



# 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: July 19, 2021

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

**Subject: 36<sup>th</sup> Annual Report for the financial year 2020-2021**

Dear Sir/ Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed 36<sup>th</sup> Annual Report of the Company, for the financial year 2020-2021.

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

Thanking you,

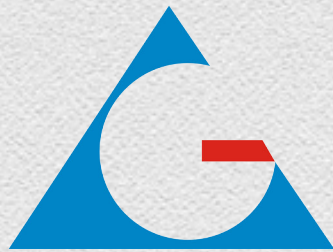
Yours Faithfully,

For Gandhi Special Tubes Ltd,



Jitendra Khadye

Company Secretary & Compliance Officer

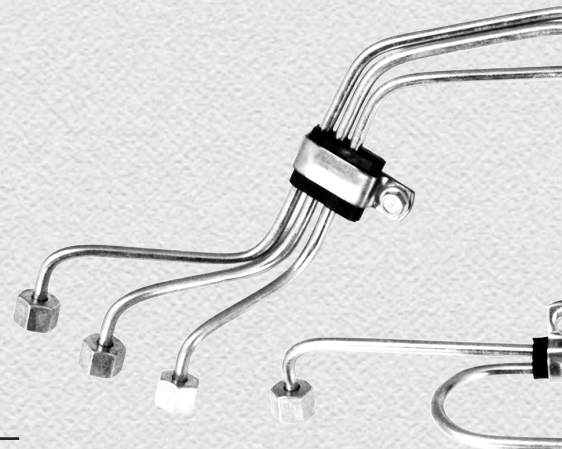
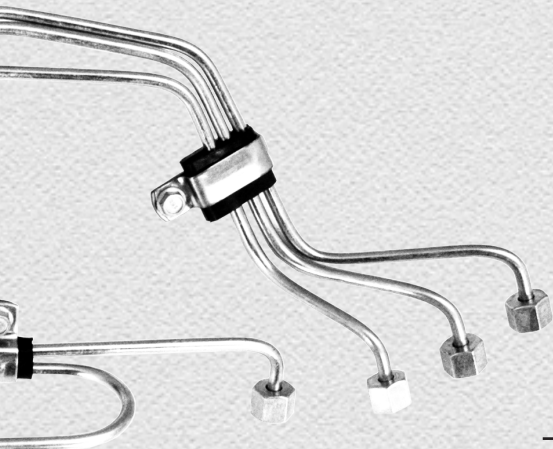
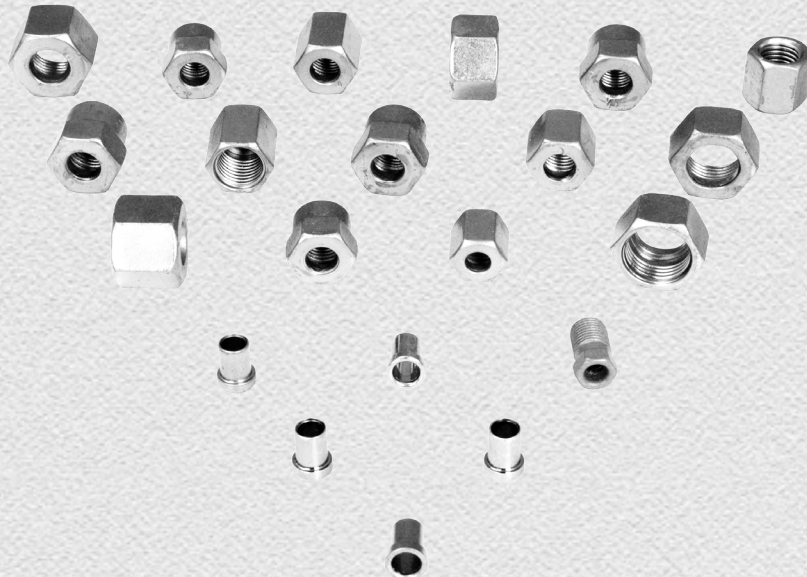


**Gandhi**  
Special Tubes Ltd.

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

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IATF 16949:2016  
Certified Company

# Social Welfare Activity

"GANDHI SPECIAL PRIMARY / SECONDARY SCHOOL  
VALUKAD, GUJARAT"

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



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**GANDHI SPECIAL TUBES LIMITED**

<b>BOARD OF DIRECTORS</b>	:	MR. MANHAR G. GANDHI Chairman & Managing Director  MR. BHUPATRAI G. GANDHI Joint Managing Director  MR. KAVAS N. WARDEN Director  MR. DHARMEN B. SHAH Director  MR. JAYESH M. GANDHI Director  MS. BHAVI J. KORADIA Director
<b>AUDIT COMMITTEE</b>	:	MR. DHARMEN B. SHAH Chairman  MR. KAVAS N. WARDEN Director  MR. JAYESH M. GANDHI Director  MS. BHAVI J. KORADIA Director
<b>COMPANY SECRETARY</b>	:	MR. JITENDRA DATTARAM KHADYE
<b>CHIEF FINANCIAL OFFICER</b>	:	MS. SHOBHANA RAJAN VARTAK
<b>REGISTERED OFFICE</b>	:	201-204, PLAZA, 2 <sup>ND</sup> FLOOR 55 HUGHES ROAD, MUMBAI 400007 Tel No: 23634179, 23634183, 23635042 <a href="mailto:complianceofficer@gandhitubes.com">complianceofficer@gandhitubes.com</a>
<b>WORKS</b>	:	VILLAGE NURPURA TALUKA- HALOL, DIST: PANCHMAHAL GUJARAT – 389350
<b>AUDITORS</b>	:	SHASHIKANT J. SHAH & CO. CHARTERED ACCOUNTANTS
<b>BANKERS</b>	:	HDFC BANK LTD., MUMBAI
<b>SECRETARIAL AUDITORS</b>	:	DHOLAKIA & ASSOCIATES LLP COMPANY SECRETARIES
<b>DETAILS OF STOCK EXCHANGE</b>	:	COMPANY'S EQUITY SHARES ARE LISTED ON BSE LTD & NATIONAL STOCK EXCHANGE OF INDIA LTD

GANDHI SPECIAL TUBES LIMITED  
10-YEARS FINANCIAL HIGHLIGHTS

Particulars	IND AS										2020-21
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18	2018-19	2019-20	2020-21	
Net Sales	10,652.93	9,593.96	8,352.55	9,189.77	9,117.37	9,757.23	11,393.17	12,290.68	8,093.84	11,352.58	
Total Income	11,065.90	9,862.19	9,144.02	9,632.55	9,417.47	10,712.94	12,217.66	13,061.55	8,664.96	11,965.50	
EBIDTA (Earning Before Dep. Interest & Tax)	4,620.26	3,509.83	3,407.02	2,774.79	2,991.27	4,252.79	4,934.73	5,344.39	2,958.18	5,086.37	
Depreciation	452.69	433.68	493.66	495.03	470.58	445.65	387.31	369.05	355.48	329.74	
Profit After Taxation	2,981.74	2,206.28	1,730.84	1,579.63	1,855.00	3,080.63	3,356.51	3,863.13	2,137.28	3,615.23	
Equity Dividend (%)	120.00	120.00	120.00	150.00	150.00	180.00	0.00	180.00	180.00	180.00	
Dividend Payout	881.92	881.92	881.92	1,102.40	1,102.40	1,322.88	0.00	1,243.67	1,243.67	1,162.68	
Equity Share Capital	734.93	734.93	734.93	734.93	734.93	734.93	690.93	690.93	645.93	645.93	
Reserves & Surplus	13,145.42	14,326.72	15,025.76	15,273.62	15,801.80	18,029.08	17,032.43	19,413.90	14,011.25	16,548.67	
Net Worth	13,880.35	15,061.65	15,760.69	16,008.55	16,536.73	18,764.01	17,723.36	20,104.83	14,657.18	17,194.60	
Gross Fixed Assets	8,915.72	10,957.77	12,670.83	12,897.51	13,014.98	12,998.16	12,980.58	13,290.19	13,318.53	13,342.70	
Net Fixed Assets	3,553.49	5,195.71	6,415.11	6,274.00	5,901.42	5,520.49	5,139.14	5,128.33	4,811.64	4,514.11	

Key Indicators

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18	2018-19	2019-20	2020-21
Earning per share	20.29	15.01	11.78	10.75	12.62	20.96	22.85	27.96	15.93	27.98
Turnover per share - ₹	72.48	65.27	56.83	62.52	62.03	66.38	82.45	88.94	62.65	87.88
Book Value per share	94.43	102.47	107.23	108.91	112.51	127.66	128.26	145.49	113.46	133.10
Debt/Equity Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit Margin %	27.99	23.00	20.72	17.19	20.35	31.57	29.46	31.43	26.41	31.85
EBDIT/ Net Sales %	43.37	36.58	40.79	30.19	32.81	43.59	43.31	43.48	36.55	44.80

\* Figures are restated as per IND AS

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**FOR KIND ATTENTION OF SHAREHOLDERS:**

**DEMAT:-**if you are still holding shares in physical mode kindly consider following advantages by opting shares in demat mode:-

- o Sale of shares is possible only through demat mode as the Company's shares are traded compulsorily in demat mode only.
- o Realize better price for transfer/sale of shares
- o Eliminate loss of shares through burglary or theft, misplacement or mutilation
- o Easy and faster transaction of shares
- o Minimum brokerage.
- o No stamp duty on purchase/sale
- o SEBI (Securities and Exchange Board of India) has made it compulsory for listed company to entertain transfer of shares only in demat form.

Steps involved in dematerialization of shares

- o Open an account with a Depository Participant (DP) of your choice.
- o You may choose your DP based on your evaluation of their reputation, service standards, charges, comfort level, other conveniences, etc.
- o Submit a Dematerialization Request Form (DRF) to your DP along with the defaced shares certificates.
- o Shares will be converted into electronic form and will get credited into your demat account.

To understand about the procedure and for all queries relating to dematerialization, kindly contact the Registrar & Transfer Agent of the Company; M/s KFin Technologies Private Limited Formerly known as Karvy Fintech Private Limited at [kishore.bv@kfintech.com](mailto:kishore.bv@kfintech.com).

**ECS:-** To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS), NEFT and other permitted mode. The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents.

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

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

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

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

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

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

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

**KFIN TECHNOLOGIES PRIVATE LIMITED,  
UNIT: GANDHI SPECIAL TUBES LIMITED  
SELENIUM TOWER-B,  
6TH FLOOR, RIS DEPARTMENT,  
PLOT NO.31 & 32,  
FINANCIAL DISTRICT,  
GACHIBOWLI,  
HYDERABAD – 500 032.**

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

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

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

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

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

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

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

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

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

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

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

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



**NOTICE OF THIRTY SIXTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that Thirty Sixth Annual General Meeting of the Members of **GANDHI SPECIAL TUBES LIMITED** will be held on TUESDAY, AUGUST 10, 2021 at 11.00 a.m. through VIDEO CONFERENCE (“VC”) OR OTHER AUDIO VISUAL MEANS (“OAVM”), to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements for the year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon for the Financial Year ended March 31, 2021.
2. To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2021.
3. To appoint a Director in place of Shri Jayesh Gandhi (DIN 00041330), who retires by rotation and being eligible, offers himself for re-appointment.

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

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

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

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

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

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

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

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

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

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

5. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 60,000/- (Rupees Sixty Thousand) for the Financial Year ending March 31, 2022, as approved by the Board of Directors of the Company payable to Shri. Dakshesh Zaveri, the Cost Accountant, having ICWAI Registration No. 8971 for conducting the Cost Audit of the Company be and is hereby ratified.”

**By Order of the Board of Directors**

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

**Place: Mumbai**

**Date: June 22, 2021**

**Regd. Office:**

201-204 Plaza, 2<sup>nd</sup> Floor,

55 Hughes Road,

Mumbai – 400 007

Tel: 022 – 23634179

CIN: L27104MH1985PLC036004

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

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

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

1. In respect of resolution at item no 3, a statement giving additional information on director seeking re-appointment is annexed herewith as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**SPECIAL BUSINESS AND EXPLANATORY STATEMENT**

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, (Act) relating to Special Business to be transacted at the Annual General Meeting (the "AGM" or "Meeting"), is annexed hereto.
3. As per the provisions of Clause 3.A.II. of the Ministry of Corporate Affairs General Circular No. 20/ 2020 dated May 05, 2020 and 02/2021 dated January 13, 2021, the matters of Special Business as appearing at Item No. 4 and 5 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forms part of this Notice.

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

4. i. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/ CMD2/ CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
- ii. The Helpline number regarding any queries/assistance for participation in the AGM through VC/OAVM is 1800-345-4001
- iii. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members (Physical/Demat) who have not registered their email addresses with the Company can get the same registered with the company by requesting in member updation form by sending an email at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or [evoting@kfintech.com](mailto:evoting@kfintech.com). Please submit duly filled and signed member updation form to the abovementioned email. Upon Verification of the Form the email will be registered with the Company.

**5a) Pursuant to the provisions of the Companies Act,2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.**

- b) Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 minutes from the schedule time of the AGM. However, the participation of members holding 2% or more, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit

Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis. Members can login and join 15(fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till expiry of 15(fifteen) minutes after the schedule time. Participation is restricted upto 2000 members only.

- c) Members attending the Meeting through VC/OAVM will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act, 2013.
- d) In line with the MCA Circulars and the SEBI Circular, the Notice calling the AGM has been uploaded on the website of the Company at [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and is also available on the website of M/s. KFin Technologies Private Limited at <https://evoting.kfintech.com>.

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

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

#### **JOINT HOLDERS**

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

#### **RECORD DATE**

- 8. In view of the discontinuation of the physical transfer of shares there will not be any Book Closure but the Company has fixed the Record Date as Friday, July 30, 2021 (close of the business hours).

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

- 9. Subject to the provisions of the Act, dividend as recommended by the Board, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as of the close of the business hours on Friday, July 30, 2021.
  - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), collectively “Depositories”, as of end of day on Friday, July 30, 2021.
  - ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Friday, July 30, 2021.
- 10. In case of Dematerialized Shares, the Company is obliged to print Bank details on the dividend warrants, as are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) (“the Depositories”) to the Company. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company or its Registrars for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised by the members only to their Depository Participant.
- 11. Pursuant to Regulation 12 read with Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is mandatory to print the bank account details of the investors on Dividend Warrant Instrument. Hence, in order to avoid incidents of fraudulent encashment of the Dividend warrants, Members holding shares in physical form are requested

to intimate the RTA of the Company, under the signatures of the sole/first joint holder, the following information so that the Bank Account number and name and address of the Bank can be printed on the dividend warrant, if and when issued:

- (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.

### **TAXATION ON CURRENT DIVIDEND**

12. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ M/s. KFin Technologies Private Limited (in case of shares held in physical mode) and with the depositories/ Depository Participants (in case of shares held in demat mode).

For Resident Shareholders, who have provided PAN, taxes shall be deducted at source under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend. If no PAN is provided, then the tax shall be deducted at source at 20% as per Section 206AA of the Act. No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by the resident shareholders during Financial Year 2021-22 does not exceed ₹ 5,000. In cases where the shareholder provides Form No. 15G /Form No. 15H and provided that all the required eligibility conditions are met, no tax will be deducted at source.

Apart from above cases following categories of shareholders are exempt from tax deduction at source:

- (a) Life Insurance Corporation of India [clause (a) to 2nd proviso to section 194]
- (b) General Insurance Corporation of India/ The New India Assurance Company Ltd / United India Insurance Company Ltd/ The Oriental Insurance Company Limited / National Insurance Company Ltd [clause (b) to 2nd proviso to section 194]
- (c) Any other insurer in respect of any shares owned by it or in which it has full beneficial interest [clause (c) to 2nd proviso to section 194]

The following payees are also not subject to TDS in view of the provisions of sections 196, 197A of the Act and CBDT notification:

- (a) Government [section 196(i)]
- (b) Reserve Bank of India [section 196(ii)]
- (c) a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income [section 196(iii)]
- (d) Mutual Fund [section 196(iv)]
- (e) Any person for, or on behalf of, the New Pension System Trust referred to in section 10(44) [subsection 1E to section 197A]
- (f) Category I or a Category II Alternative Investment Fund (registered with SEBI as per section 115UB) as per Notification 51/2015 since their income, other than profits and gains of business and profession.

For Foreign Portfolio Investor (FPI) category Shareholders, taxes shall be deducted at source under Section 196D of the Income Tax Act, 1961 at 20% (plus applicable surcharge and cess) on the amount of dividend payable.

For other Non-resident Shareholders, taxes are required to be deducted in accordance with the provisions of Section 195 of the Income tax Act, 1961, at the rates in force. As per the relevant provisions of the Income tax Act, 1961, the tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90(2) of the Income tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. To avail benefit of rate of deduction of tax at source under DTAA, such non-resident shareholders will have to provide the following:

1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;
  2. Tax residency certificate from the jurisdictional tax authorities confirming residential status [for the dividend declared in FY 2021-22] – TRC
  3. Declaration by the non- resident in prescribed Form No. 10F
  4. Self-declaration by the non-resident shareholder as to:
    - Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
    - No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;
    - Shareholder being the beneficial owner of the dividend income to be received on the equity shares.
13. In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income Tax Act, 1961, we request you to upload the abovementioned details and documents in the format provided by us and as applicable to you on the link <https://ris.KFintech.com/form15/> by **05:00 p.m.** IST on Friday, July 30, 2021.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident shareholder.

14. Members holding shares in physical form are requested to notify immediately any change in their address/mandate/bank details to the Company or to the office of the Registrar & Share Transfer Agent, M/s. KFin Technologies Private Limited, quoting their folio number. The Members updation form forms a part of the Annual Report and is available on the Website of the Company.

#### **INVESTOR EDUCATION AND PROTECTION MATTER—UNCLAIMED DIVIDEND AND SHARES**

15. Members who have not encashed their dividends warrants for Financial Year 2014-2015 or any subsequent years are requested to write to the Company immediately but not later than February, 2022 claiming dividends declared by the Company for the said period (**Proforma of Indemnity Bond for Duplicate Dividend Warrant** is available under "Investor Section" on the website of the Company viz. [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com)).
16. Members are requested to note that the Interim Dividend for the year ended March 31, 2015 declared on January 29, 2015 and which remained unpaid or unclaimed is due to be transferred to IEPF in March, 2022 pursuant to Section 125 of the Companies Act, 2013 and the rules made thereunder.
17. 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 INR 17,14,722/- (Seventeen Lakhs Fourteen Thousand Seven Hundred and Twenty Two Only) of the Company for the financial year ended March 31, 2014 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government on March 25, 2021 pursuant to Section 125 of the Companies Act, 2013.

18. Pursuant to Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the company has uploaded the information in respect of the Unclaimed Dividends in respect of the Financial years 2013-2014 to 2018-2019 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.gandhispecialtubes.com](http://www.gandhispecialtubes.com) The objective of the IEPF Rules is to help the shareholders ascertain Status of the unclaimed amounts and thus overcome their problem.

19. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) 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") as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF Account after complying with the procedure laid down under the "Rules".

Accordingly, during the year under review, the Company has transferred 6370 equity shares to the IEPF Account maintained with NSDL on April 13, 2021 taking the year 2013-2014 as base. The details of the shares transferred to IEPF Authority are uploaded under "Investor Section" on the website of the Company viz. [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com).

The said details will also be uploaded on the website of the IEPF and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in)

#### **HOLDING IN PHYSICAL FORM**

20. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file nomination in the prescribed Form SH-13 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. Form SH-13 is available under "Investor Section" on the website of the Company viz. [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com);

21. As per Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form so as to be able to freely transfer them and participate in corporate actions such as buyback. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Kfin Technologies Private Limited for assistance in this regard.

#### **BUYBACK FOR PHYSICAL SHAREHOLDERS**

**22. As per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the Company will accept Equity Shares tendered in physical form in the Buyback, subject to any future regulatory clarifications / amendment to the applicable Act, Rules or Regulations.**

#### **SERVICE OF ANNUAL REPORTS**

23. The Annual Report duly circulated to the Members of the Company via e-mail, is available on the Company's Website at [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com) and on the website of M/s. KFin Technologies Private Limited at <https://evoting.kfintech.com>

24. Pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder, 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.

25. Considering the difficulties caused due to the Covid-19 pandemic, MCA and SEBI have dispensed with the requirement of printing and sending physical copies of the Annual Report and the Notice of this Meeting and the Annual Reports will be sent via email to all those members who have registered their email ids with the Company or the Registrar and Transfer Agent or the Depositories or the Depository Participants as on Friday, July 16, 2021.

**Those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:**

1. Those Members who have registered/not registered their e-mail address and mobile number including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with Registrar and Share Transfer Agent M/s. KFin Technologies Private Ltd in case the shares are held in physical form.
2. Members may also visit the website of the Company [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com) or the website of M/s. KFin Technologies Private Limited at <https://evoting.kfintech.com> for downloading the Annual Report and Notice of the AGM.
3. Alternatively, Members may send an e-mail request to the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio or by logging into [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/).
4. Members who have already registered their email addresses are requested to get their email addresses validated with their Depository Participants / the Company's Registrar and Share Transfer Agent, M/s. KFin Technologies Private Limited to enable servicing of notices / documents / Annual Reports electronically to their email address.

#### **ATTENDANCE AT AGM THROUGH VIDEO CONFERENCING**

26. The details of the process and the manner for participating in Annual General Meeting through Video Conferencing are explained herein below:

- a) Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM at <https://emeetings.kfintech.com/> by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the AGM Notice. Further, Members can also use the OTP based login for logging into the e-voting system.

- b) Please note that the members who do not have the USER ID and PASSWORD for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-voting system of NSDL.
- c) Members can participate in AGM through smart phone/laptop/Computer with Webcam/Tablets, however for better experience and smooth participation it is advisable to join Meeting through Laptops connected through broadband.
- d) Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- e) Please note that Participants Connecting from Mobile Devices or Tablets or Computers with Webcam or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is

recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- f) Members, holding shares as on the cut-off date i.e. Friday July 30, 2021 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers at <https://emeetings.kfintech.com> and clicking on "Speaker Registration" during the period from Saturday August 06, 2021 (9:00 a.m. IST) upto Monday, August 09, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries / views /questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window will close at 3.00 p.m. (IST) on August 07,2021.

