



# 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 : info@gandhitubes.com • Website : www.gandhitubes.com

CIN.: L27104MH1985PLC036004



Date: 27.07.2017

Corporate Relationship Department  BSE LIMITED 1 <sup>st</sup> floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001.  Scrip Code: 513108	The Manager Listing Department THE NATIONAL STOCK EXCHANGE OF INDIA LTD Exchange Plaza, Plot No C/1, G Block Bandra-Kurla Complex, Bandra (East) Mumbai - 400051.  Company Code : GANDHITUBE
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**Subject: 32<sup>nd</sup> Annual Report for the year 2016-17**

Dear Sir/ Madam,

Pursuant to Reg 34 of SEBI ( Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed 32<sup>nd</sup> Annual Report of the Company, for the year 2016-17.

Kindly take the above document on your record and disseminate the same on the website of the Exchange.

Thanking you,

Yours Faithfully,

For GANDHI SPECIAL TUBES LTD

Jeogeesha Shroff

Company Secretary & Compliance Officer





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**Sub: Declaration with respect to Audit report with unmodified opinion to the Audited Financial Results for the financial year ended 31<sup>st</sup> March 2017**

We hereby declare that Audited Financial Results for the financial year ended 31<sup>st</sup> March 2017 which have been approved by the Board of Directors of the Company at the meeting held today, i.e. 16<sup>th</sup> May, 2017, the Statutory Auditors have not expressed any modified opinion(s) in their Audit Report.

The above declaration is made pursuant to Regulation 33 (3) (d) of the Securities Exchange and Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015, as amended.

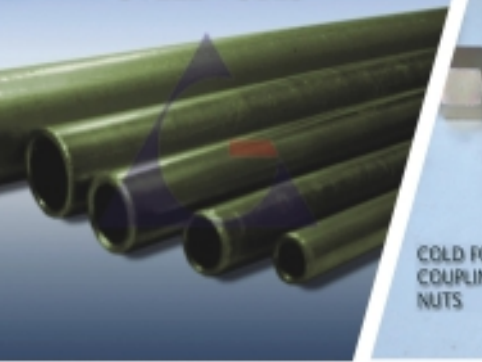
Yours faithfully,

For **GANDHI SPECIAL TUBES LIMITED**

**Manhar G. Gandhi**  
Chairman & Managing Director  
DIN: 00041190

# 32<sup>nd</sup> Annual Report 2016-17

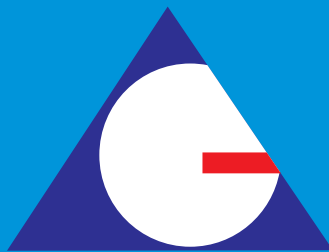
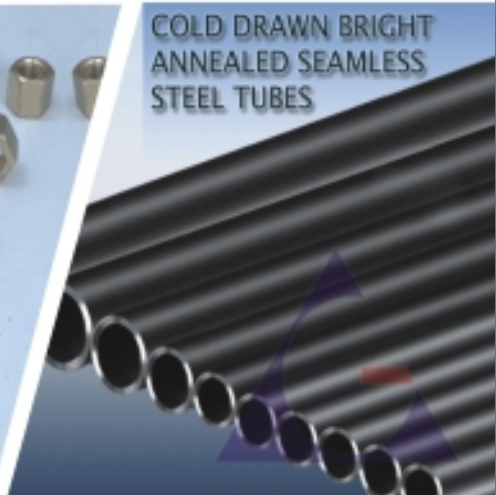
PRECISION ELECTRIC  
RESISTANCE WELDED  
STEEL TUBES



COLD FORMED  
COUPLING  
NUTS



COLD DRAWN BRIGHT  
ANNEALED SEAMLESS  
STEEL TUBES



## GANDHI SPECIAL TUBES LIMITED



ISO 9001:2008 & ISO/TS 16949:2009

Certified Company

# ACTIVITIES UNDER CSR

**FRONT VIEW OF “GANDHI SPECIAL DEAF AND MUTE SCHOOL”**



**INSIDE VIEW OF “GANDHI SPECIAL DEAF AND MUTE SCHOOL”**





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

**10-YEARS FINANCIAL HIGHLIGHTS**

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Net Sales	7,623.13	5,606.96	7,549.17	9,017.40	10,652.93	9,593.96	8,352.55	9,189.77	9,117.37	9,757.23
Total Income	7,998.65	6,287.71	8,750.36	9,425.27	11,065.90	9,862.19	9,144.02	9,632.55	9,417.47	10,623.61
EBIDTA (Earning Before Dep, Interest & Tax)	3,148.09	2,854.89	4,147.43	4,214.87	4,620.26	3,509.83	3,407.02	2,774.79	2,991.27	4,161.32
Depreciation	463.32	535.85	508.26	471.27	452.69	433.68	493.66	495.03	470.58	445.64
Profit After Taxation	1,884.42	1,592.75	2,533.31	2,629.15	2,981.74	2,206.28	1,730.84	1,579.63	1,855.00	2,974.10
Equity Dividend (%)	50.00	50.00	100.00	100.00	120.00	120.00	120.00	150.00	150.00	180.00
Dividend Payout	367.46	367.46	734.92	734.93	881.92	881.92	881.92	1,102.40	1,102.40	1,322.88
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	6,580.20	7,743.03	9,416.50	11,188.66	13,145.42	14,326.72	15,025.76	15,273.62	15,801.80	17,183.72
Net Worth	7,315.13	8,477.96	10,151.43	11,923.59	13,880.35	15,061.65	15,760.69	16,008.55	16,536.73	17,918.65
Gross Fixed Assets	8,466.77	8,702.26	8,692.18	8,741.90	8,915.72	10,957.77	12,670.83	12,897.51	13,014.98	12,998.16
Net Fixed Assets	4,958.92	4,688.87	4,210.81	3,789.25	3,553.49	5,195.71	6,415.11	6,274.00	5,901.42	5,520.49

**Key Indicators**

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Earning per share	12.82	10.84	17.24	17.89	20.29	15.01	11.78	10.75	12.62	20.23
Turnover per share(₹)	51.86	38.15	51.36	61.35	72.48	65.27	56.83	62.52	62.03	66.38
Book Value per share	49.77	57.68	69.06	81.12	94.43	102.47	107.23	108.91	112.51	121.91
Debt/Equity Ratio	0.08	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit Margin %	24.72	28.41	33.56	29.16	27.99	23.00	20.72	17.19	20.35	30.48
EBDIT/ Net Sales %	41.30	50.92	54.94	46.74	43.37	36.58	40.79	30.19	32.81	42.65

**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](mailto:complianceofficer@gandhitubes.com) . Your initiative will save forest wealth of our Country.

**NOTICE OF THIRTY SECOND ANNUAL GENERAL MEETING**

NOTICE is hereby given that Thirty Second Annual General Meeting of the Members of **GANDHI SPECIAL TUBES LIMITED** will be held on Wednesday, the 12th day of July, 2017 at 11.00 a.m. at Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai - 400 007, to transact the following Ordinary business:

1. To receive, consider and adopt the Audited Financial Statements and the reports of the Board of Directors and Auditors thereon for the Financial Year ended 31st March, 2017.
2. To confirm the payment of Interim Dividend paid on Equity Shares as Final Dividend.
3. To appoint a Director in place of Mr. Jayesh Gandhi (DIN 00041330), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s Shashikant J. Shah & Co., Chartered Accountants, Mumbai having Firm Registration No: 109996W and holding valid Peer Review Certificate issued by the Institute of Chartered Accountants of India, be and is hereby appointed as the Statutory Auditors of the Company in place of M/s S.V. Doshi & Co., Chartered Accountants, Mumbai, from the conclusion of 32nd Annual General Meeting upto the conclusion of 37th Annual General Meeting of the Company subject to the ratification of their appointment by members at every annual general meeting and at such remuneration plus service tax, out of pocket expenses as may be mutually agreed between the Board and the Statutory Auditors.”

**By Order of the Board of Directors**

**JEEGEESHA G. SHROFF**  
**COMPANY SECRETARY**

**Place: Mumbai**  
**Date: 16th May, 2017**

**Regd. Office:**  
201-204 Plaza, 2nd Floor,  
55 Hughes Road,  
Next to Dharam Palace,  
Mumbai - 400007  
Tel: 91-22 – 23634179  
Fax: 91-22-2363 4392  
CIN: L27104MH1985PLC036004  
Email: [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com)  
Website: [www.gandhitubes.com](http://www.gandhitubes.com)



**NOTES:**

1. In respect of resolution at item no 3 a statement giving additional information on director seeking re-appointment is annexed herewith as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
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 a member or number of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total paid up share capital of the Company. Member holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.**

**The instrument appointing Proxy as per the format included in the Annual Report should be lodged with the Company at its Registered Office not less than 48 hours before the commencement of the meeting i.e by 11.00 a.m. on Monday, 10th of July, 2017**

3. The Register of Members and the Share Transfer books of the Company will remain closed from **Tuesday, 11th July, 2017 to Wednesday, 12th July, 2017** (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 by the members only to their Depository Participant.
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. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of ₹ 11,33,395/- (Eleven Lakh Thirty Three Thousand Three Hundred Ninety Five Only) of the Company for the financial year ended 31st March, 2010 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government on 17th March, 2017 pursuant to Section 125 of the Companies Act, 2013.
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 thus overcome their problem. The company has uploaded the information in respect of the Unclaimed Dividends in respect of the Financial years 2010-2011 up

to 2015-16 on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investor Section" on the website of the Company viz. [www.gandhitubes.com](http://www.gandhitubes.com).

8. Members who have not encashed their dividends warrants for Financial Year 2010-11 or any subsequent years are requested to write to the Company immediately claiming dividends declared by the Company for the said period (**Proforma of Indemnity Bond for Duplicate Dividend Warrant is available** under "Investor Section" on the website of the Company viz. [www.gandhitubes.com](http://www.gandhitubes.com)).

Members are requested to note that the Dividend for the ended 31st March, 2011 declared on 27th January, 2011 is due to be transferred to IEPF in March 2018 pursuant to Section 125 of the Companies Act, 2013 and the rules made thereunder.

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

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

10. 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.
11. Members who still hold share certificates in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which include easy liquidity, since trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
12. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative along with their specimen signature to attend and vote on their behalf at the Meeting.
13. 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.
14. 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.
15. Member who is desirous of getting any information as regard to the business to be transacted at the meeting are requested to write to the Company their queries at least seven days in advance of the Meeting in order to keep the required information readily available at the Meeting.
16. Members/Proxies and authorized signatories should bring the attendance slip duly filled in for attending the meeting. The identity/signature of the Members holding shares in electronic/demat form is liable for verification with specimen signatures as may be furnished by NSDL/CDSL to the Company. Such Members are advised to bring the relevant identity card, issued by the Depository Participant, to attend the Annual General Meeting.
17. The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at [www.gandhitubes.com](http://www.gandhitubes.com) and on the website of Karvy Computershare Pvt. Ltd. at <https://evoting.karvy.com>.
18. Shareholders can register their complaints, if any, on an exclusive e-mail id [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com) which has been designated for the said purpose.
19. Pursuant to Section 101 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository. Members who have not registered their e-

mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

20. 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.
- 21. Members are requested to bring their copies of the Annual Report at the Meeting.**
22. A route map showing directions to reach the venue of the 32nd Annual General Meeting is given at the end of the notice as per the requirement of Secretarial Standard 2 on "General Meeting".
23. The Company's Equity Shares are listed at (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai- 400051 and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the year 2017-18.
24. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at **M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana State, India**
- 25. Voting through electronic means**
  1. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with, Rule 20 of Companies (Management and Administration) Rules, 2014 (amended from time to time) and sub-regulation (1) & (2) of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote 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 remote e-voting are as under**

- i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii) Enter your Login Credentials (i.e., User-ID & Password) which will be sent to you separately.  
Your Folio No. / DP-ID & Client-ID will be your User-ID. (Please refer below table for specifications & instructions).

User – ID	<b><u>For Members holding shares in Demat Form:</u></b> a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID. b) For CDSL: 16 digits beneficiary ID. <b><u>For Members holding shares in Physical Form:</u></b> Event Number 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 as mentioned below period & time:

E-Voting Starts	8th July, 2017 (Saturday)	9:00 A.M.
E-Voting Ends	11th July, 2017 (Tuesday)	5:00 P.M.

- v) After entering these details appropriately, click on "LOGIN".

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 number, 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.

- vi) You need to login again with the new credentials.

- vii) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.

- viii) If you are holding shares in Demat form and had logged on to "<https://evoting.karvy.com>" to cast your vote earlier for any company, then your exiting login id and password are to be used.

- ix) 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 does not want to cast his/her vote may select 'ABSTAIN'.

- x) 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.

- xi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

- xii) 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 [gstlevoting2016@dholakia-associates.com](mailto:gstlevoting2016@dholakia-associates.com) with copy to [evoting@karvy.com](mailto: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.

**B. 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 5th July, 2017, 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 from 9.00 a.m. on Saturday, 8th July, 2017 and will end at 5.00 p.m. on Tuesday, 11th July, 2017. 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, the 5th of July, 2017**, 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 **Wednesday, the 5th of July, 2017** 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. **Wednesday, the 5th of July, 2017** may obtain the login ID and password by sending an email to [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com) or [evoting@karvy.com](mailto: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 (amended from time to time), 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 at 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 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.



