. Dhirajlal S. Shah</p>
3.	Average net profit of the Company for last three financial years	₹ 23,06,29,010/-
4.	Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)	₹ 46,12,580/-
5.	<p>Details of CSR spent during the financial year.</p> <p>(a) Total amount to be spent for the financial year;</p> <p>(b) Amount unspent , if any;</p> <p>(c) Manner in which the amount spent during the financial year is detailed below.</p>	<p>₹ 46,12,580/-</p> <p>₹60,00,000/- lacs which is committed under the Memorandum of Understanding entered into with the Trust.-</p> <p>N.A.</p>

6. The company was unable to spend the two per cent of the average net profit of the last three financial years as this is the first year of implementation of CSR Policy as it was time consuming to understand the exact nature of project, location of suitable site, finalization of project etc.

The Company has made a written commitment to the above trust to provide financial assistance for construction of the school which is likely to be completed within 9 months period.

The CSR Committee at its meeting held on 21st May, 2015 has approved the above CSR Report and confirmed a statement that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Chairman and Managing Director

Chairman of CSR Committee

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Issued in Pursuance to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,
The Members,
Gandhi Special Tubes Limited
201-204, PLAZA, 2ND FLOOR
55 Hughes Road,
Mumbai-400007

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gandhi Special Tubes Limited (CIN L27104MH1985PLC036004)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

A. In expressing our opinion it must be noted that-

- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
- iii. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.
- iv. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- v. The compliance and provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

B. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company in the manner and subject to the reporting made hereinafter:

C. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

-
- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- VA. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- VB. The Company has not undertaken any of the activities during the audit period as envisaged in the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and hence are not relevant for the purpose of audit:-
- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- VI. And the Company being in the business of manufacturing Automobiles Components, Cold Formed Tube Nuts for Fuel Injection Tube Assemblies, Hydraulic and other tube Assemblies, no specific Special Acts are applicable to the Company as envisaged in the format of Audit Report under the Act.
- D. We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.
- E. We further report that--
- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
- II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- III. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- F. We further report that there are adequate systems and process in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- G. We further report that during the audit period none of the following events has taken place-
 - I. Public/Rights/Preferential Issue of Shares/Debentures/Sweat equity etc.
 - II. Redemption/buy back of securities
 - III. Major decision taken by the members in pursuance to section 180 of the Companies Act, 2013.
 - IV. Merger/Amalgamation/Reconstruction, etc.
 - V. Foreign Technical Collaborations.

Place: Mumbai

For Dholakia & Associates LLP,
(Company Secretaries)

Date: 21st May, 2015

CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. Industry Structure and Development**

The Company is engaged in manufacturing and marketing of welded and seamless steel tubes of different sizes and specifications and Cold Formed Coupling Nuts. These products are mainly supplied to the Original Equipment Manufacturers (OEMs) of the Automotive, Refrigeration and other Engineering Industries. Though demand for company's products has gone down in last year on account of economic slowdown, Mines are still not operating and all new projects are still in pipe line. Our company still believes that growth in Indian economy will be back on track soon.

The Company is also operating in Power Sector through Windmills installed in Maharashtra and Gujarat in a modest way.

2. Opportunities & Threats**Opportunities:**

Factors like supportive government policies, optimal business environment, and accessibility of inexpensive proficient workforce have transformed India into a global automobile hub. Once inflation is under control and interest rates are down, growth in Indian Economy is likely to lead to increased demand for Company's products. Government of India has already levied 20 % anti- dumping custom duty to safe guard the interest of Indian Manufacturers with the result imports of seamless tubes are 20 % expensive. With depreciation of Indian Rupee and this new 20 % antidumping duty it is advantageous for the importers to buy from Gandhi Special Tubes Ltd. We have already started receiving enquiries and Orders from new customers and from different fields of Manufacturing. Developing our raw material sources indigenously will help us in maintaining our sales prices and having a better edge in the market.

Threats:

High inflation and high interest regime for a prolonged period and passive investment climate may slow down the economy with reduced demand for Company's products.

3. Product wise Performance

Product wise classification and their contribution to total sales are as under:

Sr. No.	Product	2014-15	2013-14
1.	Welded Tubes	21.29%	22.94%
2.	Seamless Tubes	71.29%	67.60%
3.	Cold Formed Nuts	5.80%	7.26%
4.	Wind Power	1.62%	2.20%
	Total	100.00%	100.00%

4. Outlook

Improvement in global economy and stable political environment in the country should improve investment climate in India which is likely to substantially improve demand to our product in near future.

5. Risk and Concerns

The margins could come under pressure due to increase in fuel cost, labour cost and other manufacturing expenses.

Competition from low cost manufacturing countries such as China.

The Company evaluates and monitors all risks associated with various areas of operations such as

production, sales, inventory management, debtors management, insurance, legal and other issues like safety and environment with a view to mitigate the adverse impact of the risk factors.

6. Internal Control Systems

The Company has an internal control system in place which is commensurate with the size and nature of its business. The internal control system ensures that all the assets of the Company are safeguarded from loss, damage or disposition. Checks and controls are in place to ensure that transactions are adequately authorized and recorded and that they are reported correctly. The internal control system is supplemented by an extensive programme of internal audit by a firm of independent Chartered Accountants and external statutory audit which is periodically reviewed by the management and Audit Committee.

The Audit Committee of the Board regularly reviews compliance with the Company's policies, procedures and statutory requirements in consultation with the Statutory Auditors and the Internal Auditors, who also attend the Audit Committee meetings.

7. Financial Performance with respect to Operational Performance

Sales and Profit:

During the year Net Sales has increased by approximately 10.10% and a reduction of 21.75% was seen in the Net profit due to increase in fuel cost, labour cost and other manufacturing expenses.

Capital Investment:

Capital Investment of ₹352.19 lacs were made during the year. The entire capital investment has been made out of the Company's internal cash accruals.

8. Human Resources and Industrial Relations

Industrial relations were harmonious throughout the year. The Company also provides suitable environment for development of leadership skills which enables it to recruit and retain quality professionals in all the fields.

Safety, Health and Environment (SHE) Management

Safety: Your Company continues to adopt best safety practices which has resulted into a reduced accident and severity rate. The initiation of new personnel in SHE practices before their deployment to the shop floor contributed to a significant reduction in unsafe practices. This is progressively taking the Company towards achieving the target of Zero Accidents. Regular safety inspection of plant and machinery is carried out to mitigate hazards by terminating the hazard at source by technology up gradation and treating the hazards against exposure to personnel by implementing engineering controls.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectation are "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

For GANDHI SPECIAL TUBES LTD.

Manhar G. Gandhi
Chairman and Managing Director

Place: Mumbai
Date: 21.05.2015

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Corporate Governance

Your Company's philosophy on Corporate Governance is for promoting fairness, transparency, accountability and integrity in conducting the business of the Company to achieve sustained growth and maximum value for all its shareholders. The rights of the shareholders are honoured, their grievances are redressed well in time and important information is shared with them. Your Company recognizes the importance of shareholder democracy and constructive role in the governance of the affairs of the Company.

Your Company is fully complied with the Regulatory Guidelines relating to the Corporate Governance of Clause 49 of the Listing Agreement with BSE Ltd and the National Stock Exchange of India Ltd vis-à-vis the Companies Act, 2013.

2. Board of Directors

(A) Composition

The Board of the Company has an optimum combination of Executive, Non Executive and Independent Directors with one woman director and more than fifty percent of the Board of Directors comprises non-executive directors with the strength of more than fifty percent independent directors.

(B) Attendance and Other Directorships:

The attendance of the Board of Directors and related information as on 31st March, 2015 is as follows:

Name of the Director & Designation	No. of Board Meetings attended (out of total 4 meetings)	Attendance at the last AGM on 24 th July, 2014	Directorship in other companies incorporated in India	No. of other Board Committees of which Member / Chairman	Executive / Non Executive / Independent	Inter Se relationship
Mr. Manhar G. Gandhi Chairman and Managing Director	4	Present	Nil	None	Executive (Promoter Group)	Brother of Jt. M.D. & Father of Mr. Jayesh M. Gandhi, Director.
Mr. Bhupatrai G. Gandhi Joint Managing Director	4	Present	Nil	None	Executive (Promoter Group)	Brother of Chairman & Managing Director
Mr. Dhirajlal S. Shah	4	Present	Nil	None	Non Executive & Independent	None
Mr. Kavas N. Warden	4	Present	Nil	None	Non Executive & Independent	None
Mr. Jayesh M. Gandhi	4	Present	Nil	None	Non Executive (Promoter Group)	Son of Chairman & Managing Director
Mr. Dharmen B. Shah	4	Present	Nil	None	Non Executive & Independent	None
Mrs. Bhavi Jatin Koradia	1	-	Nil	None	Non Executive & Independent (woman)	None

None of the Independent Directors on the Board holds the office of Director in more than 7 (seven) listed Companies. Both the Managing Director and Joint Managing Director are not holding any office as Independent Directors in any other listed company.

(C) Board Meetings

The Agenda along with the background notes and supporting documents are circulated to the Directors well in advance of the date of the Board Meetings.

Four Board Meetings were held during the year on 22nd May, 2014, 24th July, 2014, 30th October, 2014 and 29th January, 2015. All the board meetings have been held within the time gap of 120 days between any two meetings. Separate meeting of the Independent Director was held on 29th January, 2015 and the business as envisaged under Clause 49 and the Companies Act, 2013 was transacted. The meeting was held without the presence of management staff of the Company.

COMMITTEES OF THE BOARD**3. Audit Committee****i) Brief description of terms of reference**

The terms of reference of the Audit Committee were modified during the year and are in accordance with revised Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. In addition, the Audit Committee reviews the Accounting Policies, interacts with the Statutory Auditor and Internal Auditor and discusses the audit programme with them. The Committee acts as a link between the Management, Auditors and Board of Directors of the Company and has full access to financial information.

Recommendations of the Audit Committee, if any, are considered and implemented by the Board from time to time.

(ii) Composition, Name of Members and Chairman

Audit Committee consists of four Directors Viz:

1. Mr. Dhirajlal. S. Shah, (Chartered Accountant) - Chairman and Independent Director
2. Mr. Dharmen .B. Shah (Chartered Accountant) – Independent Director
3. Mrs. Bhavi Jatin Koradia (Chartered Accountant) - Independent Director (with effect from 30th October, 2014)
4. Mr. Jayesh M. Gandhi (B. Com and MBA) - Non Executive Director.