### **MEMBERS TO KNOW OR DO**

27. 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.
28. 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. KFin Technologies Private Limited, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana.
29. The Company does not give gifts, gift coupons or cash in lieu of gifts to its Members. The Company also does not organize any plant visits for its Members. However, the Company is committed to the Members' wealth maximization through superior performance reflected in corporate benefits like dividend and increased market capitalization.
30. 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.
31. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
32. In terms of the MCA Circulars and in the view of the Board of Directors, all matters included in this Notice are unavoidable and hence are proposed for seeking approval at this AGM. All documents referred to in the accompanying Notice and the Explanatory Statement have been uploaded on the website of the Company at [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com). All shareholders will be able to inspect all documents referred to in the Notice electronically without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com).
33. The Registers of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Registrar of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection under Section 139 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com).
34. 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.
35. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.

**36. 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 M/s. KFin Technologies Private Limited.
2. The remote e-voting period commences on Saturday August 07, 2021 (9:00 a.m. IST) and ends on Monday August 09, 2021 (5:00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in demat form, as on the cut-off date i.e. Friday, July 30, 2021 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

3. The process and manner for remote e-voting and joining and voting at the AGM are explained below:

Step 1: Access to Depositories e-voting system in case of individual Members holding shares in demat mode.





Step 2 : Access to KFin e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.

Step 3: Access to join the AGM on KFin system and to participate and vote thereat.

**Details on Step 1 are mentioned below:**

- l) Login for remote e-voting for Individual Members holding equity shares in demat mode.

Type of Member	Login Method
<p><b>Individual Members holding securities in demat mode with NSDL</b></p>	<p><b>Existing Internet-based Demat Account Statement (“IDeAS”) facility Users:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-services website of NSDL <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile.</li> <li>2. On the e-services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. Thereafter enter the existing user id and password.</li> <li>3. After successful authentication, Members will be able to see e-voting services under ‘Value Added Services’ Please click on “Access to e-voting” under e-voting services, after which the e-voting page will be displayed.</li> <li>4. Click on company name i.e. ‘Gandhi Special Tubes Limited’ or e-voting service provider i.e. KFin.</li> <li>5. Members will be re-directed to KFin’s website for casting their vote during the remote e-voting period and voting during the AGM.</li> </ol> <p><b>Those not registered under IDeAS:</b></p> <ol style="list-style-type: none"> <li>1. Visit <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> for registering.</li> <li>2. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Visit the e-voting website of NSDL <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a>.</li> <li>4. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open.</li> <li>5. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen.</li> <li>6. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.</li> <li>7. Click on company name i.e Gandhi Special Tubes Limited or e-voting service provider name i.e KFin after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the AGM.</li> <li>8. Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

	<p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p><b>Individual Members holding securities in demat mode with CDSL</b></p>	<p><b>1. Existing user who have opted for Electronic Access To Securities Information (“Easi / Easiest”) facility:</b></p> <ol style="list-style-type: none"> <li>i. Visit <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii. Click on New System Myeasi.</li> <li>iii. Login to MyEasi option under quick login.</li> <li>iv. Login with the registered user ID and password.</li> <li>v. Members will be able to view the e-voting Menu.</li> <li>vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication.</li> </ol> <p><b>2. User not registered for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>i. Visit <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> for registering.</li> <li>ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc.</li> <li>iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote.</li> </ol> <p><b>3. Alternatively, by directly accessing the e-voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>i. Visit <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii. Provide demat Account Number and PAN</li> <li>iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account.</li> <li>iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. ‘Gandhi Special Tubes Limited’ or select KFin.</li> <li>v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.</li> </ol>
<p><b>Individual Members login through their demat accounts / Website of Depository Participant</b></p>	<ol style="list-style-type: none"> <li>i. Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility.</li> <li>ii. Once logged-in, Members will be able to view e-voting option.</li> <li>iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature.</li> <li>iv. Click on options available against Gandhi Special Tubes Limited or KFin.</li> <li>v. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.</li> </ol>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

**Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:**

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990 and 1800 22 44 30</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022- 23058738 or 022-23058542-43</b>

**Details on Step 2 are mentioned below:**

**II) Login method for e-voting for Members other than Individual’s Members holding shares in demat mode and Members holding securities in physical mode.**

A) Members whose email IDs are registered with the Company / Depository Participants(s), will receive an email from KFin which will include details of e-voting Event Number (EVEN), USER ID and password.

They will have to follow the following process:

- i) Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
  - ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a Member is registered with KFin for e-voting, they can use their existing User ID and password for casting the vote.
  - iii) After entering these details appropriately, click on "LOGIN".
  - iv) Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a- z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt the Member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.
  - v) Members would need to login again with the new credentials.
  - vi) On successful login, the system will prompt the Member to select the "EVEN" i.e., 'Gandhi Special Tubes - AGM' and click on "Submit"
  - vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, a Member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding as mentioned herein above. A Member may also choose the option ABSTAIN. If a Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
  - ix) Voting has to be done for each item of the notice separately. In case a Member does not desire to cast their vote on any specific item, it will be treated as abstained.
  - x) A Member may then cast their vote by selecting an appropriate option and click on "Submit".
  - xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a Member has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i) Members who have not registered their email address, thereby not being in receipt of the Annual Report, Notice of AGM and e-voting instructions, may temporarily get their email address and mobile number submitted with KFin, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>.
  - ii) Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - iii) Alternatively, Members may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
  - iv) After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.

**Details on Step 3 are mentioned below:****III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-voting during the meeting.**

- i) Members will be able to attend the AGM through VC / OAVM platform provided by KFin. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company / KFin.
- ii) After logging in, click on the Video Conference tab and select the EVEN of the Company.
- iii) Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.

**Other Instructions:**

- i) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- ii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, July 30, 2021.
- iii) Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. Friday, July 30, 2021 may obtain the User ID and Password in the manner as mentioned below:
  - a) If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD<space>E-voting Event Number + Folio No. or DP ID Client ID to +91 9212993399  
Example for NSDL: MYEPWD<SPACE> IN12345612345678  
Example for CDSL: MYEPWD<SPACE> 1402345612345678  
Example for Physical: MYEPWD<SPACE> XXX1234567890
  - b) If email ID of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - c) Members may call KFin toll free number 1800 309 4001.
  - d) Members may send an email request to: [evoting@kfintech.com](mailto:evoting@kfintech.com). If the Member is already registered with the KFin e-voting platform then such Member can use his / her existing User ID and password for casting the vote through remote e-voting.
- iv) The Board of Directors has appointed Shri Bhumitra V. Dholakia, Designated Partner or in his absence Shri. Nrupang B. Dholakia, Designated Partner of M/S.DHOLAKIA & ASSOCIATES LLP Company Secretaries being in Whole Time Practice be, as a Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
- v) The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the AGM is being held through VC / OAVM. The e-voting window shall be activated upon instructions of the Chairman of the AGM during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform and no separate login is required for the same.
- vi) The results declared along with the Scrutinizer's report will be forwarded to BSE Limited and National Stock Exchange of India Limited; be displayed at the Registered Office of the Company and simultaneously uploaded on the Company's website viz. [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com) and that of KFin viz. <https://evoting.kfintech.com>.

**ANNEXURE**

As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SS-2 Secretarial Standards on General Meetings, brief profile of the Directors retiring by rotation/seeking appointment/re-appointment at the ensuing Annual General Meeting, is given below:

**SHRI JAYESH GANDHI**

<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 30 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>	Chairman - Stakeholder Relationship Committee Member - 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>	10,32,498 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**

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

**Mumbai**  
**June 22, 2021**

**Regd. Office:**

201-204 Plaza, 2<sup>nd</sup> Floor,  
55 Hughes Road,  
Mumbai – 400 007  
Tel: 022 – 23634179

CIN: L27104MH1985PLC036004

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

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

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")**

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

**Item No. 4**

The earlier Buyback activity was successfully completed in the month of October 2019, wherein 9,00,000 shares were bought back at a price of ₹ 550/-.

The Board of Directors of the Company at its meeting held on Tuesday, June 22, 2021 ("**Board Meeting**") has, subject to the approval of the Members of the Company by way of Special Resolution ("**Special Resolution**") and subject to such approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved buyback of fully paid-up Equity Shares of the Company of face value of ₹ 5/- (Rupees Five) each ("**Equity Shares**") up to **7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen)** Equity Shares, on a proportionate basis through the "**Tender Offer**" route under Stock Exchange mechanism in accordance with the Act, the Companies (Share Capital and Debentures) Rules, 2014 (the "**Share Capital Rules**"), to the extent applicable, the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "**SEBI LODR Regulations**"), the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, (the "**Buyback Regulations**"), as amended from time to time, read with Securities and Exchange Board of India Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 ("**SEBI Circular**") at a **maximum price of ₹ 550/- (Rupees Five Hundred Fifty only)** per Equity Share payable in cash for an aggregate consideration not exceeding **₹ 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only)** ("**Offer Size**") excluding transaction costs viz. filing fees, advisors' fees, brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, public announcement expenses, printing and dispatch expenses and other incidental and related expenses, etc. ("**Buyback**"). The Buyback shall be within 25% of the aggregate of paid-up share capital and free reserves of the Company as per audited accounts of the Company as on March 31, 2021 (the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). The Offer Size of the Buyback constitutes **24.96%** of the aggregate paid-up share capital and free reserves of the Company and represents **5.93%** of the total issued and paid-up equity share capital of the Company.

Since the Buyback is more than 10% of the total paid-up equity capital and free reserves of the Company, it is necessary to obtain the consent of the Members of the Company, to the Buyback, by way of a special resolution in terms of Section 68(2)(b) of the Act. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the Resolution under item No. 4.

Requisite details relating to the Buyback are given below:

**a) Necessity for the Buyback:**

The Buyback is being undertaken by the Company after taking into account the strategic and operational cash needs in the medium term and for returning surplus funds to the shareholders. The Buyback is being undertaken for the following reasons:

- i) The Buyback will help the Company to return surplus cash to its shareholders, in proportion to their shareholding, thereby, enhancing the overall returns to the shareholders;
- ii) The Buyback is generally expected to improve return on equity and earnings per share by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- iii) The Buyback, which is being implemented through the Tender Offer route would involve allocating to the Small Shareholders the higher of: (a) the number of shares entitled as per their shareholding; or (b) 15% of the number of shares to be bought back, as per Regulation 6 of the Buyback Regulations. The Company believes that this reservation for small shareholders would benefit a large number of the Company's public shareholders, who would be classified as "Small Shareholders"



iv) The Buyback gives an option to the shareholders of the Company, either to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or not to participate and get a resultant increase in their percentage shareholding in the Company post the Buyback offer, without additional investment.

**b) Maximum amount required under the Buyback its percentage of the total paid-up share capital and free reserves and source of funds from which Buyback would be financed:**

The maximum amount required for Buyback will not exceed ₹ 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, etc. The said amount works out to 24.96% of the aggregate of the fully paid-up share capital and free reserves as per the audited accounts of the Company as on March 31, 2021 which is within the prescribed limit of 25%.

The funds for the implementation of the proposed Buyback will be sourced out of the free reserves and surplus, as permitted by the Buyback Regulations or the Act.

The Company shall transfer from its free reserves and surplus, a sum equal to the nominal value of the equity shares so bought back to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statements.

The funds borrowed, if any, from Banks and Financial Institutions will not be used for the Buyback.

**c) Maximum Price at which the Equity Shares are proposed to be bought back and the basis of arriving at the price of the Buyback:**

The Equity Shares of the Company are proposed to be bought back at a maximum price of ₹ 550/- (Rupees Five Hundred Fifty only) per share ("**Maximum Buyback Price**"). The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and closing price of the Equity Shares on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") where the Equity Shares of the Company are listed, the networth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per share. However, the Board is authorised to determine the specific price, the number of Equity Shares and other related particulars at which the Buyback will be made at the time of the Public Announcement for Buyback to the eligible Members.

The Maximum Buyback Price represents:

- i) Premium of 88.26% and 88.06% to the volume weighted average market price of the Equity Share on BSE and NSE, respectively, during the three months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.
- ii) Premium of 35.40% and 35.25% over the closing price of the Equity Share on BSE and on NSE, respectively, as on Tuesday, June 15, 2021, being the date on which the Company intimated the Stock Exchanges of the date of the Meeting of the Board of Directors wherein proposal of the Buyback was considered.

**d) Maximum number of securities that the company proposes to buyback:**

The Company proposes to buyback up to 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares of face value of ₹ 5/- (Rupees Five) each of the Company, which represents 5.93% of the total number of Equity Shares of the Company.

**e) Method to be adopted for the Buyback:**

The Buyback shall be on a proportionate basis through the "**Tender Offer**" route, as prescribed under the Buyback Regulations, to the extent permissible, and the "Mechanism for acquisition of shares through Stock Exchanges" as prescribed under the SEBI Circular. The Buyback will be implemented in accordance with the Act, Rules, to the extent applicable, the Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a record date (“**Record Date**”) for determining the names of the Members holding Equity Shares of the Company who will be eligible to participate in the Buyback (“**Eligible Shareholder(s)**”). Consequent to the approval of the Special Resolution under this Notice, Eligible Shareholders will receive a Letter of Offer along with a Tender / Offer Form indicating their entitlement.

The Equity Shares to be bought back is divided in two categories:

- i) Reserved category for small shareholders; and
- ii) General category for all other shareholders.

As defined in Regulation 2(1)(n) of the Buyback Regulations, a “small shareholder” is a shareholder who holds equity shares having market value, on the basis of closing price on Stock Exchange having highest trading volume as on Record Date, of not more than ₹ 2,00,000 (Rupees Two Lakhs only).

In accordance with Regulation 6 of the Buyback Regulations, 15% (Fifteen percent) of the number of Equity Shares which the Company proposes to buyback or such number of Equity Shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback.

Based on the holding on the Record Date, the Company will determine the entitlement of each Eligible Shareholder to tender their shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of the Buyback applicable in the category to which such shareholder belongs. In order to ensure that the same shareholder with multiple demat accounts / folios does not receive a higher entitlement under the Small Shareholder category, the Company proposes to club together the equity shares held by such shareholders with a common Permanent Account Number (“**PAN**”) for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the equity shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of physical shareholders, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the equity shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds / trusts, insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these equity shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar and Transfer Agent as per the shareholder records received from the Depositories.

Shareholders’ participation in Buyback will be voluntary. Eligible Shareholders holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate. Eligible Shareholders holding Equity Shares of the Company may also accept a part of their entitlement. Eligible Shareholders holding equity shares of the Company having exercised their right in full, also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date.

The Equity Shares tendered as per the entitlement by Eligible Shareholders holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement of the tenders under the Buyback will be done using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI Circular.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer to be sent to the Eligible Shareholder(s).

**f) Time limit for completing the Buyback:**

The Buyback, subject to the regulatory consents and approvals, if any, is proposed to be completed within 12 months from the date of special resolution approving the Buyback.

**g) Compliance with Section 68(2)(c) of the Act:**

The aggregate paid-up share capital and free reserves as on March 31, 2021 is ₹ 168,90,22,079/- (Rupees One Hundred Sixty Eight Crores Ninety Lakhs Twenty Two Thousand Seventy Nine only). Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate of the fully paid-up share capital and free reserves of the Company i.e. is ₹ 42,22,55,520/- (Rupees Forty Two Crores Twenty Two Lakhs Fifty Five Thousand Five Hundred Twenty only). The maximum amount proposed to be utilized for the Buyback, is not exceeding ₹ 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only) and is therefore within the limit of 25% of the Company's fully paid-up share capital and free reserves as per the audited accounts of the Company as on March 31, 2021 (the last audited financial statements available as on the date of Board meeting recommending the proposal for the Buyback). Further, under the Act, the number of Equity Shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 32,29,654 (Thirty Two Lakhs Twenty Nine Thousand Six Hundred Fifty Four) Equity Shares. Since the Company proposes to buyback up to 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares, the same is within the aforesaid 25% limit.

**h) Details of holding and transactions in the shares of the Company:****i) Aggregate shareholding of the Promoter, Promoter Companies / Entities and Persons in Control of the Company as on the date of Notice convening of General Meeting, i.e. Tuesday, June 22, 2021 is as follows:**

Sr. No.	Name	Number of Shares held	% Shareholding
1	Manhar G. Gandhi (HUF)	79,418	0.61
2	Manhar G. Gandhi (Small HUF)	1,16,522	0.90
3	Manhar G. Gandhi	18,18,075	14.07
4	Bhupatrai G. Gandhi (HUF)	1,06,347	0.82
5	Bhupatrai G. Gandhi (Small HUF)	1,10,880	0.86
6	Bhupatrai G. Gandhi	17,07,686	13.22
7	Jayesh M. Gandhi	10,32,498	7.99
8	Manoj B. Gandhi	9,69,816	7.51
9	Bharti M. Gandhi	6,94,265	5.38
10	Chandra B. Gandhi	4,16,961	3.23
11	Gopi J. Gandhi	4,01,010	3.11
12	Jigna M. Gandhi	3,97,396	3.08
13	Karishma J. Gandhi	2,16,638	1.68
14	Karan Manoj Gandhi	3,07,763	2.38
15	Rahul Jayesh Gandhi	1,07,459	0.83
16	Jigna Nilesh Mehta	43,634	0.34
17	Bina Tushar Shah	32,800	0.25
18	Nilesh Vinodrai Mehta	8,139	0.06
19	B. M. Gandhi Investment Co. LLP	4,77,572	3.70
20	Gandhi Finance Co. LLP	4,35,819	3.37
	<b>Total</b>	<b>94,80,698</b>	<b>73.39</b>

- ii) **Aggregate shareholding of the Directors / Partners of Promoter Companies / Entities, as on the date of Notice convening of General Meeting, i.e. Tuesday, June 22, 2021 is as follows:**

B. M. Gandhi Investment Co. LLP			
Sr. No.	Name of Partners	Number of Shares held	% Shareholding
1	Jayesh M. Gandhi (Designated Partner)	10,32,498	7.99
2	Manoj B. Gandhi (Designated Partner)	9,69,816	7.51

Gandhi Finance Co. LLP			
Sr. No.	Name of Partners	Number of Shares held	% Shareholding
1	Manhar G. Gandhi (Designated Partner)	18,18,075	14.07
2	Bhupatrai G. Gandhi (Designated Partner)	17,07,686	13.22
3	Jayesh M. Gandhi	10,32,498	7.99
4	Manoj B. Gandhi	9,69,816	7.51
5	Bharti M. Gandhi	6,94,265	5.38
6	Chandra B. Gandhi	4,16,961	3.23

- iii) **Aggregate shareholding of the Directors and Key Managerial Personnel of the Company, as on the date of Notice convening of General Meeting, i.e. Tuesday, June 22, 2021 is as follows:**

Sr. No.	Name	Designation	Number of Shares held	% Shareholding
1	Manhar G. Gandhi	Managing Director	18,18,075	14.07
2	Bhupatrai G. Gandhi	Joint Managing Director	17,07,686	13.22
3	Jayesh M. Gandhi	Non-executive Promoter Director	10,32,498	7.99
4	Dharmen B. Shah	Independent Director	3,000	0.02
5	Kavas N. Warden	Independent Director	26,000	0.20
6	Bhavi J. Koradia	Independent Director	Nil	Nil
7	Shobhana R. Vartak	Chief Financial Officer	Nil	Nil
8	Jitendra D. Khadye	Company Secretary	Nil	Nil

- iv) **Aggregate number of shares purchased or sold by the Promoter, Promoter Companies / Entities, Persons in Control of the Company, Directors of the Promoter Companies / Entities and Directors & Key Managerial Personnel of the Company during a period of six months preceding the date of the board meeting at which the Buyback was approved till the date of Notice convening the General Meeting:**

None of the Promoter, Promoter Companies / Entities, Persons in Control of the Company, Directors of Promoter Companies / Entities and Directors & Key Managerial Personnel of the Company have purchased / sold shares and other specified securities in the Company during a period of 6 months preceding the date of the Board meeting at which the Buyback was approved till the date of Notice convening General Meeting for Buyback, i.e. Tuesday, June 22, 2021.

