

BOARD'S REPORT

Dear Members,

Directors are pleased to present their Thirty Third Annual Report on the business and operations of your Company along with the Audited Financial Statements for the financial year ended on 31st March, 2018.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2018 is summarized below:

Particulars	For the year ended 31.03.2018 (₹ in Lakhs)	For the year ended 31.03.2017 (₹ in Lakhs) (As per Ind AS)
Revenue from operations	11,726.73	10908.78
Other Income	824.49	955.71
Total Revenue	12,551.22	11,864.49
Profit before Tax	4547.42	3807.13
Less: Tax Expenses		
Current Tax	1320.04	741.31
Current Tax for Prior Years	-	-
Deferred Tax	(129.13)	(14.81)
Profit for the year	3356.51	3080.63
Interim Dividend	-	1322.88
Corporate Dividend Tax	-	269.31
Earnings Per Share of ₹5/-	22.85	20.96

2. SHARE CAPITAL AND BUY BACK

During the financial year 2017-18, the Company was successful in buying back 8,80,00 fully paid up equity shares offered to the shareholders through tender offer at a price of ₹ 500/- per Equity share representing up to 5.99% of the total no. of Equity Shares for an aggregate amount of ₹4400.00 Lakhs (Rupees Forty Four Crore only). The buyback process was completed and the shares so bought back were extinguished on April 2, 2018. Post buyback of shares, the paid up Equity Share Capital reduced by ₹44 Lakhs to ₹.690.93 Lakhs as on March 31, 2018.

3. RESERVES

Your Company has utilised the General Reserve of ₹2981 Lakhs and Retained Earnings of ₹1375 Lakhs for the purpose of buy back of 8,80,000 equity shares of ₹ 5/- each at a price of ₹ 500/- each.

Your Directors do not propose to transfer any amount to the General reserve.

4. PERFORMANCE AND AFFAIRS OF THE COMPANY

During the year under review, the gross sales of the Company, excluding the excise duty, are ₹11393.17 lakhs. (Previous Year ₹9757.23 lakhs) registering a growth of 16.77%. The Company recorded profit after tax for ₹3356.51 lakhs (Previous Year ₹3080.63 lakhs) registering a growth of 8.95%

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

5. DIVIDEND

Based on the performance of the Company and with a view to appropriately reward the shareholders of the Company your Board at its meeting held on May, 28, 2018 has recommended a dividend of ₹9/- per equity share for the Financial Year ended March 31, 2018. The proposal is subject to the approval of shareholders at the ensuing 33rd Annual General Meeting (AGM) to be held on August 13, 2018. The total dividend declared (excluding dividend tax) for the current year (2017-18) is ₹1243.68 lakhs as against ₹1322.88 lakhs in the previous year (2016-17). The Register of Members and Share Transfer Books will remain closed from Saturday, August 4, 2018 to Monday, August 13, 2018 for the purpose of AGM and payment of Final Dividend to the members whose names appear in Register as on Friday, August 3, 2018

6. ADOPTION OF INDIAN ACCOUNTING STANDARDS (Ind AS)

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated February 16, 2015, notified applicability of Ind AS (Indian Accounting Standard) to a certain class of Companies. Accordingly, Ind AS was applicable to your Company for the accounting period beginning April 1, 2017 with a transition date on April 1, 2016. Your Company has adopted the Ind AS and the financial statements comply with all aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in the Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) and adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS.

7. CURRENT BUSINESS STATUS

The order book position of the Company in the current financial year 2018-19 is better than last year and therefore, barring unforeseen circumstances, the Company expects to achieve better performance during the current year. 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.

8. 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.

9. 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.

10. 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.

11. 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.

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

Shri Bhupatrai Gandhi (DIN 00041273), 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. Jeegeesha Shroff was appointed as the Company Secretary and Compliance Officer with effect from May 16, 2017.

Also Shri M.G. Gandhi and Shri B.G. Gandhi were re-appointed as Managing Director and Joint Managing Director respectively for a period of 5 years at the Board Meeting held on December 18, 2017 which was approved by the Shareholders through Postal Ballot, on January 27, 2018.

(iii) Declaration by an Independent Director(s)

The Company has received all the necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations

(iv) Annual Evaluation of the 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.

13. BOARD AND COMMITTEES

During the year, five (5) 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.

14. 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 under section 134(5) 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, 2018 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;
- e. the directors have laid down proper systems financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. 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. There has been no change in the policy during the year.

16. 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.

17. 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 its business and corporate functions. At present there is no identifiable risk which, in the opinion, of the Board may threaten the existence of the Company.

18. 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.

19. INTERNAL CONTROL SYSTEMS

The details in respect of internal control system and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

20. 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 Auditor at every quarter and the Audit Committee discusses in details the Internal Audit Report at quarterly meeting. No material issues in relation to the adequacy of Company's control systems were raised during the year.

21. EXTRACT OF ANNUAL RETURN

Extract of the Annual Return in form MGT-9 for the financial year ended March 31, 2018 made under the provisions of Section 92(3) of the Act is annexed as "Annexure B" which forms part of this Report.

22. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure C of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The Policy is available on www.gandhitubes.com.

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

The Statutory Auditors of your Company namely, M/s. Shashikant J. Shah & Co., Chartered Accountants were appointed for a period of five years at the annual general meeting held on July 12, 2017 subject to ratification every year. The Companies (Amendment) Act, 2017 has waived the requirement for ratification of the appointment of the shareholders at every Annual General Meeting. In view of this the approval of the members is sought for appointment of Auditors for remaining period without any ratification every year. Auditors have confirmed their eligibility and submitted the Certificate in writing that they are not disqualified to hold the office of the Statutory Auditor..

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

(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 2017-18. 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 required to appoint Cost Auditor for the year ending March 31, 2019 pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2015 as it has crossed the limit of the annual turnover of ₹ 100 Crore (Rupees One Hundred Crore). The Board has appointed Shri Dakshesh Zaveri as the Cost Auditor for the year 2018-19 at a remuneration of ₹ 50,000/- (Rupees Fifty Thousand) subject to the ratification of the same by the members at the ensuing Annual General Meeting of the Company.

24. SECRETARIAL STANDARDS

It is hereby confirmed that the Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

25. GREEN INITIATIVES

Pursuant to Sections 101 and 136 of the Companies Act, 2013 the Company has sent 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. For members who have not registered their email addresses, physical copies will be sent through a permitted mode.

26. 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.

27. 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, compliance environmental regulations and preservation of natural resources. There was no accident during the year.

28. 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.

29. 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. 4, 8 and 31 of the Financial Statements which form part of the Annual Report.

30. 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. 36 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.

31. 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 Managing 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 relating to ratio of the remuneration of each director to the median employee's remuneration and such other prescribed details as required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2018 is provided in a separate Annexure E forming part of this Report.

Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection 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. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

32. 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.

33. 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.
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.
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.
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.
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.

34. ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere appreciation for the excellent support provided by Bankers, Government authorities, all stakeholders and business associates. The Board also express its sincere appreciation and support extended by the Shareholders during the year under review and whole heartedly acknowledges the dedicated efforts put in by the employees at all levels.

For and On behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2018

Manhar G.Gandhi
Chairman & Managing Director
DIN: 00041190