All the members of the Committee are Non-Executive Directors and two thirds of them are independent directors. The Chairman of the Audit Committee remained present at the Annual General Meeting.

(iii) Meetings and Attendance during the year

The Audit Committee met 4 (Four) times during the year 22nd May, 2014, 24th July, 2014, 30th October, 2014 and 29th January, 2015. The attendance of each member of the committee is given below:

Name of the Director	No. of meetings attended
Mr. Dhirajlal S. Shah	4
Mr. Dharmen B. Shah	4
Mr. Jayesh M. Gandhi	4
Mr. Kavas N Warden	4
Mrs. Bhavi Jatin Koradia (appointed with effect from 30.10.2014)	1

Managing Director is the permanent invitee to the Audit Committee. The Statutory Auditor and Internal Auditor also attend the meetings regularly and participate in the discussion and make valuable suggestions.

The Company Secretary is the secretary of the committee

4. Nomination and Remuneration Committee**(i) Brief description of Terms of Reference**

Apart from determining the Company's Policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and to fix the remuneration payable to executive directors, the terms of reference are in accordance with the provisions of the Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013 and rules framed thereunder.

(ii) Composition, Name of Members, Chairperson & Attendance during the year

Nomination and Remuneration Committee comprises of:

Mr. Dhirajlal S. Shah – Chairman and Independent Director

Mr. Kavas N. Warden - Independent Director

Mrs. Bhavi Jatin Koradia – Independent Director

The Nomination and Remuneration Committee met twice during the year on 30th October, 2014 and 29th January, 2015. All the Members of the Committee attended the said meeting.

(iii) Remuneration Policy

The Nomination and Remuneration Policy for Working Directors is reviewed periodically to ensure that the same is in line with the peer companies. The payment of remuneration is duly approved by the Remuneration Committee, the Board of Directors and the Shareholders.

(iv) Details of Remuneration paid to the Directors for the year ended 31st March, 2015.**i) Managing Director and Joint Managing Director**

The Agreements with the Managing Director and the Joint Managing Director are for a period of Five Years each commencing from 1st January, 2013.

The total remuneration paid to the Managing Director and the Joint Managing Director during the year 2014-15 was as under:

Name	Salary (₹ in Lacs)	Commission (₹ in Lacs)	Total (₹ in Lacs)
Mr. Manhar G. Gandhi Mg. Director	120.00	4.00	124.00
Mr. Bhupatrai G. Gandhi Jt. Mg. Director.	120.00	4.00	124.00

Notes:

- (a) Either party to the agreement is entitled to terminate by giving the other party a notice of 3 months.
 - (b) The Managing Director and the Joint Managing Director are entitled to compensation for loss of office in accordance with and subject to restrictions laid down under section 202(2) the Companies Act, 2013.
 - (c) Presently, the Company does not have a scheme for grant of stock options either to the Managing Director or to the Jt. Managing Director.
 - (d) The Managing Director and Jt. Managing Director are entitled to commission within the overall limit prescribed under sections 197 of the Companies Act, 2013.
- ii) The Non-Executive Directors are not entitled to any remuneration except payment of sitting fees for attending the meetings of Board of Directors and Committees thereof. During the year 2014-15, the Company has paid total sitting fee of ₹ 3, 20,000/- to non-executive directors as under:

Mr. Dhirajlal S. Shah	₹ 83,000/-
Mr. Kavas N. Warden	₹ 79,000/-
Mr. Jayesh M. Gandhi	₹ 69,000/-
Mr. Dharmen B. Shah	₹ 74,000/-
Mrs. Bhavi Jatin Koradia	₹ 15, 000/-

5. Stakeholders Relationship Committee**(i) Composition, Name of Members, Chairperson & Attendance during the year:**

Stakeholders Relationship Committee comprises of:

Mr. Dhirajlal S. Shah- Chairman and Independent Director.

Mr. Bhupatrai G. Gandhi - Executive Director

Mr. Kavas N. Warden - Independent Director

The Company promptly redresses the complaint of the shareholders. Even it sends an advance intimation to encash unclaimed to the shareholders who not claimed their dividend. Stakeholders Relationship Committee met once during the year on 23rd March, 2015. All the members of the Committee attended the said meeting.

(ii) Name & Designation of Compliance Officer:

Company Secretary is designated as Compliance Officer of the Company

(iii) to (v) A statement of various complaints received and cleared by the Company during the year ended on 31st March, 2015 is given below:

Nature of Complaint	Received	Cleared	Pending
Non Receipt of Annual Report	2	2	Nil
Non Receipt of Dividend Warrants	13	13	Nil
Request for Duplicate Share Certificates	0	0	Nil
Non Receipt of Share Transferred	0	0	Nil
Non receipt of securities	5	5	Nil
Others	---	---	---
Letters from Stock Exchange/ SEBI/ Department of Company Affairs	1	1	Nil
Total	21	21	Nil

The "SCORES" website of SEBI for redressing of Grievances of the investors is being visited at regular intervals by the Company Secretary and there are no pending complaints registered with SCORES for the Financial Year ended on 31st March, 2015.

As per revised Clause 47(F) of the listing agreement the exclusive E-mail ID of the Investor Grievance Department of the Company is complianceofficer@gandhitubes.com.

5A. Corporate Social Responsibility Committee (CSR Committee)

The terms of the reference of the CSR Committee are in accordance with Section 135 of the Act, 2013.

The Committee comprises of

1. Mr. Manhar G. Gandhi - Chairman and Managing Director
2. Mr. Jayesh M. Gandhi – Non-Executive Director
3. Mr. Dhirajlal S. Shah- Independent Director

The Committee met once during the year as on 30th October, 2014 and framed the Policy and recommended the Board the amount to be spent for the year 2014-2015.

The terms of the Committee includes the matters specified in the Section 135 of the Act, Schedule VII to the Act and rules framed thereunder.

Based on the recommendation of the Committee the Board of Directors has approved the Corporate Social Responsibility and the same is available on the website of the Company i.e. www.gandhispecialtubes.com under "Investor Relation" column.

A summary of Corporate Social Responsibility activities carried out by the Company during the year under review and details thereof are given in the "Annexure C" to the Board's Report.

6. General Body Meetings

(i) and (ii) The date, time and venue of the last 3 General Body Meetings of the Company is given below:

Financial Year ended	Date of AGMs	Time	Venue	Details of Special Business Resolutions
31 st March, 2012	25.07.2012	11.00 a.m	Indian Merchant Chambers, IMC Building, IMC Marg, Mumbai - 400020	Amendment in Article no. 113 of the Articles of Association of the Company relating to sitting fees of the Directors.
31 st March, 2013	25.07.2013	11.00 a.m	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai 400007	Re-appointment of Mr. Manhar G. Gandhi as Managing Director and Mr. Bhupatrai G. Gandhi as Jt. Managing Director for a further period of 5 years w.e.f. 01.01.2013 Amendment in Article no. 143 of the Articles of Association of the Company relating to holding of the office of the chairman of the Board by the Managing Director of the Company
31 st March, 2014	24.07.2014	11.00 a.m	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai 400007	Appointment of Mr. Dhirajlal .S. Shah as Independent Director for term of Five years. Appointment of Mr. Kavas. N. Warden as Independent Director for term of Five years. Appointment of Mr. Dharmen. B. Shah as Independent Director for term of Five year. Remuneration paid to Mr. Dakshesh H. Zaveri, the Cost Accountant for conducting the Cost audit of company's Steel products and Windmills.

(iii) to (vi) None of the items transacted at the said meetings were required to be passed by postal ballot. At the forthcoming Annual General Meeting there is no item on the agenda requiring to be passed by postal ballot. Hence, no need to specify the procedure for postal ballot.

7. Disclosures**(i) Related Party Transactions:**

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the promoters, directors and management that had a potential conflict with the interest of the Company at large.

All the transactions with related parties are periodically placed before the Audit Committee and pre-approval is also obtained wherever required. In fact the price charged to the related party is the same what is charged to third party wherever comparison is possible and otherwise the transactions are at Arm's length and in the ordinary course of business. The Register of Contracts detailing transactions in which Directors are interested is placed before the Board at every meeting for its approval. Transactions

with related parties, as per requirements of Accounting Standard 18, are disclosed in Note No. 34 to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.

(ii) Compliances by the Company

There have been no instances of non-compliance on any matter with the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital market during the last three years.

(iii) Whistle Blower Policy:

The Company has adopted Whistle Blower Policy (vigil mechanism) but employees are encouraged to report any contravention or suggestion for improved working of the Company.

(iv) Compliance with Mandatory and Non-Mandatory Items

The Company has complied with the mandatory requirements regarding the Board of Directors, Audit Committees and other Board committees and other disclosures as required under the provisions of the revised Clause 49 of the Listing Agreement (including the revised one). The status of compliance in respect of non-mandatory requirements of Clause 49 of Listing Agreement is as follows:

a) The Board

Maintenance of the Non-Executive Chairman's Office: Presently not applicable as the Chairman of the Company is a Managing Director.

b) Shareholder Right

Un-audited quarterly financial results are posted on the website of the Company. In view of new portal viz. Corporate Filing and Dissemination System (CFDS) put in place jointly by BSE and NSE at the <http://www.corpfiling.co.in>

c) Audit Qualification

There have been no qualifications by the Auditors in their report on the Accounts of the Company. The Company shall endeavor to continue to have unqualified financial statements.

d) Separate posts of Chairman and CEO—The Articles No. 143 of the Articles of Association permits the Managing Director to hold the office of the Chairman.

e) Reporting of Internal Auditor Partner of the firm of Internal Auditor attends the meetings of the audit committee regularly and directly inter-acts with the audit committee.

8. Means of Communication:

(i) Quarterly/Half-yearly and Yearly Financial Results

The quarterly/half-yearly and annual results of the Company are published in the newspapers and posted on the website of the Company at www.gandhispecialtubes.com. The quarterly and annual results along with the Segmental Report are generally published in The Free Press Journal and Navshakti. The Company's financial results are sent in time to Stock Exchanges so that they may be posted on the Stock Exchanges' website.