- i) **Intention of Promoter, Promoter Companies / Entities and Persons in Control of the Company to participate in Buyback:**

In terms of the Buyback Regulations, under the Tender Offer route, the Promoters of the Company have an option to participate in the Buyback. In this regard, the Promoters of the Company have expressed their intention via their letters dated Tuesday, June 22, 2021 to participate in the Buyback and it may tender up to an aggregate maximum of **26,23,771** Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations. Please see below the maximum number of Equity Shares intended to be tendered by each of the Promoter:

Sr. No.	Promoter Name	Number of Shares held	Maximum Number of Shares intended to Tender
1	Manhar G. Gandhi (HUF)	79,418	13,678
2	Manhar G. Gandhi (Small HUF)	1,16,522	61,462
3	Manhar G. Gandhi	18,18,075	2,94,805
4	Bhupatrai G. Gandhi (HUF)	1,06,347	10,387
5	Bhupatrai G. Gandhi (Small HUF)	1,10,880	61,960
6	Bhupatrai G. Gandhi	17,07,686	3,47,115
7	Jayesh M. Gandhi	10,32,498	76,032
8	Manoj B. Gandhi	9,69,816	84,648
9	Bharti M. Gandhi	6,94,265	1,52,629
10	Chandra B. Gandhi	4,16,961	32,641
11	Gopi J. Gandhi	4,01,010	1,40,537
12	Jigna M. Gandhi	3,97,396	31,553
13	Karishma J. Gandhi	2,16,638	2,16,638
14	Karan Manoj Gandhi	3,07,763	88,763
15	Rahul Jayesh Gandhi	1,07,459	45,759
16	Jigna Nilesh Mehta	43,634	43,634
17	Bina Tushar Shah	32,800	Nil
18	Nilesh Vinodrai Mehta	8,139	8,139
19	B. M. Gandhi Investment Co. LLP	4,77,572	4,77,572
20	Gandhi Finance Co. LLP	4,35,819	4,35,819
<b>Total</b>		<b>94,80,698</b>	<b>26,23,771</b>

The details of the date and price of acquisition of the Equity Shares that the Promoter intends to tender are set-out below:

**1) Manhar G. Gandhi (HUF)**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
25/01/1988	Rights Issue *	12,200	10.00	10.00
<b>Sub-Total</b>		<b>12,200</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	24,400	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	5,410	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	5,312	550.00	5.00
<b>Total</b>		<b>13,678</b>		

**2) Manhar G. Gandhi (Small HUF)**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
25/01/1988	Rights Issue *	39,500	10.00	10.00
<b>Sub-Total</b>		<b>39,500</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	79,000	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	9,024	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	8,514	550.00	5.00
<b>Total</b>		<b>61,462</b>		

## 3) Manhar G. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
30/12/1992	Rights Issue *	1,01,700	10.00	10.00
30/04/1998	Purchase	90,000	6.52	10.00
07/04/2001	Purchase	69,500	12.65	10.00
<b>Sub-Total</b>		<b>2,61,200</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	5,22,400	NA	5.00
30/01/2009	Purchase	20,000	39.51	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	1,26,295	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	1,21,300	550.00	5.00
<b>Total</b>		<b>2,94,805</b>		

## 4) Bhupatrai G. Gandhi (HUF)

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
25/01/1988	Rights Issue *	12,200	10.00	10.00
<b>Sub-Total</b>		<b>12,200</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	24,400	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	7,037	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	6,976	550.00	5.00
<b>Total</b>		<b>10,387</b>		

## 5) Bhupatrai G. Gandhi (Small HUF)

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
25/01/1988	Rights Issue *	39,400	10.00	10.00
<b>Sub-Total</b>		<b>39,400</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	78,800	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	8,678	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	8,162	550.00	5.00
<b>Total</b>		<b>61,960</b>		

## 6) Bhupatrai G. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
07/12/1995	Purchase	20,000	17.10	10.00
20/04/1998	Purchase	90,000	6.52	10.00
16/10/2000	Purchase	95,300	17.30	10.00
17/10/2000	Purchase	29,700	17.50	10.00
02/04/2001	Purchase	55,000	12.65	10.00
<b>Sub-Total</b>		<b>2,90,000</b>		

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	5,80,000	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	1,17,731	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	1,15,154	550.00	5.00
<b>Total</b>		<b>3,47,115</b>		

## 7) Jayesh M. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
02/01/1996	Purchase	11,000	18.71	10.00
08/01/1996	Purchase	44,000	18.62	10.00
09/01/1996	Purchase	500	17.65	10.00
17/10/2000	Purchase	35,100	17.50	10.00
20/10/2000	Purchase	14,900	17.22	10.00
<b>Sub-Total</b>		<b>1,05,500</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	2,11,000	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	67,670	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	67,298	550.00	5.00
<b>Total</b>		<b>76,032</b>		

## 8) Manoj B. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
02/01/1996	Purchase	11,000	18.71	10.00
08/01/1996	Purchase	44,000	18.62	10.00
09/01/1996	Purchase	1,000	17.65	10.00
20/10/2000	Purchase	50,000	17.22	10.00
<b>Sub-Total</b>		<b>1,06,000</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	2,12,000	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	63,908	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	63,444	550	5.00
<b>Total</b>		<b>84,648</b>		

## 9) Bharti M. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
02/04/1987	Purchase	2,900	6.05	10.00
20/06/1996	Purchase	25,000	19.45	10.00
02/08/1996	Purchase	2,500	17.40	10.00
05/08/1996	Purchase	7,300	16.95	10.00
20/06/1997	Purchase	500	12.15	10.00
27/06/1997	Purchase	3,400	13.24	10.00
29/09/1997	Purchase	6,000	10.35	10.00

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
14/12/1998	Purchase	9,000	8.75	10.00
08/03/1999	Purchase	4,000	9.38	10.00
11/03/1999	Purchase	3,000	9.37	10.00
12/03/1999	Purchase	3,400	9.21	10.00
16/03/1999	Purchase	2,600	8.95	10.00
17/03/1999	Purchase	3,500	9.28	10.00
19/03/1999	Purchase	1,600	9.26	10.00
30/03/1999	Purchase	1,500	9.47	10.00
01/04/1999	Purchase	3,000	9.45	10.00
05/04/1999	Purchase	500	10.00	10.00
02/08/1999	Purchase	1,600	10.37	10.00
03/08/1999	Purchase	1,500	10.77	10.00
04/08/1999	Purchase	1,700	10.31	10.00
05/08/1999	Purchase	500	10.60	10.00
06/08/1999	Purchase	200	10.00	10.00
27/09/1999	Purchase	4,700	12.36	10.00
28/09/1999	Purchase	1,300	12.12	10.00
29/10/1999	Purchase	1,000	13.40	10.00
16/12/1999	Purchase	1,000	13.70	10.00
13/03/2000	Purchase	1,300	12.65	10.00
22/03/2000	Purchase	500	12.15	10.00
06/06/2001	Purchase	6,700	13.40	10.00
05/07/2001	Purchase	100	14.20	10.00
06/07/2001	Purchase	6,000	13.15	10.00
10/08/2001	Purchase	10,900	10.80	10.00
04/03/2002	Purchase	200	14.10	10.00
06/03/2002	Purchase	1,370	15.10	10.00
02/01/2003	Purchase	800	16.10	10.00
<b>Sub-Total</b>		<b>1,21,070</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	2,42,140	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	44,754	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	44,757	550.00	5.00
<b>Total</b>		<b>1,52,629</b>		



**10) Chandra B. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
02/04/1987	Purchase	2,900	6.05	10.00
29/09/1997	Purchase	7,000	10.35	10.00
31/12/1998	Purchase	200	9.10	10.00
04/01/1999	Purchase	500	9.15	10.00
07/01/1999	Purchase	200	9.15	10.00
08/01/1999	Purchase	1,000	9.10	10.00
11/02/1999	Purchase	2,200	9.25	10.00
08/03/1999	Purchase	2,900	9.37	10.00
25/10/1999	Purchase	5,000	14.15	10.00
06/01/2000	Purchase	2,300	13.20	10.00
07/01/2000	Purchase	1,900	13.27	10.00
09/07/2001	Purchase	5,000	12.60	10.00
12/08/2003	Purchase	12,000	22.60	10.00
<b>Sub-Total</b>		<b>43,100</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	86,200	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	26,758	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	26,801	550.00	5.00
<b>Total</b>		<b>32,641</b>		

**11) Gopi J. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
13/02/1997	Purchase	3,000	15.00	10.00
14/02/1997	Purchase	1,000	15.00	10.00
24/02/1997	Purchase	1,100	15.15	10.00
25/02/1997	Purchase	6,000	15.33	10.00
26/02/1997	Purchase	900	15.15	10.00
27/02/1997	Purchase	300	15.15	10.00
14/03/1997	Purchase	16,200	14.43	10.00
17/03/1997	Purchase	5,500	15.00	10.00
18/03/1997	Purchase	3,500	14.80	10.00
29/09/1997	Purchase	4,000	10.35	10.00
31/03/1999	Purchase	500	9.35	10.00
01/04/1999	Purchase	17,000	9.45	10.00
12/08/2003	Purchase	15,000	22.60	10.00
26/02/2004	Purchase	12,900	30.89	10.00
15/09/2006	Purchase	12,000	137.68	10.00
<b>Sub-Total</b>		<b>98,900</b>		

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	1,97,800	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	29,196	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	28,067	550.00	5.00
<b>Total</b>		<b>1,40,537</b>		

**12) Jigna M. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
09/07/2001	Purchase	7,000	12.60	10.00
12/08/2003	Purchase	10,000	22.60	10.00
26/02/2004	Purchase	12,800	30.89	10.00
15/09/2006	Purchase	12,000	137.68	10.00
<b>Sub-Total</b>		<b>41,800</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	83,600	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	26,105	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	25,942	550.00	5.00
<b>Total</b>		<b>31,553</b>		

**13) Karishma J. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
30/12/1992	Rights Issue *	1,03,500	10.00	10.00
26/09/1997	Purchase	4,000	11.15	10.00
16/11/1998	Purchase	8,000	8.86	10.00
11/09/1999	Purchase	1,700	12.77	10.00
20/09/1999	Purchase	4,300	12.86	10.00
09/05/2000	Purchase	100	13.20	10.00
11/05/2000	Purchase	200	13.20	10.00
31/05/2002	Purchase	100	15.65	10.00
03/02/2004	Purchase	250	30.00	10.00
<b>Sub-Total</b>		<b>1,22,150</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	2,44,300	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	13,790	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	13,872	550.00	5.00
<b>Total</b>		<b>2,16,638</b>		

## 14) Karan Manoj Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
29/09/1997	Purchase	4,000	10.35	10.00
12/11/1998	Purchase	8,000	8.85	10.00
<b>Sub-Total</b>		<b>12,000</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	24,000	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	13,628	500.00	5.00
18/06/2018	Promoter Inter-se Transfer – Gift	99,600	NIL	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	21,209	550.00	5.00
<b>Total</b>		<b>88,763</b>		

## 15) Rahul Jayesh Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
30/01/2009	Purchase	4,300	38.52	5.00
02/02/2009	Purchase	3,000	38.19	5.00
<b>Sub-Total</b>		<b>7,300</b>		
27/03/2018	Shares bought back in Buyback Offer - 2018	3,880	500.00	5.00
08/04/2019	Promoter Inter-se Transfer – Gift	50,000	Nil	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	7,661	550.00	5.00
<b>Total</b>		<b>45,759</b>		

16) Jigna Nilesh Mehta<sup>#</sup>

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
As on 26/03/2008	Sub divided Equity Shares of Face Value of ₹ 5/- each	47,200	NA	5.00
12/02/2019	Market Sale	20	354.21	5.00
<b>Sub Total</b>		<b>47,180</b>		
18/10/2019	Shares bought back in Buyback Offer - 2019	3,546	550.00	5.00
<b>Total</b>		<b>43,634</b>		

17) Nilesh Vinodrai Mehta<sup>#</sup>

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
As on 26/03/2008	Sub divided Equity Shares of Face Value of ₹ 5/- each	8,800	NA	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	661	550.00	5.00
<b>Total</b>		<b>8,139</b>		

**18) B. M. Gandhi Investment Co. LLP**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
23/05/1986	IPO *	1,32,150	10.00	10.00
30/12/1992	Rights Issue *	1,59,500	10.00	10.00
<b>Sub-Total</b>		<b>2,91,650</b>		
15/09/2006	Sale	12,000	136.32	10.00
<b>Sub-Total</b>		<b>2,79,650</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	5,59,300	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	42,912	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	38,816	550.00	5.00
<b>Total</b>		<b>4,77,572</b>		

**19) Gandhi Finance Co. LLP**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
23/05/1986	IPO *	13,780	10.00	10.00
25/01/1988	Rights Issue *	5,920	10.00	10.00
30/12/1992	Rights Issue *	2,47,500	10.00	10.00
<b>Sub-Total</b>		<b>2,67,200</b>		
15/09/2006	Sale	12,000	136.32	10.00
<b>Sub-Total</b>		<b>2,55,200</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	5,10,400	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	39,159	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	35,422	550.00	5.00
<b>Total</b>		<b>4,35,819</b>		

Note: None of the Promoters mentioned hereinabove has acquired any shares for consideration other than cash.

\* The relevant documents showing the exact date of acquisition by the Promoters in the IPO / Rights Issue are not available and the same are based on certificates given by the Company.

# Details of date of acquisition/sale and cost of acquisition/sale prior to March 26, 2008 are not available and the same are based on certificates given by the Company.

**j) No Defaults:**

The Company confirms that no defaults have been made by Company in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years.

**k) Confirmations from the Board:**

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

- i) Immediately following the date of the Board meeting and the date on which the result of special resolution passed by the members at 36th Annual General Meeting will be declared, approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts;

- ii) As regards the Company's prospects for the year immediately following the date of the Board meeting approving the Buyback as well as for the year immediately following the date on which special resolution passed by the members at the general meeting will be declared, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting as also from the date of general meeting Resolution;
- iii) In forming an opinion as aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities), as if the Company was being wound up under the provisions of the Act (to the extent applicable) and the Insolvency and Bankruptcy Code, 2016.

**l) Members holding Equity Shares in physical form:**

All equity shareholders holding the Equity Shares in physical form shall note that in accordance with the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. **Further as per SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the Company will accept Equity Shares tendered in physical form in the Buyback, subject to any future regulatory clarifications / amendment to the applicable Act, Rules or Regulations.**

**m) Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:**

To,  
The Board of Directors,  
Gandhi Special Tubes Limited  
201-204 Plaza, 2nd Floor,  
55 Hughes Road,  
Next to Dharam Palace,  
Mumbai – 400 007  
Maharashtra, India.

Sub: Statutory Auditor's Report in respect of proposed buyback of equity shares by Gandhi Special Tubes Limited (the "Company") in terms of the clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (as amended) ("**SEBI Buyback Regulations**").

1. This Report is issued in accordance with the terms of our engagement letter dated June 22, 2021.
2. The Board of Directors of the Company have approved a proposal for buyback of Equity Shares by the Company at its meeting held on June 22, 2021 in pursuance of the provisions of Sections 68, 69, 70 and 110 of the Companies Act, 2013 (the "Act") and the SEBI Buyback Regulations. We have been requested by the Management of the Company to provide a report on the accompanying statement of permissible capital payment ('Annexure A') as at 31st March, 2021 (hereinafter referred to as the "Statement"). This statement has been prepared by the Management, which we have initialled for the purposes of identification only.

**Management's Responsibility:**

The preparation of the Statement in accordance with Section 68(2)(c) of the Companies Act, 2013 and the compliance with the SEBI Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Auditor's Responsibility:**

Pursuant to the requirement of the Buyback Regulations, it is our responsibility to provide a reasonable assurance:

- i) whether we have inquired into the state of affairs of the Company in relation to the audited financial statements as at March 31, 2021;

- ii) if the amount of permissible capital payment as stated in Annexure A, has been properly determined considering the audited financial statements as at March 31, 2021 in accordance with Section 68(2) of the Companies Act, 2013; and
- iii) if the Board of Directors of the Company, in their meeting held on June 22, 2021 have formed the opinion as specified in Clause (xi) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the shareholders' resolution with regard to the proposed buyback are declared.

We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements Opinion.

**Opinion:**

Based on our examination, information and, explanation given to us by the management, we report that:

- a. We have enquired into the state of affairs of the Company in relation to its audited financial statements as at and for the year ended March 31, 2021 which has been approved by the Board of Directors of the Company at their meeting held on June 22, 2021;
- b. The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the Statement attached herewith, is properly determined in our view in accordance with Section 68 (2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited financial statements of the Company as at and for the year ended March 31, 2021.
- c. The Board of Directors of the Company, in their meeting held on June 22, 2021 have formed their opinion as specified in clause (xi) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated June 22, 2021, and from the date on which the results of the shareholders' resolution with regard to the proposed buyback are declared.

**Restriction on Use**

9. This report has been issued at the request of the Company solely for use of the Company

(i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations,

(ii) to enable the Board of Directors of the Company to include in the explanatory statement to the notice for special resolution, public announcement, draft letter of offer, letter of offer and other documents pertaining to buyback to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and

(iii) for providing to the Managers appointed by the company, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

**For Shashikant J. Shah & Co.**  
**Chartered Accountants**  
**(Firm Reg. No. 109996W)**

**Nikunj S. Shah**  
**Partner**  
**Membership No. 112867**  
**UDIN: 21112867AAAAAW9820**  
**June 22, 2021**  
**Mumbai**

## ANNEXURE A

**Statement of permissible capital payment (including premium) as at March 31, 2021**

The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the table below is properly determined in our view in accordance with Section 68(2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company for the period ended March 31, 2021.

Particulars as on March 31, 2021		Amount (₹)
<b>Paid up capital (1,29,18,616 shares of ₹ 5/- each)</b>	<b>A</b>	<b>6,45,93,080</b>
Free Reserves		
- Profit and loss account balance		162,44,28,999
- Securities Premium		-
- General Reserve		-
<b>Total Free Reserves</b>	<b>B</b>	<b>162,44,28,999</b>
<b>Total paid up capital and free reserves</b>	<b>A + B</b>	<b>168,90,22,079</b>
Maximum amount permissible for buyback under Section 68 of the Companies Act, 2013 (25% of the total paid up capital and free reserves)		42,22,55,520

**For Shashikant J. Shah & Co.**

**Chartered Accountants**

**(Firm Reg. No. 109996W)**

**Nikunj S. Shah**

**Partner**

**Membership No. 112867**

**UDIN: 21112867AAAAAW9820**

**June 22, 2021**

**Mumbai**

**n) Confirmations from Company as per the provisions of Buyback Regulations and Act:**

- i) All the Equity Shares of the Company are fully paid up;
- ii) The Company will not Buyback its Equity Shares so as to delist its shares from the Stock Exchange;
- iii) The Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of the Board meeting;
- iv) The Company shall not buy back its shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- v) The Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- vi) The Company shall not make any offer of buyback within a period of one year reckoned from the date of the buyback period, as defined in the Buyback Regulations;
- vii) The Company shall not issue and allot any shares or other specified securities (including ESOPs) including by way of bonus, till the date of expiry of the buyback period;
- viii) The Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and / or Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback;

- ix) The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback as prescribed under the Companies Act and rules made thereunder;
  - x) There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
  - xi) Pursuant to Regulation 24(i)(f) of the Buyback Regulations, the Company shall not raise further capital for a period of one year from the expiry of the buyback period, as defined in the Buyback Regulations, except in discharge of its subsisting obligations;
  - xii) The Company, as per the provisions of Section 68(8) of the Companies Act, will not issue same kind of shares or other securities including allotment of new shares under clause (a) of Section 62(1) or other specified securities within a period of six (6) months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
  - xiii) The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the public announcement of the offer to Buyback is made;
  - xiv) The Company shall not Buyback locked-in shares and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable;
  - xv) The Company shall transfer from its free reserves, a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet;
  - xvi) The special resolution approving the Buyback will be valid for a maximum period of one year from the date of passing the said special resolution (or such extended period as may be permitted under the Companies Act or the Buyback Regulations or by the appropriate authorities). The exact time table for the Buyback shall be decided by the Board (or its duly constituted Committee) within the above time limits;
  - xvii) The equity shares bought back by the Company will be compulsorily cancelled in the manner prescribed under the Buyback Regulations and the Act and will not be held for re-issuance;
  - xviii) The company shall not directly or indirectly purchase its own shares or other specified securities - (a) through any subsidiary company including its own subsidiary companies, (b) through any investment company or group of investment companies; and
  - xix) The Equity Shares bought back by the Company will be extinguished in the manner prescribed under the Buyback Regulations and the Act within 7 (seven) days of the last date of completion of the Buy-back.
- o) For any clarifications related to the Buyback process, shareholders holding Equity Shares of the Company may contact:**

Company : Gandhi Special Tubes Limited  
Contact Person : Jitendra Khadye  
Tel : 022-23634179  
Email : [complianceofficer@gandhitubes.com](mailto:complianceofficer@gandhitubes.com)

All the material documents referred to in the Notice and Explanatory Statement such as the Memorandum and Articles of Association of the Company, relevant Board resolution for the Buyback, the audited accounts for the period from April 1, 2020 to March 31, 2021, the Auditors Report dated Tuesday, June 22, 2021, are available for inspection without any fee by the shareholders at the Company's registered office during normal business hours on working days from the date of dispatch of the notice up to the date of AGM, i.e. Tuesday, August 10, 2021.

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its Members holding equity shares of the Company. The Directors, therefore, recommend the Special Resolution as set out under Item No. 4 in the accompanying Notice for approval by the Members.



None of the Directors or any Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested, either directly or indirectly in passing of the said Resolution, save and except to the extent of their respective interest as Members of the Company.

**Item No. 5**

The Board, on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration to the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022.

In terms of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022 by passing an Ordinary Resolution as set out at Item No. 5 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board re-recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

**By Order of the Board of Directors**

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

**Place: Mumbai**

**Date: June 22, 2021**

**Regd. Office:**

201-204 Plaza, 2<sup>nd</sup> Floor,

55 Hughes Road,

Mumbai – 400 007

Tel: 022 – 23634179

CIN: L27104MH1985PLC036004

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

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

**BOARD'S REPORT**

Dear Members,

Directors are pleased to present their Thirty Sixth Annual Report on the business and operations of your Company along with the Audited Financial Statements for the financial year ended on March 31, 2021.

**1. FINANCIAL RESULTS**

The Company's financial performance for the year ended March 31, 2021 is summarized below:

Particulars	For the year ended 31.03.2021 (₹ in Lakhs)	For the year ended 31.03.2020 (₹ in Lakhs)
Revenue from operations	11,352.58	8,093.84
Other Income	612.92	571.12
Total Revenue	11,965.50	8,664.96
<b>Profit before Tax</b>	4,756.63	2,602.70
Less: Tax Expenses		
Current Tax	1,161.41	662.00
Deferred Tax	(20.01)	(196.58)
<b>Profit for the year</b>	3,615.23	2,137.28
Dividend paid	1,162.68	1,243.67
Corporate Dividend Tax paid	-	255.64
Buy Back Of Shares	-	4,950.00
Tax on Buy Back of Shares	-	1,142.67
<b>Earnings Per Share of ₹ 5/-</b>	27.98	15.93

**2. RESERVES**

Your Board do not propose to transfer any amount to the General Reserve.

