



September 14, 2021

**Corporate Relationship Department
BSE Limited**
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400001

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (East),
Mumbai 400051

Dear Sir / Madam,

Sub: Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

Re: Buyback Offer of up to 7,66,616 fully paid-up Equity Shares of Face Value of Rs. 5/- each of Gandhi Special Tubes Limited (“the Company”) at a price of Rs. 550/- per Equity Share (“Buyback Offer”)

In continuation of our earlier letters dated August 12, 2021 and August 13, 2021, we, Prime Securities Limited, Manager to the Buyback Offer, enclose herewith the copy of the Letter of Offer [(along with the Tender Forms / Transfer Deed (Form SH-4)] in relation to the Buyback Offer.

The Letter of Offer will also be available on the website of the Company www.gandhispecialtubes.com

The dispatch of the Letter of Offer (along with the Form of Acceptance-cum-Acknowledgement) to the eligible shareholders as on the Record Date (i.e. Tuesday, August 31, 2021) shall be completed on Tuesday, September 14, 2021.

Kindly find the above documents in order and acknowledge the receipt. In case you need any further information / document, please feel free to contact the undersigned.

Thanking you,

Yours faithfully,
For **Prime Securities Limited**



Apurva Doshi
Sr. VP - Corporate Finance

Prime Securities Limited
1109 / 1110, Maker Chambers V,
Nariman Point, Mumbai 400 021.
CIN: L67120MH1982PLC026724
www.primesec.com

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LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a registered Equity Shareholders of Gandhi Special Tubes Limited (“the Company”) as on Record Date in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended from time to time (“Buyback Regulations”). If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or the Managers to the Buyback, i.e. Prime Securities Limited, or the Registrar to the Buyback, KFin Technologies Private Limited. Please refer to the section on “Key Definitions” for the definition of the capitalized terms used herein.



Gandhi Special Tubes Limited

Regd. Office: 201-204, 2nd Floor, Plaza, 55, Hughes Road, Next to Dharam Palace, Mumbai 400007, Maharashtra, India, **CIN:** L27104MH1985PLC036004, **Tel:** +91-22-23634179
Website: www.gandhispecialtubes.com; **Email:** complianceofficer@gandhitubes.com
Contact Person: Jitendra Khadye, Company Secretary & Compliance Officer

CASH OFFER TO BUYBACK UPTO 7,66,616 (SEVEN LAKHS SIXTY SIX THOUSAND SIX HUNDRED SIXTEEN) FULLY PAID-UP EQUITY SHARES OF FACE VALUE RS. 5/- (RUPEES FIVE ONLY) EACH, REPRESENTING 5.93% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM THE ELIGIBLE SHAREHOLDERS / BENEFICIAL OWNERS OF THE COMPANY AS ON THE RECORD DATE, BEING TUESDAY, AUGUST 31, 2021, ON A PROPORTIONATE BASIS THROUGH THE "TENDER OFFER ROUTE", AT A PRICE OF Rs. 550/- (RUPEES FIVE HUNDRED FIFTY ONLY) PER EQUITY SHARE FOR AN AGGREGATE MAXIMUM AMOUNT OF RS. 42,16,38,800/- (RUPEES FORTY TWO CRORES SIXTEEN LAKHS THIRTY EIGHT THOUSAND EIGHT HUNDRED ONLY).