(ii) Newspaper where results are published

The Company usually publishes its financial results in following newspaper

1. The Free Press Journal
2. Navshakti

(iii) Company's Corporate Website

The Company's website is a comprehensive reference on Gandhi Special Tubes' management, products, investor relations, Clients, etc. The section on "Investors' relations" serves to inform the shareholders, by giving complete financial details, corporate governance, Composition of Board, contact information relating to our registrar and transfer agents, etc.

Quarterly Report on Corporate Governance under Clause 49 of the Listing Agreement have been submitted to Stock Exchange(s) as follows

Quarterly Report for the quarter ended	Submitted to BSE Ltd.	Submitted to National Stock Exchange of India Ltd through NEAPs
30 th June, 2014	03/07/2014	09/07/2014
30 th September, 2014	07/10/2014	10/10/2014
31 st December, 2014	13/01/2015	13/01/2015
31 st March, 2015	06/04/2015	07/04/2015

(iv) Release of official news

The Company intimates to the Stock Exchange any official news and places on its websites also.

(v) Presentation to Institutional Investors or to analysts

There is no official news release displayed on the website. The Company has not made any presentation to institutional investors or equity analyst

9. General Shareholders Information

(i) Annual General Meeting

The 30th Annual General Meeting of the shareholders will be held on Wednesday the 29th July, 2015 at 11.00 a.m.

Venue: Kanji Khetsey Sabhagriha,
Bharatiya Vidya Bhavan,
K.M. Munshi Marg,
Mumbai – 400007.

(ii) Financial Calendar

For the year ending 31st March, 2016 the Financial Results will be announced on:

First Quarter	:	End of July, 2015
Half year	:	End of October, 2015
Third Quarter	:	End of January, 2016
Yearly	:	End of May, 2016

(iii) Date of Book Closure: Tuesday the 28th July, 2015 and Wednesday the 29th July, 2015 (both days inclusive)

(iv) Dividend Payment Date: Interim Dividend for the Financial Year 2014-15 already paid on 16th February, 2015. Final dividend is not recommended by the Board

(v) Listing: The equity shares of the Company are listed on BSE Ltd and National Stock Exchange of India Ltd.

(vi) ISIN NO. : INE524B01027

SCRIP CODE : BSE - 513108
NSE - GANDHITUBE

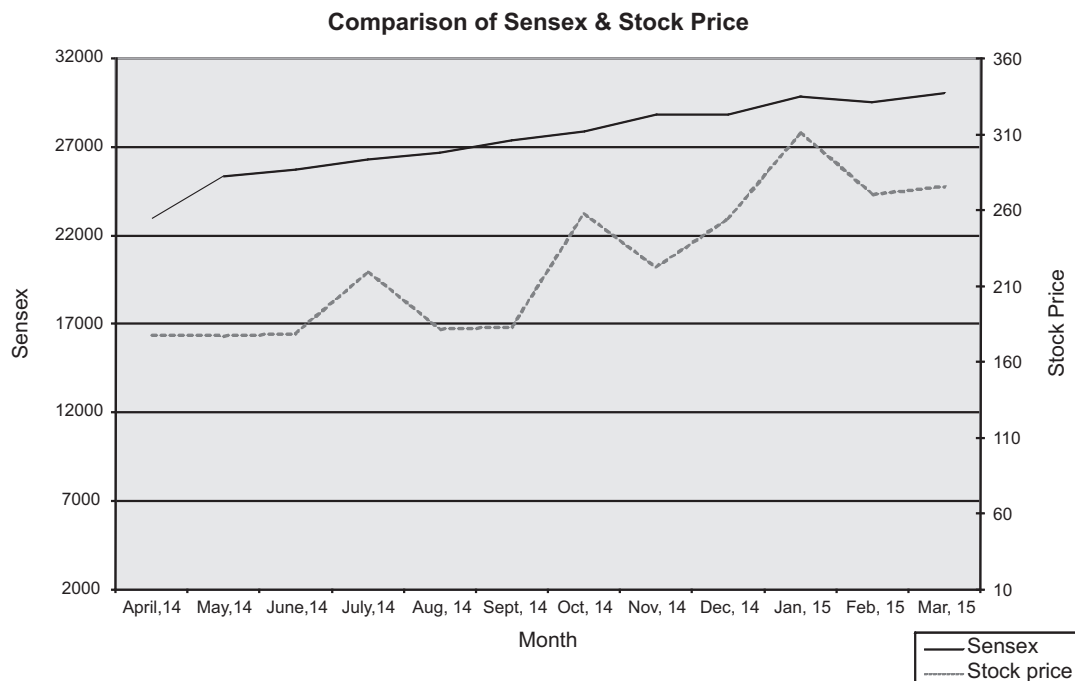
(vii) Market Price Data: high, low during each month in the last financial year.Monthly Share Price Data of the Company's shares on BSE for the year ended 31st March, 2015

Month	Highest Rate (₹)	Date	Lowest Rate (₹)	Date
April 2014	177.50	28.04.2014	133.00	01.04.2014
May 2014	176.95	05.05.2014	138.60	29.05.2014
June 2014	178.00	11.06.2014	150.05	03.06.2014
July 2014	218.95	03.07.2014	168.00	01.07.2014
August 2014	181.00	05.08.2014	162.10	18.08.2014
September 2014	182.85	22.09.2014	160.00	01.09.2014
October 2014	257.75	09.10.2014	175.05	01.10.2014
November 2014	221.80	11.11.2014	185.50	27.11.2014
December 2014	253.90	02.12.2014	190.00	01.12.2014
January 2015	311.00	21.01.2015	230.00	06.01.2015
February 2015	270.00	28.02.2015	227.55	09.02.2015
March 2015	275.00	18.03.2015	230.00	05.03.2015

Monthly Share Price Data of the Company's shares on NSE for the year ended 31st March, 2015

Month	Highest Rate (₹)	Date	Lowest Rate (₹)	Date
April 2014	170.25	29.04.2014	138.05	02.04.2014
May 2014	170.15	02.05.2014	148.40	29.05.2014
June 2014	174.65	11.06.2014	149.50	03.06.2014
July 2014	208.61	07.07.2014	173.10	30.07.2014
August 2014	181.00	05.08.2014	162.00	18.08.2014
September 2014	181.95	23.09.2014	163.10	08.09.2014
October 2014	230.45	10.10.2014	175.30	07.10.2014
November 2014	219.10	12.11.2014	189.00	26.11.2014
December 2014	247.40	31.12.2014	199.90	01.12.2014
January 2015	290.55	22.01.2015	225.00	08.01.2015
February 2015	262.85	28.02.2015	223.00	10.02.2015
March 2015	270.55	19.03.2015	244.55	13.03.2015

(viii) Performance in comparison to BSE sensex



(ix) Name and Address of the Registrar and Share Transfer Agent

KARVY COMPUTERSHARE PVT LTD.

Regd. Office

"Karvy House" No.46
Avenue 4, Street no.1
Banjara Hills,
HYDERABAD 500 034
Tel No: 91-40-44655179/ 44655181
Fax No: 91-40-23311968

City Office

"24" Maharashtra Chamber of Commerce Lane
Above Parkeon, Opp. MSC Bank,
Fort,
MUMBAI 400 023
Tel No: 91-22-22040170
Fax No: 91-22-56331135

(x) Share Transfer System

Karvy Computershare Pvt Ltd., processes transfer of shares held in physical form. The powers for approval of share transfers are delegated as under:

Upto 2500 Shares	:	Karvy Computershare Pvt Ltd.,
2500 to 5000 Shares	:	Company Secretary
above 5000 Shares	:	Managing Director.

If the relevant documents are complete and in order in all respects, the transfer of shares is effected within 12 days and certificates are dispatched to the transferees within 15 days from the date of receipt.

The requests for dematerialization of shares are processed by the Registrar and Share Transfer Agents and if all the documents are found to be in order, the same are approved by them within a period of 15 days.

(xi) (1) Distribution of Share Holding as on 31st March, 2015**DISTRIBUTION SCHEDULE AS ON 31/03/2015**

Sr. No	Category	No. of shareholder	% of Cases	Amount	% Amount
1	upto 1 - 5000	4604	89.63	61,90,075	8.43
2	5001 - 10000	296	5.77	24,10,490	3.28
3	10001 - 20000	112	2.19	15,91,760	2.16
4	20001 - 30000	36	0.15	8,75,420	1.19
5	30001 - 40000	20	0.38	7,03,300	0.96
6	40001 - 50000	11	0.2	5,14,580	0.70
7	50001 - 100000	18	0.34	12,50,315	1.70
8	100001 & ABOVE	40	0.80	5,99,57,140	81.58
Total:		5137	100.00	7,34,93,080	100.00

(2) Distribution of shareholding according to categories of shareholders as on 31st March, 2015**SHARE HOLDING PATTERN AS ON 31/03/2015**

Sr. No	Description	Cases	Shares	% Equity
1	BANKS	3	7200	0.05
2	CLEARING MEMBERS	21	1599	0.01
3	DIRECTORS AND THEIR RELATIVES	3	33750	0.23
4	FOREIGN INSTITUTIONAL INVESTOR	1	311280	2.12
5	H U F	104	249760	1.70
6	INDIAN PROMOTER COMPANIES	2	1069700	7.28
7	BODIES CORPORATES	110	304800	2.07
8	MUTUAL FUNDS	1	1000	0.01
9	NON RESIDENT INDIANS	302	241815	1.64
10	COMPANY PROMOTERS	23	9699867	65.99
11	RESIDENT INDIVIDUALS	4566	2776845	18.89
12	FOREIGN NATIONALS	1	1000	0.00
Total:		5137	14698616	100.00

For the purpose of SEBI (Substantial Acquisition of Shares & Takeover) Regulation 2011, the following Companies are to be considered as Group Companies belonging to Promoters Group.

Sr. No.	Name	Shareholding as on 31.03.2015
1.	B.M.Gandhi Investment Co. Pvt. Ltd.	559300
2.	Gandhi Finance Co. Pvt. Ltd.	510400

(xii) Details of Dematerialisation and its liquidity**CONTROL REPORT AS ON 31/03/2015**

Sr. No	Name of Depository	No. of Holders	Shares	% To Equity
1	NSDL	2437	11947779	81.29
2	CDSL	1075	1979893	13.47
Sub Total		3512	13927672	94.76
3	PHYSICAL	1625	770944	5.24
Total:		5137	14698616	100.00

(xiii) The Company has not issued any GDR's/ ADR's, Warrants or any other convertible instruments.