25. As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profile of the Directors proposed to be appointed / re-appointed at the Annual General Meeting is given below:

<b>Name of the Director</b>	Mr. Jayesh M. Gandhi
<b>Date of Birth</b>	28.11.1965
<b>Date of Appointment</b>	07.05.1998
<b>Qualification</b>	B.COM, M.B.A
<b>Experience in specific functional areas</b>	Mr. Jayesh M. Gandhi has a rich and extensive experience for more than 27 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.
<b>Directorships in other Companies</b>	Jaishri Engineering Company Private Limited.
<b>Chairman/ Member of the Committees of the Board of Directors of the Company</b>	Member- of Audit Committee and Corporate Social Responsibility Committee
<b>Chairman/Member of the Committees of the Board of Directors of the other Companies in which he is a Director</b>	None
<b>No. of Shares held in the Company</b>	11,67,466 Equity Shares of ₹ 5/-each.
<b>Inter-se Relationship between Directors</b>	Son of Mr. Manhar G. Gandhi, Chairman & Managing Director.
<b>Director Identification Number</b>	00041330

**By Order of the Board of Directors**

**JEEGEESHA G. SHROFF**  
**COMPANY SECRETARY**

**Mumbai**  
**16<sup>th</sup> May, 2017**

**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](mailto:complianceofficer@gandhitubes.com)  
Website: [www.gandhitubes.com](http://www.gandhitubes.com)

**ROUTE MAP OF AGM VENUE:**

Kanji Khetsey Sabhagriha,  
Bharatiya Vidya Bhavan,  
K. M. Munshi Marg, Mumbai - 400 007



## BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present their Thirty Second Annual Report on the business and operations of your Company along with the Audited Financial Statements for the financial year ended on 31st March, 2017. 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, 2017 is summarized below:

Particulars	For the year ended 31.03.2017 (₹ in Lakhs)	For the year ended 31.03.2016 (₹ in Lakhs)
Revenue from operations	9757.23	9117.36
Other Income	866.38	300.10
Total Revenue	10623.61	9417.46
<b>Profit before Tax</b>	<b>3715.68</b>	<b>2520.69</b>
Less: Tax Expenses	-	-
<b>Current Tax</b>	835.39	760.00
Current Tax for Prior Years	(94.08)	(128.60)
Deferred Tax	0.27	34.29
<b>Profit for the year</b>	<b>2974.10</b>	<b>1855.00</b>
Interim Dividend	1322.88	1102.40
Corporate Dividend Tax	269.31	224.42
Transfer to General Reserve	-	-
<b>Earnings Per Share of ₹ 5/-</b>	<b>₹ 20.23</b>	<b>₹ 12.62</b>

### 2. RESERVES

There has been no transfer to reserves made during the year under review as the same is not mandatory.

### 3. PERFORMANCE AND AFFAIRS OF THE COMPANY

During the year under review, despite of difficult market conditions and effects of demonetisation the Net Sales has marginally increased by 6.91% from ₹ 8898 Lakhs to ₹ 9513 Lakhs. Due to better operating efficiency, reduced wastage and stringent cost control measures, the operating profit has increased by 28.23% from ₹ 2228 Lakhs to ₹ 2857 Lakhs.

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

### 4. DIVIDEND

The Company has declared and paid an Interim Dividend @180 % on 15th February, 2017 i.e. ₹ 9.00 per share in the year 2016-17, as against ₹ 7.50 per share in the previous year 2015-16. The dividend has been paid to the shareholders whose names appeared in the Register of Members as on 3rd February, 2017. The total dividend paid for the year ended 31<sup>st</sup> March, 2017 was ₹1322.88 lakhs. 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 2017-18 is better than last year and therefore, barring unforeseen circumstances, 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 Regulation 27(2) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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. In order to obviate duplication of information some of the information required under the Board's Report has been captured in the Corporate Governance 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 and amended rules thereafter. 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.

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

**(ii) Key Managerial Personnel**

During the year under review, Ms. Priyanka Borkar resigned as the Company Secretary and Compliance Officer with effect from 1st February, 2017 and she was relieved of her responsibilities by the Company at the close of the office hours on 6th March, 2017.

**(iii) Declaration by an Independent Director(s)**

The Company has complied with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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**

In compliance with the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, and that of its Committee and other Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, and also as per the Guidance Notes issued by

SEBI vide its Circular No: SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5th, 2017 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.

## **11. BOARD AND COMMITTEES**

During the year, four (4) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between two meetings was less than the period prescribed under the Companies, 2013, Secretarial Standard-1 on Board Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the Audit Committee, Stakeholder Relationship, Nomination and Remuneration Committee and CSR Committee have been given in the Report on the Corporate Governance.

## **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, 2017 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 annual accounts have been prepared 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.
- e. 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. The text of the policy is available on the website of the Company [www.gandhitubes.com](http://www.gandhitubes.com).

## **14. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES**

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

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.



**15. RISK MANAGEMENT POLICY**

The Company has 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. At present there is no identifiable risk which, in the opinion, of the Board may threaten the existence of the Company.

**16. 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.

**17. 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.

**18. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has an adequate system for internal financial controls which commensurate with its size and nature of business. Detailed procedures are in place to ensure that all assets are safeguarded and protected against losses, all transactions authorized, recorded and appropriately reported. The internal control system is monitored and evaluated by an Internal Audit team which interacts closely with the Audit Committee. No material issues in relation to the adequacy of Company's control systems were raised during the year.

**19. EXTRACT OF ANNUAL RETURN**

Extract of the Annual Return in form MGT-9 for the financial year ended 31<sup>st</sup> March, 2017 made under the provisions of Section 92(3) of the Act is annexed as "**Annexure B**" which forms part of this Report.

**20. AUDITORS**

**(i) STATUTORY AUDITOR**

Under Sec 139 of the Companies Act, 2013 and the rules made there under, it is mandatory for the Company to rotate the current Statutory Auditors on completion of maximum term permitted under the said section and as such M/s S.V. Doshi & Co., will hold office upto the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company. Therefore the Board has recommended an appointment of M/s Shashikant J. Shah, Chartered Accountants, Mumbai and having Firm Registration No: 109996W in place of M/s S.V.Doshi & Co., Chartered Accountants, to hold office from the conclusion of 32<sup>nd</sup> Annual General Meeting upto the conclusion of 37<sup>th</sup> Annual General Meeting of the Company.

The proposed Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the rules framed there under. As per Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. Their appointment shall be ratified every year by members at the Annual General Meeting.

**Auditor's Report**

There are no qualifications, reservations or adverse remarks made by M/s S.V. Doshi & Co., Chartered Accountants in their report for the Financial Year ended March 31<sup>st</sup>, 2017.

**(ii) SECRETARIAL AUDITOR**

Pursuant to provisions of section 204 of the Act and the rules framed there under, 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 2016-2017. The Report of the Secretarial Audit Report in Form MR-3 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 for the year under review pursuant to the provision of the Companies (Cost Records and Audit) Rules, 2014.

**21. 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 the Annual Report through electronic mode and initiated steps to reduce consumption of paper.

**22. 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.

**23. ENVIRONMENT AND SAFETY**

The Company is conscious of the importance of environmentally clean and safe operations. The Company conducts 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.

**24. 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 RELATES**

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.

**25. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES**

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

**26. 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. Thus disclosure in form AOC-2 is not required as such Related Party Transactions are not material. 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.

**27. 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 ₹1.02 crores or more per annum or ₹ 8.5 lakhs or more per month 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 Board's Report for the year ended March 31, 2017 is given in a separate Annexure E to this Report.

The above Annexure E 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.

**28. 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 Mumbai and Halol (Gujarat). There was no complaint received during the year under review.

**29. 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.

**30. ACKNOWLEDGEMENT**

Your Directors wish to express their gratitude for co-operation, valuable guidance and support received from Bankers, Government authorities, all stakeholders and business associates. Your Directors also wish to place on record their appreciation for the committed services of all the Employees of the Company. Your Directors convey their thanks to the Shareholders who have reposed the confidence in the management of the Company.

**For and On behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 16<sup>th</sup> May, 2017**

**Manhar G. Gandhi**  
**Chairman & Managing Director**  
**DIN: 00041190**

**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, 2017.**

**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 a marginal reduction in the cost of Piped Natural Gas and electricity.**

**A. POWER AND FUEL CONSUMPTION**

<b>Particulars</b>		<b>2016-17</b>	<b>2015-16</b>
Electricity Purchased			
Units Purchased	Lakhs KWH	44.15	41.50
Total Amount	₹ Lakhs	345.04	338.86
Average Rate / KWH	Rupees	7.82	8.16
GSPC Gas Consumed			
Quantity Consumed	SCM	1988934	1684634
Total Amount	₹ Lakh	553.97	551.45
Average Rate / SCM	Rupees	27.85	32.73
Liquid Nitrogen Consumed			
Quantity Consumed	CUM	4323370	2870984
Total Amount	₹ Lakhs	327.00	226.64
Average Rate/Cum	Rupees	7.56	7.89

**B. CONSUMPTION PER UNIT OF PRODUCTION**

<b>Sr. No.</b>	<b>Particulars</b>		<b>2016-17 Per Tonne</b>	<b>2015-16 Per Tonne</b>
1.	Electricity*	KWH	886.15	898.32
2.	GSPC GAS**	Tonne	0.324	0.295
3.	Liquid Nitrogen**	CUM	7.56	7.89

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

\*\* Indicates only GSPC GAS consumption and Liquid Nitrogen.



**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 has undertaken 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 equality products to the consumers.

**III. Foreign Exchange Earnings and Outgo**

Total foreign exchange used and earned are as follows:

Foreign Exchange Earnings	₹ 1,28,73,090/-
Foreign Exchange Outgo	₹ 3,78,68,469/-

**For and On behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 16<sup>th</sup> May, 2017**

**Manhar G. Gandhi**  
**Chairman & Managing Director**  
**DIN: 00041190**

**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended 31.03.2017**

[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 6-FLOOR ,KARVY SELENIUM TOWER-B, PLOT NO. 31 & 32 , FINANCIAL DIST, GACHIBOWLI,NANAKRAMGUDA,SERI LINGAMPALLY HYDERABAD - 500 032, TELANGANA STATE ,INDIA. PHONE NO.: +91 040 6716 1585 FAX NO : + 91 040 23001153

**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	24311	18.30
2	Seamless Tubes	24311	73.23

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Not applicable as there is no subsidiary and associate company.

**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 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.PROMOTERS</b>									
(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....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>10769567</b>		<b>10769567</b>	<b>73.27</b>	<b>10769567</b>	-	<b>10769567</b>	<b>73.27</b>	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>10769567</b>	-	<b>10769567</b>	<b>73.27</b>	<b>10769567</b>	-	<b>10769567</b>	<b>73.27</b>	-
<b>B. PUBLIC SHAREHOLDING</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	1000	1000	0.01		1000	1000	0.01	-
b) Banks / FI	-	7200	7200	0.05	984	7200	8184	0.06	0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPI	562652		562652	3.83	635440	-	635440	4.32	0.50
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
(i) Others Foreign Nationals	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>562652</b>	<b>8200</b>	<b>570852</b>	<b>3.88</b>	<b>636424</b>	<b>8200</b>	<b>644624</b>	<b>4.39</b>	<b>0.50</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	319493	400	319893	2.18	254390	400	254790	1.73	(0.44)
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1693721	592794	2286515	15.55	1691150	578942	2270092	15.44	(0.11)
ii) Individual Shareholders holding nominal share capital in excess of ₹1lakh	505879	0	505879	3.44	509063	0	509063	3.46	0.02
iii) NBFCs registered with RBI	-	-	-	-	750	-	750	0.01	0.01
iv) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
v) Other Foreign Nationals	1000	-	1000	0.01	1000	-	1000	0.01	-
vi) Foreign Bodies	-	-	-	-	-	-	-	-	-
vii) NRI / OCBs	104795	139150	243945	1.66	115304	130750	209461	1.67	0.01
viii) Clearing Members / Clearing House	965	0	965	0.01	2676	-	2676	0.02	(0.01)
ix) Trusts	-	-	-	-	-	-	-	-	-
x) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
xi) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
xii) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	<b>2625853</b>	<b>732344</b>	<b>3358197</b>	<b>22.85</b>	<b>2574333</b>	<b>710092</b>	<b>3284425</b>	<b>22.35</b>	<b>(0.50)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3188505</b>	<b>740544</b>	<b>3929049</b>	<b>26.73</b>	<b>3210757</b>	<b>718292</b>	<b>3929049</b>	<b>26.73</b>	<b>-</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>13958072</b>	<b>740544</b>	<b>14698616</b>	<b>100.00</b>	<b>13980324</b>	<b>718292</b>	<b>14698616</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2016			No. of Shares held at the end of the year 31.03.2017			% 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	
MR. MANHAR G. GANDHI	2115670	14.39	-	2115670	14.39	-	-
MR. BHUPATRAI G. GANDHI	1940571	13.20	-	1940571	13.20	-	-
MR. JAYESH M GANDHI	1167466	7.95	-	1167466	7.95	-	-
MR. MANOJ B GANDHI	1097168	7.46	-	1097168	7.46	-	-
MRS. BHARTI M.GANDHI	783776	5.33	-	783776	5.33	-	-
MRS. CHANDRA B.GANDHI	470520	3.20	-	470520	3.20	-	-
MRS. GOPI J.GANDHI	458273	3.12	-	458273	3.12	-	-
MRS. JIGNA M.GANDHI	449443	3.06	-	449443	3.06	-	-
MS. KARISHMA J GANDHI	244300	1.66	-	244300	1.66	-	-
MR. KARAN MANOJ GANDHI	243000	1.65	-	243000	1.65	-	-
MR. MANHAR G GANDHI (SMALL HUF)	134060	0.91	-	134060	0.91	-	-
MR. BHUPATRAI G GANDHI (SMALL HUF)	127720	0.87	-	127720	0.87	-	-
MR. BHUPATRAI G GANDHI (HUF)	120360	0.82	-	120360	0.82	-	-
MS. KAVITA B GANDHI	99600	0.68	-	99600	0.68	-	-
MR. MANHAR G GANDHI (HUF)	90140	0.61	-	90140	0.61	-	-
MR. RAHUL JAYESH GANDHI	69000	0.47	-	69000	0.47	-	-
MRS. JIGNA NILESH MEHTA	47200	0.32	-	47200	0.32	-	-
MRS. BINA TUSHAR SHAH	32800	0.22	-	32800	0.22	-	-
MR. NILESH VINODRAI MEHTA	8800	0.06	-	8800	0.06	-	-
M/S B. M. GANDHI INVESTMENT CO. LLP	559300	3.81	-	559300	3.81	-	-
M/S GANDHI FINANCE CO. LLP	510400	3.48	-	510400	3.48	-	-
<b>Total</b>	<b>10769567</b>	<b>73.27</b>	<b>-</b>	<b>10769567</b>	<b>73.27</b>	<b>-</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding**

During the year under review, Gandhi Finance Company Pvt. Ltd. belonging to Promoter Group was converted to Gandhi Finance Co. LLP on 16th October, 2016 and B.M. Gandhi Investment Co. Pvt. Ltd., also belonging to the Promoter Group, was converted to B.M. Gandhi Investment Co. LLP on 18th January, 2017. There was no change in their respective shareholding.