**3. PERFORMANCE AND AFFAIRS OF THE COMPANY**

During the year under review, the Company has earned revenue from the sale of products of ₹ 11,022 lakhs as against ₹ 7,767 lakhs in the Previous Year. This has resulted in an increase of 41.91 % over the Previous Year. Further profit before tax for the year increased by 82.75 %.

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

**4. DIVIDEND**

Your Directors are pleased to recommend a dividend of 180 % i.e. ₹ 9/- per equity share, out of Free reserves, for the Financial Year ended March 31, 2021 subject to necessary approval by the Shareholders at the ensuing Annual General Meeting of the Company to be held on Tuesday, August 10, 2021. The total dividend recommended for the financial year 2020-2021 is ₹ 1,162.68 lakhs. Payment of Dividend will be made to the members whose names appear in Register as on July 30, 2021. This Dividend will be subject to Income Tax in the hands of the Shareholders and also subject to Deduction of Tax at Source as per the provisions of Income Tax Act, 1961. Members are advised to refer to the detailed note stated in the Note to the Notice convening 36th Annual General Meeting.

**5. BUYBACK OF SHARES**

The Board at its meeting held on June 22, 2021 has, approved Buyback of shares up to 7,66,616 fully paid Equity Shares of the Company of face value of ₹ 5/- each, on a proportionate basis through the Tender Offer route at a maximum price of ₹ 550 /- per equity share for an aggregate amount not exceeding ₹ 42,16,38,800/-, subject to the approval by members at the ensuing Annual General Meeting. The Company will also be liable to pay Income Tax u/s 115 QA @ 20% plus applicable SC & Cess on the buyback amount.

**6. IMPACT OF COVID-19 ON BUSINESS OF THE COMPANY**

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. Global Solutions are needed to overcome the challenges. The physical and emotional wellbeing of employees and Stakeholders continues to be the top priority for the Company, with several initiatives to support the society during the pandemic. During this ongoing pandemic we followed all the guidelines issued in this regard by the respective States and the Central Government with regard to the operations and safety of people. The strict standard of physical distancing and hygiene were enforced.

The Company's operations are at normalcy and there is no impact of the pandemic on the Company's financials for the year ended March 31, 2021. The management is continuously and closely monitoring the COVID-19 developments and possible effects on its financial condition, liquidity and operations and is actively working to minimize the Impact of this unprecedented situation.

**7. CURRENT BUSINESS STATUS**

The catastrophic year 2020 after creating one of the greatest challenges of the century came to an end reversing the disheartenment with lots of positivity. The feel-good period was however short-lived as the second wave of the pandemic ravaged several parts of the country. Speed in vaccination covering the vulnerable sections, while maintaining all possible mandatory precautions against the disease remains the only solution left to fight the menace.

Your company was able to maintain healthy growth in this difficult period on account of commendable efforts of employees under committed leadership.

Promise of large investments in infrastructure proposed in the last union budget and forecast of normal monsoon promise good demand for our products. However, rising commodity prices, particularly steel prices is a cause for grave concern.

**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**

Your Company does 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. BUSINESS RESPONSIBILITY REPORT**

As per Regulation 34(f) of SEBI (Listing Obligations and Disclosures Requirement) Regulations 2015, the Annual Report shall contain business responsibility report (BRR) describing the initiatives taken by the Company from environmental,

social and governance perspective. Having regard to the green initiative, the BRR is made available on the Company's website at [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com)

## **12. 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.

## **13. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **(i) Directors**

Shri Jayesh Gandhi (DIN 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.

Apart from the above, there is no change in the composition of the Board of Directors.

### **(ii) Key Managerial Personnel**

During the year under review, Shri. Jitendra Khadye was elevated from the post of Assistant Company Secretary to Company Secretary and Compliance Officer of the Company w.e.f. June 29, 2020.

Apart from the above, there is no change in the Key Managerial Personnel.

### **(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 16(1)(b) and Regulation 25 of the Listing Regulations.

### **(iv) Annual Evaluation of the Board**

In compliance with the provisions of Section 134 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance and that of its 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 05, 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.

All the independent Directors have registered themselves with the Indian Institute of Corporate Governance (IICA) through MCA Portal and are duly qualified to hold office of the Independent Directors.

## **14. BOARD AND COMMITTEES**

During the financial year 2020-2021, 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 Act, 2013, Secretarial Standard-1 on Board Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except in the case of first meeting i.e. meeting convened on June 29, 2020 and last meeting of previous financial year convened on January 27, 2020 with a gap of 154 days. However, this will not be treated as violation of Section 173(1) of the Companies, 2013 in view of the relaxation granted by Ministry of Corporate Affairs through Circular No. 11/2020 of March 24, 2020 addressing to the Registrar of Companies and Regional Director that no action be taken for the relaxation granted under the circular if the gap does not exceed 180 days. Even SEBI has also granted relaxation from such requirement under section 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in pursuance to the Circular No. SEBI/ HO/CFD/ CMD1/CIR /P/2020/38 March 19, 2020 due to Covid-19 pandemic. The details of the Audit Committee, Stakeholder Relationship,

Nomination and Remuneration Committee and Corporate Social Responsibility Committee have been given in the Report on the Corporate Governance. Recommendations made by the Audit Committee have been accepted by the Board without any modification.

**15. 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 March 31, 2021 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.

**16. 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.gandhispecialtubes.com](http://www.gandhispecialtubes.com). There has been no change in the policy during the year.

**17. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES**

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

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

**18. RISK MANAGEMENT SYSTEM**

The Company has designed Risk Management System 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 Risk Management System 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.

**19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTG**

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.

**20. 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.

**21. 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.

**22. EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2021 is available on the Company's website on [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com).

**23. CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the provisions of Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formulated and posted the Corporate Social Responsibility Policy on website of the company viz; [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com).

The Annual Report on CSR in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, for the year 2020-2021 is annexed as 'Annexure B' to the Board's Report.

**24. 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 5 years at the Annual General Meeting held on July 12, 2017 and will continue to hold office till the conclusion of the 37th Annual General Meeting to be held in the year 2022. The Statutory Auditors has 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. There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

**(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 2020-2021. The Secretarial Audit Report in Form MR-3 is annexed herewith as “**Annexure C**”.

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

**(iii) COST AUDITOR**

The Board has appointed Shri. Dakshesh Zaveri as the Cost Auditor for the year 2021-2022 pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2015 at a remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) which is subject to the ratification by members in the ensuing Annual General Meeting.

**25. 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.

**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 32 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. 37 to the financial statement which should be treated as part of this Board's Report.

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, 2021 is provided in a separate “**Annexure D**” 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 in Mumbai and at 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. Issue of shares with differential rights.
2. Issue of sweat equity shares.
3. There is no Employees Stock Option Scheme.
4. 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 also acknowledges the dedicated efforts put in by the employees at all levels.

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

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

**Place: Mumbai**

**Date: June 22, 2021**



## “ANNEXURE A”

## ANNEXURE TO BOARD'S REPORT

PARTICULARS REQUIRED PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014 FOR THE YEAR ENDED ON MARCH 31, 2021.

## I. Conservation of Energy

1. Energy conservation measures taken:

(i) Optimum utilisation of Furnace.

(ii) Lighting inside the Plant & in compound areas has been changed to LED

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

The Company had already installed a Roof Top Solar Plant with a capacity of 0.675 MW at its factory situated in Halol, Gujarat.

Due to advancement in technology and to save electricity and reduce electricity expenses, the company has already passed the board resolution on February 08, 2021 for enhancement of Roof Top Solar Plant from 0.675 Mega Watts to 2.000 (Two) Mega Watt.

3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on cost of production of goods: Above measures have resulted in substantial energy saving.

## A. POWER AND FUEL CONSUMPTION

Particulars		2020-2021	2019-2020
Electricity Purchased			
Units Purchased	Lakhs KWH	44.61	43.77
Total Amount	₹ Lakhs	363.72	365.19
Average Rate / KWH	Rupees	8.15	8.34
GSPC Gas Consumed			
Quantity Consumed	SCM	1510006	1171293
Total Amount	₹ Lakhs	503.52	370.51
Average Rate / SCM	Rupees	33.35	31.63
Liquid Nitrogen Consumed			
Quantity Consumed	CUM	3990992	3141081
Total Amount	₹ Lakhs	201.20	102.12
Average Rate/Cum	Rupees	5.04	3.25

## B. CONSUMPTION PER UNIT OF PRODUCTION

Sr. No.	Particulars	Unit of Measurement	2020-2021 Per Tonne	2019-2020 Per Tonne
1.	Electricity*	KWH	942.17	1226.62
2.	GSPC GAS**	Tonne	0.258	0.265
3.	Liquid Nitrogen**	CUM	897.26	934.57

\* 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 earnings and outgo is as follows:

Foreign Exchange Earnings	₹	2,74,89,699/-
Foreign Exchange Outgo	₹	8,23,39,300/-

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

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

**Place: Mumbai**

**Date: June 22, 2021**

## “ANNEXURE B”

**ANNUAL REPORT ON CSR ACTIVITIES  
FOR THE YEAR ENDED ON 31ST MARCH, 2021**

**1. A brief outline of the Company’s CSR Policy.**

Gandhi Special Tubes Limited strongly believes that Society is one of the stakeholders and has been discharging its Corporate Social Responsibility.

The scope of the CSR activities extends to specific projects/ programs or areas as permitted under the Act and Rules. The Company may carry out activities namely Promotion of Education; Contribution/Financial Assistance in areas affected with natural calamities; Financial and Medical assistance; etc either its own or through recognized and eligible trusts and social and welfare institutions.

Further details are available on the Web Site of the Company [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com)

**2. Composition of CSR Committee:**

Sr. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Manhar G. Gandhi	Chairman/ Managing Director	2	2
2.	Jayesh M. Gandhi	Member/Non-Executive Director	2	2
3.	Bhavi J. Koradia	Member/Independent Director	2	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

<http://www.gandhispecialtubes.com/cg/CSRPolicy.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not Applicable to the Company. But the Management of the Company do remain in touch with the respective organisations to the utility of the infrastructural projects set up by the Company.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

There is no surplus amount available required to be set off for any of three preceding financial years.

**6. Average net profit of the Company as per section 135(5) for three Financial Year:-**

Financial Year	Net Profit as per Section 198 of the Companies Act, 2013 (in ₹)
2017-2018	45,47,41,445
2018-2019	49,75,34,359
2019-2020	26,02,69,635
Total Profit	1,21,25,45,439
Average Net Profit	40,41,81,813
2% of Average Net Profit	<b>80,83,636</b>
Total amount unspent upto Financial Year 2019-2020	52,87,518
Total amount to be spent for CSR Activities in Financial Year 2020-21	1,33,71,154

7.

a) Two percent of average net profit of the company as per section 135(5)

₹ 80,83,636/-

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

c) Amount required to be set off for the financial year, if any

Nil

d) Total CSR obligation for the financial year (7a+7b-7c)

₹ 80,83,636/-

8.

(a) CSR amount spent or unspent for the financial year 2020-2021

Amount Spent (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
50,00,000/-	0	Not Applicable	Not Applicable	Not Applicable	Not Applicable
16,650/-	0	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	State	District	Project Duration	Amount allocated for the project (In ₹)	Amount spent in the current financial Year (In ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (In ₹)	Mode of Implementation - Direct (Yes/No)	Name	CSR Registration Number
1.	Development and Enhancement of Lokvidyalay which is to be called Gandhi Special Primary/ Secondary School once the completion of the project.	Promoting Education	Yes	Gujarat	Bhav-nagar	9 months	1,00,00,000	50,00,000	0*	Yes	Vinay Vihar Kelavani Mandal	CSR00001209
	<b>Total</b>						<b>1,00,00,000</b>	<b>50,00,000</b>				

\* Balance amount of ₹ 50,00,000/- was paid for On-going project before 30 days i.e. on 22-04-2021.

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local areas (Yes/No)	Location of the project.		Amount spent for the project (In ₹).	Mode of implementation-Direct (Yes/No).	Mode of implementation - Through implementing Agency.	
				State	District			Name	CSR Registration Number
1.	HDFC Charity Fund for Cancer Cure	1(i)	Yes	Throughout India	-	16,650	No	HDFC Mutual Fund	Not applicable for the year
	<b>Total</b>	-	-	-	-	<b>16,650</b>	-	-	-

**(d) Amount spent in Administrative Overhead – Nil****(e) Amount spent on Impact Assessment, if applicable – Not Applicable****(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 50,16,650/-****(g) Excess amount for set off, if any**

Sr. No.	Particular	Amount (In ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	80,83,636/-
(ii)	Total amount spent for the Financial Year	50,16,650
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (In ₹)	Amount spent in the reporting Financial Year. (In ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (In ₹)
				Name of the Fund	Amount (In ₹)	Date of transfer.	
1.	2020-2021	Nil	50,16,650*	Not Applicable	Not Applicable	Not Applicable	33,54,504
2.	2019-2020	Nil	1,12,45,250	Not Applicable	Not Applicable	Not Applicable	52,87,518
3.	2018-2019	Nil	1,40,500	Not Applicable	Not Applicable	Not Applicable	77,07,142
	<b>Total</b>	<b>Nil</b>	<b>2,14,02,400</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	<b>Not Applicable</b>	

\* Total Amount spent for CSR as on the date of the signing of the Report i.e. 22-06-2021 is ₹ 1,00,16,650/- and balance amount of ₹ 33,54,504/- is required to be spent during the succeeding financial years.

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project.	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (In ₹).	Amount spent on the project in the reporting Financial Year (In ₹).	Cumulative amount spent at the end of reporting Financial Year. (In ₹)	Status of the project - Completed /Ongoing.
1.	01/2020-21	Development and Enhancement of Lokvidyalay which is to be called Gandhi Special Primary/ Secondary School once the completion of the project.	2020-2021	9 months	1,00,00,000	50,00,000	50,00,000	Ongoing
	<b>Total</b>	-	-	-	<b>1,00,00,000</b>	<b>50,00,000</b>	<b>50,00,000</b>	-

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year****(asset-wise details)****(a) Date of creation or acquisition of the capital asset(s) –**

It is an ongoing project and would likely to be completed in the succeeding financial year.

**(b) Amount of CSR spent for creation or acquisition of capital asset – ₹ 50,00,000/-.****(c) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) –**

It is ongoing project located at Lokvidyalay, Valukad, Taluka Palitana, District Bhavnagar, Gujarat – 364 270.

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) –**

The Company was required to spend ₹ 1,33,71,154/- (including the carried forward amount) out of which ₹ 50,16,650/- has been spent on the above mentioned project and activity and ₹ 83,54,504/- is the unspent amount as on the end of the financial year under review (out of which ₹ 50,00,000/- has been spent in the month of April, 2021) which is to be spent within three financial years once the project's/activities are identified.

Chairman and Managing Director

Chairman of CSR Committee

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

*[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 31<sup>st</sup> March, 2021 through electronic platform due to widespread outbreak of pandemic COVID-19 resulting in partial lockdown during the period under audit. 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 online verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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, 2021 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 conducted an online examination of 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, 2021 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, 2018;
  - 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, 2018 .
- 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 in respect of Meetings of Board of Directors (SS-1) and General Meetings (SS-2) as issued by the Institute of Company Secretaries of India;
- ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards 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 which has a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above
- i. Public/Rights/Preferential Issue of Shares/Debentures/Sweat equity etc.
  - ii. Redemption 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)**

**CS Nrupang B. Dholakia**  
**Designated Partner**  
**FCS-10032 CP No. 12884**

**Place: Mumbai**  
**Date: June 22, 2021**  
**UDIN: F010032C000499565**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**1. Industry Structure and Development**

Your 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 and other Engineering Industries.

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

**2. Opportunities & Threats**

**Opportunities:**

- Heavy government focus on the development of the agricultural sector and growth in rural income should fuel demand for Farm equipment.
- Increased pace of infrastructure development, government’s focus on investment in roads and thrust in other infrastructure projects should increase demand for construction equipment.
- Technological change will throw up some new opportunities.
- India is forecasted to be one of the fastest growing automobile markets in the world.
- Due to good Monsoon prediction from India Meteorological Department, across the country, demand for the Farm Equipment will increase which will create opportunities for the company.
- Government’s push for “ATMANIRBHAR BHARAT” will provide increased opportunities to the company to cater to other industries.

**Threats:**

- Constantly evolving, stricter safety and emission regulations can increase the cost of production.
- The large scale push by the Government for the electrification of vehicles and other technologically driven trends can be very disruptive for the entire automotive sector.
- The disruption caused by the Pandemic could take longer than expected to normalise the business environment.

**3. Product wise Performance**

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

Sr. No.	Product	2020-21(%)	2019-20 (%)
1.	Welded Tubes	11.18	14.48
2.	Seamless Tubes	82.65	78.68
3.	Cold Formed Nuts	5.51	5.62
4.	Wind Power	0.66	1.22
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**4. Outlook**

Given the healthy growth potential of the automotive industry and its significance to the overall economy in terms of generating employment opportunities across several sectors, the Government of India will be determined to support its development and it augurs well for the demand for your company’s products. Old vehicle scrappage policy of the government is also expected to lead to growth in demand in this sector.

**5. Risk and Concerns**

Your Company evaluates and monitors all risks associated with various areas of operations such as production, sales, inventory management, debtors, insurance, legal, safety and environment with a view to mitigate the adverse impact of these risk factors.

Type of risk	Nature of risk
<b>Industry and macroeconomic risks</b>	Given that it operates in a dynamic industry, the Company’s investments and performance are shaped by megatrends in the operating environment. The Company’s operations and subsequent performance is contingent on how these predominant trends affect its ability to deliver on its commitments. For instance, adverse regulatory or economic circumstances in the global market can have a direct and detrimental impact on the Company’s revenue, earnings, cash position and outlook.

Type of risk	Nature of risk
<b>Foreign exchange risks</b>	As the Company operates internationally, the Company undertakes transactions denominated in foreign currencies. The import of steel and its related consumable, and the export of finished tubes involve dealings in foreign currency. Therefore, any fluctuation in forex and interest rates will have a direct impact on the Company's operations.
<b>Risks to direct costs</b>	Volatility in costing and/or utilisation of steel products, raw materials, energy, equipment or any other direct cost will have an impact on the Company's margins. The Company keenly monitors the price movements and undertakes the necessary strategy or adopts remedial measures to offset this risk.
<b>Legal risks related to tax structure</b>	As an Indian entity, the Company is liable to various kinds of direct and indirect taxation applicable at various stages of the business. In light of this, the Company has in place a competent process and mechanism to deal with the constantly evolving tax environment that includes control framework for existing tax risks, the process for identifying and reporting new risks as well compliance to the same.
<b>Environmental law risks</b>	Due its reliance on natural resources, the Company's business operations are subject to local environmental laws, especially at its manufacturing sites. The cost and compliance that is associated with such regulations can directly impact the Company's daily operations. As a responsible organisation, the Company follows all mandated guidelines and laws and adhere to norms with respect to the environment.
<b>Information technology risks</b>	Access to information and data pertaining to operations and strategy is available through the inter-connected IT platforms the Company uses. Without adequate safeguards, this can be potentially harmful. The Company has (a) made significant investment towards ensuring robustness of security in addition to minimum cybersecurity protocols and (b) company has incorporated safeguards for hardware, software and has developed a highly competent in-house team to ensure trainings, developments, improvements etc.
<b>Risk of the unforeseen (COVID-19)</b>	In order to tackle the uncertainty and risks associated with an unprecedented event such as COVID-19, the Company ensured it followed the guidelines issued by the government and local authorities. In addition, it established standard operating procedures for the entire organisation. In order to maintain business continuity and revive operations, production commenced as soon as the initial lockdown lifted. There were many risks associated with the pandemic in terms of supply chain, labour, as well as fiscal disruptions. Such events require Business Continuity Plans to be in place to deal with the unforeseen. The Company adapted to the evolving situation and was able to ensure steady cash flows and continuity of operations.

## 6. Internal Control Systems

Your Company has a well-established 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 internal audit by a firm of independent Chartered Accountants and statutory audit which is periodically reviewed by the management and Audit Committee.

No material issues in relation to the adequacy of Company's control systems were reported during the year.

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

### a) Sales and Profit:

During the year, Net Sales increased by approximately 41.91 % and Profit for the Year (after tax) increased by 69.15 % as under:

(₹ In Lakhs)

Particulars	March 31, 2021	March 31, 2020
Net Sales	11,021.84	7,766.60
Profit After Tax	3,615.23	2,137.28

### b) Financial Ratios:

Following are ratios for the current financial year and their comparison with preceding financial year, along with explanations where the change has been 25% or more when compared to immediately preceding financial year:

Sr. No.	Ratio Description	March 31, 2021	March 31, 2020
1	Debtors Turnover (in days)	63	65
2	Inventory Turnover (in days)*	76	122
3	Interest Coverage Ratio	Not Applicable in the absence of interest payment	
4	Current Ratios**	10.84	15.17
5	Debt Equity Ratio	Not Applicable in the absence of any debt	
6	Operating Margin (%)***	39.75%	30.04%
7	Net Profit Margin (%)***	30.21%	24.67%
8	Return on Net Worth****	4.65%	6.84%

Detailed explanation of financial ratios:

\* Inventory Turnover has improved due to better management of inventory by Management.

\*\* Current Ratio has reduced due to increase in current investment and trade receivable.

\*\*\* Operating Margin and Net Profit Margin has improved due to substantial increase in turnover and reduction in material cost and other expenses due to better management.

\*\*\*\*Return on Net Worth have dropped in financial year 2020-21 on account of increase in shareholders' reserve.

#### Detailed explanation of ratios:

- i) **Debtors Turnover:** The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing turnover by average trade receivables.
- ii) **Inventory Turnover:** Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing turnover by average inventory.
- iii) **Current Ratio:** The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.
- iv) **Operating Profit Margin (%):** Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the EBIT by turnover.
- v) **Net Profit Margin (%):** The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. It is calculated by dividing the profit for the year by turnover.
- vi) **Return on Net Worth:** Return on Net Worth (RoNW) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing total comprehensive income for the year by capital employed during the year.