- 1) The Buyback is in accordance with Article 24A and 24B of the Articles of Association of the Company and 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 Companies (Management and Administration) Rules, 2014, each as amended and in compliance with the Buyback Regulations including any amendments, statutory modifications or re-enactments thereof, for the time being in force and is subject to such other approvals, permissions and sanctions as may be necessary, from time to time, from any statutory and / or regulatory authorities, including but not limited to Securities and Exchange Board of India (“SEBI”), stock exchanges where the Equity Shares of the Company are listed i.e. the BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (collectively, “Stock Exchanges”), Reserve Bank of India (“RBI”), etc.
- 2) The Buyback Size represents 24.96% of the total paid-up equity share capital and free reserves as per the audited financial statements of the Company as on March 31, 2021 (last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited financial statements of the Company.
- 3) This Letter of Offer will be sent to the Eligible Shareholders holding Equity Shares as on the Record Date i.e. Tuesday, August 31, 2021.
- 4) The procedure for tender and settlement is set out in paragraph 24 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement (“Tender Form”) is enclosed together with this Letter of Offer.
- 5) The procedure for Acceptance is set out in paragraph 23 of this Letter of Offer. The payment of consideration is in cash to the Eligible Shareholders. For mode of payment of consideration to the Eligible Shareholders, please refer paragraph 24.27 to 24.30 of this Letter of Offer.
- 6) A copy of the Public Announcement published on Thursday, August 12, 2021, Corrigendum to Public Announcement published on Friday, August 13, 2021, Draft Letter of Offer and Letter of Offer (including Tender Form) shall be available on the website of the SEBI – <http://www.sebi.gov.in>
- 7) Equity Shareholders are advised to refer to paragraph 20 (Details of Statutory Approvals) and paragraph 25 (Note on Taxation) of this Letter of Offer before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: TUESDAY, SEPTEMBER 21, 2021

BUYBACK CLOSES ON: MONDAY, OCTOBER 4, 2021

LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS BY THE REGISTRAR TO THE BUYBACK: WEDNESDAY, OCTOBER 6, 2021 BY 5:00 PM

All future correspondence in relation to the Buyback, if any, should be addressed to the Manager to the Buyback Offer or Registrar to the Buyback Offer at the respective addresses mentioned below:

MANAGERS TO THE BUYBACK



Prime Securities Limited
CIN: L67120MH1982PLC026724
1109/1110, Maker Chambers V, Nariman Point,
Mumbai 400021, Maharashtra, India
Tel: +91-22-61842525 / **Fax:** +91-22-24970777
Email: gstl_buyback@primesec.com
SEBI Registration Number: MB/INM000000750
Validity Period: Permanent Registration
Website: www.primesec.com
Contact Person: Mr. Apurva Doshi / Mr. Nischay Saraf

REGISTRAR TO THE BUYBACK



KFin Technologies Private Limited
CIN: U72400TG2017PTC117649
Selenium, Tower-B, Plot No 31-32, Gachibowli Financial
District, Nanakramguda, Hyderabad 500032, India
Tel: +91-40-67162222 / **Fax:** +91-40-23431551
E-mail: gstl.buyback2021@kfintech.com
SEBI Registration Number: INR000000221
Validity Period: Permanent Registration
Website: <http://karisma.kfintech.com>
Contact Person: Mr. M. Murali Krishna

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1. SCHEDULE OF ACTIVITIES

| Activity | Date | Day |
|--|---------------------------|----------------|
| Date of Board Meeting approving the proposal for the Buyback | June 22, 2021 | Tuesday |
| Date of declaration of the result of the Shareholders' resolution, approving the Buyback | August 11, 2021 | Wednesday |
| Date of publication of the Public Announcement for Buyback in newspapers | August 12, 2021 | Thursday |
| Date of publication of the Corrigendum to Public Announcement for Buyback in newspapers | August 13, 2021 | Friday |
| Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders | August 31, 2021 | Tuesday |
| Buyback Opens on | September 21, 2021 | Tuesday |
| Buyback Closes on | October 4, 2021 | Monday |
| Last date of receipt of completed Tender Forms and other specified documents (if and as applicable) by the Registrar to the Buyback | October 6, 2021 | Wednesday |
| Last date of verification of Tender Forms by Registrar to the Buyback | October 8, 2021 | Friday |
| Last date of providing acceptance / non-acceptance of tendered Equity Shares to the Stock Exchanges by the Registrar to the Buyback | October 12, 2021 | Tuesday |
| Last date of settlement of bids / payment of consideration by the clearing corporations | October 13, 2021 | Wednesday |
| Last date of dispatch of share certificate(s) by the Registrar to the Buyback / payment to Eligible Shareholders/ return of unaccepted Equity Shares by Designated Stock Exchange to Eligible Shareholders / Seller Broker | October 13, 2021 | Wednesday |
| Last date of extinguishment of Equity Shares bought back | October 20, 2021 | Wednesday |

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.