**(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 01.04.2016		Shareholding at the end of the Year 31.03.2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MALABAR INDIA FUND LIMITED	311280	2.12	316130	2.15
2	PINEBRIDGE INDIA EQUITY FUND	189858	1.29	189858	1.29
3	IL AND FS TRUST COMPANY LIMITED	137912	0.94	-	-
4	M P JAIN	120897	0.82	120897	0.82
5	RAJESH P SHAH	111566	0.76	111566	0.76
6	JEETAY INVESTMENTS PVT LTD	79507	0.54	77250	0.53
7	THE HP INVEST ALTERNATIVES SUB-FUND	60085	0.41	60085	0.41
8	MAHAVEER PRASAD JAIN	52475	0.36	52475	0.36
9	JITENDRA RASIKLAL SHAH	47214	0.32	47214	0.32
10	ASHOK KUMAR JAIN	40931	0.28	40381	0.27
	<b>Total</b>	<b>1151725</b>	<b>7.84</b>	<b>1015856</b>	<b>6.91</b>

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2016		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		
	<b>Directors/KMP</b>						
1	Mr. Manhar G. Gandhi	2339870	15.92	2339870	15.92	-	-
2.	Mr. Bhupatrai G. Gandhi	2188651	14.89	2188651	14.89	-	-
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	28500	0.19	28500	0.19	-	-
7.	Mrs. Bhavi Jatin Koradia.	-	-	-	-	-	-
8.	Mrs. Shobhana Rajan Vartak	-	-	-	-	-	-
9.	Ms. Priyanka Borkar (CS)	-	-	-	-	-	-

**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 lakhs p.a)	Name of Joint MD Mr. Bhupatrai G. Gandhi (₹ In lakhs p.a)	Total Amount (₹ In lakhs p.a)
1	Gross Salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961 Gross Salary	120.00	120.00	240.00
	(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	44.00	44.00	88.00
	a. as a % of profit	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>164.00</b>	<b>164.00</b>	<b>328.00</b>

**B. Remuneration to other Directors:**

Particulars of Remuneration	Name of Directors				
	Mr.Dhirajlal S Shah ( ₹ in lakhs)	Mr.Dharmen B. Shah ( ₹ in lakhs)	Mr. Kavas N Warden ( ₹ in lakhs)	Mrs. Bhavi Jatin Koradia ( ₹ in lakhs)	Total Amount ( ₹ in lakhs)
• Fee for attending board/other committee meeting	0.95	0.85	0.70	0.85	3.35
<b>Total (1)</b>					<b>3.35</b>
<b>Other Non-Executive Directors</b>	Mr Jayesh Gandhi ( ₹ in lakhs)	-	-	-	-
• Fee for attending board /other committee meeting	0.90	-	-	-	0.90
<b>Total (2)</b>					<b>0.90</b>
<b>Total (B) = (1 + 2)</b>					<b>4.25</b>

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount ( ₹ in lakhs)
	Chief Financial Officer Mrs. Shobhana Rajan Vartak ( ₹ in lakhs)	Company Secretary Ms. Priyanka Borkar (upto 6 <sup>th</sup> March, 2017) ( ₹ in lakhs)	
Gross Salary	11.95	4.36	16.31
(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	-	-	-
Stock Option	-	-	-

Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹ in lakhs)
	Chief Financial Officer Mrs. Shobhana Rajan Vartak (₹ in lakhs)	Company Secretary Ms. Priyanka Borkar (upto 6 <sup>th</sup> March, 2017) (₹ in lakhs)	
Sweat Equity			
Commission			
a. as a % of profit	-	-	-
b. others, specify	-	-	-
Others, Please specify	-	-	-
<b>Total</b>	<b>11.95</b>	<b>4.36</b>	<b>16.31</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):**

There were no instances of any penalties/punishments/compounding of offences for the year ended 31-3-2017.

**For and On behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 16<sup>th</sup> May, 2017**

**Manhar G. Gandhi**  
**Chairman & Managing Director**  
**DIN: 00041190**

**ANNUAL REPORT ON CSR ACTIVITIES**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
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.	The detail is available on the Web Site of the Company <a href="http://www.gandhitubes.com">www.gandhitubes.com</a>
2.	The Composition of the CSR Committee.	Mr. Manhar G. Gandhi - Chairman Mr. Jayesh M. Gandhi- Member Mr. Dhirajlal S. Shah -Member
3.	Average net profit of the Company for last three financial years	₹ 25,71,26,942/-
4.	Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)	₹ 51,42,539/-
5.	Details of CSR spent during the financial year.	
	(a) Total amount to be spent for the financial year	₹ 51,42,539/-
	(b) Amount unspent , if any;	₹ 51,42,539/-
	(c) Manner in which the amount spent during the financial year is detailed below.	The Company could not identify and spend during the year under review. However the amount is carried forward and will be spent in the year 2017-18 on the proposed project as specified in the note below.

**Note:**

The Company is in the process of evaluating the CSR Project

The Company has identified the projects for Tissue Culture, conservation of natural resources and animal husbandry of the registered Trust in Gujarat, subject to further evaluation by CSR Authority established by the State Government of Gujarat for recognition of CSR activities. Once the above said projects are recognized by the team of CSR Gujarat Authority, the fund earmarked for CSR activities will be released to the said Trust.

**Chairman and Managing Director**

**Chairman of CSR Committee**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

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') for the financial year ended 31st March, 2017. 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 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017 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, 2015;
  - (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 (Share Based Employee Benefits) Regulations, 2014 ;
  - (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 following:
- (i) Secretarial Standards issued by the Institute of Company Secretaries of India effective 1st July, 2015
  - (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. There were no changes in the composition of the Board of Directors during the period under review.
  - 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 and there was no instance of any director expressing any dissenting views;
- F. We further report that there are adequate systems and processes 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.

**For DHOLAKIA & ASSOCIATES LLP**  
**(Company Secretaries)**

**Place: Mumbai**  
**Date: 16<sup>th</sup> May, 2017**

**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 sector, Farm Equipment manufacturers, Construction equipment manufacturers, Refrigerator manufacturers and other Engineering Industries. Market conditions continued to be challenging on account of demonetization leading to temporary depression particularly in sale of Farm equipments because of cash crunch. However demand has grown from construction equipment manufacturers

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

### **2. Opportunities & Threats**

#### **Opportunities:**

Forecast of favourable monsoon has further given hope of growth in some major sectors. Construction equipment sector is also expected to grow once after effects of demonetisation settles down and once all government projects starts materialising. Lowering of interest rates also will increase demand and your Company expects healthy growth in near future.

#### **Threats:**

Tightening of emission norms could see change in technology and could impact demand for Company's products. With the introduction of BS IV standards from 1st April, 2017, there is a major change in specifications for high pressure fuel injection tubes which is one of the applications for which company's products are used. Technology to manufacture these is currently not with the Company. However efforts are on to get this technology.

### **3. Product wise Performance**

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

<b>Sr. No.</b>	<b>Product</b>	<b>2016-17</b>	<b>2015-16</b>
1.	Welded Tubes	18.30%	20.74%
2.	Seamless Tubes	73.23%	71.63%
3.	Cold Formed Nuts	6.33%	6.20%
4.	Wind Power	2.14%	1.43%
	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

### **4. Outlook**

Improvement in global economy, hopefully a good monsoon and stable political environment in the country should improve investment climate in India which is likely to improve demand for our products in near future.

### **5. Risk and Concerns**

Increase in labour cost and possible increase in fuel cost may result in increased manufacturing cost. Competition from country like China particularly in Refrigerator segment could result in lower margins.

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 marginally increased by approximately 6.91% and increase of 28.23% was seen in the Operating Profit.

### **Capital Investment:**

Capital Investment of ₹124.19 lakhs 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**

Human 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.

## **9. Safety, Health and Environment (SHE) Management**

Safety: Your Company continues to adopt best safety practices which have 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 made in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

The Management is confident that your Company with its Quality products and enduring relations with OEM and commitment of its staff, will continue to sustain its growth and payout by way of dividend to the shareholders in the year 2017-2018.

**For GANDHI SPECIAL TUBES LTD.**

**Manhar G. Gandhi**  
**Chairman and Managing Director**  
**DIN: 00041190**

**Place: Mumbai**  
**Date: 16<sup>th</sup> May, 2017**

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### 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 stakeholders. The rights of the shareholders are honoured, their grievances are redressed well in time and important information is shared with them. The Company follows principles governing disclosures and obligations as enshrined in the Regulation 4 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company is fully compliant with the Regulatory Guidelines relating to the Corporate Governance under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and 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) & (C) Attendance and Other Directorships:

The attendance of the Board of Directors and related information as on 31<sup>st</sup> March, 2017 is as follows: These details should be viewed in consonance with the requirements for the Board's Report.

Name of the Director & Designation	No. of Board Meetings attended (out of total 4 meetings)	Attendance at the last AGM on 28th July, 2016	Directorship in other public companies incorporated in India	No. of other Board Committees of which Member / Chairman	Executive / Non Executive / Independent	Inter Se relationship between directors
Mr. Manhar G. Gandhi, Chairman and Managing Director	4	Present	Nil	None.	Executive (Promoter Group)	Brother of Mr. Bhupatrai G. Gandhi, Joint Managing Director and Father of Mr. Jayesh M. Gandhi, Director.
Mr. Bhupatrai G. Gandhi, Joint Managing Director	4	Present	Nil	None	Executive (Promoter Group)	Brother of Mr. Manhar G. Gandhi, 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 Mr. Manhar G. Gandhi, Chairman & Managing Director
Mr. Dharmen B. Shah	4	Present	Nil	None	Non Executive & Independent	None
Mrs. Bhavi Jatin Koradia	4	Present	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.

**(D) 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 16<sup>th</sup> May, 2016, 28<sup>th</sup> July, 2016, 25<sup>th</sup> October, 2016 and 24<sup>th</sup> January, 2017 respectively. 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 24<sup>th</sup> January, 2017 and the business as envisaged under Listing Regulations, 2015 and the Companies Act, 2013 was transacted. The meeting was held without the presence of management staff of the Company.

**(E) Disclosure of Inter se relationship between Directors**

Mr. Manhar G. Gandhi, Chairman & Managing Director is father of Mr. Jayesh M. Gandhi, Director and Brother of Mr. Bhuptra G. Gandhi, Jt Managing Director

**(F) Number of Shares held by Non Executive Director as on 31<sup>st</sup> March, 2017.**

Sr. No	Shareholder's Name	No. of shares
1	Mr. Jayesh M. Gandhi	1167466
2	Mr. Dharmen B. Shah	-
3	Mr. Dhirajlal S. Shah	4250
4	Mr. Kavas N. Warden	28500
5	Mrs. Bhavi Jatin Koradia	-

**(G) Web link where details of familiarization program to Independent Director**

The web link for details of familiarization program to Independent Director is at [www.gandhitubes.com](http://www.gandhitubes.com)

**COMMITTEES OF THE BOARD**

**3. Audit Committee**

**a) Brief description of terms of reference**

The terms of reference of the Audit Committee were modified in the meeting held on 16th May, 2016 and the same are in accordance with Part C of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 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.



**(b) 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
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 previous Annual General Meeting. All the members of the Audit Committee are professionals and financially literate within the meaning of Regulation 18 (1) (c) of the Listing Regulations, 2015.

**(c) Meetings and Attendance during the year**

The Audit Committee met 4 (Four) times during the year 16<sup>th</sup> May, 2016, 28<sup>th</sup> July, 2016, 25<sup>th</sup> October, 2016 and 24<sup>th</sup> January, 2017 respectively. The attendance of each member of the committee is given below:

Name of the Director	No. of meetings attended out of 4 meetings
Mr. Dhirajlal S. Shah	4
Mr. Dharmen B. Shah	4
Mr. Jayesh M. Gandhi	4
Mrs. Bhavi J. Koradia	4

Managing Director is the permanent invitee to the Audit Committee. The Statutory Auditor, Internal Auditor and Secretarial Auditor also attend the meetings regularly and participate in the discussion and make valuable suggestions. The Minutes of the Audit Committee Meetings were noted at the Board Meetings.

The Company Secretary is the secretary of the committee.