#### 8. Capital Investment:

Capital Investment of ₹ 112.46 Lakhs (including ₹ 75 Lakhs capital advance) was made during the year. The entire capital investment has been made out of the Company's internal cash accruals.

#### 9. Human Resources and Industrial Relations including number of people employed.

The Company believes that nurturing and strengthening the human resource is vital in creating a unique organisational structure consisting of harmonious relationships. The Company also considers its human capital a critical factor to its success. The Company also provides suitable environment for development of leadership skills which enables it to recruit and retain quality professionals in all the fields. The attrition rate is lower than the rate prevailing in the automotive sector. The Company has drawn up a comprehensive human resource strategy, which addresses key aspects of human resource development such as:

- The code of conduct and fair business practices;
- Evolution of performance based compensation packages to attract and retain talent.
- Skill development of all Blue collared workforce to enable them to effectively meet the productivity and quality deliverables.
- There were total 358 number of employees (including contractual employees) under the payroll of the Company.

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

Your Company continues to adopt the best safety practices that have reduced the accident and severity rate. The initiation of new personnel in Safety, Health and Environment (SHE) Management practices, before their deployment to the shop floor, contributed to a significant reduction in unsafe practices. Constant upgradations in technology, safety equipment provisions and regular safety inspections of the plant and machinery are also carried out to mitigate any hazards. This is progressively taking the Company towards achieving the target of Zero Accidents.

#### **11. Cautionary Statement**

Statements made in this Management Discussion and Analysis describing your Company's objectives, projections, estimates and expectations are "forward looking statements" 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, enduring relations with OEM and commitment of staff & workers will continue to sustain its positive performance in the year 2021-2022.

**For GANDHI SPECIAL TUBES LTD.**

**Place: Mumbai**  
**Date: June 22, 2021**

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

**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 Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

In compliance with the disclosure requirements of Schedule V to the Regulation 34 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the details are set out below.

**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 fifty percent independent directors. As on March 31, 2021, the Board consists of 6 directors out of which two are executive directors, one non-executive promoter director and three independent directors inclusive of a woman director.

**(B), (C) and (D) Attendance and Other Directorships and Inter Se relationship between directors:**

The attendance of the Board of Directors and related information as on March 31, 2021 is as follows: These details should be viewed in consonance with the requirements for the Board's Report.

<b>Name of the Director &amp; Designation</b>	<b>No. of Board Meetings attended (out of total 4 meetings)</b>	<b>Attendance at the last AGM on September 22, 2020</b>	<b>Directorship in other companies incorporated in India (including private limited companies)</b>	<b>No. of other Board Committees of which Member / Chairman (other than GANDHI SPECIAL TUBES LIMITED)</b>	<b>Executive / Non Executive / Independent</b>	<b>Inter Se relationship between directors</b>
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. Kavas N. Warden	4	Present	Nil	None	Non-Executive & Independent	None

Name of the Director & Designation	No. of Board Meetings attended (out of total 4 meetings)	Attendance at the last AGM on September 22, 2020	Directorship in other companies incorporated in India (including private limited companies)	No. of other Board Committees of which Member / Chairman (other than GANDHI SPECIAL TUBES LIMITED)	Executive / Non Executive / Independent	Inter Se relationship between directors
Mr. Jayesh M. Gandhi	4	Present	1	None	Non-Executive (Promoter Group)	Son of Mr. Manhar G. Gandhi, Chairman & Managing Director
Mr. Dharmen B. Shah	4	Present	1	None	Non-Executive & Independent	None
Mrs. Bhavi J. 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.

#### (E) Board Meetings

The meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Registered Office in Mumbai. The Notice of the Board Meeting and Board Agenda with detailed enclosures are sent in advance to all Directors. Documents relating to Unpublished Price Sensitive Information are sent three days before the Meeting.

Four Board Meetings were held through Video Conferencing/ Other Audio Visual Means as per Companies (Meetings of Board and its Powers) Amendment Rules, 2020 during the year on June 29, 2020, August 12, 2020, November 10, 2020, and February 08, 2021 respectively. All the board meetings have been held within the prescribed time gap of 120 days between any two meetings except in first meeting i.e. meeting convened on June 29, 2020 and last meeting of previous financial year convened on January 27, 2020 with a gap of 154 days. However, this will not be treated as violation of Section 173(1) of the Companies Act, 2013 in view of the relaxation granted by Ministry of Corporate Affairs through Circular No. 11/2020 of March 24, 2020 addressing to the Registrar of Companies and Regional Director that no action be taken for the relaxation granted under the circular if the gap does not exceed 180 days. Even SEBI has also granted relaxation from such requirement under section 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in pursuance to the Circular No. SEBI/ HO/CFD/ CMD1/CIR /P/2020/38 March 19, 2020 due to Covid-19 pandemic. Separate meeting of the Independent Director was convened on February 08, 2021 and the business as envisaged under Listing Regulations, 2015 and the Companies Act, 2013 was transacted. The meeting was held with the presence of Key Managerial Personnel of the Company.

#### (F) Number of Shares held by Non-Executive Director as on March 31, 2021.

Sr. No.	Shareholder's Name	No. of shares
1	Mr. Jayesh M. Gandhi	10,32,498
2	Mr. Dharmen B. Shah	3,000
4	Mr. Kavas N. Warden	26,000
5	Mrs. Bhavi J. Koradia	-

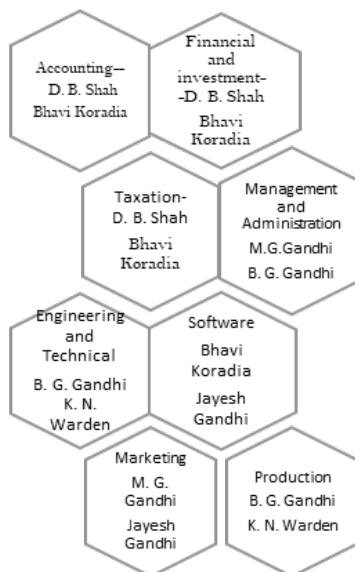
The Company has not issued any convertible instrument.

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

The web link for details of familiarization program to Independent Directors is at <http://www.gandhispecialtubes.com/cg/familiarisation.pdf>

**(H) List of core skills/expertise/competence as identified by the Board in context of the business:**

**The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:**



**(I) Independent Directors confirmation by the Board**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. As required under Regulation 25(9) of the Listing Regulations the Board of Directors of the Company has taken on record the declaration and confirmed the same after undertaking due assessment of the veracity of such declarations.

**(J) None of the Independent Directors has resigned before the expiry of his tenure.**

**COMMITTEES OF THE BOARD**

**3. Audit Committee**

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

The terms of reference of the Audit Committee were modified at the meeting held on January 27, 2020 and the same are in accordance with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) 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. Dharmen B. Shah, (Chartered Accountant) - Chairman and Independent Director
2. Mr. Kavas Warden (B. Com) - Independent Director
3. Mrs. Bhavi J. 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 on June 29, 2020, August 12, 2020, November 10, 2020, and February 08, 2021 respectively. The attendance of each member of the committee is given below:

<b>Name of the Director</b>	<b>No. of meetings attended out of 4 meetings</b>
Mr. Dharmen B. Shah	4
Mr. Kavas Warden	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. Cost Auditors also attends the meeting when the Report of the Cost Auditor is considered. 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 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 Obligations and Disclosure Requirements) 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 Director
- Mrs. Bhavi J. Koradia – Independent Director

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

During the year Nomination and Remuneration Committee meeting was held on June 29, 2020. 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. The Policy is available on the website of the Company at [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com).

**(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 Board, Individual Directors, and the Chairperson.

**5. Meeting of Independent Directors**

A Separate meeting of the Independent Directors was held on February 08, 2021, 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 March 31, 2021.****(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 January 01, 2018.

The total remuneration paid to the Managing Director and the Joint Managing Director during the year 2020-2021 was as under:

<b>Name</b>	<b>Salary (₹ In Lakhs)</b>	<b>Commission (₹ In Lakhs)</b>	<b>Total (₹ In Lakhs)</b>
Mr. Manhar G. Gandhi Mg. Director	90.00	140	230.00
Mr. Bhupatrai G. Gandhi Jt. Mg. Director.	90.00	140	230.00

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) of 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 Joint Managing Director are entitled to commission within the overall limit prescribed under sections 197 of the Companies Act, 2013.

- (e) 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 2020-2021, the Company has paid total sitting fee of ₹ 6,45,000/- to non-executive directors as under:

Mr. Kavas N. Warden	:	₹ 1,60,000/-
Mr. Jayesh M. Gandhi	:	₹ 1,65,000/-
Mr. Dharmen B. Shah	:	₹ 1,55,000/-
Mrs. Bhavi J. Koradia	:	₹ 1,65,000/-

## 7. Stakeholders Relationship Committee

### (a) Composition, Name of Members, Chairperson & Attendance during the year:

Stakeholders Relationship Committee comprises of:

Mr. Jayesh M. Gandhi	- Chairman and Non-Executive 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 February 08, 2021. All the members of the Committee attended the meeting. The Company Secretary is the secretary of the Committee. The Minutes of the Stakeholders' Relationship Committee Meeting are being noted at the Board Meeting.

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

Mr. Jitendra D. Khadye, Company Secretary is the Compliance Officer.

- (c) to (e) A statement of various complaints received, cleared and pending by the Company during the year ended on March 31, 2021 is given below:

Nature of Complaint	Received	Cleared	Pending
Non Receipt of Annual Report	2	2	Nil
Non Receipt of Dividend Warrants	-	-	Nil
Non- receipt of Duplicate/Transmission/Deletion of SCS	-	-	Nil
Non receipt of securities	-	-	Nil
Others	-	-	---
Letters from Stock Exchange/ SEBI/ Department of Company Affairs	1	1	Nil
<b>Total</b>	<b>3</b>	<b>3</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 March 31, 2021.

As per Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) 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) (Voluntary Disclosure)**

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

Based on the recommendation of the Committee the Board of Directors has approved the Corporate Social Responsibility and the same is available on the website of the Company i.e. [www.gandhispecialtubes.com](http://www.gandhispecialtubes.com) under “Investor Relation” column.

The Committee comprises of

- Mr. Manhar G. Gandhi – Chairman and Managing Director
- Mr. Jayesh M. Gandhi – Non-Executive Director
- Mrs. Bhavi J. Koradia – Independent Director

The Committee met twice during the year on August 12, 2020 and February 08, 2021 respectively which discussed and recommended the Board the amount to be spent for the year 2020-2021.

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. Risk Management Committee**

The Company is not required to have the Risk Management Committee as it does not fall under the Top 500 Companies as required by the Listing Regulations.

**10. General Body Meetings**

**a) 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 Resolutions
March 31, 2018	13.08.2018	11.00 a.m.	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai 400007	1) Re-appointment of Shri. Dhirajlal S. Shah as an Independent Director for second term of 5 years with effect from April 1, 2019 2) Re-appointment of Shri. Kavas N. Warden as an Independent Director for second term of 5 years with effect from April 1, 2019 3) Re-appointment of Shri. Dharmen B. Shah as an Independent Director for second term of 5 years with effect from April 1, 2019
March 31, 2019	31.07.2019	11.00 a.m.	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai 400007	1) To approve Buyback of Shares through Tender offer Route
March 31, 2020	22.09.2020	11.00 a.m.	Held through Video Conferencing/ Other Audio Visual Means at the deemed Place at the Registered Office at 201-204, Plaza, 2 <sup>nd</sup> Floor, 55 Hughes Road, Mumbai – 400 007	1) Re-appointment of Smt. Bhavi J. Koradia as an Independent Director for second term of 5 years with effect from July 29, 2020

None of the items transacted at the said meetings were required to be passed by postal ballot.

**(b) to (c) No Postal ballot was conducted during the year under review. No Extra Ordinary General Meeting was held.**

At the forthcoming Annual General Meeting there is no item on the agenda requiring to be passed mandatorily by postal ballot. Hence, no need to specify the procedure for Postal Ballot.

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

**(b) 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 share transfer agent, 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
June 30, 2020	17.07.2020	17.07.2020
September 30, 2020	15.10.2020	15.10.2020
December 31, 2020	12.01.2021	12.01.2021
March 31, 2021	13.04.2021	13.04.2021

**(c) Release of official news**

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

**(d) Corporate Filing and Dissemination System (CFDS), BSE Online and NSE Electronic Application Processing System (NEAPS) –**

In accordance with Listing Regulations, all disclosures and communications to BSE Limited are done electronically through BSE's Online portal and to the National Stock Exchange of India Limited are done electronically through NSE's NEAPS portal.

**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.

**12. General Shareholders Information****(a) Annual General Meeting**

36<sup>th</sup> Annual General Meeting of the shareholders will be held on Tuesday, August 10, 2021 at 11.00 a.m.

Venue: Through Video Conferencing in accordance with Ministry of Corporate Affairs (“MCA”) circulars dated April 8, 2020 and April 13, 2020 and May 5, 2020 and June 15, 2020 and January 13, 2021 which permits Companies to hold Annual General Meeting through Video Conference without the physical presence of the members.

In compliance with the said circulars the Annual General Meeting is being held through Video Conferencing/ Other Audio Visual Means.

**(b) Dividend Payment Date:** The final dividend, if declared shall be paid/credited on or before Thursday, September 09, 2021

**(c) 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.

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

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

**(f) Payment of listing fees:**

The Annual Listing Fee for the financial year 2021-2022 have been paid to the BSE Ltd and NSE Ltd.

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

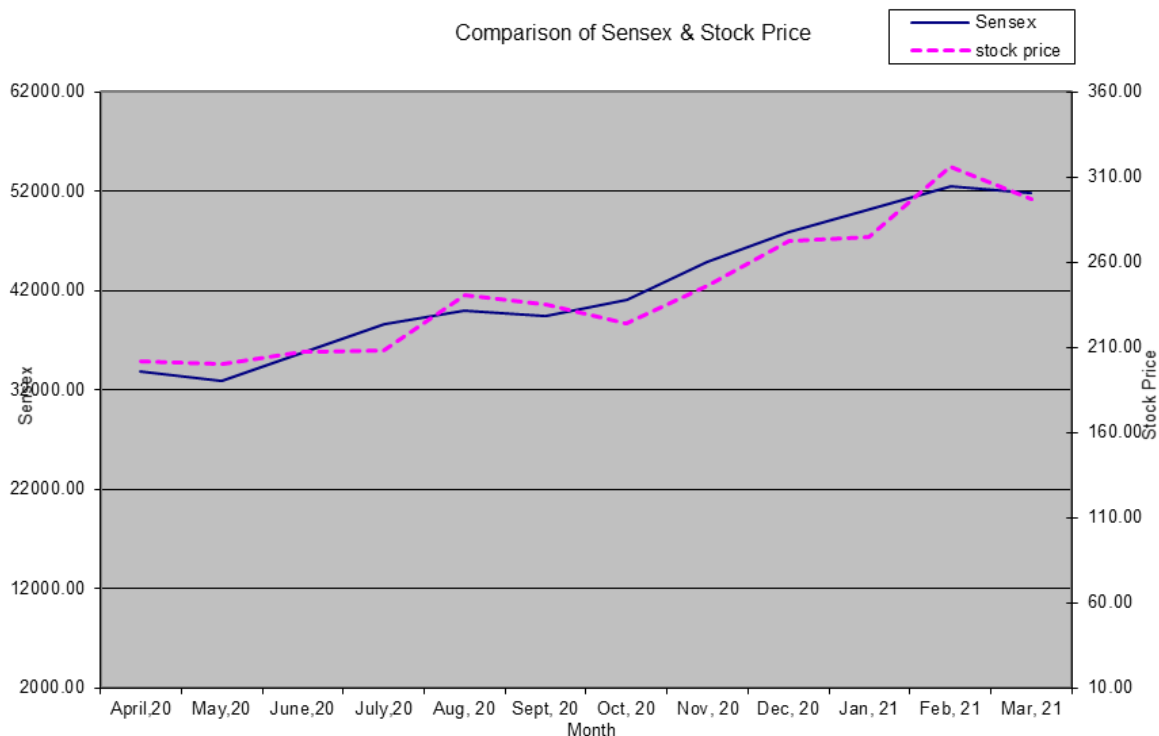
Monthly Share Price Data of the Company’s shares on BSE for the year ended March 31, 2021

Month	Highest Rate (₹)	Date	Lowest Rate (₹)	Date
April 2020	201.70	13/04/2020	174.00	17/04/2020
May 2020	200.00	04/05/2020	160.00	18/05/2020
June 2020	207.25	11/06/2020	160.55	01/06/2020
July 2020	208.00	23/07/2020	185.00	01/07/2020
August 2020	240.30	10/08/2020	180.00	03/08/2020
September 2020	234.95	08/09/2020	195.40	28/09/2020
October 2020	224.00	19/10/2020	193.45	29/10/2020
November 2020	246.40	25/11/2020	198.90	02/11/2020
December 2020	272.00	31/12/2020	224.20	22/12/2020
January 2021	274.55	04/01/2021	240.00	28/01/2021
February 2021	316.15	09/02/2021	240.00	01/02/2021
March 2021	296.95	04/03/2021	240.00	31/03/2021

Monthly Share Price Data of the Company's shares on NSE for the year ended March 31, 2021

Month	Highest Rate (₹)	Date	Lowest Rate (₹)	Date
April 2020	198.00	03/04/2020	170.40	15/04/2020
May 2020	185.95	04/05/2020	154.00	18/05/2020
June 2020	209.80	11/06/2020	160.20	01/06/2020
July 2020	205.15	09/07/2020	186.55	31/07/2020
August 2020	242.95	10/08/2020	182.00	03/08/2020
September 2020	234.90	08/09/2020	195.00	24/09/2020
October 2020	227.85	05/10/2020	195.60	29/10/2020
November 2020	254.50	25/11/2020	196.10	02/11/2020
December 2020	273.40	31/12/2020	211.00	21/12/2020
January 2021	275.00	04/01/2021	236.00	28/01/2021
February 2021	316.00	09/02/2021	237.75	01/02/2021
March 2021	297.85	03/03/2021	254.55	19/03/2021

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



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

Not Applicable as trading in the Equity Shares of the Company was not suspended during the year either by BSE or NSE.

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

**KFIN TECHNOLOGIES PRIVATE LIMITED** formerly known as **KARVY FINTECH PRIVATE LIMITED.**

**Regd. Office**

KFin Technologies Pvt. Ltd.  
Selenium Tower B, Plot 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad - 500 032,  
Telangana State India.

**(k) Share Transfer System**

Requests for dematerialisation and re-materialisation should be sent to the M/s. KFin Technologies Private Limited,

The Company's Shares are traded on the Stock Exchanges in the compulsory dematerialised form. Shareholders are requested to ensure that their Depository Participants ("DPs") promptly send physical documents, i.e. Dematerialization Request Form ("DRF"), Share Certificates, etc. to the Investor Securities Depository ("ISD") by providing the Dematerialization Request Number ("DRN").

The requests for dematerialization of shares are processed by the Registrar and Share Transfer Agent and within a period of 15 days.

***No Physical Transfer of Shares have been effected after 1st April, 2019, in terms of the mandates of the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA').***

**(l) (1) Distribution of Share Holding as on March 31, 2021**

<b>DISTRIBUTION SCHEDULE AS ON 31/03/2021</b>			
<b>Category</b>	<b>No. of shareholder</b>	<b>% of Cases</b>	<b>% Amount</b>
1-5000	7876	94.30	10.02
5001- 10000	248	2.97	3.01
10001- 20000	124	1.48	2.72
20001- 30000	27	0.32	1.03
30001- 40000	15	0.18	0.81
40001- 50000	11	0.13	0.77
50001- 100000	17	0.20	1.76
100001 & Above	35	0.42	79.88
<b>Total:</b>	<b>8353</b>	<b>100.00</b>	<b>100.00</b>



**(2) Distribution of shareholding according to categories of shareholders as on March 31, 2021**

SHARE HOLDING PATTERN AS ON 31/03/2021				
Sr.No.	Description	Cases	Shares	% Equity
1	BANKS	1	1200	0.01
2	CLEARING MEMBERS	22	8055	0.06
3	DIRECTORS AND THEIR RELATIVES	2	29000	0.22
4	FOREIGN NATIONALS	1	1000	0.01
5	FOREIGN PORTFOLIO INVESTORS	1	88573	0.69
6	H U F	323	137503	1.06
7	I E P F	1	159218	1.23
8	INDIAN PROMOTER COMPANIES	2	913391	7.07
9	BODIES CORPORATES	78	202500	1.57
10	NON RESIDENT INDIANS	202	164467	1.27
11	NRI NON-REPATRIATION	56	45495	0.35
12	COMPANY PROMOTERS	22	8567307	66.32
13	RESIDENT INDIVIDUALS	7642	2600907	20.13
	<b>Total:</b>	<b>8353</b>	<b>12918616</b>	<b>100</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 31/03/2021
1	Gandhi Finance Co. LLP	4,35,819
2	B.M. Gandhi Investment Co. LLP	4,77,572

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

CONTROL REPORT AS ON 31/03/2021				
Sr. No.	Name of Depository	No. of Holders	Shares	% To Equity
1	NSDL	3841	10542547	81.61
2	CDSL	3588	1951538	15.11
	<b>Sub Total</b>	<b>7429</b>	<b>12494085</b>	<b>96.72</b>
3	PHYSICAL	924	424531	3.28
	<b>Total:</b>	<b>8353</b>	<b>12918616</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 & Kutch (Gujarat), Sangli (Maharashtra)

(q) Address for Correspondence:

Shri Ganesh Patro/ Shri. B V Kishore	Mr. Jitendra D. Khadye, Company Secretary & Compliance Officer
<b>KFin Technologies Private Limited formerly known as Karvy Fintech Pvt. Limited</b> KFin Technologies Pvt. Ltd. Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana  Email: <a href="mailto:kishore.bv@kfintech.com">kishore.bv@kfintech.com</a> URL: <a href="https://www.kfintech.com">https://www.kfintech.com</a> and/ <a href="https://ris.kfintech.com/">or https://ris.kfintech.com/</a>	<b>Gandhi Special Tubes Ltd.</b>  201-204 Plaza, 2 <sup>nd</sup> Floor 55 Hughes Road, Next to Dharam Palace Mumbai 400 007 Tel: 022-23634179 Email: <a href="mailto:complianceofficer@gandhitubes.com">complianceofficer@gandhitubes.com</a> URL: <a href="http://www.gandhispecialtubes.com">www.gandhispecialtubes.com</a>

**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.)**

(r) Since the Company does not have issued any debt instrument or is not accepting any deposits or any credit exposure it is not required to obtain any credit rating and hence there is no disclosure.