(xiv) **Plant Location:** Halol (Gujarat), Windmills at Bhogat, Navadara & Kutch (Gujarat), Sangli (Maharashtra)

(xv) Address for Correspondence:

Shri K.S.Reddy/ Shri. B V Kishore

Ms Priyanka M. Borkar, Company Secretary

Karvy Computershare Pvt. Limited

Seat No.52, 6-Floor, Karvy Selenium Tower-B,
Plot No. 31 & 32, Financial Dist. Gachibowli,
Nanakramguda, Seri Lingampally,
Hyderabad - 500 008, Telangana State. India.

Tel : +91 040 6716 1585

Fax : +91 2300 1153

Email: kishore.bv@karvy.com

URL: www.karvy.com

Gandhi Special Tubes Ltd.

201-204 Plaza, 2nd Floor

55 Hughes Road,

Next to Dharam Palace

Mumbai 400 007

Tel: 022-23634179

Fax: 022-23634392

Email: complianceofficer@gandhitubes.com

info@gandhitubes.com

URL: www.gandhi.gandhitubes.com

SEBI toll-free helpline service for investors: 1800 22 7575/1800 266 7575 (available on all days from 9.30 a.m. to 5.30 p.m.)

10. CEO/CFO Certification

The Chairman and the Managing Director and the Chief Financial Officer of the Company have given annual Certification on Financial Statements and the cash flow statement and internal controls for financial reporting to the Board in terms of clause 49 (IX) of the Listing Agreement. The Chairman and the Managing Director and the Chief Financial Officer also gives the quarterly certification on financial results while placing the financial results before the board in terms of clause 41 of the Listing Agreement. These certificates have been placed before the board meetings from time to time.

11. Declaration by the Managing Director to the Compliance of Code of Conduct in pursuance of Clause 49 (II) (E) of the Listing Agreement

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed to the Board of Directors, their compliance with the Code of Conduct of the Company pursuant to Clause 49 (II) (E) of the Listing Agreement.

For and on behalf of the Board of Directors

Manhar G. Gandhi
Chairman & Managing Director

Place: Mumbai
Date: 21.05.2015

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members,
GANDHI SPECIAL TUBES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Gandhi Special Tubes Limited for the year ended 31 March, 2015, as stipulated in Clause 49 of the Listing agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with Guidance Note on Certification of Corporate Governance (As stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and based on representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **S. V. Doshi & Co.**
Chartered Accountants
Firm Reg. No. 102752W

Sunil Doshi
Partner
Membership No.: 35037

Mumbai, 21st May, 2015

AUDITORS' REPORT

**To the Members of
Gandhi Special Tubes Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Gandhi Special Tubes Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements.
 - ii. the Company has not entered into any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
 - iii. there has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S. V. DOSHI & CO.**
Chartered Accountants
Firm Reg. No.: 102752W

SUNIL DOSHI
Partner
Membership No.: 35037

Mumbai, 21 May, 2015

Annexure to The Independent Auditor's Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) (1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (2) As explained to us, the fixed assets have been physically verified by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (1) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (2) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (3) The Company has maintained proper records of inventories and the discrepancies noticed on physical verification of the inventories as compared to book records were not material.
- (iii) According to the information and explanations given to us, the Company has, during the year, not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3 (iii) (a) and (b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchases of inventories, fixed assets and for sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have any information of any instances of major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits from the public. Accordingly, Clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the records maintained by the Company in respect of products, where pursuant to the Company's (Cost record and audit) Rules, 2014, the maintenance of cost records have been prescribed under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth tax, Service tax, Custom duty, Excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities.
- b) The disputed statutory dues aggregating ₹ 190.89 Lacs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

(₹ in lacs)

Name of the Statute	Nature of Dues	Amount under dispute not yet deposited	Period to which the amount relates	Forum where the dispute is pending
Service Tax Laws	Service Tax	₹ 152.03	01-09-2004 To 30-09-2013	Before Customs, Excise & Service Tax Appellate Tribunal

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15

(₹ in lacs)

Name of the Statute	Nature of Dues	Amount under dispute not yet deposited	Period to which the amount relates	Forum where the dispute is pending
Service Tax Laws	Service Tax	₹ 13.63	01-10-2013 To 31-03-2014	Before Commissioner (Appeals) Customs, Excise & Service Tax
Sales Tax Laws	Sales Tax	₹ 25.23	01-04-2002 To 31-03-2003	Before Joint Commissioner of Commercial Tax (Appeals)
Total		₹ 190.89		

- (viii) The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the financial year under report and in the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of its dues to bank. The Company has not issued any debentures.
- (x) According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, Clause 3 (x) of the Order is not applicable.
- (xi) The Company has not raised any term loan during the year. Accordingly, Clause 3 (xi) of the Order is not applicable.
- (xii) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year nor have we been informed about any such case by the Management.

For **S. V. DOSHI & CO.**
Chartered Accountants
Firm Reg. No.: 102752W

SUNIL DOSHI
Partner
Membership No.: 35037

Mumbai, 21 May, 2015

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15**BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note No.	31/03/2015 ₹	31/03/2014 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share Capital	2	7,34,93,080	7,34,93,080
b) Reserves and Surplus	3	1,52,73,61,908	1,50,25,75,978
		<u>1,60,08,54,988</u>	<u>1,57,60,69,058</u>
2 Non-Current Liabilities			
a) Deferred Tax Liabilities (net)	4	7,08,73,968	6,51,19,525
b) Long Term Provisions	5	2,66,31,079	2,47,35,389
		<u>9,75,05,047</u>	<u>8,98,54,914</u>
3 Current Liabilities			
a) Trade Payables	6	1,18,83,957	1,95,11,373
b) Other Current Liabilities	7	2,47,82,802	2,33,70,517
c) Short Term Provisions	8	35,34,124	1,36,99,550
		<u>4,02,00,883</u>	<u>5,65,81,440</u>
TOTAL		<u>1,73,85,60,918</u>	<u>1,72,25,05,412</u>
B ASSETS			
1 Non-Current Assets			
a) Fixed assets	9		
(i) Tangible Assets		62,51,08,795	64,14,23,319
(ii) Intangible Assets		2,18,750	87,309
(iii) Capital Work-in-Progress		<u>20,72,403</u>	<u>-</u>
		<u>62,73,99,948</u>	<u>64,15,10,628</u>
b) Non-Current Investments	10	59,65,37,498	41,37,06,720
c) Long Term Loans and Advances	11	1,39,95,608	1,45,60,728
		<u>1,23,79,33,054</u>	<u>1,06,97,78,076</u>
2 Current Assets			
a) Current Investments	12	5,64,71,341	22,16,77,215
b) Inventories	13	27,81,81,006	23,59,23,559
c) Trade Receivables	14	12,66,47,871	15,32,31,093
d) Cash and Cash Equivalents	15	2,12,46,311	1,78,83,879
e) Short-Term Loans and Advances	16	1,35,89,704	1,95,26,503
f) Other Current Assets	17	44,91,631	44,85,087
		<u>50,06,27,864</u>	<u>65,27,27,336</u>
TOTAL		<u>1,73,85,60,918</u>	<u>1,72,25,05,412</u>
Notes (including significant accounting policies) on Financial Statements	1 to 36		

As per our attached report of even date For and on behalf of the Board of Directors

For S. V. DOSHI & CO.

Chartered Accountants

SUNIL V. DOSHI

Partner

Membership No. 35037

Mumbai, 21st May, 2015

M. G. GANDHI(Chairman &
Managing Director)**J. M. GANDHI**

(Director)

SHOBHANA RAJAN VARTAK

(CFO)

B. G. GANDHI(Joint
Managing Director)**D. B. SHAH**

(Director)

K. N. WARDEN

(Director)

BHAVI KORADIA

(Director)

PRIYANKA M. BORKAR

(Company Secretary)

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Note No.	31/03/2015 ₹	31/03/2014 ₹
A INCOME			
1 Revenue from Operations	18	1,02,65,61,880	93,23,86,384
Less: Excise duty		10,75,84,932	9,71,31,334
Net Revenue from Operations		91,89,76,948	83,52,55,050
2 Other Income	19	4,42,77,786	7,91,47,408
Total Revenue		96,32,54,734	91,44,02,458
3 EXPENDITURE			
a) Cost of Material Consumed	20	35,21,36,200	31,26,69,827
b) Changes in Inventories of Finished Goods and Work-in-Progress	21	(1,35,86,282)	(1,82,43,646)
c) Employee Benefits Expenses	22	5,78,19,978	4,83,47,983
d) Depreciation and Amortization Expenses	9	4,95,02,754	4,93,65,766
e) Other Expenses	23	28,94,06,375	23,09,26,038
Total Expenses		73,52,79,025	62,30,65,968
4 Profit Before Tax		22,79,75,709	29,13,36,490
5 Tax Expense			
a) Current Tax		5,74,00,000	5,80,00,000
b) Tax expense relating to prior years		66,70,200	3,84,81,729
c) Deferred Tax		59,42,855	2,17,70,814
		7,00,13,055	11,82,52,543
6 Profit for the year		15,79,62,654	17,30,83,947
7 Earning per share (of ₹ 5/- each)			
Basic and Diluted	33	10.75	11.78

**Notes (including significant accounting policies)
on Financial Statements**

1 to 36

As per our attached report of even date For and on behalf of the Board of Directors

For S. V. DOSHI & CO.