**4. Nomination and Remuneration Committee**

**(a) 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 Part D of the Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Section 178 of the Companies Act, 2013 and rules framed there under.

**(b) Composition, Name of Members and Chairman**

Nomination and Remuneration Committee comprises of:-

Mr. Dharmen B. Shah – Chairman and Independent Director  
Mr. Kavas N. Warden - Independent Directors  
Mrs. Bhavi Jatin Koradia – Independent Director

**(c) Meetings and Attendance during the year**

The Nomination and Remuneration Committee met once during the year on 25th October, 2016. All the members of the Committee attended the Meeting.

**(d) 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.

**(e) Performance evaluation of Directors**

Pursuant to applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non-Executive Directors and Chairperson of the Board.

**5. Meeting of Independent Directors**

A Separate meeting of the Independent Directors was held on 24th January, 2017, inter-alia, to discuss evaluation of the performance of Non- Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

**6. Details of Remuneration paid to the Directors for the year ended 31<sup>st</sup> March, 2017.**

**(a) 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 1<sup>st</sup> January, 2013.

The total remuneration paid to the Managing Director and the Joint Managing Director during the year 2016-17 was as under:

Name	Salary	Commission	Total (₹ In Lakhs)
Mr. Manhar G. Gandhi, Mg. Director	120.00	44.00	164.00
Mr. Bhupatrai G. Gandhi Jt. Mg. Director.	120.00	44.00	164.00

Notes:

- Either party to the agreement is entitled to terminate by giving the other party a notice of 3 months.
- 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.
- Presently, the Company does not have a scheme for grant of stock options either to the Managing Director or to the Joint Managing Director.
- The Managing Director and Jt. Managing Director are entitled to commission within the overall limit prescribed under sections 197 of the Companies Act, 2013.
- 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 2016-17, the Company has paid

total sitting fee of ₹ 425000/- to non-executive directors as under:

Mr. Dhirajlal S. Shah:	₹ 95000/-
Mr. Kavas N. Warden:	₹ 70000/-
Mr. Jayesh M. Gandhi:	₹ 90000/-
Mr. Dharmen B. Shah:	₹ 85000/-
Mrs. Bhavi Jatin Koradia:	₹ 85000/-

## 7. Stakeholders Relationship Committee

### (a) 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. It sends an advance intimation to encash the unclaimed dividend, to the shareholders who have not claimed their dividend. Stakeholders Relationship Committee met once during the year on 24th January, 2017. All the members of the Committee attended the meeting. The Company Secretary is the secretary of the said Committee. The Minutes of the Stakeholders' Relationship Committee Meeting are being noted at the Board Meeting.

### (b) Name & Designation of Compliance Officer:

Ms. Priyanka Borkar, Company Secretary acted as Compliance Officer of the Company till 6th March, 2017 and on her resignation Ms. Shobhana Vartak, Chief Financial Officer of the Company has acted as Compliance Officer

### (c) to (e) A statement of various complaints received, cleared and pending by the Company during the year ended on 31<sup>st</sup> March, 2017 is given below:

Nature of Complaint	Received	Cleared	Pending
Non Receipt of Annual Report	0	0	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	6	6	Nil
Others	0	0	—
Letters from Stock Exchange/ SEBI/ Department of Company Affairs	0	0	Nil
<b>Total</b>	<b>19</b>	<b>19</b>	<b>Nil</b>

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, 2017.

As per Regulation 46 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the exclusive E-mail id of the Investor Grievance Department of the Company is [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com).

## 8. 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.

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.gandhitubes.com](http://www.gandhitubes.com) under "Investor Relation" column.

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 twice during the year on 16<sup>th</sup> May, 2016 and 28<sup>th</sup> July, 2016 respectively, discussed and recommended the Board the amount to be spent for the year 2016-2017.

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.

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. The Company Secretary is the secretary of the committee

## 9. General Body Meetings

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

Financial Year ended	Date of AGM	Time	Venue	Details of Special Business Resolutions
31 <sup>st</sup> 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
31 <sup>st</sup> March, 2015	29.07.2015	11.00 a.m	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai 400007	Appointment of Mrs. Bhavi Jatin Koradia as an Independent Director a for term of Five years.
31 <sup>st</sup> March, 2016	28.07.2016	11.00 a.m	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai 400007	None

(c) to (f) 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.

## 10. Means of Communication:

### (a) 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.gandhitubes.com](http://www.gandhitubes.com). The quarterly and annual results along with the Segmental Report are generally published in The Free Press Journal, Navshakti and The Economic Times. The Company's financial results are sent in time to Stock Exchanges so that they may be posted on the Stock Exchanges' website.

### (b) Newspaper where in results are published

The Company usually publishes its financial results in following newspaper :

1. The Free Press Journal
2. Navshakti
3. Economic Times

### (c) 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 Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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
30th June, 2016	01/07/2016	01/07/2016
30th September, 2016	01/10/2016	03/10/2016
31st December, 2016	02/01/2017	02/01/2017
31st March, 2017	10/04/2017	10/04/2017

### (d) Release of official news

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

### (e) 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.

## 11. General Shareholders Information

### (a) Annual General Meeting

32<sup>nd</sup> Annual General Meeting of the shareholders will be held on Wednesday the 12<sup>th</sup> July, 2017 at 11.00 a.m.

#### Venue:

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

**Date of Book Closure:** - Tuesday, the 11<sup>th</sup> of July, 2017 and Wednesday the 12<sup>th</sup> July, 2017 (both days inclusive).

**(b) Financial Calendar**

For the year ending 31<sup>st</sup> March, 2018 the Financial Results will be announced on:

First Quarter :Mid of September, 2017  
Half year :Last week of October/First week of November, 2017  
Third Quarter :End of January, 2018  
Yearly :End of May, 2018

**(c) Dividend Payment Date:** Interim Dividend for the Financial Year 2016-2017 already paid on 15th February, 2017. Final dividend is not recommended by the Board.

**(d) Listing on Stock Exchange**

1. BSE Ltd  
Phiroze Jeejeeboy Towers,  
Dalal Street, Mumbai-400001
2. National Stock Exchange of India Ltd.  
Exchange Plaza, Plot no C/1 , G block,  
Bandra Kurla Complex, Bandra (E)  
Mumbai-400 051.

**(e) SCRIP CODE :** BSE – 513108  
**SCRIP ID :** NSE – GANDHITUBE

**(f) ISIN NO. :** INE524B01027

**(g) Market Price Data: high, low during each month in the last financial year.**

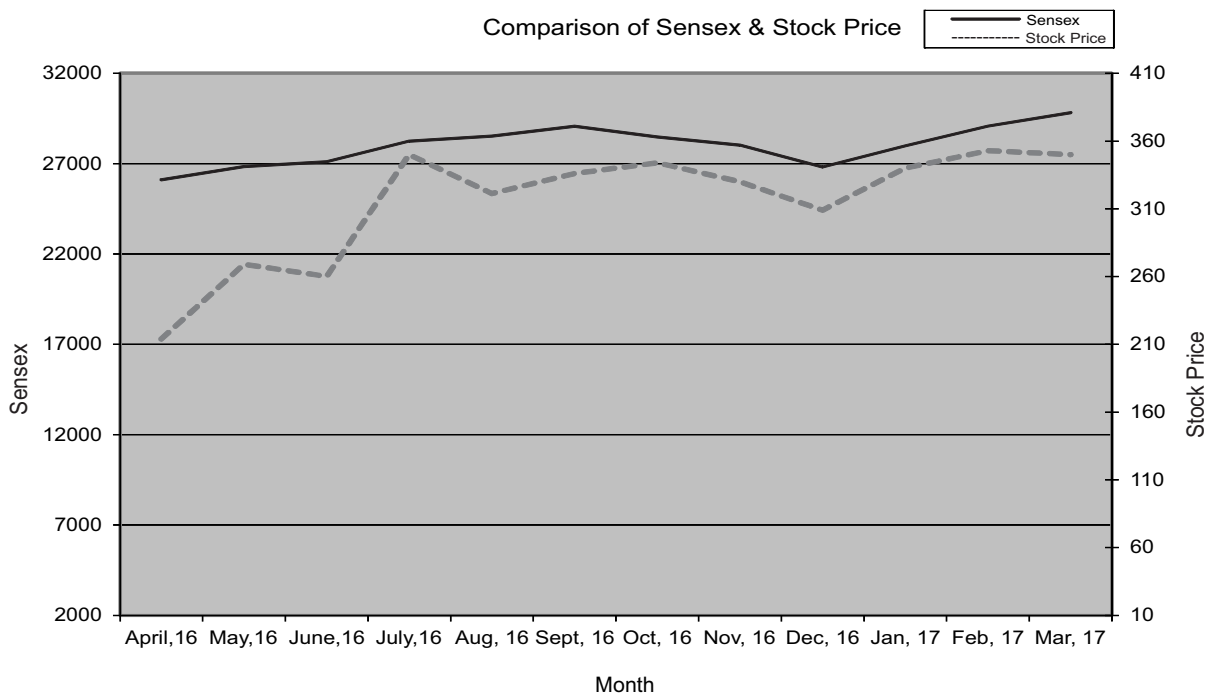
Monthly Share Price Data of the Company's shares on BSE for the year ended 31<sup>st</sup> March, 2017

Month	Highest Rate (₹)	Date	Lowest Rate (₹)	Date
April 2016	213.90	28/04/2016	201.30	01/04/2016
May 2016	269.00	18/05/2016	206.50	02/05/2016
June 2016	260.00	30/06/2016	219.60	03/06/2016
July 2016	350.00	29/07/2016	246.60	22/07/2016
August 2016	321.25	01/08/2016	288.50	18/08/2016
September 2016	336.00	19/09/2016	294.15	01/09/2016
October 2016	344.00	24/10/2016	304.10	14/10/2016
November 2016	330.00	10/11/2016	280.00	22/11/2016
December 2016	308.90	06/12/2016	288.35	08/12/2016
January 2017	340.00	25/01/2017	300.00	09/01/2017
February 2017	352.75	23/02/2017	313.55	08/02/2017
March 2017	349.90	17/03/2017	322.55	15/03/2017

Monthly Share Price Data of the Company's shares on NSE for the year ended 31st March, 2017

Month	Highest Rate (₹)	Date	Lowest Rate (₹)	Date
April 2016	213.00	26/04/2016	202.55	20/04/2016
May 2016	269.80	18/05/2016	207.00	03/05/2016
June 2016	260.00	30/06/2016	220.00	06/06/2016
July 2016	351.85	29/07/2016	246.30	26/07/2016
August 2016	320.50	01/08/2016	282.00	29/08/2016
September 2016	339.00	30/09/2016	292.10	01/09/2016
October 2016	340.00	25/10/2016	304.95	14/10/2016
November 2016	331.00	10/11/2016	276.50	23/11/2016
December 2016	309.95	05/12/2016	287.00	27/12/2016
January 2017	339.05	30/01/2017	296.00	09/01/2017
February 2017	353.30	23/02/2017	313.30	13/02/2017
March 2017	348.00	17/03/2017	322.95	09/03/2017

**(h) Performance in comparison to BSE Sensex**



**(i) In case the securities are suspended from trading, Board's Report shall explain reason**

Not Applicable



**(j) Name and Address of the Registrar and Share Transfer Agent**

KARVY COMPUTERSHARE PVT LTD.

Regd. Office	City Office
6-Floor ,Karvy Selenium Tower-B,Plot No. 31 & 32,Financial Dist,Gachibowli,Nanakramguda, Seri Lingampally ,Hyderabad – 500032, Telangana State India. Tel : +91-040-6716 1585 Fax : +91-040-2300 1153	24 B, Rajabhadur Mansion, Ground Floor, Amabalal Doshi Marg, Fort, Mumbai - 400 023 Tel No: +91 022 3292 0444 Fax No: +91-022-56331135

**(k) 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:

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

As per regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

**(l) (1) Distribution of Share Holding as on 31<sup>st</sup> March, 2017**

**DISTRIBUTION SCHEDULE AS ON 31/03/2017**

Sr. no	Category	No. of shareholder	% of Cases	% Amount
1	upto 1 - 5000	4918	90.42	8.47
2	5001 - 10000	289	5.31	3.20
3	10001 - 20000	117	2.15	2.28
4	20001 - 30000	28	0.51	0.93
5	30001 - 40000	12	0.22	0.57
6	40001 - 50000	14	0.26	0.86
7	50001 - 100000	20	0.37	1.92
8	100001 & ABOVE	41	0.76	81.77
<b>Total:</b>		<b>5439</b>	<b>100.00</b>	<b>100.00</b>

**(2) Distribution of shareholding according to categories of shareholders as on 31<sup>st</sup> March, 2017**

**SHARE HOLDING PATTERN AS ON 31/03/2017**

Sr.no	Description	Cases	Shares	% Equity
1	BANKS	4	7549	0.05
2	CLEARING MEMBERS	20	2676	0.02
3	DIRECTORS AND THEIR RELATIVES	3	33750	0.23
4	FII/FPI	7	635440	4.32
5	H U F	124	215433	1.47
6	INDIAN FINANCIAL INSTITUTION	1	635	0.00
7	INDIAN PROMOTER COMPANIES	2	1069700	7.28
8	BODIES CORPORATES	117	254790	1.73
9	MUTUAL FUNDS	1	1000	0.01
10	NBFC	1	750	0.01
11	NON RESIDENT INDIAN NON REPATRIABLE	43	36593	0.25
12	NON RESIDENT INDIANS	277	209461	1.42
13	COMPANY PROMOTERS	23	9699867	65.99
14	RESIDENT INDIVIDUALS	4815	2529972	17.21
15	FOREIGN NATIONALS	1	1000	0.01
<b>Total:</b>		<b>5439</b>	<b>14698616</b>	<b>100.00</b>

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

Sr. No.	Name	Shareholding as on 31.03.2017
1.	Gandhi Finance Co. LLP	510400
2	B.M. Gandhi Investment Co. LLP	559300

**(m) Details of Dematerialization and its liquidity**

**CONTROL REPORT AS ON 31/03/2017**

Sr. No	Name of Depository	No. of Holders	Shares	% To Equity
1	NSDL	2586	12064453	82.08
2	CDSL	1320	1915871	13.03
<b>Sub Total</b>		3906	13980324	95.11
3	PHYSICAL	1533	718292	4.89
<b>Total:</b>		<b>5439</b>	<b>14698616</b>	<b>100.00</b>

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

**(o)** Commodity Price risk/Foreign exchange risk and hedging activities: Not Applicable

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

**(q) Address for Correspondence:**

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

Ms. Jeegeesha G. Shroff,  
Company Secretary & Compliance Officer

**Karvy Computershare Pvt. Limited**

Karvy Selenium Tower-B,  
Plot No. 31 & 32, Financial Dist, Gachibowli,  
Nanakramguda, Seri Lingampally,  
Hyderabad - 500 032, 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](mailto:complianceofficer@gandhitubes.com)  
[info@gandhitubes.com](mailto:info@gandhitubes.com)  
URL: [www.gandhitubes.com](http://www.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.)**

**12. Other Disclosures**

**(a) 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. 35 to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.

**(b) 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.

**(c) Whistle Blower Policy:**

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

**(d) Compliance with Mandatory and Non-Mandatory Items**

The Company has complied with the mandatory requirements regarding the Board of Directors, Audit Committee and other Board committees and other disclosures as required under the provisions of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance in respect of non-mandatory requirements of Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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**

As the quarterly and half yearly financial results along with significant events are published in the news papers and are also posted on the Company's website. 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 Statutory Auditors in their report on the Accounts of the Company. The Company shall endeavor to continue to have unqualified financial statements. There have been no qualifications by the Secretarial Auditors in their Secretarial Audit Report.