### 13. 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 Ind AS 24, are disclosed in Note No. 37 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 all 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 (Discretionary) requirements of Part E of Schedule II under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

#### i) The Board

**Maintenance of the Non-Executive Chairman's Office:** Presently not applicable as the Chairman of the Company is

a Managing Director. At present provisions relating to separation of the Office of the Chairman and Managing Director is not applicable to the Company.

**ii) Shareholder Right**

As the quarterly and half yearly financial results along with significant events are published in the newspapers and are also posted on the Company's website and Corporate Filing and Dissemination System (CFDS) put in place jointly by BSE and NSE at the <http://www.corpfiling.co.in>

**iii) 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.

**iv) 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.

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

Not Applicable as the Company does not have any subsidiary.

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

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

**vii) Disclosure of commodity price risks and commodity hedging activities**

Not Applicable

**viii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

The Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of LODR Regulations.

**14. Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.**

The Company has obtained a certificate from Shri Bhumitra V. Dholakia, Designated Partner of Dholakia & Associates LLP, Company Secretaries, and also the secretarial auditor of the Company, regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board (i.e. SEBI) / Ministry of Corporate Affairs or any such statutory authority. The requisite certificate confirming compliance of this condition is attached to the Report on Corporate Governance.

**15. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons there to.**

There was no instance where the Board has not accepted any recommendation of any Committee of the Board.

**16. Total fees for all services paid by the Company, to Shashikant J. Shah & Co., Chartered Accountants and Statutory Auditors of the Company, as included in the financial statements of the Company for the year ended March 31, 2021, is as follows:**

Particulars	Amount (₹)
Statutory Audit Fees	6.50
For other services	0.23
<b>Total fees (₹)</b>	<b>6.73</b>

**17. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Disclosure is given in the Board's Report of which the Corporate Governance is forming part.

**18. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Part C of Schedule V above, with reasons thereof shall be disclosed.**

There is no non-compliance of any of the paras (2) to (10) of Part C of Schedule V—Corporate Governance Report.

**19. 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.

**20. 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.gandhispecialtubes.com](http://www.gandhispecialtubes.com).**

**21. 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.

**22. 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.

Particulars	No. of shareholders	No. of Shares	% age of share capital
Aggregate number of Shareholders and outstanding shares as on 1st April 2020	7,542	1,29,18,616	100
Shareholders who had approached the Company and whose shares were transferred from the suspense account during the year	Nil	Nil	Nil
Shareholders whose shares were transferred to Investor Education and Protection fund	23	6370	0.049
Aggregate number of Shareholders and outstanding shares lying as on 31st March 2021	8,353	1,29,18,616	100

Note: voting rights on these shares will remain frozen till the rightful owner claim these shares

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

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

**Place: Mumbai**

**Date: June 22, 2021**

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE****To****The Members of****Gandhi Special Tubes Limited**

1. This report contains details of compliance of condition of Corporate Governance by Gandhi Special Tubes Limited ("the Company") for the year ended 31st March 2021, as stipulated in Regulation 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India ( Listing obligation and Disclosure Requirements ) Regulation, 2015 (SEBI Listing Regulation)

**Managements' Responsibility for compliance with the condition of SEBI Listing Regulations**

2. The compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company, including the preparation and maintenance of all relevant supporting and records. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring 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.
4. Pursuant to the requirement of SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31st March 2021.
5. We have conducted our examination in accordance with the Guidance Note on Certificate for Special Purpose, Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India ("ICAI"), and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. In our opinion, and to the best of our examination and explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations.
8. 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.

**Restriction on use**

9. The Certificate is addressed and provided to the member of the Company solely for the purpose to enable the Company to comply with the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **SHASHIKANT J SHAH & CO***Chartered Accountants*

Firm Reg. No.: 109996W

**NIKUNJ S. SHAH**

Partner

Membership No.: 112867

UDIN: 21112867AAAAAV7747

Mumbai  
June 22, 2021

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**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: June 22, 2021**

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**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 March 31, 2021 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 R. Vartak**  
**Chief Financial Officer**

**Place: Mumbai**  
**Date: June 22, 2021**

**INDEPENDENT AUDITOR'S REPORT**

**TO  
THE MEMBERS OF  
GANDHI SPECIAL TUBES LIMITED**

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of GANDHI SPECIAL TUBES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and a fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our Report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our Report.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to Report that fact. We have nothing to Report in this regard.

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**Responsibilities of Management for the Financial Statements**

The Company's Board of Director is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (Financial Position), Profit or Loss (financial performance), total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial Reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our Report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 we give in "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, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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) In our opinion and according to the information and explanations given to us the remuneration paid during the current year, where applicable, to its directors is in accordance with the provisions of section 197 read with Schedule V of the Act.
  - h) 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, as amended 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 No.32 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 Indian Accounting Standards.
- iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SHASHIKANT J SHAH & CO**  
*Chartered Accountants*  
**Firm Reg. No.: 109996W**

**NIKUNJ S. SHAH**  
Partner  
Membership No.: 112867  
UDIN.: 21112867AAAAAT9857

Place: Mumbai  
Date: June 22, 2021

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2021**

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements of our Report to the Members of GANDHI SPECIAL TUBES LIMITED of even date)

- i. In respect of the Company's fixed assets:
  - 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 explanations 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 the information and explanations given to us, the Company has 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 Companies Act, 2013, accordingly, the provision of clause 3 (iii) (a), (b) and (c) of the said order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act 2013 in respect of grant of loans, making investments and providing guarantees and securities as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and Rules framed there under to the extent notified. Accordingly, clause 3(v) of the said order is not applicable.
- vi. We have broadly reviewed the records maintained by the Company in respect of its 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 Companies Act, 2013 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 explanation 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, Profession Tax, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, and other material statutory dues as applicable with the appropriate authorities.

b. The disputed Statutory dues aggregating ₹ 235.69 Lakh which have not been deposited on account of disputed matter pending before appropriate authorities are as under:

Nature of the Statute	Nature of Dues	Amount under dispute not yet deposited	Period to which the Amount Relates	Forum where Dispute is Pending
Service Tax Laws	Service Tax	161.89	01-09-2004 to 30-09-2013	Before Customs, Excise & Service tax Appellate tribunal
Service Tax Laws	Service Tax	1.11	01-03-2012 to 31-12-2012	Before Commissioner (Appeal) Customs, Excise & Service tax
Central Excise	Central Excise	47.46	01-04-2014 to 31-03-2017	Before Deputy Commissioner CGST & Central Excise
Sales Tax Laws	Sales Tax	25.23	01-04-2002 to 31-03-2003	Before joint Commissioner of sales tax (Appeal)
	<b>Total</b>	<b>235.69</b>		

- viii. The Company has not taken any loans or borrowings from financial institutions, banks, government or to debenture holders during the year. Accordingly, Paragraph 3 (viii) of the Order is not applicable to the company.
- ix. The Company has not raised any moneys 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 to the company.
- 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 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 information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Paragraph 3 (xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, and the details of such transactions have been disclosed in the Financial Statement 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 paid convertible debentures during the year under review. Accordingly, Paragraph 3 (xiv) of the Order is not applicable to the company.
- xv. According to the information and explanations given to us and based on examination of the records of the Company, the Company has not entered into any non-cash transactions with its Directors or persons connected with them covered under section 192 of the Companies Act, 2013. Accordingly, Paragraph 3(xv) of the order is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Paragraph 3 (xvi) of the Order is not applicable to the company.

For **SHASHIKANT J SHAH & CO**  
Chartered Accountants  
Firm Reg. No. :109996W

**NIKUNJ S. SHAH**  
Partner

Place: Mumbai  
Date: June 22, 2021

Membership No.: 112867  
UDIN.: 21112867AAAAAT9857

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements section of our Report to the Members of GANDHI SPECIAL TUBES LIMITED of even date)

Report on the Internal Financial Controls over financial Reporting 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, 2021 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 respective 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 Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on Company’s internal financial controls over financial reporting with reference to these financial statements 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, as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. 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 with reference to these financial statements 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 with reference to financial statement and their operating effectiveness. Our audit of internal financial controls over financial Reporting included obtaining an understanding of internal financial controls over financial Reporting with reference to these financial statements, 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 with reference to these financial statements of the Company.

**Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statement**

A company’s internal financial control over financial Reporting with reference to these financial statements 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 with reference to these financial statements 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 with reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial Reporting with reference to these financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control over financial Reporting with reference to these financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial Reporting with reference to these financial statement and such internal financial controls over financial Reporting with reference to these financial statements were operating effectively as at March 31, 2021, 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 **SHASHIKANT J SHAH & CO**  
*Chartered Accountants*  
**Firm Reg. No.: 109996W**

**NIKUNJ S. SHAH**  
Partner  
Membership No.: 112867  
UDIN: 21112867AAAAAT9857

Place: Mumbai

Date: June 22, 2021

## BALANCE SHEET AS AT 31 MARCH 2021

(₹ in Lakhs)

	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	a) Property Plant and Equipment	<b>2</b>	<b>4,536.79</b>	4,836.99
	b) Other Intangible Assets	<b>3</b>	<b>3.25</b>	3.09
	c) Financial Assets			
	i) Investments	<b>4</b>	<b>2,787.09</b>	3,851.39
	ii) Other Financial Assets	<b>5</b>	<b>7.21</b>	7.21
	d) Other Non-current Assets	<b>6</b>	<b>75.00</b>	-
	<b>Total Non-Current Assets</b>		<b>7,409.34</b>	8,698.68
<b>2</b>	<b>Current Assets</b>			
	a) Inventories	<b>7</b>	<b>2,098.41</b>	2,522.04
	b) Financial Assets			
	i) Investments	<b>8</b>	<b>6,595.33</b>	3,034.89
	ii) Trade Receivables	<b>9</b>	<b>2,546.63</b>	1,472.23
	iii) Cash and Cash Equivalents	<b>10</b>	<b>146.08</b>	56.07
	iv) Other Bank Balances	<b>11</b>	<b>137.31</b>	154.69
	v) Loans	<b>12</b>	<b>62.61</b>	75.83
	vi) Other Financial Assets	<b>13</b>	<b>61.79</b>	63.03
	c) Other Current Assets	<b>14</b>	<b>183.28</b>	92.70
	<b>Total Current Assets</b>		<b>11,831.44</b>	7,471.48
	<b>TOTAL ASSETS</b>	<b>TOTAL</b>	<b>19,240.78</b>	16,170.16
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	a) Equity Share Capital	<b>15</b>	<b>645.93</b>	645.93
	b) Other Equity	<b>16</b>	<b>16,548.67</b>	14,011.25
	<b>Total Equity</b>		<b>17,194.60</b>	14,657.18
<b>2</b>	<b>Liabilities</b>			
	<b>Non-Current Liabilities</b>			
	a) Other Financial Liabilities	<b>17</b>	<b>31.86</b>	30.28
	b) Provisions	<b>18</b>	<b>251.86</b>	327.48
	c) Deferred Tax Liabilities (net)	<b>19</b>	<b>671.35</b>	662.82
	<b>Total Non-Current Liabilities</b>		<b>955.07</b>	1,020.58
	<b>Current Liabilities</b>			
	a) Financial Liabilities			
	i) Trade Payables	<b>20</b>	<b>171.21</b>	101.71
	ii) Other Financial Liabilities	<b>21</b>	<b>470.34</b>	193.56
	b) Other Current Liabilities	<b>22</b>	<b>328.80</b>	138.12
	c) Provisions	<b>23</b>	<b>38.99</b>	42.66
	d) Current Tax Liabilities (Net)	<b>24</b>	<b>81.77</b>	16.35
	<b>Total Current Liabilities</b>		<b>1,091.11</b>	492.40
	<b>Total Liabilities</b>		<b>2,046.18</b>	1,512.98
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>TOTAL</b>	<b>19,240.78</b>	16,170.16
	<b>Significant Accounting Policies</b>	<b>1</b>		
	<b>See accompanying notes to the financial statements</b>	<b>1 to 42</b>		

As per our attached report of even date

For and on behalf of the Board of Directors

**For Shashikant J. Shah & CO.**Chartered Accountants  
Firm Reg. No. 109996W**Nikunj S Shah**Partner  
Membership No. 112867

Mumbai, 22 June 2021

**M. G. GANDHI**  
(Chairman & Managing Director)  
(DIN 00041190)**K. N. WARDEN**  
(Director)  
(DIN 00045840)**BHAVI KORADIA**  
(Director)  
(DIN 07004836)**B. G. GANDHI**  
(Joint Managing Director)  
(DIN 00041273)**J. M. GANDHI**  
(Director)  
(DIN 00041330)**SHOBHANA RAJAN VARTAK**  
(CFO)**D. B. SHAH**  
(Director)  
(DIN 01834884)**JITENDRA DATTARAM KHADYE**  
(Company Secretary)

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31 MARCH 2021

(₹ in Lakhs except earning per share)

	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
	<b>INCOME</b>			
1	Revenue from Operations	25	11,352.58	8,093.84
2	Other Income	26	612.92	571.12
	<b>Total Income</b>		<b>11,965.50</b>	<b>8,664.96</b>
3	<b>EXPENSES</b>			
	a) Cost of Materials Consumed	-	3,667.28	3,001.67
	b) Changes in Inventories of Finished Goods and Work-in-Progress	27	85.31	(11.06)
	c) Employee Benefits Expense	28	825.95	655.67
	d) Depreciation and Amortization Expense	2 & 3	329.74	355.48
	e) Other Expenses	29	2,295.66	2,056.28
	f) Financial Charges	30	4.93	4.22
	<b>Total Expenses</b>		<b>7,208.87</b>	<b>6,062.26</b>
4	<b>Profit before Tax</b>		<b>4,756.63</b>	<b>2,602.70</b>
5	<b>Tax Expense</b>			
	a) Current Tax	31	1,161.41	662.00
	b) Deferred Tax	31	(20.01)	(196.58)
	<b>Total Tax Expenses</b>		<b>1,141.40</b>	<b>465.42</b>
6	<b>Profit for the year</b>		<b>3,615.23</b>	<b>2,137.28</b>
7	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified subsequently to profit or loss</b>			
	a) Remeasurement [gain/(loss)] of net Defined Benefit Plan		113.42	9.42
	b) Income tax on above		(28.55)	(2.37)
	<b>Total Other Comprehensive Income</b>		<b>84.87</b>	<b>7.05</b>
8	<b>Total Comprehensive Income for the year</b>		<b>3,700.10</b>	<b>2,144.33</b>
9	<b>Earning per share (of ₹ 5/- each)</b>			
	Basic and Diluted (₹)	36	27.98	15.93
	<b>Significant Accounting Policies</b>	1		
	<b>See accompanying notes to the financial statements</b>	1 to 42		

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

**For Shashikant J. Shah & CO.**Chartered Accountants  
Firm Reg. No. 109996W**M. G. GANDHI**(Chairman & Managing Director)  
(DIN 00041190)**B. G. GANDHI**(Joint Managing Director)  
(DIN 00041273)**Nikunj S Shah**Partner  
Membership No. 112867**K. N. WARDEN**(Director)  
(DIN 00045840)**J. M. GANDHI**(Director)  
(DIN 00041330)**D. B. SHAH**(Director)  
(DIN 01834884)**BHAVI KORADIA**(Director)  
(DIN 07004836)**SHOBHANA RAJAN VARTAK**

(CFO)

**JITENDRA DATTARAM****KHADYE**

(Company Secretary)

Mumbai, 22 June 2021



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

**A. EQUITY SHARE CAPITAL**

Particulars	Note No.	Number of Shares	Amount (₹ in Lakhs)
Balance as at 1 April 2019		1,38,18,616	690.93
Add / (Less) : Changes due to Buy back during the year		(9,00,000)	(45.00)
Balance as at 31 March 2020		1,29,18,616	645.93
Add / (Less) : Changes during the year		-	-
<b>Balance as at 31 March 2021</b>	<b>15</b>	<b>1,29,18,616</b>	<b>645.93</b>

**B. OTHER EQUITY**

(₹ in Lakhs)

Particulars	Reserves and Surplus			
	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at 1 April 2019	5.39	253.99	19,154.52	19,413.90
Profit for the year	-	-	2,137.28	2,137.28
Other Comprehensive Income for the year				
- Remeasurement gain/(loss) on Defined Benefit Plan (Net of tax)	-	-	7.05	7.05
Transfer to Capital Redemption Reserve (9,00,000 shares of ₹ 5/- each)	-	45.00	(45.00)	-
Dividend (including Dividend Distribution Tax)	-	-	(1,499.31)	(1,499.31)
Premium paid on Buy Back of Equity shares (including Buy Back Tax)	-	-	(6,047.67)	(6,047.67)
Balance as at 31 March 2020	5.39	298.99	13,706.87	14,011.25
Profit for the year	-	-	<b>3,615.23</b>	<b>3,615.23</b>
Other Comprehensive Income for the year				
- Remeasurement gain/(loss) on Defined Benefit Plan (Net of tax)	-	-	<b>84.87</b>	<b>84.87</b>
Transfer to Capital Redemption Reserve	-	-	-	-
Dividend (including Dividend Distribution Tax)	-	-	<b>(1,162.68)</b>	<b>(1,162.68)</b>
<b>Premium paid on Buy Back of Equity shares (including Buy Back Tax)</b>	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>5.39</b>	<b>298.99</b>	<b>16,244.29</b>	<b>16,548.67</b>

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

**For Shashikant J. Shah & CO.**

Chartered Accountants  
Firm Reg. No. 109996W

**Nikunj S Shah**

Partner  
Membership No. 112867

Mumbai, 22 June 2021

**M. G. GANDHI**

(Chairman & Managing Director)  
(DIN 00041190)

**K. N. WARDEN**

(Director)  
(DIN 00045840)

**BHAVI KORADIA**

(Director)  
(DIN 07004836)

**B. G. GANDHI**

(Joint Managing Director)  
(DIN 00041273)

**J. M. GANDHI**

(Director)  
(DIN 00041330)

**SHOBHANA RAJAN VARTAK**

(CFO)

**D. B. SHAH**

(Director)  
(DIN 01834884)

**JITENDRA DATTARAM**

**KHADYE**

(Company Secretary)

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2021**

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before Tax	4,756.63	2,602.70
	<b>Add / (Less):- Adjustments for Non-Cash / Non-Operating Items :</b>		
	Depreciation and amortisation	329.74	355.48
	Interest income	(144.98)	(147.41)
	Interest Expenses	4.93	4.22
	Dividend income	(90.34)	(172.67)
	Net Gain on Sale of Non-current Investments	0.24	13.36
	Gain on Sale of Current Investments	(30.24)	(17.08)
	Gain on Fair Valuation of Investments	(344.11)	(237.02)
	(Profit)/Loss on Property, Plant and Equipment sold/scrapped/written off (Net)	10.96	(0.01)
	Other Adjustments	113.42	9.42
	<b>Operating profit before working capital changes</b>	<b>4,606.25</b>	<b>2,410.99</b>
	Adjusted for :		
	(Increase) / Decrease in Trade Receivables	(1,074.40)	65.66
	(Increase) / Decrease in Inventories	423.64	172.16
	(Increase) / Decrease in Other Financial Assets	14.45	1.72
	(Increase) / Decrease in Other Current Assets	(90.59)	145.22
	Increase/(Decrease) in Trade Payables, Other Current, Financial Liabilities & Short-term Provisions	533.28	(273.92)
	Increase / (Decrease) in Non-Current Liabilities	(74.04)	48.87
		(267.66)	159.71
	<b>Cash generated from Operations</b>	<b>4,338.59</b>	<b>2,570.70</b>
	Taxes paid	(1,095.98)	(711.87)
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>3,242.61</b>	<b>1,858.83</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Interest received	144.98	147.41
	Dividend received	90.34	172.67
	Purchase of Property, Plant and Equipment	(116.24)	(67.61)
	Sale of Property, Plant and Equipment	0.58	0.38
	Purchase of investments during the year	(8,483.65)	(8,530.51)
	Sale of investments during the year	6,361.62	13,874.29
	<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(2,002.37)</b>	<b>5,596.63</b>

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2021

(₹ in Lakhs)

	Particulars	As at 31 March 2021	As at 31 March 2020
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Interest Expenses	(4.93)	(4.22)
	Payment for Buy-Back of Equity Shares :		
	against Equity Share Capital	-	(45.00)
	against Security Premium Account	-	(4,905.00)
	tax on Buy Back of Shares	-	(1,142.67)
	Corporate Dividend (including Dividend Distribution Tax)	(1,162.68)	(1,499.32)
	<b>NET CASH (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(1,167.61)</b>	<b>(7,596.21)</b>
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>72.63</b>	<b>(140.75)</b>
	Opening Balance of Cash and Cash Equivalents and Other Bank Balances	210.76	351.51
	<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES</b>	<b>283.39</b>	<b>210.76</b>
	Significant Accounting Policies	1	
	See accompanying notes to the financial statements	1 to 42	

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

**For Shashikant J. Shah & CO.**Chartered Accountants  
Firm Reg. No. 109996W**M. G. GANDHI**(Chairman & Managing Director)  
(DIN 00041190)**B. G. GANDHI**(Joint Managing Director)  
(DIN 00041273)**Nikunj S Shah**Partner  
Membership No. 112867**K. N. WARDEN**(Director)  
(DIN 00045840)**J. M. GANDHI**(Director)  
(DIN 00041330)**D. B. SHAH**(Director)  
(DIN 01834884)

Mumbai, 22 June 2021

**BHAVI KORADIA**(Director)  
(DIN 07004836)**SHOBHANA RAJAN VARTAK**

(CFO)

**JITENDRA DATTARAM****KHADYE**  
(Company Secretary)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****Notes forming Part of the Financial Statements****Corporate Information**

Gandhi Special Tubes Limited ("the Company") is engaged in manufacture of Seamless and Welded Steel Tubes, Nuts and generation of Wind Power.