Chartered Accountants

SUNIL V. DOSHI

Partner

Memership No. 35037

Mumbai, 21st May, 2015

M. G. GANDHI
(Chairman &
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(Director)

BHAVI KORADIA
(Director)

PRIYANKA M. BORKAR
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	31/03/2015 ₹	31/03/2014 ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per statement of profit and loss	22,79,75,709	29,13,36,490
Adjusted for :		
Depreciation and amortisation	4,95,02,754	4,93,65,766
Net gain on sale of fixed assets / assets discarded written off	10,23,230	-
Interest income	(1,14,03,592)	(1,43,05,859)
Dividend income	(1,04,42,079)	(40,91,175)
Net gain on sale of long term investment	(2,12,59,209)	(6,00,73,458)
Operating profit before working capital changes	23,53,96,813	26,22,31,764
Adjusted for :		
Inventories	(4,22,57,447)	(2,23,10,555)
Trade and other receivables	3,25,43,597	(1,25,55,604)
Trade and other payables	(42,37,107)	(2,21,55,820)
	(1,39,50,957)	(5,70,21,979)
Cash generated from Operations	22,14,45,856	20,52,09,785
Taxes paid	(7,43,17,960)	(6,89,75,786)
Net cash from operating activities (A)	14,71,27,896	13,62,33,999
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(3,67,56,405)	(9,79,46,252)
Proceeds from sale of fixed assets	3,21,784	-
Purchase of investments	(59,90,89,510)	(1,09,26,49,674)
Sale of investments	60,27,23,815	1,12,88,35,155
Interest received	1,14,03,592	1,43,05,859
Dividend received	1,04,42,079	40,91,175
Net cash (used in) investing activities (B)	(1,09,54,645)	(4,33,63,737)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(11,02,39,620)	(8,81,91,696)
Tax on dividend	(2,25,71,199)	(1,49,88,179)
Net cash (used in) financing activities (C)	(13,28,10,819)	(10,31,79,875)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	33,62,432	(1,03,09,613)
Cash and cash equivalents at the beginning of the year	1,78,83,879	2,81,93,492
Cash and cash equivalents at the end of the year	2,12,46,311	1,78,83,879

Notes:

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements, specified under section 133 of the Companies Act, 2013.
- (2) Cash & cash equivalents include balance with bank in unclaimed dividend a/c ₹ 1,19,58,278/- (Previous Year ₹ 1,01,84,309/-)

As per our attached report of even date For and on behalf of the Board of Directors

For S. V. DOSHI & CO.

Chartered Accountants

SUNIL V. DOSHI

Partner

Membership No. 35037

Mumbai, 21st May, 2015

M. G. GANDHI(Chairman &
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(Director)

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(Director)

K. N. WARDEN

(Director)

BHAVI KORADIA

(Director)

PRIYANKA M. BORKAR

(Company Secretary)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES**1.1 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provision of the Companies Act, 2013 and Companies Act, 1956 as applicable.

1.2 FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use.

1.3 DEPRECIATION / AMORTISATION

Depreciation on Tangible assets has been provided on Straight Line Method as per the useful life prescribed in Schedule-II of the Companies Act, 2013 except for Wind Mills, which is provided on Written Down Value Method. Intangible assets are amortized over estimated useful life of three years on Straight Line Method. Leasehold land is amortize over the period of lease.

1.4 INVESTMENTS

Long-term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. Current investments are valued at lower of cost and fair value.

1.5 INVENTORIES

Inventories are valued at lower of cost and net realisable value. The cost is determined on the basis of FIFO Method. For the purpose of finished goods and work-in-process, cost comprises of material cost plus appropriate share of production overheads and excise duty, wherever applicable.

1.6 EMPLOYEE BENEFITS**Defined Contribution Plan :**

- a) In accordance with the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). Company's contribution to provident fund is charged to statement of profit and loss.
- b) The Company has taken a Policy with Life Insurance Corporation of India for the payment of gratuity, a defined contribution plan and premium paid on the policy has been charged to statement of profit & loss in the year of payment.

Defined Benefit Plan :

- a) Gratuity to the Managing Director and Joint Managing Director, who are not covered under the policy with LIC has been provided for on the basis of Actuarial valuation, which is based on their contractual terms.
- b) As per Leave encashment policy, the employees other than Managing Director and Joint Managing Director are required to encash accumulated leave before the end of accounting year and accordingly form the part of expenses under the head Salaries and wages. However, liability towards leave encashment benefits to Managing Director and Joint Managing Director in respect of unavailed leave at the end of their tenure is accounted on cash basis.

1.7 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. In case of liabilities incurred for the acquisition of fixed assets, the loss or gain on conversion (at the rate prevailing at the year end) is recognized as income or expenses in the statement of profit and loss. Current assets and liabilities (other than those relating to fixed assets) are restated at the rate prevailing at the year end. The difference between the year end rate and the exchange rate at the date of the transaction is recognized as income or expense in the statement of profit and loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**1.8 REVENUE RECOGNITION**

Sale of goods is recognized at the point of despatch to the customer. Income from Wind Power is recognized at the point of generation. Sales includes excise duty but excludes Sales Tax and discounts. Other Income are accounted on accrual basis.

1.9 TAXATION

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods except for carried forward losses, which are recognized only if there is virtual certainty of their realization.

1.10 IMPAIRMENT

An asset is treated as Impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of profit & loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.11 PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when there is a present obligation as a result of past events for which it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates, contingent liabilities are disclosed after an evaluation of the facts and legal aspects of the matters involved.

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
2	SHARE CAPITAL		
	AUTHORISED		
	24,000,000 Equity Shares of ₹ 5/- each	<u>12,00,00,000</u>	<u>12,00,00,000</u>
	ISSUED, SUBSCRIBED AND PAID UP		
	14,698,616 Equity Shares of ₹ 5/- each fully paid up	<u>7,34,93,080</u>	<u>7,34,93,080</u>
	Total	<u>7,34,93,080</u>	<u>7,34,93,080</u>

a) Reconciliation of number of shares

There is no movement in the share capital during the current and previous year.

b) Rights, preferences and restrictions attached to equity shares :

The Company has one class of equity shares having a par value of ₹ 5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares	%	Number of shares	%
1) Manhar G. Gandhi	23,39,870	15.92	23,39,870	15.92
2) Bhupatrai G. Gandhi	21,88,651	14.89	21,88,651	14.89
3) Jayesh M. Gandhi	11,67,466	7.94	11,67,466	7.94
4) Manoj B. Gandhi	10,97,168	7.46	10,97,168	7.46
5) Bharti M. Gandhi	7,83,776	5.33	7,83,776	5.33

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
3	RESERVE & SURPLUS		
	CAPITAL RESERVE		
	(i) Capital subsidy		
	Balance as per last Balance Sheet	25,00,000	25,00,000
	(ii) Surplus on Reissue of Forfeited Shares		
	Balance as per last Balance Sheet	5,39,100	5,39,100
	CAPITAL REDEMPTION RESERVE		
	Balance as per last Balance Sheet	2,09,99,290	2,09,99,290
	GENERAL RESERVE		
	Opening balance	27,00,00,000	24,00,00,000
	Add: Transferred from surplus in Statement of Profit and Loss	3,00,00,000	3,00,00,000
	Closing balance	30,00,00,000	27,00,00,000
	SURPLUS / (DEFICIT) IN STATEMENT OF PROFIT AND LOSS		
	Opening balance	1,20,85,37,588	1,16,86,33,516
	Less : Adjustments as per the Companies Act, 2013 (Refer Note No. 25)	3,65,905	-
	Add: Profit for the year	15,79,62,654	17,30,83,947
	Less : Interim dividend	11,02,39,620	8,81,91,696
	Tax on dividend	2,25,71,199	1,49,88,179
	Amounts transferred to General reserve	3,00,00,000	3,00,00,000
	Closing balance	1,20,33,23,518	1,20,85,37,588
	Total	1,52,73,61,908	1,50,25,75,978
4	DEFERRED TAX (ASSETS)/LIABILITIES		
	DEFERRED TAX ASSETS		
	Gratuity	(92,17,015)	(84,07,558)
	DEFERRED TAX LIABILITIES		
	Depreciation/Amortisation	8,00,90,983	7,35,27,083
	Total	7,08,73,968	6,51,19,525
5	LONG-TERM PROVISIONS		
	Provision for employee benefits	2,66,31,079	2,47,35,389
	Total	2,66,31,079	2,47,35,389
6	TRADE PAYABLES		
	Micro and Small Enterprises (refer note no. 26)	3,78,493	8,08,432
	Others	1,15,05,464	1,87,02,941
	Total	1,18,83,957	1,95,11,373

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

30th Annual Report 2014-15**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
7	OTHER CURRENT LIABILITIES		
	Unpaid dividends *	1,19,58,278	1,01,84,309
	Statutory remittances	38,60,544	29,07,202
	Payable on purchase of fixed assets	2,23,121	-
	Deposits from customers	3,66,812	3,66,812
	Advances from customers	27,77,796	15,53,972
	Due to Directors	8,00,000	-
	Other liabilities	47,96,251	83,58,222
	* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		
	Total	2,47,82,802	2,33,70,517

8	SHORT TERM PROVISIONS		
	For employee benefits	9,47,020	8,59,286
	For wealth tax	52,050	57,450
	Current taxation (net of payments)	25,35,054	1,27,82,814
	Total	35,34,124	1,36,99,550