**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.

**(e) Web link where policy for determining material subsidiaries is disclosed**

Not Applicable

**(f) Web link where policy on dealing of with related party transactions:**

The weblink for policy dealing with related party transactions is at [www.gandhitubes.com](http://www.gandhitubes.com)

**(g) Disclosure of commodity price risks and commodity hedging activities**

Not Applicable

**13. Non Compliance of any requirement of corporate governance report of sub-paras (2) to (10) above**

The Company has complied with all mandatory requirements of sub paras (2) to (10) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**14. Adoption of Discretionary requirements as specified in part E of Schedule II of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

The Company has substantially adopted the discretionary requirements as specified in part E of Schedule II of SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015.

**15. As per point no. 13 of Part C of Schedule V to the Listing Regulations, the Company has made disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 on the website of the Company – [www.gandhitubes.com](http://www.gandhitubes.com).**

**16. CEO/CFO Certifications**

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 Regulation 17(8) SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015. They also give the quarterly certification on financial results while placing the financial results before the board in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These certificates have been placed before the board and audit committee meetings from time to time.

**17. Declaration by the Managing Director to the Compliance of Code of Conduct in pursuance to Part D of Schedule of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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 Part D of Schedule of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

**Manhar G. Gandhi**  
**Chairman & Managing Director**  
**DIN:00041190**

**Place: Mumbai**  
**Date: 16<sup>th</sup> May, 2017**

## **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 2017, as stipulated Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 and pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination 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 above mentioned Listing Agreement/Listing Regulations, as applicable.

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, 16 May 2017**

**Declaration signed by the Managing Director stating that the members of Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management.**

## **Declaration Regarding Code of Conduct**

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

**Manhar G. Gandhi**  
**Managing Director**  
**DIN: 00041190**

**Place: Mumbai**  
**Date: 16<sup>th</sup> May, 2017**

**MD/ CFO Certification**

**The Board of Directors  
Gandhi Special Tubes Limited**

- (a) We have reviewed the financial statements and the cash flow statement of Gandhi Special Tubes Limited. for the Financial year ending 31st March, 2017 and that to the best of our knowledge and belief, we state that;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
  - (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
- (i) significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

**Manhar G. Gandhi**  
**Managing Director**  
**DIN: 00041190**

**Shobhana Vartak**  
**Chief Financial Officer**

**Place: Mumbai**  
**Date: 16<sup>th</sup> May, 2017**

## **Independent Auditor's 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 31 March 2017, 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 are 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 there under.

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. 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 31 March, 2017, and its profit 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, 2016 ("the Order") issued by the Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" 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 31 March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
  - (g) 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.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08-11-2016 to 30-12-2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 25 to the financial statements.

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

**SUNIL DOSHI**  
*Partner*  
Membership No.: 35037

**Mumbai, 16 May 2017**

**Annexure “A” 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) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) 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;
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the physical verification of inventory has been conducted by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable and no material discrepancies were noticed on such verification.
- (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, Limited Liability Partnership; or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3 (iii) (a), (b) and (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to Directors, Loans and investments, giving guarantees, and providing securities etc as applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. 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, 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 ₹ 178.51 Lakhs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

(₹ in lakhs)

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
Service Tax Laws	Service Tax	1.25	01-03-2012 To 31-12-2012	Before Commissioner (Appeals) Customs, Excise & Service Tax
Sales Tax Laws	Service Tax	25.23	01-04-2002 To 31-03-2003	Before Joint Commissioner of Commercial Tax (Appeals)
	<b>Total</b>	<b>178.51</b>		

- (viii) The Company does not have any loans or borrowing from financial institution, bank, Government or to debenture holders during the year. Accordingly, paragraph 3(viii) of the order is not applicable.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- (x) According to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year in course of our audit, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xiv) of the order is not applicable.

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

**SUNIL DOSHI**  
*Partner*  
Membership No.:35037

**Mumbai, 16 May 2017**

**Annexure “B” to The Independent Auditor's Report**

**(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls over financial reporting of Gandhi Special Tubes Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**SUNIL DOSHI**  
*Partner*  
Membership No.: 35037

**Mumbai, 16 May 2017**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

Particulars	Note No.	31/03/2017 ₹	31/03/2016 ₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
a) Share Capital	2	7,34,93,080	7,34,93,080
b) Reserves and Surplus	3	1,71,83,71,532	1,58,01,79,768
		<u>1,79,18,64,612</u>	<u>1,65,36,72,848</u>
<b>2 Non-Current Liabilities</b>			
a) Deferred Tax Liabilities (net)	4	7,43,29,700	7,43,02,859
b) Long Term Provisions	5	2,90,00,000	2,80,00,000
		<u>10,33,29,700</u>	<u>10,23,02,859</u>
<b>3 Current Liabilities</b>			
a) Trade Payables	6	88,19,842	94,97,048
b) Other Current Liabilities	7	4,02,47,969	3,44,62,588
c) Short Term Provisions	8	64,61,507	19,80,554
		<u>5,55,29,318</u>	<u>4,59,40,190</u>
<b>TOTAL</b>		<u>1,95,07,23,630</u>	<u>1,80,19,15,897</u>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
a) Property Plant and Equipment	9	55,19,79,690	58,98,94,072
b) Intangible Assets	9	69,634	2,48,298
c) Non-Current Investments	10	79,78,70,251	62,04,38,336
d) Long Term Loans and Advances	11	65,10,608	2,02,16,984
		<u>1,35,64,30,183</u>	<u>1,23,07,97,690</u>
<b>2 Current Assets</b>			
a) Current Investments	12	14,01,41,680	19,59,82,515
b) Inventories	13	24,34,02,884	16,98,43,106
c) Trade Receivables	14	16,27,44,636	16,12,72,096
d) Cash and Cash Equivalents	15	3,23,30,228	2,98,78,627
e) Short-Term Loans and Advances	16	93,22,960	90,04,231
f) Other Current Assets	17	63,51,059	51,37,632
		<u>59,42,93,447</u>	<u>57,11,18,207</u>
<b>TOTAL</b>		<u>1,95,07,23,630</u>	<u>1,80,19,15,897</u>

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

**1 to 36**

As per our attached report of  
even date  
**For S. V. DOSHI & CO.**  
*Chartered Accountants*

**SUNIL V. DOSHI**  
*Partner*  
*Membership No. 35037*

Mumbai, 16th May, 2017

For and on behalf of the Board of Directors

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

**K. N. WARDEN**  
(Director)

**BHAVI KORADIA**  
(Director)

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

**J. M. GANDHI**  
(Director)

**SHOBHANA RAJAN VARTAK**  
(CFO)

**D. S. SHAH**  
(Director)

**D. B. SHAH**  
(Director)

**JEEGEESHA G. SHROFF**  
(Company Secretary)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars	Note No.	31/03/2017 ₹	31/03/2016 ₹
<b>1 Revenue from Operations</b>	<b>18</b>	<b>1,09,08,78,242</b>	1,02,07,15,246
Less: Excise duty		<b>11,51,54,929</b>	10,89,78,525
Net Revenue from Operations		<b>97,57,23,313</b>	91,17,36,721
<b>2 Other Income</b>	<b>19</b>	<b>8,66,37,667</b>	3,00,10,024
<b>Total Revenue</b>		<b>1,06,23,60,980</b>	94,17,46,745
<b>3 EXPENDITURE</b>			
a) Cost of Material Consumed	<b>20</b>	<b>31,14,73,198</b>	30,42,92,484
b) Changes in Inventories of Finished Goods and Work-in-Progress	<b>21</b>	<b>(28,75,310)</b>	2,84,44,040
c) Employee Benefits Expenses	<b>22</b>	<b>7,25,90,694</b>	6,27,97,174
d) Depreciation and Amortization Expenses	<b>9</b>	<b>4,45,64,210</b>	4,70,58,415
e) Other Expenses	<b>23</b>	<b>26,50,40,138</b>	24,70,86,005
<b>Total Expenses</b>		<b>69,07,92,930</b>	68,96,78,118
<b>4 Profit before Exceptional Items and Tax</b>		<b>37,15,68,050</b>	25,20,68,627
<b>5 Exceptional Items</b>		-	-
<b>6 Tax Expense</b>			
a) Current Tax		<b>9,66,00,000</b>	7,60,00,000
Less : MAT Credit availed (Refer Note No.8)		<b>(1,30,60,762)</b>	-
		<b>8,35,39,238</b>	7,60,00,000
b) Tax expense relating to prior years		<b>(94,07,968)</b>	(1,28,59,937)
c) Deferred Tax		<b>26,841</b>	34,28,891
<b>Total Tax Expenses</b>		<b>7,41,58,111</b>	6,65,68,954
<b>7 Profit for the year</b>		<b>29,74,09,939</b>	<b>18,54,99,673</b>
<b>Earning per share (of ₹ 5/- each)</b>			
Basic and Diluted	<b>34</b>	<b>20.23</b>	12.62
<b>Notes (including significant accounting policies) on Financial Statements</b>	<b>1 to 36</b>		

As per our attached report of even date  
**For S. V. DOSHI & CO.**  
Chartered Accountants

**SUNIL V. DOSHI**  
Partner  
Membership No. 35037

Mumbai, 16th May, 2017

For and on behalf of the Board of Directors

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

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

**K. N. WARDEN**  
(Director)

**BHAVI KORADIA**  
(Director)

**J. M. GANDHI**  
(Director)

**SHOBHANA RAJAN VARTAK**  
(CFO)

**D. S. SHAH**  
(Director)

**D. B. SHAH**  
(Director)

**JEEGEESHA G. SHROFF**  
(Company Secretary)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

Particulars	31/03/2017 ₹	31/03/2016 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit as per statement of profit and loss	37,15,68,050	25,20,68,627
Adjusted for :		
Depreciation and amortisation	4,45,64,210	4,70,58,415
Net gain on sale of Property Plant and Equipment / assets discarded written off	37,03,563	(11,352)
Interest income	(1,45,48,077)	(1,52,54,643)
Dividend income	(1,12,97,029)	(1,02,74,922)
Net gain on sale of long term investment	(5,91,51,864)	-
Net gain on sale of current investment	(6,22,957)	(39,21,336)
<b>Operating profit before working capital changes</b>	<b>33,42,15,896</b>	<b>26,96,64,789</b>
Adjusted for :		
Inventories	(7,35,59,778)	10,83,37,900
Trade and other receivables	2,82,899	(2,64,87,349)
Trade and other payables	61,47,555	96,43,282
	<b>(6,71,29,324)</b>	<b>9,14,93,833</b>
<b>Cash generated from Operations</b>	<b>26,70,86,572</b>	<b>36,11,58,622</b>
Taxes paid	(5,92,70,915)	(7,60,93,898)
<b>Net cash from operating activities (A)</b>	<b>20,78,15,657</b>	<b>28,50,64,724</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on Property Plant and Equipment, including capital advances	(1,24,18,889)	(98,07,485)
Proceeds from sale of Property Plant and Equipment	22,44,162	18,000
Purchase of investments	(1,21,18,02,435)	(96,66,22,429)
Sale of investments	1,14,99,86,175	80,71,31,753
Interest received	1,45,48,077	1,52,54,643
Dividend received	1,12,97,029	1,02,74,922
<b>Net cash (used in) investing activities (B)</b>	<b>(4,61,45,881)</b>	<b>(14,37,50,596)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(13,22,87,544)	(11,02,39,620)
Tax on dividend	(2,69,30,631)	(2,24,42,193)
<b>Net cash (used in) financing activities (C)</b>	<b>(15,92,18,175)</b>	<b>(13,26,81,813)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>24,51,601</b>	<b>86,32,315</b>
Cash and cash equivalents at the beginning of the year	2,98,78,627	2,12,46,312
<b>Cash and cash equivalents at the end of the year</b>	<b>3,23,30,228</b>	<b>2,98,78,627</b>

**Notes :**

- 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.
- Cash & cash equivalents include balance with bank in unclaimed dividend a/c ₹ 1,57,87,133/- (Previous Year ₹ 1,36,94,198/-)

As per our attached report of  
even date  
**For S. V. DOSHI & CO.**  
Chartered Accountants

For and on behalf of the Board of Directors  
**M. G. GANDHI**  
(Chairman &  
Managing Director)

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

**D. S. SHAH**  
(Director)

**SUNIL V. DOSHI**  
Partner  
Membership No. 35037

**K. N. WARDEN**  
(Director)

**J. M. GANDHI**  
(Director)

**D. B. SHAH**  
(Director)

Mumbai, 16th May, 2017

**BHAVI KORADIA**  
(Director)

**SHOBHANA RAJAN VARTAK**  
(CFO)

**JEEGEESHA G. SHROFF**  
(Company Secretary)



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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**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.