The Company is a public limited company incorporated and domiciled in India and has its registered office at 201-204, Plaza, 2nd Floor. Near Dharam Palace, 55 Hughes Road, Mumbai - 400004. The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The financial statements for the year ended 31 March 2021 are approved by the Company's Board of Directors on 22 June, 2021.

**1 Significant Accounting Policies****1.1 Basis of Preparation**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies Act as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and accounting principle generally accepted in India.

These financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following assets and liabilities, which have been measured at fair value:

- i) Certain financial assets and liabilities that are measured at fair value
- ii) Defined Benefit Obligations – as per actuarial valuation

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all amounts are rounded off, except when otherwise indicated.

**1.2 Property, Plant and Equipment (PPE)**

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE (other than Freehold Land) are stated at cost less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any.

Freehold land is carried at historical cost.

The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

Depreciation:

Depreciation on Property, Plant and Equipment, Leasehold Assets (other than freehold land) is provided on the Straight-Line Method as per the useful life prescribed under Schedule II to the Companies Act, 2013, except for Wind Mill, which is provided on Written Down value Method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

**1.3 Leases**

The Company's lease asset classes primarily consist of lease for Land on which windmill has been installed for power generation and godown at Mumbai. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

period of time in exchange for consideration. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**1.4 Intangible Assets**

Intangible assets are initially recognised at cost. Intangible assets are amortised over estimated useful life of three years on straight- line basis.

**1.5 Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of the value in use or fair value less cost to sell, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognized for that asset or cash generating unit. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

**1.6 Current versus Non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

All liability is current when :

- i) It is expected to be settled in normal operating cycle
- ii) It held primarily for the purpose of trading

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

**1.7 Inventories**

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, fuels, stores and spares are valued at lower of cost and net realisable value. Cost is determined on the basis of the FIFO method. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**1.8 Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. Cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents for the purpose of cash flow statement comprise of cash at bank, cash in hand and short-term deposits with an original maturity of three months or less, as reduced by bank overdrafts.

**1.9 Provisions, Contingent liabilities and Contingent Assets**

Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

**1.10 Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****a) Sale of Goods**

Revenue from sale of goods is recognised upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer. Sales exclude Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

Income from Wind Power is recognised at the point of generation.

**b) Rendering of Services**

Revenue from services are recognised as and when the services are rendered on stage of completion method.

**c) Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

**d) Dividends**

Dividend income from investments is recognised when the Company's right to receive dividend is established, which is generally when the shareholders approve the dividend.

**e) Export incentives**

Export incentives are recognised when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

**1.11 Employee Benefits**

Employee benefits include Provident Fund, Employee State Insurance Scheme, Gratuity Fund, Leave Encashment.

**a) Short-Term and Other Long-term Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of short-term employee benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for benefits accruing to employees in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

**b) Defined Contribution Plan**

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**c) Defined Benefit Plan****i) Gratuity**

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent actuary.

Payment for present liabilities of future payment of gratuity for all employees other than Managing Director and Joint Managing Director is being made to approved gratuity fund managed by Life Insurance Corporation of India (LIC).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

Re-measurement, comprising actuarial gains and losses, is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Re-measurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss immediately for both vested and the non-vested portion.

**ii) Compensated Absences**

The Company provides for the encashment of absence or absence with pay based on policy of the Company in this regard. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent actuarial valuation.

**1.12 Taxes on Income**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**a) Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

**b) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time and hence, it is grouped with Deferred Tax Asset.

**c) Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****1.13 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.14 Foreign Currency Transactions**

Transaction in foreign currencies are initially recorded in the functional currency, using the spot exchange rate at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items recognised in statement of Profit and Loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions.

**1.15 Financial Instruments****a) Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

At initial recognition, financial assets and financial liabilities are initially measured at fair value or at amortised cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value through Profit or Loss are recognised in the Statement of Profit and Loss.

**b) Financial Assets****i) Subsequent measurement**

All recognised financial assets are subsequently measured in its entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**ii) Impairment of financial assets**

For Trade Receivables, the Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

**c) Financial Liabilities and Equity Instruments****i) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received.

**ii) Financial Liabilities**

All financial liabilities (other than derivative financial instruments) are measured at amortised cost using effective interest method at the end of reporting periods.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****d) Derecognition of Financial Assets and Liabilities**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Company transfers the contractual rights to receive the cash flows of the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset. The Company derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

**1.16 Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, income and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**1.17 Key estimates, assumptions and judgements**

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**a) Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

**b) Leased Assets**

Identification of a lease requires significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the RBI lending rates increased by 2%.

**c) Fair Value measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets (Net Assets Value in case of units of Mutual Funds), their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**d) Employee Benefit Plans**

The cost of the defined benefit gratuity plan and other-post employment benefits and the present value of gratuity obligations and compensated absences is/ are determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates.

**e) Impairment of Assets**

The Company has used certain judgements and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

**f) Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**g) Income taxes**

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. Also refer Note No. 31.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## 2 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Owned Assets	4,510.86	4,808.55
Leased Assets	25.93	28.44
<b>Total</b>	<b>4,536.79</b>	<b>4,836.99</b>

## A) Owned Assets

(₹ in Lakhs)

Particulars	Freehold Land and Site Development	Building Factory	Building Others	Plant and Machinery	Furniture and Fixtures	Office Equipment's	Vehicles	Wind Mills	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>(I) Gross Carrying Value</b>									
Balance as at April 1, 2019	71.80	899.04	1,188.11	3,425.73	43.66	14.47	42.67	492.30	6,177.78
Additions during the year	-	-	-	29.84	-	1.62	-	-	31.46
Deductions/Adjustments during the year	-	-	-	-	-	(0.15)	(4.71)	-	(4.86)
Balance as at March 31, 2020	71.80	899.04	1,188.11	3,455.57	43.66	15.94	37.96	492.30	6,204.38
Additions during the year	-	-	-	30.61	0.38	4.29	-	-	35.28
Deductions/Adjustments during the year	-	-	-	(43.91)	-	(2.63)	2.22	-	(44.32)
<b>Balance as at March 31, 2021</b>	<b>71.80</b>	<b>899.04</b>	<b>1,188.11</b>	<b>3,442.27</b>	<b>44.04</b>	<b>17.60</b>	<b>40.18</b>	<b>492.30</b>	<b>6,195.34</b>
<b>(II) Accumulated Depreciation</b>									
Balance as at April 1, 2019	-	123.98	80.71	714.09	20.35	9.97	(50.13)	153.05	1,052.02
Depreciation expense for the year	-	34.33	26.51	224.46	6.04	1.88	15.50	39.58	348.30
Deductions/Adjustments during the year	-	-	-	-	-	(0.14)	(4.35)	-	(4.49)
Balance as at March 31, 2020	-	158.31	107.22	938.55	26.39	11.71	(38.98)	192.63	1,395.83
Depreciation expense for the year	-	34.28	26.51	205.96	6.05	1.97	13.92	34.95	323.64
Deductions/Adjustments during the year	-	-	-	(32.50)	-	(2.50)	-	-	(35.00)
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>192.59</b>	<b>133.73</b>	<b>1,112.01</b>	<b>32.44</b>	<b>11.18</b>	<b>(25.06)</b>	<b>227.58</b>	<b>1,684.47</b>
<b>(III) Net Carrying Value (I-II)</b>									
Balance as at 31 March 2020	71.80	740.74	1,080.89	2,517.02	17.27	4.23	76.94	299.67	4,808.55
<b>Balance as at 31 March 2021</b>	<b>71.80</b>	<b>706.45</b>	<b>1,054.38</b>	<b>2,330.26</b>	<b>11.59</b>	<b>6.42</b>	<b>65.24</b>	<b>264.72</b>	<b>4,510.86</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## B) Leased Assets

(₹ in Lakhs)

Particulars	Leasehold Land	Building - Others	Total
<b>(I) Gross Carrying Value</b>			
Balance as at April 1, 2019			
Additions during the year	25.65	8.35	34.00
Deductions/Adjustments during the year	-	-	-
Balance as at March 31, 2020	25.65	8.35	34.00
Additions during the year	-	-	-
Deductions/Adjustments during the year	3.50	0.28	3.78
<b>Balance as at March 31, 2021</b>	<b>29.15</b>	<b>8.63</b>	<b>37.78</b>
<b>(II) Accumulated Amortization</b>			
Balance as at April 1, 2019	-	-	-
Depreciation expense for the year	1.71	3.85	5.56
Deductions/Adjustments during the year	-	-	-
Balance as at March 31, 2020	1.71	3.85	5.56
Depreciation expense for the year	1.94	3.99	5.93
Deductions/Adjustments during the year	0.23	0.13	0.36
<b>Balance as at March 31, 2021</b>	<b>3.88</b>	<b>7.97</b>	<b>11.85</b>
<b>(III) Net Carrying Value (I-II)</b>			
Balance as at March 31, 2020	23.94	4.50	28.44
<b>Balance as at March 31, 2021</b>	<b>25.26</b>	<b>0.66</b>	<b>25.93</b>

## 3 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Software Licences	Total
<b>(I) Gross Carrying Value</b>		
Balance as at April 1, 2019	6.61	6.61
Additions during the year	2.15	2.15
Deductions/Adjustments during the year	-	-
Balance as at March 31, 2020	8.76	8.76
Additions during the year	2.18	2.18
Deductions/Adjustments during the year	-	-
<b>Balance as at March 31, 2021</b>	<b>10.94</b>	<b>10.94</b>
<b>(II) Accumulated Depreciation</b>		
Balance as at April 1, 2019	4.05	4.05
Depreciation expense for the year	1.62	1.62
Deductions/Adjustments during the year	-	-
Balance as at March 31, 2020	5.67	5.67
Depreciation expense for the year	2.02	2.02
Deductions/Adjustments during the year	-	-
<b>Balance as at March 31, 2021</b>	<b>7.69</b>	<b>7.69</b>
<b>(iii) Net Carrying Value (I-II)</b>		
Balance as at March 31, 2020	3.09	3.09
<b>Balance as at March 31, 2021</b>	<b>3.25</b>	<b>3.25</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**
**4 NON-CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars		As at 31 March 2021	As at 31 March 2020
<b>Investments measured at amortised cost</b>			
<b>In bonds (Quoted, fully paid up)</b>	<i>Number of units</i>		
7.28%-Indian Railway Finance Corporation Ltd. Tax Free Bonds	12,080 (12,080)	120.80	120.80
7.35%-NABARD Tax Free Bonds	2,004 (2,004)	20.04	20.04
7.35%-Indian Railway Finance Corporation Ltd. Tax Free Bonds	3,527 (3,527)	35.27	35.27
7.35%-NHAI Limited Tax Free Bonds	14,285 (14,285)	142.85	142.85
7.39%-NHAI Limited Tax Free Bonds	6,167 (6,167)	61.67	61.67
7.39%-HUDCO Ltd. Tax Free Bonds	8,408 (8,408)	84.08	84.08
8.20%-NHAI Limited Tax Free Bonds	- (1,236)	-	12.36
8.30%-NHAI Limited Tax Free Bonds	23,736 (23,736)	245.80	245.80
8.30%-Power Finance Corporation Ltd. Tax Free Bonds	27,500 (27,500)	283.72	283.72
8.41%-NTPC Limited Tax Free Bonds	9,499 (9,499)	94.99	94.99
8.41%-India Infrastructure Finance Co. Ltd. Tax Free Bonds	30,000 (30,000)	300.00	300.00
8.46%-Rural Electrification Corporation Ltd. Tax Free Bonds	10,000 (10,000)	120.75	120.75
11.40%-Tata Power Ltd. Taxable Bonds	- (10)	-	101.25
11.50%-Tata Steel Ltd. Taxable Bonds	- (10)	-	102.65
<b>Total</b>		<b>1,509.97</b>	1,726.23
<b>Investments measured at Fair Value through Profit &amp; Loss</b>			
<b>In Mutual Funds (Unquoted, fully paid up)</b>			
<b>Long-term Mutual Funds :</b>	<i>Number of units</i>		
HDFC Equity Saving Fund - Direct plan-Growth option	7,14,584 (7,14,584)	328.62	251.70
<b>Total</b>		<b>328.62</b>	251.70
<b>Fixed Maturity Plans :</b>	<i>Number of units</i>		
Aditya Birla Sun Life Fixed Term Plan (1099D)-Regular Growth-Series QW	- (10,00,000)	-	106.42
HDFC FMP (1141D August-2018-1)-Direct Plan-Growth Option-Series-42	- (50,00,000)	-	564.96
HDFC FMP (1344D October-2018-1)-Direct Plan-Growth Option-Series-43	30,00,000 (30,00,000)	381.64	346.94
HDFC FMP (1232D November-2018-1)-Direct Plan-Growth Option-Series-43	20,00,000 (20,00,000)	250.48	230.55
HDFC FMP (1190D January-2019-1)-Direct Plan-Growth Option-Series-43	4,99,990 (4,99,990)	61.10	56.15
Kotak FMP (1063D)-Direct plan-Growth Option-Series 239	20,00,000 (20,00,000)	255.28	229.85
Nippon India Fixed Horizon Fund-XXXVIII-Growth Option-Series-11	- (30,00,000)	-	338.59
<b>Total</b>		<b>948.50</b>	1,873.46
<b>Total</b>		<b>1,277.12</b>	2,125.16
<b>Total</b>		<b>2,787.09</b>	3,851.39
Aggregate amount of quoted investments		1,509.97	1,726.23
Aggregate market value of quoted investments		1,768.81	1,944.21
Aggregate amount of Unquoted investments		1,277.12	2,125.16

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## 5 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits	7.21	7.21
Total	7.21	7.21

## 6 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
Capital Advances	75.00	-
Total	75.00	-

## 7 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
Raw Materials	1,339.69	1,719.64
Work-in-progress	364.80	419.85
Finished goods	62.15	92.41
Stores and spares	331.77	290.14
Total	2,098.41	2,522.04

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**
**8 CURRENT INVESTMENTS**

(₹ in Lakhs)

Particulars		As at 31 March 2021	As at 31 March 2020
<b>Investments measured at amortised cost</b>			
<b>In bonds (Quoted, fully paid up)</b>			
	<b>Number of units</b>		
8.20%-NHAI Limited Tax Free Bonds	1,236 (-)	12.36	-
11.40%-Tata Power Ltd. Taxable Bonds	10 (-)	101.25	-
11.50%-Tata Steel Ltd. Taxable Bonds	10 (-)	102.65	-
	<b>Total</b>	<b>216.26</b>	<b>-</b>
<b>Investments measured at Fair Value through Profit &amp; Loss</b>			
<b>In Mutual Funds (Unquoted, fully paid up)</b>			
<b>Short-term Mutual Funds :</b>			
	<b>Number of units</b>		
HDFC Ultra Short Term Fund - Direct plan-Growth Plan	4,40,30,468 (-)	5,256.97	-
	<b>Total</b>	<b>5,256.97</b>	<b>-</b>
<b>Fixed Maturity Plans :</b>			
	<b>Number of units</b>		
Aditya Birla Sun Life Fixed Term Plan (1099D)-Regular Growth-Series QW	10,00,000 (-)	113.91	-
HDFC FMP (1141D August-2018-1)-Direct Plan-Growth Option-Series-42	50,00,000 (-)	631.86	-
Nippon India Fixed Horizon Fund-XXXVIII-Growth Option-Series-11	30,00,000 (-)	376.33	-
HDFC Charity Fund For Cancer Cure-Arbitrage Plan-50% Dividend Donation	- (5,00,000)	-	50.23
HDFC FMP (1178D Feb-2017-1)-Direct Plan-Growth Option-Series-37	- (40,00,000)	-	514.86
HDFC FMP (1188D Mar-2017-1)-Direct Plan-Growth Option-Series-38	- (40,00,000)	-	511.25
HDFC FMP (1166D May-2017-1)-Direct Plan-Growth Option-Series-38	- (20,00,000)	-	251.80
Nippon India Fixed Horizon Fund-XXXIII-Growth Option-Series-5	- (10,00,000)	-	118.96
Nippon India Fixed Horizon Fund-XXVI-Growth Option-Series-6	- (30,00,000)	-	344.54
	<b>Total</b>	<b>1,122.10</b>	<b>1,791.64</b>
<b>Liquid mutual funds :</b>			
	<b>Number of units</b>		
HDFC Money Market Fund - Daily Dividend Reinvestment	- (1,16,887)	-	1,243.25
	<b>Total</b>	<b>-</b>	<b>1,243.25</b>
		<b>6,379.07</b>	<b>3,034.89</b>
		<b>6,595.33</b>	<b>3,034.89</b>
Aggregate amount of quoted investments		<b>216.26</b>	<b>-</b>
Aggregate market value of quoted investments		<b>219.47</b>	<b>-</b>
Aggregate amount of Unquoted investments		<b>6,379.07</b>	<b>3,034.89</b>

**9 TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Receivables :		
Secured, considered Good	-	7.00
Unsecured, considered Good	2,546.63	1,462.23
Trade Receivables which have significant increase in Credit Risk	-	3.00
Trade Receivables - Credit Impaired	-	-
<b>Total</b>	<b>2,546.63</b>	<b>1,472.23</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**10 CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with Banks		
- In Current Accounts	144.56	54.92
Cash on hand	1.52	1.15
<b>Total</b>	<b>146.08</b>	<b>56.07</b>

**11 OTHER BANK BALANCES**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Earmarked Balances with Bank		
- In Dividend Accounts	137.31	154.69
<b>Total</b>	<b>137.31</b>	<b>154.69</b>

**12 LOANS**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Security Deposits :		
Secured, considered Good	-	-
Unsecured, considered Good	62.61	75.83
Security Deposits which have significant increase in Credit Risk	-	-
Security Deposits - Credit Impaired	-	-
<b>Total</b>	<b>62.61</b>	<b>75.83</b>

**13 OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Other Short-term advances	0.34	0.39
Interest accrued on deposits	2.69	3.66
Interest accrued on Non-current Investments-Bonds	58.76	58.98
<b>Total</b>	<b>61.79</b>	<b>63.03</b>

**14 OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Prepaid Expenses	26.97	24.71
Balances with Government authorities	142.79	54.37
Advances to Suppliers	0.16	7.79
Other Current Assets	13.36	5.83
<b>Total</b>	<b>183.28</b>	<b>92.70</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**
**15 SHARE CAPITAL**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
<b>AUTHORISED</b>				
Equity Shares of ₹ 5/- each	<b>2,40,00,000</b>	<b>1,200.00</b>	2,40,00,000	1,200.00
<b>Total</b>	<b>2,40,00,000</b>	<b>1,200.00</b>	2,40,00,000	1,200.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
Equity Shares of ₹ 5/- each fully paid up	<b>1,29,18,616</b>	<b>645.93</b>	1,29,18,616	645.93
<b>Total</b>	<b>1,29,18,616</b>	<b>645.93</b>	1,29,18,616	645.93

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

Name of Shareholders	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	%	No. of Shares	%
1) Manhar G. Gandhi	<b>20,14,015</b>	<b>15.59</b>	20,14,015	15.59
2) Bhupatrai G. Gandhi	<b>19,24,913</b>	<b>14.90</b>	19,24,913	14.90
3) Jayesh M. Gandhi	<b>10,32,498</b>	<b>7.99</b>	10,32,498	7.99
4) Manoj B. Gandhi	<b>9,69,816</b>	<b>7.51</b>	9,69,816	7.51
5) Bharti M. Gandhi	<b>6,94,265</b>	<b>5.37</b>	6,94,265	5.37

**b) Reconciliation of number of shares**

Particulars	As at 31 March 2021	As at 31 March 2020
	No. of Shares	No. of Shares
Shares at the beginning	<b>1,29,18,616</b>	1,38,18,616
Less: Buy back of shares	-	(9,00,000)
<b>Total</b>	<b>1,29,18,616</b>	1,29,18,616

**c) 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.

**d) Equity shares movement during 5 years preceding March 31, 2021**

Equity shares extinguished on buy-back ;

- i) The Company bought back 8,80,000 equity shares for an aggregate amount of ₹ 44 crore being 5.99% of the total paid up equity share capital at ₹ 500 per equity share. The equity shares bought back were extinguished on April 2, 2018
- ii) The Company bought back 9,00,000 equity shares for an aggregate amount of ₹ 49.50 crore being 6.51% of the total paid up equity share capital at ₹ 550 per equity share. The equity shares bought back were extinguished on October 24, 2019.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**16 OTHER EQUITY**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>CAPITAL RESERVE</b>		
<b>Surplus (Gain) on Forfeited Shares</b>		
Balance as per last Balance Sheet	5.39	5.39
Closing balance	5.39	5.39
<b>CAPITAL REDEMPTION RESERVE</b>		
Balance as per last Balance Sheet	298.99	253.99
Add : Additions during the year	-	45.00
Closing balance	298.99	298.99
<b>RETAINED EARNINGS</b>		
Balances as at the beginning of the Year	13,706.87	19,154.52
Add : Profit for the year	3,615.23	2,137.28
Other Comprehensive Income for the year	84.87	7.05
Less : Dividend on Equity shares	1,162.68	1,243.67
Tax on Dividend	-	255.64
Less : Transferred to Capital Redemption Reserve	-	45.00
Premium paid on Buy Back of Shares	-	4,905.00
Tax on Buy Back of Shares	-	1,142.67
Closing balance	16,244.29	13,706.87
<b>Total</b>	<b>16,548.67</b>	<b>14,011.25</b>

**16.1 Description of the nature and purpose of each reserve within equity is as follows:**

**a) Capital Reserve**

It represents the gains of capital nature on forfeiture of shares.