9 FIXED ASSETS

Descriptions	Gross block				Depreciation / Amortisation				Net Block		
	As at 01-04-2014	Additions	Deductions	As at 31-03-2015	As at 01-04-2014	For the year	Adjustments *	Deductions	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS											
Freehold Land											
& Site Development	71,80,461	-	-	71,80,461	-	-	-	-	-	71,80,461	71,80,461
Building - Factory	13,15,11,778	6,21,431	-	13,21,33,209	3,15,97,855	53,92,817	1,47,478	-	3,71,38,150	9,49,95,059	9,99,13,923
Building - Others	12,81,69,971	2,48,562	2,000	12,84,16,533	41,54,258	26,67,947	-	2,000	68,20,205	12,15,96,328	12,40,15,713
Plant and Machinery	72,70,08,065	3,14,82,956	88,99,618	74,95,91,403	39,80,40,962	2,98,53,216	32,970	81,86,548	41,97,40,600	32,98,50,803	32,89,67,103
Furniture and Fixtures	97,13,072	3,76,980	11,93,183	88,96,869	39,47,177	8,46,346	64,745	11,33,524	37,24,744	51,72,125	57,65,895
Office Equipments	40,94,218	5,34,400	12,76,065	33,52,553	17,95,506	9,46,036	3,09,124	9,45,301	21,05,365	12,47,188	22,98,712
Vehicles	1,41,18,548	16,26,548	11,79,635	1,45,65,461	39,50,292	22,26,324	-	9,38,114	52,38,502	93,26,959	1,01,68,256
Wind Mills	24,50,24,865			24,50,24,865	18,19,11,609	73,73,384			18,92,84,993	5,57,39,872	6,31,13,256
Total (a)	1,26,68,20,978	3,48,90,877	1,25,50,501	1,28,91,61,354	62,53,97,659	4,93,06,070	5,54,317	1,12,05,487	66,40,52,559	62,51,08,795	64,14,23,319
<i>Previous year</i>	<i>1,09,55,15,554</i>	<i>17,13,05,424</i>	<i>-</i>	<i>1,26,68,20,978</i>	<i>57,61,19,202</i>	<i>4,92,78,457</i>	<i>-</i>	<i>-</i>	<i>62,53,97,659</i>		<i>2,18,750</i>
INTANGIBLE ASSETS											
Software Licences	2,61,927	3,28,125	-	5,90,052	1,74,618	1,96,684	-	-	3,71,302	2,18,750	87,309
Total (b)	2,61,927	3,28,125	-	5,90,052	1,74,618	1,96,684	-	-	3,71,302	2,18,750	87,309
<i>Previous year</i>	<i>2,61,927</i>	<i>-</i>	<i>-</i>	<i>2,61,927</i>	<i>87,309</i>	<i>87,309</i>	<i>-</i>	<i>-</i>	<i>1,74,618</i>	<i>87,309</i>	<i>-</i>
Total (a + b)	1,26,70,82,905	3,52,19,002	1,25,50,501	1,28,97,51,406	62,55,72,277	4,95,02,754	5,54,317	1,12,05,487	66,44,23,861	62,53,27,545	64,15,10,628
<i>Previous year</i>	<i>1,09,57,77,481</i>	<i>17,13,05,424</i>	<i>-</i>	<i>1,26,70,82,905</i>	<i>57,62,06,511</i>	<i>4,93,65,766</i>	<i>-</i>	<i>-</i>	<i>62,55,72,277</i>	<i>64,15,10,628</i>	<i>-</i>
Add : Capital Work in Progress										20,72,403	-
Total										62,73,99,948	64,15,10,628

* represent carrying amount as on 01-04-2014 (Refer Note No. 25)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
10	NON-CURRENT INVESTMENTS (At cost unless otherwise stated)		
	OTHER INVESTMENTS		
	(a) In bonds (Quoted, fully paid up)		
	<i>Number of units</i>		
	30,000 (30,000) 8.41% - India Infrastructure Finance Co. Ltd. tax free bonds	3,00,00,000	3,00,00,000
	100 (100) 6.70% - India Railway Finance Corporation Ltd. tax free bonds	92,50,000	92,50,000
	9,499 (9,499) 8.41% - NTPC Limited tax free bonds	94,99,000	94,99,000
	1,236 (1,236) 8.20% - National Highway Authority of India Ltd. tax free bonds	12,36,000	12,36,000
	23,736 (23,736) 8.30% - National Highway Authority of India Ltd. tax free bonds	2,45,79,871	2,45,79,870
	27,500 (27,500) 8.30% - Power Finance Corporation Ltd. tax free bonds	2,83,72,250	2,83,72,250
	10 (10) 11.40% - Tata Power Ltd. taxable bonds	1,01,25,000	1,01,25,000
	10 (10) 11.50% - Tata Steel Ltd. taxable bonds	1,02,65,000	1,02,65,000
		12,33,27,121	12,33,27,120
	(b) In mutual funds (Quoted, fully paid up)		
	<i>Number of units</i>		
	1,77,246 (1,77,246) Birla Sun Life Income plus - Growth-Regular Plan	1,00,00,000	1,00,00,000
	30,00,000 (30,00,000) HDFC Fixed Maturity Plan (1175D January 2014-1) - Regular-Growth Plan	3,00,00,000	3,00,00,000
	20,00,000 (-) HDFC Fixed Maturity Plan (370D October 2013-1) - Regular Growth Plan	2,00,00,000	-
	20,00,000 (-) HDFC Fixed Maturity Plan (1100D April 2014-1) - Regular-Growth Plan	2,00,00,000	-
	19,96,693 (19,96,693) ICICI Prudential Regular Saving Fund - Regular Plan-Growth	2,50,00,000	2,50,00,000
	20,00,000 (20,00,000) ICICI Prudential FMP - Series-72 (823 Days Plan-H) - Regular Plan	2,00,00,000	2,00,00,000
	10,00,000 (-) ICICI Prudential FMP - Series-70 (368 days-Plan-M) - Regular Plan	1,00,00,000	-
	20,00,000 (20,00,000) L & T Fixed Maturity Plan - VII (March 735D A) - Growth	2,00,00,000	2,00,00,000
	15,00,000 (15,00,000) L & T Fixed Maturity - Series 9 (Plan-E) - Growth	1,50,00,000	1,50,00,000
	14,15,274 (14,15,274) Reliance Regular Saving Fund (Debt Plan) - Growth Plan	2,28,79,600	2,28,79,600
	- (10,60,072) Reliance Dynamic Bond Fund - Growth Plan	-	1,75,00,000
	30,00,000 (30,00,000) Reliance Fixed Horizon Fund - XXVI (Series-1) - Growth Plan	3,00,00,000	3,00,00,000
	17,57,016 (-) Reliance Fixed Horizon Fund - XXVI - (Series-14) - Growth Plan	1,75,70,162	-
	20,00,000 (-) Reliance Fixed Horizon Fund - XXVI (Series-16) - Growth Plan	2,00,00,000	-
	20,00,000 (-) Reliance Fixed Horizon Fund - XXVI (Series-23) - Growth Plan	2,00,00,000	-
	46,54,430 37,62,213) Reliance Monthly Income Plan - Growth Plan	13,00,00,000	10,00,00,000
		41,04,49,762	29,03,79,600
	(c) In Preference Shares (Quoted, fully paid up)		
	1,600 (-) 15.99 % - Infrastructure Leasing & Financial Services Ltd. (NCRCPs)	2,11,75,933	-
	2,00,000 (-) 8.40 % - L&T Finance Holding Ltd. (CRPS)	2,01,38,247	-
	1,92,790 (-) 9.00 % - L&T Finance Holding Ltd. (CRPS)	2,14,46,435	-
		6,27,60,615	-
	Total	59,65,37,498	41,37,06,720
	Aggregate amount of quoted investments	59,65,37,498	41,37,06,720
	Aggregate market value of quoted investments	67,51,73,261	42,25,39,483

There are no investments purchased and sold/redeemed during the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
11	LONG TERM LOANS AND ADVANCES		
	<i>(Unsecured, considered good)</i>		
	Capital advances	-	5,35,000
	Security deposits	1,39,95,608	1,40,25,728
	Total	1,39,95,608	1,45,60,728
12	CURRENT INVESTMENTS		
	(At cost or fair value, whichever is lower)		
	In mutual funds (Quoted, fully paid up)		
	Number of units		
	53,09,253 (38,27,668) HDFC Cash Management Fund Saving Plan - Daily Dividend Reinvestment	5,64,71,341	4,07,12,608
	- (20,00,000) HDFC Fixed Maturity Plan (370D October 2013-1) - Regular Growth Plan	-	2,00,00,000
	- (30,00,000) ICICI Prudential FMP (Series-61- 3 years-Plan-F) - Cumulative	-	3,00,00,000
	- (20,00,000) ICICI Prudential FMP (Series-68-369 days-Plan-K) - Regular Plan	-	2,00,00,000
	- (12,50,000) ICICI Prudential FMP (Series-69-366 days-Plan-G) - Regular Plan	-	1,25,00,000
	- (10,00,000) ICICI Prudential FMP (Series-70-368 days-Plan-M) - Regular Plan	-	1,00,00,000
	- (20,00,000) ICICI Prudential FMP (Series-70-369 days-Plan-O) - Regular Plan	-	2,00,00,000
	- (10,00,000) Kotak Fixed Maturity Plan (Series-112) - Growth	-	1,00,00,000
	- (23,46,461) Reliance Fixed Horizon Fund - XXIII (Series-4) - Growth Plan	-	2,34,64,607
	- (20,00,000) Reliance Fixed Horizon Fund - XXIV (Series-3) - Growth Plan	-	2,00,00,000
	- (15,00,000) Reliance Fixed Horizon Fund - XXIV (Series-9) - Growth Plan	-	1,50,00,000
	Total	5,64,71,341	22,16,77,215
	Aggregate amount of quoted investments	5,64,71,341	22,16,77,215
	Aggregate market value of quoted investments	5,64,71,341	23,76,62,654
	There are no investments purchased and sold/redeemed during the year.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
13	INVENTORIES		
	(As certified by the Management)		
	(At lower of cost and net realisable value unless otherwise stated)		
	Raw materials [Includes Goods in Transit ₹ Nil (P.Y. ₹ 24,91,948/-)]	18,21,48,358	15,72,80,607
	Work-in-progress	6,13,93,354	4,97,80,701
	Finished goods	84,06,506	64,32,877
	Stores and spares	2,62,32,788	2,24,29,374
	Total	<u>27,81,81,006</u>	<u>23,59,23,559</u>
14	TRADE RECEIVABLES		
	(Unsecured, considered good)		
	Over six months	-	9,03,307
	Others	12,66,47,871	15,23,27,786
	Total	<u>12,66,47,871</u>	<u>15,32,31,093</u>
15	CASH AND CASH EQUIVALENTS		
	Balances with banks #	2,11,15,213	1,78,14,257
	Cash on hand	1,31,098	69,622
	Total	<u>2,12,46,311</u>	<u>1,78,83,879</u>
	# Includes balance with bank in unclaimed dividend a/c ₹ 1,19,58,278/- (Previous Year ₹ 1,01,84,309/-)		
16	SHORT TERM LOANS AND ADVANCES		
	(Unsecured, considered good)		
	Prepaid expenses	42,32,783	58,23,570
	Balances with government authorities	64,32,656	1,09,51,452
	Advances to suppliers	22,05,390	17,47,116
	Insurance claims	6,27,746	6,27,746
	Others	91,129	3,76,619
	Total	<u>1,35,89,704</u>	<u>1,95,26,503</u>
17	OTHER CURRENT ASSETS		
	Interest accrued on deposits	4,78,975	4,73,420
	Interest accrued on investments	40,12,656	40,11,667
	Total	<u>44,91,631</u>	<u>44,85,087</u>
18	REVENUE FROM OPERATIONS		
	Sale of products	97,56,24,537	88,61,65,133
	Other operating revenues	5,09,37,343	4,62,21,251
	Total	<u>1,02,65,61,880</u>	<u>93,23,86,384</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
18.1	PARTICULARS OF SALE OF PRODUCTS		
	Seamless Tubes	69,55,54,178	59,90,81,230
	Welded Tubes	20,76,70,999	20,32,35,376
	Steel Nuts	5,66,13,372	6,43,64,003
	Wind Power	1,57,85,988	1,94,84,524
	Total	97,56,24,537	88,61,65,133
18.2	OTHER OPERATING REVENUE		
	Wind Power, captively consumed	2,19,42,214	2,12,13,366
	Sale of scrap	2,62,92,320	2,22,10,913
	Export incentives	70,688	31,848
	Job work charges	26,32,121	27,65,124
	Total	5,09,37,343	4,62,21,251
19	OTHER INCOME		
	Interest :		
	From long term investments	1,06,36,800	1,32,27,767
	Others	7,66,792	10,78,092
		1,14,03,592	1,43,05,859
	Dividend Income :		
	From long term investments	46,83,346	-
	From current investments	57,58,733	40,91,175
		1,04,42,079	40,91,175
	Net gain / (loss) on foreign currency transactions	39,737	1,34,059
	Net gain on sale of long term investments	2,12,59,209	6,00,73,458
	Net gain / (loss) on sale of fixed assets	80,262	-
	Other non operating income	10,52,907	5,42,857
	Total	4,42,77,786	7,91,47,408
20	COST OF MATERIALS CONSUMED		
	Opening stock	15,47,88,659	14,82,70,432
	Add: Purchases and related expenses	37,94,95,899	31,91,88,054
		53,42,84,558	46,74,58,486
	Less: Closing stock	18,21,48,358	15,47,88,659
	Total	35,21,36,200	31,26,69,827