**1.2 PROPERTY PLANT AND EQUIPMENT**

Property Plant and Equipment's 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) Liability of Leave encashment benefits to staff has been provided for on the basis of Actuarial Valuation and in accordance with the rules of the Company, except in the case of Managing Director and Joint Managing Director, the same is accounted on cash basis.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**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.

**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.

<b>Note Particulars No.</b>	<b>31/03/2017 ₹</b>	<b>31/03/2016 ₹</b>
<b>2 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,40,00,000 Equity Shares of ₹ 5/- each	<b>12,00,00,000</b>	<b>12,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,46,98,616 Equity Shares of ₹ 5/- each fully paid up	<b>7,34,93,080</b>	<b>7,34,93,080</b>
<b>Total</b>	<b>7,34,93,080</b>	<b>7,34,93,080</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**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 Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	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

Note Particulars No.	31/03/2017 ₹	31/03/2016 ₹
<b>3 RESERVE &amp; SURPLUS</b>		
<b>CAPITAL RESERVE</b>		
(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
<b>CAPITAL REDEMPTION RESERVE</b>		
Balance as per last Balance Sheet	2,09,99,290	2,09,99,290
<b>GENERAL RESERVE</b>		
Balance as per last Balance Sheet	30,00,00,000	30,00,00,000
<b>SURPLUS / (DEFICIT) IN STATEMENT OF PROFIT AND LOSS</b>		
Opening balance	1,25,61,41,378	1,20,33,23,518
Add : Profit for the year	29,74,09,939	18,54,99,673
Less : Interim dividend	13,22,87,544	11,02,39,620
Tax on dividend	2,69,30,631	2,24,42,193
Closing balance	1,39,43,33,142	1,25,61,41,378
<b>Total</b>	<b>1,71,83,71,532</b>	<b>1,58,01,79,768</b>
<b>4 DEFERRED TAX (ASSETS)/LIABILITIES</b>		
<b>DEFERRED TAX ASSETS</b>		
Gratuity	(1,00,36,900)	(96,90,800)
Leave Encashment	(2,39,861)	-
	(1,02,76,761)	(96,90,800)
<b>DEFERRED TAX LIABILITIES</b>		
Depreciation/Amortisation	8,46,06,461	8,39,93,659
<b>Total</b>	<b>7,43,29,700</b>	<b>7,43,02,859</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**5 LONG-TERM PROVISIONS**

Provision for employee benefits		<b>2,90,00,000</b>	2,80,00,000
<b>Total</b>		<b>2,90,00,000</b>	2,80,00,000

**6 TRADE PAYABLES**

Micro and Small Enterprises (refer note no. 26)		<b>5,858</b>	4,36,112
Others		<b>88,13,984</b>	90,60,936
<b>Total</b>		<b>88,19,842</b>	94,97,048

**7 OTHER CURRENT LIABILITIES**

Unpaid dividends *		<b>1,57,87,133</b>	1,36,94,198
Statutory remittances		<b>52,40,552</b>	38,60,538
Payable on purchase of fixed assets		<b>10,82,990</b>	10,01,490
Deposits from customers		<b>3,51,812</b>	3,51,812
Advances from customers		<b>40,93,657</b>	44,23,420
Due to Directors		<b>88,00,000</b>	22,00,000
Other liabilities		<b>48,91,825</b>	89,31,130
<b>Total</b>		<b>4,02,47,969</b>	3,44,62,588

\* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

**8 SHORT TERM PROVISIONS**

For employee benefits		<b>20,19,934</b>	19,80,554
Current taxation (Net of payments)		<b>1,75,02,335</b>	-
Less : MAT credit utilised (refer note below)		<b>(1,30,60,762)</b>	-
		<b>44,41,573</b>	-
<b>Total</b>		<b>64,61,507</b>	19,80,554

**Note :**

The Company did not recognize MAT credit in the earlier year based on conservative principal. However considering the profits, the Company has recognized and also utilized the MAT credit during the year.

**9 PROPERTY PLANT AND EQUIPMENTS, INTANGIBLE ASSETS**

Descriptions	Gross block				Depreciation / Amortisation				Net Block	
	As at 01-04-2016	Additions	Deductions	As at 31-03-2017	As at 01-04-2016	For the year	Deductions	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>A) PROPERTY PLANT AND EQUIPMENTS</b>										
Freehold Land										
& Site Development	71,80,461	-	-	71,80,461	-	-	-	-	71,80,461	71,80,461
Building - Factory	13,25,26,280	-	-	13,25,26,280	4,26,77,782	55,05,411	-	4,81,83,193	8,43,43,087	8,98,48,498
Building - Others	12,84,16,533	-	-	12,84,16,533	96,05,084	27,68,883	-	1,23,73,967	11,60,42,566	11,88,11,449
Plant and Machinery	76,05,98,114	86,97,515	80,64,253	76,12,31,376	44,83,32,317	2,72,07,712	41,20,062	47,14,19,967	28,98,11,409	31,22,65,797
Furniture and Fixtures	88,96,869	-	-	88,96,869	45,31,335	7,53,498	-	52,84,833	36,12,036	43,65,534
Office Equipment's	35,13,448	3,10,077	89,059	37,34,466	24,99,269	5,61,697	84,607	29,76,359	7,58,107	10,14,179
Vehicles	1,45,65,461	33,70,898	59,47,580	1,19,88,779	73,87,122	17,99,915	39,48,498	52,38,539	6,750,240	71,78,339
Wind Mills	24,50,24,865	-	-	24,50,24,865	19,57,95,050	57,48,031	-	20,15,43,081	4,34,81,784	4,92,29,815
<b>Total (a)</b>	<b>1,30,07,22,031</b>	<b>1,23,78,490</b>	<b>1,41,00,892</b>	<b>1,29,89,99,629</b>	<b>71,08,27,959</b>	<b>4,43,45,147</b>	<b>81,53,167</b>	<b>74,70,19,939</b>	<b>55,19,79,690</b>	<b>58,98,94,072</b>
<b>Previous year</b>	<b>1,28,91,61,354</b>	<b>1,16,93,640</b>	<b>1,32,963</b>	<b>1,30,07,22,031</b>	<b>66,40,52,559</b>	<b>4,69,01,715</b>	<b>1,26,315</b>	<b>71,08,27,959</b>	<b>58,98,94,072</b>	<b>-</b>
<b>B) INTANGIBLE ASSETS</b>										
Software Licences	7,76,300	40,399	-	8,16,699	5,28,002	2,19,063	-	7,47,065	69,634	2,48,298
<b>Total (b)</b>	<b>7,76,300</b>	<b>40,399</b>	<b>-</b>	<b>8,16,699</b>	<b>5,28,002</b>	<b>2,19,063</b>	<b>-</b>	<b>7,47,065</b>	<b>69,634</b>	<b>2,48,298</b>
<b>Previous year</b>	<b>5,90,052</b>	<b>1,86,248</b>	<b>-</b>	<b>7,76,300</b>	<b>3,71,302</b>	<b>1,56,700</b>	<b>-</b>	<b>5,28,002</b>	<b>2,48,298</b>	<b>-</b>
<b>Total (a + b)</b>	<b>1,30,14,98,331</b>	<b>1,24,18,889</b>	<b>1,41,00,892</b>	<b>1,29,98,16,328</b>	<b>71,13,55,961</b>	<b>4,45,64,210</b>	<b>81,53,167</b>	<b>74,77,67,004</b>	<b>55,20,49,324</b>	<b>59,01,42,370</b>
<b>Previous year</b>	<b>1,28,97,51,406</b>	<b>1,18,79,888</b>	<b>1,32,963</b>	<b>1,30,14,98,331</b>	<b>66,44,23,861</b>	<b>4,70,58,415</b>	<b>1,26,315</b>	<b>71,13,55,961</b>	<b>59,01,42,370</b>	<b>-</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note Particulars No.			31/03/2017 ₹	31/03/2016 ₹
<b>10 NON-CURRENT INVESTMENTS</b>				
<b>(At cost unless otherwise stated)</b>				
<b>OTHER INVESTMENTS</b>				
<b>(a) In bonds (Quoted , fully paid up)</b>				
<b>Number of units</b>				
8,408 (8,408) 7.39%	-HUDCO Limited Tax Free Bonds	84,08,000	84,08,000	
30,000 (30,000) 8.41%	-India Infrastructure FinanceCo.Ltd.Tax Free Bonds	3,00,00,000	3,00,00,000	
100 (100) 6.70%	-Indian Railway Finance Corpn. Ltd.Tax Free Bonds	92,50,000	92,50,000	
12,080 (12,080) 7.28%	-Indian Railway Finance Corpn. Ltd.Tax Free Bonds	1,20,80,000	1,20,80,000	
3,527 (3,527) 7.35%	-Indian Railway Finance Corpn. Ltd.Tax Free Bonds	35,27,000	35,27,000	
2,004 (2,004) 7.35%	-NABARD Tax Free Bonds	20,04,000	20,04,000	
9,499 (9,499) 8.41%	-NTPC Limited Tax Free Bonds	94,99,000	94,99,000	
14,285 (14,285) 7.35%	-NHAI Limited Tax Free Bonds	1,42,85,000	1,42,85,000	
6,167 (6,167) 7.39%	-NHAI Limited Tax Free Bonds	61,67,000	61,67,000	
1,236 (1,236) 8.20%	-NHAI Limited Tax Free Bonds	12,36,000	12,36,000	
23,736 (23,736) 8.30%	-NHAI Limited Tax Free Bonds	2,45,79,871	2,45,79,871	
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	
		<b>16,97,98,121</b>	<b>16,97,98,121</b>	
<b>(b) In mutual funds (Quoted, fully paid up)</b>				
<b>Number of units</b>				
- (1,77,246)	Birla Sun Life Income plus - Growth-Regular Plan	-	1,00,00,000	
5,10,452 (-)	Birla Sun Life Medium Term - Regular Plan	1,00,00,000	-	
5,59,947 (-)	Birla Sun Life MIP II-Wealth 25-Growth- Regular Plan	2,00,00,000	-	
- (30,00,000)	HDFC FMP (1175D Jan-2014-1)-Regular-Growth Plan	-	3,00,00,000	
10,00,000 (10,00,000)	HDFC FMP (1161D Feb-2016-1)-Regular Growth Plan	1,00,00,000	1,00,00,000	
20,00,000 (20,00,000)	HDFC FMP (1161D Feb-2016-1)-Direct Growth Plan	2,00,00,000	2,00,00,000	
40,00,000 (40,00,000)	HDFC FMP (1140D Mar-2016-1)-Regular Growth Plan	4,00,00,000	4,00,00,000	
- (20,00,000)	HDFC FMP (1100D Apr-2014-1)-Regular-Growth Plan	-	2,00,00,000	
<b>10 (b) In mutual funds (Quoted, fully paid up)</b>				
<b>Number of units</b>				
50,00,000 (-)	HDFC FMP (1153D Apr-2016-1)-Direct-Growth Plan	5,00,00,000	-	
40,00,000 (-)	HDFC FMP (1178D Feb-2017-1)-Direct-Growth-Series-37	4,00,00,000	-	
5,00,000 (-)	HDFC CFCC-Arbitrage Plan-50% Dividend Donation Optio	50,00,000	-	
40,00,000 (-)	HDFC FMP (1188D Mar-2017-1)-Direct-Growth-Series-38	4,00,00,000	-	
7,75,410 (-)	HDFC Corporate Debt Opportunists Fund-Regular Plan	1,00,00,000	-	
- (19,96,694)	ICICI Prudential Regular Saving Fund-Growth Plan	-	2,50,00,000	
12,72,414 (12,72,414)	ICICI Prudential MIP 25 Growth Plan	4,00,00,000	4,00,00,000	
30,00,000 (-)	Reliance Fixed Horizon Fund-XXVI-Series-1-Growth Plan	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-23-Growth Plan	2,00,00,000	-	
10,00,000 (-)	Reliance Fixed Horizon Fund-XXXIII-Series-5	1,00,00,000	-	
14,15,274 (14,15,274)	Reliance Regular Saving Fund (Debt Plan)-Growth Plan	2,28,79,600	2,28,79,600	
- (20,00,000)	Reliance Fixed Horizon Fund-XXVI-Series-16-Growth Plan	-	2,00,00,000	
57,73,755 (52,38,053)	Reliance Monthly Income Plan-Growth Plan	20,00,00,000	15,00,00,000	
		<b>58,54,49,762</b>	<b>38,78,79,600</b>	
<b>(c) In Preference Shares (Quoted, fully paid up)</b>				
1,600 (1,600) 15.99%	-Infrastructure Leasing and Financial Services Limited (NCRCPs)	2,11,75,933	2,11,75,933	
- (2,00,000) 8.40%	-L&T Finance Holding Limited (CRPS)	-	2,01,38,247	
1,92,790 (1,92,790) 9.00%	-L&T Finance Holding Limited (CRPS)	2,14,46,435	2,14,46,435	
		<b>4,26,22,368</b>	<b>6,27,60,615</b>	
<b>Total</b>		<b>79,78,70,251</b>	<b>62,04,38,336</b>	
Aggregate amount of quoted investments		<b>79,78,70,251</b>	<b>62,04,38,336</b>	
Aggregate market value of quoted investments		<b>89,07,29,982</b>	<b>69,80,88,990</b>	