2. KEY DEFINITIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specifies otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the meaning ascribed to such terms under the Buyback Regulations, the Act, the Depositories Act, 1996 and the rules and regulations made thereunder.

| Term | Description |
|--|--|
| Acceptance | Acceptance of Equity Shares tendered by Eligible Shareholders in the Buyback Offer |
| Acquisition Window | The separate window made available by the Stock Exchanges to facilitate acquisition of Equity Shares through the stock exchange mechanism pursuant to an offer in accordance with the SEBI Circulars |
| Act | The Companies Act, 2013, as may be amended from time to time, along with all rules and regulations issued thereunder |
| Additional Equity Shares | Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder not exceeding the Equity Shares held by such Eligible Shareholder as on the Record Date |
| Articles / Articles of Association of Company | Articles of Association of the Company |
| Bank | HDFC Bank Limited |
| Board or Board of Directors | Board of Directors of the Company, which shall include Buyback Committee constituted by the Board to exercise its powers |
| Board Meeting | Meeting of the Board of Directors of the Company held on Tuesday, June 22, 2021, wherein among other things, the proposal of Buyback was approved |
| BSE | BSE Limited |
| Buyback Regulations | Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 as amended from time to time |
| Buyback Committee | A Committee constituted by the Board (comprising of Manhar Gandhi, Managing Director; Jayesh Gandhi, Director and Dharmen B Shah, Independent Director) pursuant to a resolution passed by the Board of Directors at their meeting held on Tuesday, June 22, 2021, to exercise certain powers in relation to Buyback |
| Buyback Entitlement or Entitlement | The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback, based on the number of Equity Shares held by such Eligible Shareholder on the Record Date and the ratio / percentage of Buyback applicable to such Eligible Shareholder |
| Buyback or Buyback Offer or Offer | Offer to Buyback up to 7,66,616 Equity Shares of face value Rs. 5/- (Rupees Five only) each of Gandhi Special Tubes Limited at a price of Rs. 550/- (Rupees Five Hundred Fifty only) per Equity Share in accordance with the Buyback Regulations and relevant provisions of the Act via the Tender Offer route on a proportionate basis |
| Buyback Price or Offer Price | Price at which Equity Shares will be bought back from the Eligible Shareholders, i.e., Rs. 550/- (Rupees Five Hundred Fifty only) per Equity Share |
| Buyback Size or Offer Size | Number of Equity Shares proposed to be bought back multiplied by the Buyback Price, i.e., Upto 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares at a Price of Rs. 550/- (Rupees Five Hundred Fifty only) aggregating to a maximum amount of up to Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred Only) |
| CDSL | Central Depository Services (India) Limited |
| Clearing Corporation | Indian Clearing Corporation Limited or the National Securities Clearing Corporation Limited, as applicable |
| Closing Date | Monday, October 4, 2021 |
| Company | Gandhi Special Tubes Limited |
| Company's Brokers | Dalal and Broacha Stock Broking Private Limited |
| Corrigendum to Public Announcement | The Corrigendum to Public Announcement of the Buyback dated Thursday, August 12, 2021, which was published on Friday, August 13, 2021 |
| Depositories | Collectively, National Securities Depository Limited and Central Depository Services (India) Limited |
| Designated Stock Exchange | The designated stock exchange for the Buyback, being, BSE Limited |
| DLOF or Draft Letter of Offer | The Draft Letter of Offer dated Thursday, August 12, 2021 filed with the SEBI through the Manager to the Buyback Offer, containing disclosures in relation to the Buyback as specified in Schedule III to the Buyback Regulations |
| DIN | Director Identification Number |
| DP | Depository Participant |