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
20.1	PARTICULARS OF MATERIAL CONSUMED		
	Seamless Hollows	25,30,58,616	21,18,03,281
	Steel Strips	8,43,17,372	8,23,75,306
	Others	1,47,60,212	1,84,91,240
	Total	35,21,36,200	31,26,69,827
21	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Inventories (at close)		
	Finished goods	84,06,506	64,32,877
	Work-in-progress	6,13,93,354	4,97,80,701
		6,97,99,860	5,62,13,578
	Inventories (at commencement)		
	Finished goods	64,32,877	97,59,252
	Work-in-progress	4,97,80,701	2,80,48,700
	Scrap	-	1,61,980
		5,62,13,578	3,79,69,932
	Total	(1,35,86,282)	(1,82,43,646)
22	EMPLOYEE BENEFITS EXPENSES		
	Salaries and wages	5,00,68,153	4,60,49,411
	Contributions to provident and other funds (Refer Note 32.1b)	44,94,570	43,27,681
	Gratuity	23,31,481	(28,55,760)
	Staff welfare expenses	9,25,774	8,26,651
	Total	5,78,19,978	4,83,47,983

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
23	OTHER EXPENSES		
	MANUFACTURING EXPENSES		
	Stores, Spares and Packing Materials consumed	7,30,46,559	5,11,40,920
	Power and Fuel	14,13,49,780	12,27,18,383
	Labour Charges	3,27,79,359	2,11,30,739
	Factory Expenses	24,80,520	8,30,926
	Repairs and Maintenance :		
	- Plant and Machinery	80,66,987	83,83,148
	- Building	40,45,113	20,52,590
	Insurance	20,04,319	18,68,405
	Wind Mill Operating Expenses	73,58,568	76,45,674
	Freight Charges	2,18,534	2,05,685
		27,13,49,739	21,59,76,470
	ADMINISTRATIVE AND OTHER EXPENSES		
	Rent/Compensation	9,000	9,000
	Rates & Taxes	1,55,322	1,82,883
	Insurance	6,853	40,128
	Electricity Charges	2,33,413	2,55,159
	Printing and Stationery	3,80,711	3,76,970
	Communication Expenses	4,94,578	4,10,868
	Travelling Expenses :		
	- Directors	3,93,071	2,97,385
	- Others	9,89,325	6,29,618
	Security Charges	21,89,000	19,70,025
	Professional Charges	30,97,854	26,49,855
	Repairs and Maintenance - Others	4,92,389	4,67,779
	Directors' Sitting Fees	3,20,000	2,35,000
	Outward Freight	15,49,448	13,27,547
	Advertising and sales Promotion Expenses	7,74,127	16,52,763
	Commission on Sales	10,47,730	10,81,124
	Bank charges and commission	2,11,663	7,79,649
	Increase / (decrease) of excise duty on inventory	3,17,797	(4,78,710)
	Donations	3,00,000	-
	Payments to auditors	9,00,000	5,50,000
	Assets Discarded / written off	11,03,492	-
	Other Expenses	30,90,863	25,12,525
		1,80,56,636	1,49,49,568
	Total	28,94,06,375	23,09,26,038

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
24	CONTINGENT LIABILITIES AND COMMITMENTS		
	(I) CONTINGENT LIABILITIES		
	(a) Claims against the Company not acknowledged as debt :		
	i) Excise / Service Tax matters under disputes	2,48,20,338	1,91,02,251
	ii) Sales Tax demand disputed by the Company	25,23,477	25,34,394
	(b) Counter Guarantees given by the Company to the bankers for Bank Guarantees	1,00,00,000	1,75,00,000
	(II) COMMITMENTS		
	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for on Tangible assets	-	17,20,584
	(III) The Income Tax assessments of the Company have been completed upto assessments year 2012-13. The total disputed demand is ₹ 4,87,61,011/- (P.Y. ₹ 4,38,77,391/-). The Company has deposited ₹ 4,68,93,440/- (P.Y. ₹ 3,19,49,820/-) against the same. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be deleted. However, as an abundant caution the Company has made provision for the same.		
25	Effective April 1, 2014 the Company has changed the estimated useful life of assets in line with the recommended useful life as per Part C of Schedule II to the Companies Act, 2013. As per para 7 (b) of Notes to Part C, where the remaining 'useful life' of an asset as on the effective date is Nil, the carrying amount of the asset should be recognised in the retained earnings. Accordingly, the carrying amount as on April 1, 2014 of ₹ 3,65,905/- (Net of Deferred Tax of ₹ 1,88,412/-) has been adjusted against Surplus / (Deficit) in statement of Profit and Loss.		
26	THE DETAILS OF AMOUNT DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES BASED ON INFORMATION AVAILABLE WITH THE COMPANY AND RELIED UPON BY AUDITORS	Nil	Nil
27	AUDITORS' REMUNERATION *		
	As auditors		
	(i) Statutory audit fees	5,00,000	3,50,000
	(ii) Tax audit fees	2,00,000	1,00,000
	(iii) Taxation matters	2,00,000	1,00,000
	Total	<u>9,00,000</u>	<u>5,50,000</u>
	* Excluding Service Tax		
28	CIF VALUE OF IMPORTS (INCLUDING ADVANCE PAYMENT)		
	(a) Raw materials	6,52,70,838	17,82,39,951
	(b) Spare parts	44,59,332	41,05,919
	(c) Capital goods	-	5,90,38,504

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
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29 EXPENDITURE IN FOREIGN CURRENCY

(a) Travelling expenses	5,12,085	-
(b) Export commission	-	81,738
(c) Sales Exhibitions	28,550	5,56,768

30 EARNINGS IN FOREIGN EXCHANGE

FOB Value of Exports	37,43,152	57,80,548
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31 DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Particulars	31/3/2015		31/3/2014	
	₹	%	₹	%
(a) Raw materials				
Indigenous	21,36,27,901	60.67	10,53,81,398	33.70
Imported	13,85,08,299	39.33	20,72,88,429	66.30
	35,21,36,200	100.00	31,26,69,827	100.00
(b) Stores, Spares & Packing Materials				
Indigenous	7,03,12,977	96.26	4,70,71,990	92.04
Imported	27,33,582	3.74	40,68,930	7.96
Total	7,30,46,559	100.00	5,11,40,920	100.00

32 THE COMPANY HAS CLASSIFIED THE VARIOUS BENEFITS PROVIDED TO EMPLOYEES AS UNDER**32.1 Charge to Statement of Profit and Loss based on contributions**

a) Gratuity	4,35,791	5,16,977
b) Contribution to :		
Employees' Pension scheme	5,63,097	3,83,378
Provident Fund	35,33,575	35,58,009
Other charges	3,97,898	3,86,294
	44,94,570	43,27,681
Total	49,30,361	48,44,658

32.2 Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2015

Particulars	31/03/2015 Gratuity	31/03/2014 Gratuity
I) Change in Defined Benefit Obligation		
Opening defined benefit obligation	2,47,35,389	2,81,08,126
Current Service Cost	9,51,361	11,24,325
Interest Cost	15,79,170	22,53,546
Actuarial (Gain)/Loss	(6,34,841)	(67,50,608)
Closing defined benefit obligation	2,66,31,079	2,47,35,389

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
(ii)	Expenses recognised in the Statement of Profit and Loss		
	Current Service Cost	9,51,361	11,24,325
	Interest Cost	15,79,170	22,53,546
	Acturial (Gain)/Loss	(6,34,841)	(67,50,608)
	Total	18,95,690	(33,72,737)

33 SEGMENT REPORTING

Particulars	31/3/2015				31/3/2014			
	Steel Tubes	Wind Power	Others	Total	Steel Tubes	Wind Power	Others	Total
	₹	₹	₹	₹	₹	₹	₹	₹
Segment revenue (less excise duty)								
External Sales	83,03,71,432	1,57,85,988	5,08,77,315	89,70,34,735	73,64,81,451	1,94,84,524	5,80,75,709	81,40,41,684
Wind power, captively consumed		2,19,42,214		2,19,42,214		2,12,13,366		2,12,13,366
Total Segment Revenue	83,03,71,432	3,77,28,202	5,08,77,315	91,89,76,949	73,64,81,451	4,06,97,890	5,80,75,709	83,52,55,050
Segment result (profit/(loss)) before tax and interest	16,67,86,994	2,23,07,151	1,49,72,262	20,40,66,407	18,62,81,832	2,10,97,354	2,07,03,824	22,80,83,010
Unallocable Expenditure				1,89,12,172				1,47,86,642
Operating Profit				18,51,54,235				21,32,96,368
Unallocable Income				4,28,21,474				7,80,40,122
Profit before tax				22,79,75,709				29,13,36,490
Current tax				5,74,00,000				5,80,00,000
Current tax expense relating to prior years				66,70,200				3,84,81,729
Deferred tax				59,42,855				2,17,70,814
Profit for the year				15,79,62,654				17,30,83,947
Other information								
Segment assets	83,83,14,907	7,33,45,402	4,11,80,115	95,28,40,424	83,03,22,876	7,80,45,111	4,98,00,469	95,81,68,456
Unallocable assets				78,57,20,494				76,43,36,956
Total assets (a)				1,73,85,60,918				1,72,25,05,412
Segment liabilities	4,86,10,817	1,43,32,581	20,41,658	6,49,85,056	5,55,92,062	1,45,80,183	45,70,874	7,14,43,119
Unallocable liabilities				7,27,20,874				7,49,93,235
Total liabilities (b)				13,77,05,930				14,64,36,354
Total Capital Employed (a-b)				1,60,08,54,988				1,57,60,69,058

Notes:

The Company has disclosed Business Segments as the primary segment. There are no secondary segments. Segments have been identified taking into account the nature of the product, the differing risk and returns, the organisational structure and internal reporting system. The Company's operations predominantly relate to manufacture of Steel Tubes. Other segments comprise of manufacture of Nuts.