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Note Particulars No.</b>	<b>31/03/2017 ₹</b>	<b>31/03/2016 ₹</b>
<b>11 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Security deposits	<b>65,10,608</b>	97,98,203
Current taxation (Net of provisions)	-	1,04,18,781
<b>Total</b>	<b>65,10,608</b>	<b>2,02,16,984</b>
<b>12 CURRENT INVESTMENTS</b>		
(At cost or fair value, whichever is lower)		
<b>(a) In mutual funds (Quoted, fully paid up)</b>		
<b>Number of units</b>		
<b>28,208</b> (40,815) HDFC CMF Saving Plan - Daily Dividend Reinvestment	<b>3,00,03,433</b>	4,34,12,353
<b>30,00,000</b> (-) HDFC FMP (1175D Jan-2014-1)-Regular-Growth Plan	<b>3,00,00,000</b>	-
<b>20,00,000</b> (-) HDFC FMP (1100D Apr-2014-1)-Regular-Growth Plan	<b>2,00,00,000</b>	-
- (20,00,000) HDFC FMP (370D Oct-2013-1)-Regular Growth Plan	-	2,00,00,000
- (10,00,000) ICICI Prudential FMP-Series-70-368 days-Plan-M	-	1,00,00,000
<b>20,00,000</b> (20,00,000) ICICI Prudential FMP-Series-72-823 Days Plan-H	<b>2,00,00,000</b>	2,00,00,000
- (20,00,000) L & T FMP-VII (April 1124DA)-Growth Plan	-	2,00,00,000
- (15,00,000) L & T FMP-Series 9 (Plan-E)-Growth Plan	-	1,50,00,000
- (30,00,000) Reliance Fixed Horizon Fund-XXVI-Series-1-Growth Plan	-	3,00,00,000
- (17,57,016) Reliance Fixed Horizon Fund-XXVI-Series-14-Growth Plan	-	1,75,70,162
<b>20,00,000</b> (-) Reliance Fixed Horizon Fund-XXVI-Series-16-Growth Plan	<b>2,00,00,000</b>	-
- (20,00,000) Reliance Fixed Horizon Fund-XXVI-Series-23-Growth Plan	-	2,00,00,000
	<b>12,00,03,433</b>	<b>19,59,82,515</b>
<b>(b) In Preference Shares (Quoted, fully paid up)</b>		
2,00,000 - 8.40 % - L&T Finance Holding Ltd. (CRPS)	<b>2,01,38,247</b>	-
	<b>2,01,38,247</b>	-
<b>Total</b>	<b>14,01,41,680</b>	<b>19,59,82,515</b>
Aggregate amount of quoted investments	<b>14,01,41,680</b>	<b>19,59,82,515</b>
Aggregate market value of quoted investments	<b>16,92,44,133</b>	<b>23,02,07,115</b>
<b>13 INVENTORIES</b>		
(As certified by the Management)		
(At lower of cost and net realisable value unless otherwise stated)		
Raw Materials	<b>16,92,21,762</b>	9,89,90,265
Work-in-progress	<b>3,38,48,912</b>	3,47,37,241
Finished goods	<b>1,03,82,218</b>	66,18,579
Stores and spares	<b>2,99,49,992</b>	2,94,97,021
<b>Total</b>	<b>24,34,02,884</b>	<b>16,98,43,106</b>
<b>14 TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Over six months	-	7,02,708
Others	<b>16,27,44,636</b>	16,05,69,388
<b>Total</b>	<b>16,27,44,636</b>	<b>16,12,72,096</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Note Particulars No.</b>	<b>31/03/2017 ₹</b>	<b>31/03/2016 ₹</b>
<b>15 CASH AND CASH EQUIVALENTS</b>		
Balances with banks #	<b>3,22,77,756</b>	2,97,73,609
Cash on hand	<b>52,472</b>	1,05,018
<b>Total</b>	<b>3,23,30,228</b>	2,98,78,627
(# Includes balance with bank in unclaimed dividend A/c ₹1,57,87,134/-(Previous Year ₹ 1,36,94,198/-)		
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Prepaid expenses	<b>24,99,728</b>	25,20,472
Balances with government authorities	<b>48,33,136</b>	55,00,565
Advances to suppliers	<b>20,348</b>	1,04,623
Insurance claims	<b>6,27,746</b>	6,27,746
Others	<b>13,42,002</b>	2,50,825
<b>Total</b>	<b>93,22,960</b>	90,04,231
<b>17 OTHER CURRENT ASSETS</b>		
Interest accrued on deposits	<b>4,36,711</b>	5,07,272
Interest accrued on investments	<b>59,14,348</b>	46,30,360
<b>Total</b>	<b>63,51,059</b>	51,37,632
<b>18 REVENUE FROM OPERATIONS</b>		
Sale of products	<b>1,04,91,15,830</b>	98,09,93,384
Other operating revenues	<b>4,17,62,412</b>	3,97,21,862
<b>Total</b>	<b>1,09,08,78,242</b>	1,02,07,15,246
<b>18.1 PARTICULARS OF SALE OF PRODUCTS</b>		
Seamless Tubes	<b>77,05,45,739</b>	70,43,04,241
Welded Tubes	<b>19,11,33,832</b>	20,23,61,904
Steel Nuts	<b>6,70,05,225</b>	6,15,43,324
Wind Power	<b>2,04,31,034</b>	1,27,83,915
<b>Total</b>	<b>1,04,91,15,830</b>	98,09,93,384
<b>18.2 OTHER OPERATING REVENUE</b>		
Wind Power , captively consumed	<b>2,44,21,956</b>	2,19,50,913
Sale of scrap	<b>1,51,76,456</b>	1,57,06,014
Export incentives	<b>90,827</b>	1,03,622
Job work charges	<b>20,73,173</b>	19,61,313
<b>Total</b>	<b>4,17,62,412</b>	3,97,21,862

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Note Particulars No.</b>	<b>31/03/2017 ₹</b>	<b>31/03/2016 ₹</b>
<b>19 OTHER INCOME</b>		
Interest - From long term investments	<b>1,40,50,122</b>	1,12,56,639
Interest - Others	<b>4,97,955</b>	39,98,004
	<b>1,45,48,077</b>	1,52,54,643
Dividend Income - From long term investments	<b>53,33,910</b>	53,33,910
Dividend Income - From current investments	<b>59,63,119</b>	49,41,012
	<b>1,12,97,029</b>	1,02,74,922
Net gain / (loss) on foreign currency transactions	<b>1,01,398</b>	(6,711)
Net gain on sale of long term investments	<b>5,91,51,864</b>	-
Net gain on sale of current investments	<b>6,22,957</b>	39,21,336
Net gain / (loss) on sale of Property Plant and Equipment	<b>(59,426)</b>	14,134
Other non operating income	<b>9,75,768</b>	5,51,700
<b>Total</b>	<b>8,66,37,667</b>	3,00,10,024
<b>20 COST OF MATERIALS CONSUMED</b>		
Opening stock	<b>9,89,90,265</b>	18,21,48,358
Add: Purchases and related expenses	<b>38,17,04,695</b>	22,11,34,391
	<b>48,06,94,960</b>	40,32,82,749
Less: Closing stock	<b>16,92,21,762</b>	9,89,90,265
<b>Total</b>	<b>31,14,73,198</b>	30,42,92,484
<b>20.1 PARTICULARS OF MATERIAL CONSUMED</b>		
Seamless Hollows	<b>23,06,96,413</b>	21,69,35,776
Steel Strips	<b>6,46,75,882</b>	7,03,36,541
Others	<b>1,61,00,903</b>	1,70,20,167
<b>Total</b>	<b>31,14,73,198</b>	30,42,92,484
<b>21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Inventories (at close)		
Finished goods	<b>1,03,82,218</b>	66,18,579
Work-in-progress	<b>3,38,48,912</b>	3,47,37,241
	<b>4,42,31,130</b>	4,13,55,820
<b>Inventories (at commencement)</b>		
Finished goods	<b>66,18,579</b>	84,06,506
Work-in-progress	<b>3,47,37,241</b>	6,13,93,354
	<b>4,13,55,820</b>	6,97,99,860
<b>Total</b>	<b>(28,75,310)</b>	2,84,44,040



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note Particulars No.	31/03/2017 ₹	31/03/2016 ₹
<b>22 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and wages	6,45,92,831	5,54,60,600
Contributions to provident and other funds (Refer Note 32.1b)	46,61,803	45,40,750
Gratuity	17,48,180	20,09,848
Staff welfare expenses	15,87,880	7,85,976
<b>Total</b>	<b>7,25,90,694</b>	<b>6,27,97,174</b>
<b>23 OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Stores, Spares and Packing Materials consumed (Includes stores & spares written off ₹ Nil (P.Y. ₹ 2,06,560/-)	5,28,87,688	5,39,07,632
Power and Fuel	12,34,64,256	11,24,08,282
Labour Charges	4,16,72,930	3,31,24,650
Factory Expenses	21,46,917	22,41,419
Repairs and Maintenance - Plant and Machinery	88,60,396	63,66,214
Repairs and Maintenance - Building	33,71,255	29,44,732
Insurance	25,45,843	23,93,023
Wind Mill Operating Expenses	85,46,466	77,42,235
Freight Charges	2,36,697	2,46,084
	<b>24,37,32,448</b>	<b>22,13,74,271</b>
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent/Compensation	-	6,750
Rates & Taxes	6,36,568	9,27,622
Insurance	4,826	4,320
Electricity Charges	2,40,704	2,59,636
Printing and Stationery	4,52,515	3,42,321
Communication Expenses	5,90,397	5,60,530
Travelling Expenses - Directors	1,89,766	1,77,819
Travelling Expenses - Others	7,35,744	6,74,106
Security Charges	25,92,290	23,85,525
Professional Charges	34,92,526	30,66,016
Repairs and Maintenance - Others	4,55,787	5,41,419
Directors' Sitting Fees	4,25,000	3,75,000
Outward Freight	15,99,223	18,85,385
Advertising and sales Promotion Expenses	3,39,526	14,57,033
Commission on Sales	8,54,783	7,31,134
<b>23. OTHER EXPENSES</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Bank charges and commission	1,80,926	1,56,820
Increase / (decrease) of excise duty on inventory	3,71,939	(1,83,859)
CSR Expenses	-	85,00,000
Payments to auditors	7,10,000	6,06,000
Assets Discards / written off	36,44,137	2,782
Other Expenses	37,91,033	32,35,375
<b>Total</b>	<b>2,13,07,690</b>	<b>2,57,11,734</b>
	<b>26,50,40,138</b>	<b>24,70,86,005</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note Particulars No.	31/03/2017 ₹	31/03/2016 ₹	
<b>24 CONTINGENT LIABILITIES AND COMMITMENTS</b>			
<b>(I) CONTINGENT LIABILITIES</b>			
(a) Claims against the Company not acknowledged as debt :			
i) Excise / Service Tax matters under disputes	<b>1,67,68,805</b>	1,97,45,585	
ii) Sales Tax demand under disputes	<b>25,23,477</b>	25,23,477	
(b) Counter Guarantees given by the Company to the bankers for Bank Guarantees	<b>85,00,000</b>	85,00,000	
<b>(II) COMMITMENTS</b>			
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for on Tangible assets.	Nil	Nil	
<b>25 The details of Specified Bank Notes (SBN) held &amp; transacted during the period 08/11/16 to 30/12/16 as provided in the Table below.</b>			
Particulars	<b>SBNs (Value in ₹)</b>	<b>Other Denomination Notes (Value in ₹)</b>	<b>Total (Value in ₹)</b>
Closing cash in hand as on 08.11.2016	<b>95,500</b>	<b>17,994</b>	<b>1,13,494</b>
(+) Permitted receipts	-	<b>5,000</b>	<b>5,000</b>
(+) Amount withdrawn from Banks	-	<b>4,00,000</b>	<b>4,00,000</b>
(-) Permitted payments	<b>49,500</b>	<b>2,91,780</b>	<b>3,41,280</b>
(-) Amount deposited in Banks	<b>46,000</b>	-	<b>46,000</b>
Closing cash in hand as on 30.12.2016	-	<b>1,31,214</b>	<b>1,31,214</b>
<b>26 THE DETAILS OF AMOUNT DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES BASED ON INFORMATION AVAILABLE WITH THE COMPANY AND RELIED UPON BY AUDITORS</b>			
		Nil	Nil
<b>27 AUDITORS' REMUNERATION *</b>			
As auditors			
(i) Statutory audit fees	<b>4,06,000</b>		4,04,000
(ii) Tax audit fees	<b>2,02,500</b>		2,02,000
(iii) Taxation matters	<b>1,01,500</b>		-
* Excluding Service Tax			
<b>Total</b>		<b>7,10,000</b>	<b>6,06,000</b>
<b>28 CIF VALUE OF IMPORTS</b>			
(a) Raw materials	<b>2,99,82,097</b>		Nil
(b) Spare parts	<b>69,40,020</b>		88,72,194
(c) Capital goods	<b>8,35,238</b>		Nil