| | |
|---|---|
| Eligible Person(s) or Eligible Shareholder(s) | Person(s) eligible to participate in the Buyback Offer, i.e., all equity shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date, i.e., Tuesday, August 31, 2021 |
| Equity Share(s) or Share(s) | The Company's fully paid-up equity share(s) of face value of Rs. 5/- (Rupees Five only) each |
| Equity Shareholder(s) or Shareholder(s) | Holders of the Equity Shares of the Company |
| Escrow Account | Escrow Account opened with Escrow Agent in the name and style of "GANDHI SPECIAL TUBES LTD-BUYBACK ESCROW A/C-2021" in terms of the Escrow Agreement |
| Escrow Agent | HDFC Bank Limited |
| Escrow Agreement | The Escrow Agreement dated Thursday, August 5, 2021 entered into between the Company, the Managers to the Buyback and HDFC Bank Limited |
| ESOP | Employee Stock Option Plan |
| FEMA | Foreign Exchange Management Act, 1999, as amended, and relevant regulations framed thereunder |
| FII | Foreign Institutional Investors |
| FPI | Foreign Portfolio Investors |
| General Category | Eligible Shareholders other than the Small Shareholders |
| HUF | Hindu Undivided Family |
| IT Act / Income Tax Act | Income-tax Act, 1961, as amended, and Rules framed thereunder |
| Listing Regulations / LODR | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| LOF or Letter of Offer | This Letter of Offer dated Thursday, September 9, 2021 containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations, incorporating comments that were received from SEBI on the Draft Letter of Offer |
| Managers to the Buyback or Managers to the Offer | Prime Securities Limited |
| Management Rules | The Companies (Management and Administration) Rules, 2014 |
| Non-Resident Shareholders | Includes Foreign Corporate Bodies (including erstwhile Overseas Corporate Bodies), Foreign Institutional Investors / Foreign Portfolio Investors, Non-Resident Indians, Shareholders of Foreign Nationality and ADS holders with underlying Equity Shares upon withdrawal of such Equity Shares |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB | Overseas Corporate Bodies |
| Offer Period or Tendering Period | Period of ten working days from the date of opening of the Buyback Offer, i.e., Tuesday, September 21, 2021 at 9:15 a.m. IST till its closure, i.e., Monday, October 4, 2021 at 3:30 p.m. IST (both days inclusive) |
| Opening Date | Tuesday, September 21, 2021 |
| PA or Public Announcement | The Public Announcement of the Buyback dated Wednesday, August 11, 2021, which was published on Thursday, August 12, 2021 |
| PAN | Permanent Account Number |
| Promoters / Promoter Companies | Promoters as have been disclosed under the filings made by the Company under the Listing Regulations and the Takeover Regulations |
| RBI | Reserve Bank of India |
| Record Date | The date for the purpose of determining the entitlement and the names of the Eligible Shareholders, to whom the LOF (including the Tender Form) will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Tuesday, August 31, 2021 |
| Registrar to the Buyback or Registrar to the Offer | KFin Technologies Private Limited |
| Reserved Category | The Small Shareholders eligible to tender Equity Shares in the Buyback |
| ROC | Registrar of Companies |
| SEBI | Securities and Exchange Board of India |
| SEBI Circulars | Circular issued by SEBI bearing number 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 |
| Seller Member or Seller Broker | A stock broker (who is a member of the BSE and / or NSE) of an Eligible Shareholder, through whom the Eligible Shareholder may participate in the Buyback |
| Share Capital Rules Shareholders | The Companies (Share Capital and Debenture) Rules, 2014 Holders of Equity Shares and includes beneficial owners thereof |
| Small Shareholder | An Eligible Shareholder who holds Equity Shares of market value not more than Rs. 200,000/- (Rupees Two Lakhs only), on the basis of the closing price on the Recognized Stock Exchange registering the highest trading volume as on the Record Date, i.e., Tuesday, August 31, 2021 |