Segment Revenue, Segment Result, Segment Assets and Segment Liabilities include respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses which are not directly relatable to the business segments, are shown as unallocated expenses. Assets and liabilities that can not be allocated between the segments are shown as unallocated assets and liabilities respectively.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	31/03/2015 ₹	31/03/2014 ₹
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34 EARNING PER SHARE

Particulars		
Profit for the year	15,79,62,654	17,30,83,947
Weighted average number of shares	1,46,98,616	1,46,98,616
Earning per share (Basic and Diluted)	10.75	11.78
Face Value per share	5.00	5.00

35 RELATED PARTY DISCLOSURES**(A) NAME OF RELATED PARTIES AND RELATIONSHIP**

Name	Relationship
1) Mr. Manhar G. Gandhi	Key Management Personnel (KMP)
2) Mr. Bhupatrai G. Gandhi	Key Management Personnel (KMP)
3) Mr. Jayesh M. Gandhi	Relative of KMP
4) Jaishri Engineering Co. Pvt. Ltd.	Significant influence by KMP
5) Randeep Exports	Significant influence by KMP / relatives of KMP

(B) TRANSACTIONS (IN AGGREGATE) WITH RELATED PARTIES

Particulars	Transactions during		Outstanding during	
	Current year	Previous year	Current year	Previous year
1) Remuneration *				
(i) Manhar G. Gandhi	1,24,00,000	1,20,00,000	4,00,000	-
(ii) Bhupatrai G. Gandhi	1,24,00,000	1,20,00,000	4,00,000	-
* Excluding Provision for Gratuity and Contribution to Provident Fund.				
(2) Sitting fees				
(i) Jayesh M. Gandhi	69,000	60,000	-	-
(3) Purchase of spares				
(i) Jaishri Engineering Co. Pvt. Ltd.	-	56,279	-	-
(4) Sales of Goods				
(i) Jaishri Engineering Co. Pvt. Ltd.	1,84,48,622	1,98,56,864	-	-
(ii) Randeep Exports	68,26,076	51,04,607	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	Transactions during		Outstanding during	
	Current year	Previous year	Current year	Previous year
(5) Job Work Charges received (i) Jaishri Engineering Co. Pvt. Ltd.	26,32,121	27,65,124	-	-
(6) Compensation for Godown (i) Jaishri Engineering Co. Pvt. Ltd.	9,000	9,000	-	-

Notes :

Related parties relationship is as identified by the Company on the basis of information available with them and accepted by the Auditors.

36 PREVIOUS YEAR FIGURES

Previous year figures have been regrouped, rearranged and reclassified, wherever necessary to correspond with the current year's classification / disclosure.

As per our attached report of even date For and on behalf of the Board of Directors

For S. V. DOSHI & CO.

Chartered Accountants

SUNIL V. DOSHI

Partner

Membership No. 35037

Mumbai, 21st May, 2015

M. G. GANDHI
(Chairman &
Managing Director)

J. M. GANDHI
(Director)

SHOBHANA RAJAN VARTAK
(CFO)

B. G. GANDHI
(Joint
Managing Director)

D. B. SHAH
(Director)

K. N. WARDEN
(Director)

BHAVI KORADIA
(Director)

PRIYANKA M. BORKAR
(Company Secretary)

DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel against the performance of the company are as under:

Sr. No	Name of the Director/KMP	Remuneration of Director/KMP for financial year 2014-15 (Amount in ₹)	Ratio of remuneration of each director to the median remuneration of employees. {5(1)(i)}	% increase in remuneration in the financial year 2014-2015 {5(1)(ii)}	Comparison of the remuneration of the KMP against the performance of the company {5(1)(ix)}
1	Mr. Manhar G. Gandhi Chairman and Managing Director	1,24,00,000/-	51.70	3.33%	Profit before tax decreased by 21.76 and profit after tax decreased by 8.74 % in the financial year 2014-2015
2.	Mr. Bhupatrai G. Gandhi Director	1,24,00,000/-	51.70	3.33%	
3	Mrs. Shobhana Rajan Vartak Chief Financial Officer	9,35,683/-	3.90	16.51%	
4.	Ms. Priyanka M. Borkar Company Secretary	*	*	*	

Notes:

*1) Details not given as Ms Priyanka M. Borkar was a Company Secretary only for a part of financial year 2014-15 i.e. w.e.f 29th January, 2015.

2) In the financial year, there was an increase of 29.71% in the median remuneration of employees. {5(1) (iii)}

3) There were 76 permanent employees on the rolls of the Company as on 31st March, 2015. {5(1)(iv)}

4) Relationship between average increase in remuneration and company performance:- The Profit before Tax for the financial year ended March 31, 2015 decreased by 21.76 % whereas the increase in median remuneration was 29.71%. {5(1) (v)}

5) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company. {5(1) (vi)}

The total remuneration of Key Managerial Personnel increased by 3.76% from ₹. 2.48 crore in 2013-14 to 2.57 crore in 2014-15 whereas the Profit before Tax decreased by 21.76 % to ₹ 22.80 crore in 2014-15 (₹ 29.13 crore in 2013-14).

6) {5(1) (vii)} a) Variations in the market capitalization of the Company: The market capitalization as on March 31, 2015 was ₹.1.96 crore (₹.1.96 crore as on March 31, 2014).

b) Price Earnings ratio of the Company was 10.75 as at March 31, 2015 and 11.78 as at March 31, 2014.

c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year – Not Applicable

7) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 14.60 % and the increase in the managerial remuneration for the same Financial Year was 3.33 %.{5(1)(viii)}

8) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. {5(1) (x)}

9) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable. {5(1) (xi)}

10) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. {5(1) (xii)}

NOTES

[illegible]

FORM MGT -11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L27104MH1985PLC036004

Name of the company: Gandhi Special Tubes Limited

Registered Office: 201 -204, Plaza , 2nd Floor, 55 Hughes Road, Next to Dharam Palace, Mumbai – 400 007

Tel: +91 22 23634179 Fax: +91 22 23634392 Website: www.gandhispecialtubes.com

Name of the Member:

Registered Address:

E- mail Id:

Folio no./Client Id

DP ID:

I/We, being the member (s) of..... Shares of the Company, hereby appoint

1. Name:
Address:
E-mail id:
Signature _____ or failing him/her
2. Name:
Address:
E-mail Id:
Signature _____ or failing him/her
3. Name:
Address:
E-mail Id:
Signature _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at Thirtieth Annual general Meeting of the Company, to be held on the 29th day of July, 2015 at 11.00 a.m at Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K.M Munshi Marg, Mumbai – 400 007 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1 to 5 (all are ordinary resolutions)

1. To receive, consider and adopt the Financial Statements and the reports of the Board of Directors and Auditors thereon for the Financial Year ended on 31st March, 2015.
2. To confirm the payment of Interim Dividend paid on Equity Shares as Final Dividend
3. To appoint Director in place of Mr. Jayesh M. Gandhi (DIN NO: 00041330) who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and ratify appointment of M/s. S.V Doshi & Co. Chartered Accountants.
5. To consider appointment of Mrs. Bhavi Jatin Koradia (DIN NO : 07004836) as an Independent Director.

Signed this _____ day of _____ 2015

Signature of the shareholder : _____

Please affix Revenue Stamp

Signature of Proxy Holder(s) : _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

GANDHI SPECIAL TUBES LTD.

CIN: L27104MH1985PLC036004

Registered Office: 201 -204, Plaza , 2nd Floor, 55 Hughes Road, Next to Dharam Palace, Mumbai – 400 007

Tel: +91 22 23634179 Fax: +91 22 23634392 Website: www.gandhispecialtubes.com

ATTENDANCE SLIP

THIRTIETH ANNUAL GENERAL MEETING

29th July, 2015

Regd. Folio No. / Client ID:.....

Mr. /Mrs. /Ms
.....

I certify that I am a registered share holder / Proxy for the Registered Share holder of the Company.

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company at Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai – 400007 at 11.00 a.m. on **Wednesday, the 29th July, 2015.**

.....
Proxy's Name in Block Letters

.....
Member's / Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL

Members who have voted electronically through remote e-voting shall be entitled to attend and participate but shall not be eligible to vote at the Annual General Meeting.

Form No. SH-13

Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To

Name of the company:

Address of the company:

I/We the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S —

a.	Name:	
b.	Date of Birth:	
c.	Father's/Mother's/Spouse's name:	
d.	Occupation:	
e.	Nationality:	
f.	Address:	
g.	E-mail id:	
h.	Relationship with the security holder:	

(3) IN CASE NOMINEE IS A MINOR—

a.	Date of birth:	
b.	Date of attaining majority	
c.	Name of guardian:	
d.	Address of guardian:	

Name:

Address:

Name of the Security Holder (s)

Signature

Witness with Name and Address

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Book - Post

If undelivered please return to :

GANDHI SPECIAL TUBES LTD.

CIN : L27104MH1985PLC036004

Registered Office :

201-204, Plaza, 2nd Floor, 55 Hughes Road,

Next to Dharam Palace, Mumbai - 400 007

Tel.: +91 22 23634179

Fax : +91 22 23634392

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