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Note Particulars No.	31/03/2017 ₹	31/03/2016 ₹
<b>29 EXPENDITURE IN FOREIGN CURRENCY</b>		
(a) Export Commission	1,11,114	Nil
<b>30 EARNINGS IN FOREIGN EXCHANGE</b>		
FOB Value of Exports	1,28,73,090	58,80,112
Advance against Exports	-	14,60,800

**31 DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS**

Particulars	31/03/2017		31/03/2016	
<b>(a) Raw materials</b>				
Indigenous	30,43,35,184	97.71	23,27,03,997	76.47
Imported	71,38,014	2.29	7,15,88,487	23.53
	31,14,73,198	100.00	30,42,92,484	100.00
<b>(b) Stores, Spares &amp; Packing materials</b>				
Indigenous	4,57,62,685	86.53	4,87,76,058	90.48
Imported	71,25,003	13.47	51,31,574	9.52
<b>Total</b>	<b>5,28,87,688</b>	<b>100.00</b>	<b>5,39,07,632</b>	<b>100.00</b>

**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	7,48,180	6,40,927
b) Contribution to :		
Employees' Pension scheme	7,42,320	7,03,513
Provident Fund	35,65,987	34,93,474
Other charges	3,53,496	3,43,763
<b>Total</b>	<b>46,61,803</b>	<b>45,40,750</b>
	<b>54,09,983</b>	<b>51,81,677</b>

**32.2 Disclosures for defined benefit plans based on actuarial reports as on 31st March, 2017**

Particulars	31/03/2017		31/03/2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
i) Change in Defined Benefit Obligation				
Opening defined benefit obligation	2,80,00,000	-	2,66,31,079	-
Current Service Cost	-	-	4,86,336	-
Interest Cost	10,08,000	-	10,34,884	-
Actuarial (Gain)/Loss	(8,000)	6,93,041	(1,52,299)	-
Closing defined benefit obligation	2,90,00,000	6,93,041	2,80,00,000	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	31/03/2017		31/03/2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
ii) Expenses recognised in the Statement of Profit and Loss				
Current Service Cost	-	-	4,86,336	-
Interest Cost	10,08,000	-	10,34,884	-
Actuarial (Gain)/Loss	(8,000)	6,93,041	(1,52,299)	-
<b>Total</b>	<b>10,00,000</b>	<b>6,93,041</b>	<b>13,68,921</b>	<b>-</b>

**33 SEGMENT REPORTING**

Particulars	31/03/2017				31/03/2016			
	Steel Tubes	Wind Power	Others	Total	Steel Tubes	Wind Power	Others	Total
	₹	₹	₹	₹	₹	₹	₹	₹
Segment revenue (less excise duty)								
External Sales	87,06,81,211	2,04,31,034	6,01,89,112	95,13,01,357	82,18,52,895	1,27,83,915	5,51,48,997	88,97,85,807
Wind power, captively consumed		2,44,21,956		2,44,21,956		2,19,50,913		2,19,50,913
<b>Total Segment Revenue</b>	<b>87,06,81,211</b>	<b>4,48,52,990</b>	<b>6,01,89,112</b>	<b>97,57,23,313</b>	<b>82,18,52,895</b>	<b>3,47,34,828</b>	<b>5,51,48,997</b>	<b>91,17,36,720</b>
<b>Segment result (profit/(loss)) before tax and interest</b>	<b>25,41,98,667</b>	<b>2,98,84,325</b>	<b>2,17,51,679</b>	<b>30,58,34,671</b>	<b>21,34,31,501</b>	<b>1,97,51,748</b>	<b>1,73,78,025</b>	<b>25,05,61,274</b>
Unallocable Expenditure				2,01,36,918				2,77,99,850
<b>Operating Profit</b>				<b>28,56,97,753</b>				<b>22,27,61,424</b>
Unallocable Income				8,58,70,297				2,93,07,203
<b>Profit before tax</b>				<b>37,15,68,050</b>				<b>25,20,68,627</b>
Current tax (Less MAT credit availed)				8,35,39,238				7,60,00,000
Current tax expense relating to prior years				(94,07,968)				(1,28,59,937)
Deferred tax				26,841				34,28,891
<b>Profit for the year</b>				<b>29,74,09,939</b>				<b>18,54,99,673</b>
Other information								
<b>Segment assets</b>	<b>78,57,23,158</b>	<b>5,43,09,175</b>	<b>3,40,99,340</b>	<b>87,41,31,673</b>	<b>73,22,26,363</b>	<b>6,49,28,444</b>	<b>3,99,11,083</b>	<b>83,70,65,890</b>
Unallocable assets				1,07,65,91,957				96,48,50,007
<b>Total assets (a)</b>				<b>1,95,07,23,630</b>				<b>1,80,19,15,897</b>
<b>Segment liabilities</b>	<b>5,60,04,241</b>	<b>1,39,60,639</b>	<b>32,38,977</b>	<b>7,32,03,857</b>	<b>5,33,66,784</b>	<b>1,43,17,999</b>	<b>31,76,442</b>	<b>7,08,61,225</b>
Unallocable liabilities				8,56,55,161				7,73,81,824
<b>Total liabilities (b)</b>				<b>15,88,59,018</b>				<b>14,82,43,049</b>
<b>Total Capital Employed (a-b)</b>				<b>1,79,18,64,612</b>				<b>1,65,36,72,848</b>

**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 Particulars No.	31/03/2017 ₹	31/03/2016 ₹
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**34 EARNING PER SHARE**

Particulars	31/03/2017 ₹	31/03/2016 ₹
Profit for the year	<b>29,74,09,939</b>	18,54,99,673
Weighted average number of shares	<b>1,46,98,616</b>	1,46,98,616
Earning per share (Basic and Diluted)	<b>20.23</b>	12.62
Face Value per share	<b>5.00</b>	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
<b>1) Remuneration *</b>				
(i) Manhar G. Gandhi	<b>1,64,00,000</b>	1,31,00,000	<b>44,00,000</b>	11,00,000
(ii) Bhupatrai G. Gandhi	<b>1,64,00,000</b>	1,31,00,000	<b>44,00,000</b>	11,00,000
* Excluding Provision for Gratuity and Contribution to Provident Fund.				
<b>(2) Sitting fees</b>				
(i) Jayesh M. Gandhi	<b>90,000</b>	85,000	<b>Nil</b>	Nil
<b>(3) Sales of Goods</b>				
(i) Jaishri Engineering Co. Pvt. Ltd.	<b>2,06,81,189</b>	2,17,89,160	<b>Nil</b>	Nil
(ii) Randeep Exports	<b>9,65,600</b>	13,71,834	<b>Nil</b>	Nil
<b>(4) Job Work Charges received</b>				
(i) Jaishri Engineering Co. Pvt. Ltd.	<b>20,73,173</b>	19,61,313	<b>Nil</b>	Nil
<b>(5) Compensation for Godown</b>				
(i) Jaishri Engineering Co. Pvt. Ltd.	-	6,750	<b>Nil</b>	Nil

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Note Particulars No.</b>	<b>31/03/2017 ₹</b>	<b>31/03/2016 ₹</b>
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**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*

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

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

**D. S. SHAH**  
(Director)

**SUNIL V. DOSHI**  
*Partner*  
*Membership No. 35037*

**K. N. WARDEN**  
(Director)

**J. M. GANDHI**  
(Director)

**D. B. SHAH**  
(Director)

Mumbai, 16<sup>th</sup> May, 2017

**BHAVI KORADIA**  
(Director)

**SHOBHANA RAJAN VARTAK**  
(CFO)

**JEEGEESHA G. SHROFF**  
(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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17 (Amount in `)	Ratio of remuneration of each director to the median remuneration of employees. {5(1)(i)}	% increase in remuneration in the financial year 2016-17 {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	1,64,00,000/-	53.63	25.19	Profit before tax increased by 47.40 % and profit after tax increased by 60.32% in the financial year 2016-17.
2.	Mr. Bhupatrai G. Gandhi Director	1,64,00,000/-	53.63	25.19	
3	Mrs. Shobhana Rajan Vartak Chief Financial Officer	11,95,200/-	3.72	7.04	
4.	Ms. Priyanka Borkar Company Secretary (upto 6 <sup>th</sup> March, 2017)	4,36,255/-	1.39	0.70*	

**Notes:**

\*1) Ms. Priyanka Borkar was the Company Secretary upto 6<sup>th</sup> March, 2017 in the Financial Year 2016-17.

2) In the financial year, there was an increase of 10.17% in the median remuneration of employees. {5(1) (iii)}

3) There were 81 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2017. {5(1)(iv)}

4) Relationship between average increase in remuneration and company performance: - The Profit before Tax for the financial year ended March 31, 2017 increased by 47.40 % whereas the increase in median remuneration was 10.17%. {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 24.12% from ` . 2.76 crore in 2015-16 to 3.44 crore in 2016-17 whereas the Profit before Tax increased by 47.40 % to ` 37.16 crore in 2016-17 ( ` 25.20 crore in 2015-16).

6) {5(1) (vii)} a) Variations in the market capitalization of the Company: The market capitalization as on March 31, 2017 was ₹ . 490 crore ( ₹ . 295 crore as on March 31, 2016).

b) Price Earnings ratio of the Company was 20.23 as at March 31, 2017 and 12.62 as at March 31, 2016.

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 financial year 2016-17 was 6.34 % and the increase in the managerial remuneration for the same Financial Year was 25.19 %.{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)}



## FORM MGT -11

### PROXY FORM

[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 no:-** +91- 22 – 23634179, **E-mail id:** [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com), **Website:** [www.gandhitubes.com](http://www.gandhitubes.com)

Name of the Member:

Registered Address:

E- mail Id:

Folio no./Client Id :

DP ID:

I/We, being the member (s) hold ..... Equity Shares of the above named 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 the Thirty Second Annual General Meeting of the Company, to be held on **Wednesday, the 12th day of July, 2017 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 4 (all are ordinary resolutions)

1. To receive, consider and adopt the Audited Financial Statements and the reports of the Board of Directors and Auditors thereon for the Financial Year ended 31st March, 2017.
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 appoint Statutory Auditors and to fix their remuneration.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of the shareholder: \_\_\_\_\_

Signature of Proxy Holder(s): \_\_\_\_\_

Affix ₹1/-  
Revenue  
Stamp here

**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 i.e. by 11.00 a.m. on Monday, 10th July, 2017.**

**GANDHI SPECIAL TUBES LTD.**

**(CIN : L27104MH1985PLC036004)**

Regd. Office: 201-204 Plaza, 2nd Floor, 55 Hughes Road, Next to Dharam Palace, Mumbai – 400007,  
Tel no:- +91- 22 – 23634179, E-mail id: [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com), Website: [www.gandhitubes.com](http://www.gandhitubes.com)

**ATTENDANCE SLIP**

**THIRTY SECOND ANNUAL GENERAL MEETING HELD ON  
Wednesday, 12th day of July, 2017**

Regd. Folio No/ DP ID/Client ID

Name of the Member/Authorised  
Representative.....

Name of the Proxy  
holder.....

Number of Shares held

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

I hereby record my presence at the THIRTY SECOND ANNUAL GENERAL MEETING of the Company at Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai – 400007 on **Wednesday, the 12th day of July, 2017 at 11.00 a.m.**

Member's /Authorised Representative's/ Proxy's  
(Name in Block Letters)

Member's /Authorised Representative's/ Proxy's

**Note:**

- 1. Only Member/Authorised Representative/Proxy holder can attend the Meeting.**
- 2. Member/Authorised Representative/Proxy holder should bring his/her copy of the Annual Report for reference at the 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) \_\_\_\_\_  
 \_\_\_\_\_ Pin code \_\_\_\_\_

I/ We \_\_\_\_\_  
 residing at \_\_\_\_\_  
 \_\_\_\_\_ the holder(s) of the securities particulars  
 of which are given hereunder wish to make nomination and do hereby nominate the following person 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.	
				From	To

**2) Particulars of Nominee**

Name:		Date of Birth: ____/____/____		<div style="border: 2px solid black; padding: 10px; margin: 10px auto; width: 150px;">           Please affix recent passport size photograph of the nominee signed across         </div>
Father's/ Mother's/ Spouse's name:		Occupation:	Nationality:	
E-mail id:				
Phone No :	Relationship with the security holder:			
Address: _____ _____ _____ Pin code _____				
Signature of the Nominee				

**3) In case Nominee is a Minor**

Date of birth: ____/____/____	Date of attaining Majority ____/____/____	Name of guardian:
Address of guardian: _____ _____ Pin code _____		

Name of the Security Holder(s)	Signature					
1. _____	_____					
2. _____	_____					
3. _____	_____					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 60%;">Name of witness</th> <th style="width: 40%;">Signature of Witness with date</th> </tr> <tr> <td>           Address of witness: _____            _____            _____ Pin code _____         </td> <td rowspan="2" style="height: 100px; vertical-align: middle;"></td> </tr> <tr> <td>           Place: _____ Date: ____/____/____         </td> </tr> </table>		Name of witness	Signature of Witness with date	Address of witness: _____ _____ _____ Pin code _____		Place: _____ Date: ____/____/____
Name of witness	Signature of Witness with date					
Address of witness: _____ _____ _____ Pin code _____						
Place: _____ Date: ____/____/____						

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# ACTIVITIES UNDER CSR



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IN THE FIGHT AGAINST CANCER.**

**GANDHI SPECIAL TUBES LTD.**

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**CIN : L2710MH1985PLC036004**

**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.gandhitubes.com](http://www.gandhitubes.com)