**b) Capital Redemption Reserve**

It represents reserve created during buy back of Equity Shares and it is a non-distributable reserve.

**c) Retained Earnings**

Retained earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves etc., amount distributed as dividend and adjustments on account of transition to Ind AS.

**17 OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Lease Liabilities	31.86	30.28
<b>Total</b>	<b>31.86</b>	<b>30.28</b>

**18 NON-CURRENT PROVISIONS**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits	251.86	327.48
<b>Total</b>	<b>251.86</b>	<b>327.48</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## 19 DEFERRED TAX LIABILITIES (Net)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
The movement on the Deferred Tax Account as follows :		
At the start of the year	662.82	857.03
Charge/(Credit) to the Statement of Profit and Loss	8.53	(194.21)
At the end of the year	671.35	662.82
Component of Deferred Tax Liabilities / (Assets) :		
Depreciation on Property, Plant and Equipment	652.44	663.80
Fair Valuation of Mutual Funds	91.27	89.43
Impact on adoption of Ind AS 116	(1.49)	(0.46)
Provision for Gratuity	(66.04)	(85.19)
Provision for Leave Encashment	(4.43)	(4.52)
Provision for Sales Returns	(0.40)	(0.24)
<b>Total</b>	<b>671.35</b>	<b>662.82</b>

## 20 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Micro, Small and Medium Enterprises	15.99	12.24
Others	155.22	89.47
<b>Total</b>	<b>171.21</b>	<b>101.71</b>

There are no overdue amount for which disclosure requirements under Micro, Small and Medium Enterprises Development Act., 2006 are applicable

## 21 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Due to Directors	280.00	-
Deposits from Customers	3.00	3.00
Unpaid dividends *	137.31	154.69
Other liabilities	50.03	35.87
<b>Total</b>	<b>470.34</b>	<b>193.56</b>

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

## 22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Advances from Customers	46.76	24.98
Statutory Remittances	282.04	113.14
<b>Total</b>	<b>328.80</b>	<b>138.12</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## 23 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
For Employee Benefits Plan	37.40	41.70
Other Provisions	1.59	0.96
<b>Total</b>	<b>38.99</b>	<b>42.66</b>

## 24 CURRENT TAX LIABILITIES (Net)

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Current Taxation (Net of payments)	81.77	16.35
<b>Total</b>	<b>81.77</b>	<b>16.35</b>

## 25 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Sale of products</b>		
Manufactured Goods	10,949.33	7,672.13
Wind Power sold	72.51	94.47
	<b>11,021.84</b>	<b>7,766.60</b>
<b>Other Operating Revenue</b>		
Export Benefits	12.55	9.05
Wind Power, captively consumed	175.49	207.94
Job work charges	19.73	16.68
Sale of scrap	122.97	93.57
	<b>330.74</b>	<b>327.24</b>
<b>Total</b>	<b>11,352.58</b>	<b>8,093.84</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## 26 OTHER INCOME

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Interest Income</b>		
Non-Current Investments	142.05	140.78
Others	2.93	6.63
	144.98	147.41
<b>Dividend Income</b>	90.34	172.67
<b>Other Non operating Income :</b>		
Exchange gain on Foreign Currency	0.89	2.82
Net Gain/(Loss) on sale of Non-current Investments	(0.24)	(13.36)
Net Gain on sale of Current Investments	30.24	17.08
Net gain on measuring investments in Mutual Fund at FVTPL	344.11	237.02
Others	2.60	7.48
	377.60	251.04
<b>Total</b>	<b>612.92</b>	<b>571.12</b>

## 27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Inventories at close</b>		
Finished Goods	62.15	92.41
Work-in-progress	364.80	419.85
	426.95	512.26
<b>Inventories at commencement</b>		
Finished Goods	92.41	44.96
Work-in-progress	419.85	456.24
	512.26	501.20
<b>Total</b>	<b>85.31</b>	<b>(11.06)</b>

## 28 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Salaries and Wages	746.39	556.16
Contributions to Provident and Other Funds	29.93	45.95
Gratuity	39.22	39.69
Staff Welfare Expense	10.41	13.87
<b>Total</b>	<b>825.95</b>	<b>655.67</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## 29 OTHER EXPENSES

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Stores, Spares and Packing Materials consumed	368.68	322.06
Power and Fuel	1,073.28	843.52
Labour Charges	395.94	316.73
Factory Expenses	8.15	5.88
Repairs and Maintenance - Plant and Machinery	77.25	84.50
Repairs and Maintenance - Building	4.40	2.96
Repairs and Maintenance - Others	4.28	4.66
Insurance	23.84	23.98
Wind Mill Operating Expenses	108.52	94.44
Inward Freight	0.81	0.77
Rates & Taxes	8.81	13.68
Electricity Charges	1.54	2.03
Printing and Stationery	3.26	3.68
Communication Expenses	3.08	6.49
Travelling Expenses - Directors	0.23	1.16
Travelling Expenses - Others	0.09	3.77
Security Charges	20.21	23.88
Professional Charges	52.54	80.53
Directors' Sitting Fees	7.61	8.64
Advertising and sales Promotion Expenses	0.92	16.90
Outward Freight	4.30	2.63
Commission on Sales	4.58	3.46
Bank charges and commission	1.68	1.90
Donation	9.25	0.75
CSR Expenses	50.17	112.45
Auditors' Remuneration	6.73	6.29
Net Loss/(Gain) on sale of Property Plant and Equipment	0.30	(0.02)
Assets Discards / written off	10.66	0.01
Other Expenses	44.55	68.55
<b>Total</b>	<b>2,295.66</b>	<b>2,056.28</b>

## 29.1 Auditors' Remuneration \*

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
As auditors		
(i) Statutory audit fees	6.50	6.00
(ii) For other Services	0.23	0.29
* Excluding Goods and Service Tax		
<b>Total</b>	<b>6.73</b>	<b>6.29</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## 30 FINANCIAL CHARGES

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Interest Expenses - Lease	4.93	4.22
<b>Total</b>	<b>4.93</b>	<b>4.22</b>

## 31 DISCLOSURE PURSUANT TO IND AS 12 ON "INCOME TAXES"

## A Components of Tax Expense/(Income)

(₹ in Lakhs)

Particulars	As At 31 March 2021	As At 31 March 2020
a) Profit or Loss Section		
i) Current Tax		
Tax Expense for the year	1,179.00	662.00
Adjustment recognised of prior periods	(17.59)	-
ii) Deferred tax	(20.01)	(196.58)
<b>Income Tax Expense reported in the Statement of Profit or Loss</b>	<b>1,141.40</b>	<b>465.42</b>
b) Other Comprehensive Income Section		
Net loss/(gain) on remeasurements of defined benefit plan	28.55	2.37
<b>Income Tax Expense reported in Other Comprehensive Income</b>	<b>28.55</b>	<b>2.37</b>

## B Reconciliation of Income Tax Expense/(Income) and Accounting Profit multiplied by domestic tax rate applicable in India

(₹ in Lakhs)

Particulars	As At 31 March 2021	As At 31 March 2020
Profit before tax	4,756.63	2,602.70
Corporate tax rate as per Income Tax Act, 1961	25.17%	25.17%
Tax on Accounting Profit	1,197.15	655.10
Tax effect of :		
Exempted income and Chapter VI A Deduction	(199.10)	(242.33)
Expenses disallowed	114.39	138.82
Tax effect which is chargeable at different rate	42.63	108.68
Others	23.93	1.73
Tax expenses relating to prior year	(17.59)	-
<b>Current Tax Provision (A)</b>	<b>1,161.41</b>	<b>662.00</b>
Deferred Tax Liability recognised	(11.36)	(201.46)
Deferred Tax Asset recognised	(8.65)	4.88
<b>Deferred tax Provision (B)</b>	<b>(20.01)</b>	<b>(196.58)</b>
<b>Tax expense recognised during the year (A+B)</b>	<b>1,141.40</b>	<b>465.42</b>
<b>Effective tax rate</b>	<b>24.00%</b>	<b>17.88%</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## 32 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A Contingent Liabilities</b>		
a) Claims against the Company not acknowledged as debt :		
i) Excise / Service Tax matters under disputes	225.15	177.68
ii) Sales Tax demand under disputes	25.23	25.23
b) Counter Guarantees given by the Company to the bankers for Bank Guarantees	100.00	100.00
c) The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020, which may impact the contributions by the company towards certain employment benefits. The effective date from which the changes are applicable is yet to be notified, and the rules are yet to be framed. Impact if any of the changes will be assessed and accounted for in the period of notification of the relevant provisions		
<b>B Commitments</b>		
a) Operating Lease commitments :		
Lease future obligation/rights as at Balance Sheet date for Lease arrangements amount to :		
Within one year	8.02	7.94
After one year but not more than five years	20.06	13.36
More than five years	-	-

## 33 EMPLOYEE BENEFITS

As required by Ind AS 19 'Employee Benefits' the disclosures are as under :

## a) Defined Contribution Plans

Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers certain employees. Contributions are made to the Government's funds. While both the employees and Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the Pension fund is made only by Company. The contributions are normally based on a certain proportion of the employee's salary. During the year, Company has recognised the following amounts in the Accounts :

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provident Fund and Employee's Pension Scheme	29.86	45.83
Employees State Insurance	0.07	0.12

## b) Defined Benefit Plans

Gratuity : Company makes annual contributions to Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under :

On normal retirement / early retirement / withdrawal / resignation :

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 10 years of service.

On the death in service :

As per the provisions of Payments of Gratuity Act, 1972 without any vesting period.

Death Benefit : Company provides for death benefit, a defined benefit plan (death benefit plan) to certain categories of employees. The death benefit plan provides a lump sum payment to vested employees on death being compensation received from the insurance company and restricted to limits set forth in the said plan. The death benefit plan is non-funded.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## c) Disclosers for defined benefit plans based on actuarial reports as on 31 March 2021

(₹ in Lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Gratuity Funded	Gratuity Non Funded	Gratuity Funded	Gratuity Non Funded
I) Changes in Defined Benefit Obligation :				
Opening defined benefit obligation	93.46	327.48	95.26	308.90
Current service cost	6.09	10.91	5.56	10.72
Past service cost	-	-	-	-
Interest cost	5.94	21.45	6.51	23.14
Actuarial loss/(gain) arising from changes in financial assumptions	0.57	0.47	5.38	8.35
Actuarial loss/(gain) arising from changes in demographic assumptions	-	-	-	-
Actuarial loss/(gain) arising on account of experience changes	(6.05)	(108.45)	0.25	(23.63)
Benefit (paid)	(2.90)	-	(19.50)	-
<b>Closing defined benefit obligation</b>	<b>97.11</b>	<b>251.86</b>	<b>93.46</b>	<b>327.48</b>
(ii) Changes in Value of Plan Assets :				
Opening value of plan assets	82.50	-	92.28	-
Expenses deducted from fund	-	-	-	-
Adjustment to the opening fund	-	-	-	-
Interest Income	5.38	-	6.48	-
Actual return on plan assets less interest on plan assets	(0.04)	-	(0.23)	-
Contributions by Employer	1.63	-	3.47	-
Benefits Paid	(2.90)	-	(19.50)	-
<b>Closing value of plan assets</b>	<b>86.57</b>	<b>-</b>	<b>82.50</b>	<b>-</b>
(iii) Amount recognised in the Balance Sheet :				
Present value of funded obligations as at the year end	97.11	251.86	93.46	327.48
Fair value of plan assets as at year end	86.57	-	82.50	-
<b>Net (Asset) /Liability recognised as at the year end</b>	<b>10.54</b>	<b>251.86</b>	<b>10.96</b>	<b>327.48</b>
(iv) Expenses recognised in the Statement of Profit and Loss :				
Current service cost	6.09	10.91	5.56	10.72
Past service cost	-	-	-	-
Interest on net defined benefit liability / (asset)	0.56	21.45	0.04	23.14
(Gains) / loss on settlement	-	-	-	-
<b>Total Expenses charged to Profit &amp; Loss</b>	<b>6.65</b>	<b>32.36</b>	<b>5.60</b>	<b>33.86</b>
Expenses recognised in the Statement of Other Comprehensive Income :				
Net actuarial loss/(gain) recognized in the current year				
Changes in financial assumptions	0.57	0.47	5.38	8.35
Changes in demographic assumptions	-	-	-	-
Experience adjustments	(6.05)	(108.45)	0.25	(23.63)
Actual return on plan assets less interest on plan assets	0.04	-	0.23	-
<b>Total amount recognized in the Statement of Other Comprehensive Income</b>	<b>(5.44)</b>	<b>(107.98)</b>	<b>5.86</b>	<b>(15.28)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Particulars	As at 31 March 2021		As at 31 March 2020	
	Gratuity Funded	Gratuity Non Funded	Gratuity Funded	Gratuity Non Funded
(vi) Principal actuarial assumptions used				
Mortality Table (LIC Administered Trust)	Indian Assured Lives Mortality (2006-08) Ult Table		Indian Assured Lives Mortality (2006-08) Ult Table	
Retirement Age	58 Years		58 Years	
Discount rate (p.a)	6.55%		6.65%	
Salary growth rate (p.a)	7.50%		7.50%	

## d) Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31 March 2021				As at 31 March 2020			
	Gratuity Funded		Gratuity Non Funded		Gratuity Funded		Gratuity Non Funded	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-2.89%	3.06%	-0.92%	0.93%	-3.10%	3.28%	-1.35%	1.38%
Salary growth rate (0.5% movement)	3.02%	-2.88%	0.92%	-0.91%	3.24%	-3.09%	1.36%	-1.35%

Although the analysis does not take into account full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of assumptions. The estimated of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The expected contributions for Defined Benefit plan for the next financial year will be in line with FY 2020-21.

## e) Leave Encashment:

Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly ₹ 17.60 Lakhs (Previous Year ₹ 17.96 Lakhs) being liability as at the year end for compensated absences as per actuarial valuation has been provided in the accounts.

## 34 SEGMENT REPORTING

Operating Segment are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. Accordingly, the Company operates in manufacturing of Steel Tubes / Nuts and generation of Wind Power. However, the operating segment in respect of Nuts and generation of Wind Power do not meet the quantitative thresholds for disclosure under Ind AS 108 "Operating Segments" and hence aggregated.

## 35 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended dividend of ₹ 9.00 (180%) (Previous Year ₹ 9.00 (180%)) for equity share for the financial year ended 31 March 2021. The dividend is subject to the approval by the shareholders in the ensuing Annual General Meeting of the Company and therefore, has not been recognized as a liability as at the Balance Sheet date in line with Ind AS 10 on "Events after reporting period"

The Board of Directors have recommended buy back of 7,66,616 equity shares of ₹ 5/- each from the shareholders on proportionate basis of a tender offer at a price of ₹ 550.00 per equity shares for an aggregate amount of ₹ 42.16 Crores in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998. The Buy Back is subject to the approval by the shareholders in the ensuing Annual General Meeting of the Company

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

**36 EARNING PER SHARE**

Particulars	31 March 2021	31 March 2020
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	<b>3,615.23</b>	2,137.28
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	<b>1,29,18,616</b>	1,34,15,337
Add: Weighted Average Potential Equity Shares	-	-
Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	<b>1,29,18,616</b>	1,34,15,337
Face Value per Equity Share (₹)	<b>5.00</b>	5.00
Basic & Diluted Earnings per Share (₹)	<b>27.98</b>	15.93

**37 DISCLOSURES OF TRANSACTIONS WITH RELATED PARTIES REQUIRED UNDER IND AS 24 ON "RELATED PARTY DISCLOSURES"**

**Key Managerial Personnel (KMP)**

Chairman and Managing Director	-	Mr. Manhar G. Gandhi
Joint Managing Director	-	Mr. Bhupatrai G. Gandhi
Director	-	Mr. Jayesh M. Gandhi
Independent Director	-	Mr. Kavas N. Warden
Independent Director	-	Mr. Dharmen B. Shah
Independent Director	-	Mrs. Bhavi Jatin Koradia

**Relative of KMP**

Director	-	Mr. Jayesh M. Gandhi
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**Entities over which KMP / Relative of KMP have control**

Randeep Automobiles

**Transactions (In Aggregate) with Related Parties**

(₹ in Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Sales :</b>		
Randeep Automobiles	<b>228.42</b>	258.94
<b>Job Work Charges received</b>		
Randeep Automobiles	<b>23.28</b>	19.69
<b>Short-term employee benefits (Remuneration) *</b>		
Manhar G. Gandhi	<b>230.00</b>	120.00
Bhupatrai G. Gandhi	<b>230.00</b>	120.00
* Excluding Provision for Gratuity and Contribution to Provident Fund.		
<b>Sitting Fees :</b>		
Late Dhirajlal S. Shah	-	1.23
Kavas N. Warden	<b>1.60</b>	1.25
Jayesh M. Gandhi	<b>1.65</b>	1.85
Dharmen B. Shah	<b>1.55</b>	1.50
Bhavi Jatin Koradia	<b>1.65</b>	1.50
<b>Outstanding Balances with Related Parties:</b>		
<b>Remuneration Payable :</b>		
(i) Manhar G. Gandhi	<b>140.00</b>	-
(ii) Bhupatrai G. Gandhi	<b>140.00</b>	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****Notes :**

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

The Sales to / Job work charges received from related parties are at arms length price. The outstanding balances represents remuneration payable as on date.

**38 CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The particulars of CSR expenditure are as follows :

- a) Gross amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 133.71 Lakhs (Previous year ₹ 165.33 Lakhs)
- b) Amount spend during the year and debited to Statement of Profit and Loss ₹ 50.17 Lakhs (Previous year ₹ 112.45 Lakhs )

The amount of ₹ 50.00 Lakhs is spent through Vinay Vihar Kelavani Mandal for Primary, Secondary School At Valkund, Gujarat and ₹ 0.17 Lakhs is spent through HDFC Charity Fund for Cancer Cure. (Previous Year ₹ 111.00 Lakhs is spent through Jain Youth Foundation for Dialysis Centre and ₹ 1.45 Lakhs was spent through HDFC Charity Fund for Cancer Cure.)

**39 CAPITAL MANAGEMENT**

For the purpose of the Company's Capital Management, Capital includes issued Equity Capital and all Other Reserves(including Capital Redemption Reserve created on buy back of Equity Shares) attributable to the Equity shareholders of the Company.

The Primary objective of the Company's Capital Management is to maximise the shareholders' value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholder's value.

**40 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT****A Fair value measurements****i) Fair value of financial assets and liabilities that are measured at fair value on a recurring basis**

Fair value of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

**Valuation**

The Fair values of investments in units of mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

The Fair values of investments in Bonds which are quoted, are based on the quoted price of those bonds on the measurement date.

**Fair Value measurement hierarchy**

The fair value of financial instruments as referred below have been classified into three categories depending on the method used in the valuation technique.

The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and input used)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Particulars	Fair Value		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs		
Investments in				
- Long Term Mutual Funds	328.62	251.70	Level 1	Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.
- Short Term Mutual Funds	5,256.97	-		
- Fixed Maturity Plans	2,070.60	3,665.10		
- Liquid Mutual Funds	-	1,243.25		

**ii) Financial Instruments measured at amortised cost :**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**B Financial Risk Management and Policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Company's Board. The Company's principal financial liabilities comprise of trade and other payables. These financial liabilities form part of the Company's working capital. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and investments. The Company is exposed to market risk, credit risk, liquidity risk, etc. The objective of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital, if any. The Company's capital structure is managed using only equity as part of the Company's financial planning.

Company has exposure to following risk arising from financial instruments:

Credit risk

Liquidity risk

Market risk

**a) Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments in units of mutual funds, other balances with banks, deposits and other receivables.

**i) Trade Receivable**

Customer credit risk managed by Company's established policy, procedure and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

**ii) Financial instruments**

The Company limits its exposure to credit risk by investing mainly in units of debt funds issued by mutual funds and that too have higher credit rating. The Company monitors changes in credit risk by tracking published external credit ranking.

**b) Liquidity risk**

Liquidity risk is the risk that Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. Company closely monitors its liquidity position and deploys a robust cash management system. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities. The ratio of cash and cash equivalents and other investments to outflow is 10.51 times as at 31 March 2021 and 10.47 times as at 31 March 2020.

The maturity of all financial liabilities of the Company is less than one year or on demand.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****c) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. The Company does not have any loan or borrowing. The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

**C Foreign Currency Risk :**

The Company is subject to the risk that changes in foreign currency values impact the exports and other payables. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Us Dollar. However as on 31 March 2021 as also 31 March 2020 there are no outstanding dues receivable/payable in foreign currency. In this circumstances, question of foreign currency sensitivity also does not arise.

**41** The Company's operations are at normalcy and there is no impact of the pandemic on the Company's financials for the year ended March 31, 2021. The management is continuously and closely monitoring the COVID-19 developments and possible effects on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation.

**42 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 Shashikant J. Shah & CO.**

Chartered Accountants  
Firm Reg. No. 109996W

**Nikunj S Shah**

Partner  
Membership No. 112867

Mumbai, 22 June 2021

**M. G. GANDHI**

(Chairman & Managing Director)  
(DIN 00041190)

**K. N. WARDEN**

(Director)  
(DIN 00045840)

**BHAVI KORADIA**

(Director)  
(DIN 07004836)

**B. G. GANDHI**

(Joint Managing Director)  
(DIN 00041273)

**J. M. GANDHI**

(Director)  
(DIN 00041330)

**SHOBHANA RAJAN VARTAK**

(CFO)

**D. B. SHAH**

(Director)  
(DIN 01834884)

**JITENDRA DATTARAM**

**KHADYE**  
(Company Secretary)

# Halol Manufacturing Facility, Gujarat



Bright Annealing Furnace



Solar Panel Installation





# Gandhi

Special Tubes Ltd.



**GANDHI SPECIAL TUBES LTD.**  
**CIN : L27104MH1985PLC036004**

**Registered office**

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