| | |
|--|--|
| Statutory Auditor | M/s. Shashikant J. Shah & Co. |
| Stock Exchanges or Recognised Stock Exchanges | Together, BSE Limited and National Stock Exchange of India Limited, being the stock exchanges where the Equity Shares of the Company are listed. |
| Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended |
| Tender Form | Form of Acceptance-cum-Acknowledgement |
| Tender Offer | Method of Buyback as defined in Regulation 2(i)(q) of the Buyback Regulations |
| Tendering Period | Period of 10 (Ten) Working Days from the Buyback Opening Date till the Buyback Closing Date (both days inclusive) |
| TRS | Transaction Registration Slip |
| Working Day | Unless otherwise specified, working day shall have the meaning ascribed to it under the Buyback Regulations |

3. DISCLAIMER CLAUSE

- 3.1 As required, a copy of this Letter of Offer has been submitted to SEBI.
- 3.2 It is to be distinctly understood that submission of the Letter of Offer to SEBI should not in any way be deemed or construed to evidence that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the offer document. The Managers to the Buyback, Prime Securities Limited, have certified that the disclosures made in the offer document are generally adequate and are in conformity with the provisions of the Act and the Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buyback.
- 3.3 It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Managers to the Buyback are expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Managers to the Buyback, Prime Securities Limited, have furnished to SEBI a due diligence certificate dated Wednesday, August 18, 2021 in accordance with Buyback Regulations, which reads as follows:

“We have examined various documents and materials relevant to the Buyback, as part of the due diligence carried out by us in connection with the finalisation of the Public Announcement, Corrigendum to Public Announcement and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *the Public Announcement, Corrigendum to Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback Offer;*
- *all the legal requirements connected with the said Buyback Offer including the Buyback Regulations, have been duly complied with;*
- *the disclosures in the Public Announcement, Corrigendum to Public Announcement and the Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well-informed decision in respect of the Buyback Offer; and*
- *funds used for the Buyback shall be as per the provisions of the Companies Act, 2013.”*

- 3.4 The filing of the Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.
- 3.5 The Promoters / Board of Directors of the Company declare and confirm that no information or material likely to have a bearing on the decision of the Eligible Shareholders has been suppressed / withheld and / or incorporated in the manner that would amount to misstatement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a misstatement / misrepresentation, the Directors and the Company shall be liable for penalties pursuant to the terms of the provisions of the Act and the Buyback Regulations.
- 3.6 The Promoters / Board of Directors also declare and confirm that funds borrowed from banks and financial institutions, if any, will not be used for the Buyback.
- 3.7 **Disclaimer for U.S. Persons**

The information contained in this Letter of Offer is exclusively intended for persons who are not US Persons as such term is defined in Regulations of the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

3.8 Disclaimer for Persons in other foreign countries

This Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

3.9 Important Notice to All Shareholders

This Letter of Offer has been prepared for the purposes of compliance with the Buyback Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Except as otherwise required by applicable law, the Company and the Managers to the Buyback are under no obligation to update the information contained herein at any time after the date of this Letter of Offer.

This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. The Letter of Offer shall be dispatched to all eligible Shareholders whose names appear on the register of members of the Company, as of the Record Date. However, receipt of the Letter of Offer by any Shareholders in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Shareholders as an offer being made to them. Potential users of the information contained in the Letter of Offer are requested to inform themselves about and to observe any such restrictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Buyback Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

3.10 Forward Looking Statements

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the sector in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on business activities or investments, the monetary and fiscal policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the sector in which we operate.

4. DETAILS OF BUYBACK RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on Tuesday, June 22, 2021. The extracts of the minutes of the Board Meeting are as follows:

The Chairman informed the Board that in order to achieve an overall improvement in financial ratios and maximization of overall shareholders' value, the Company would like to announce Buyback of Shares as permitted by clause 24A and 24B of the Articles of the Company, through Tender Offer Route. The Chairman further informed the Board that the Promoter/Promoter Group's would participate up to their entitlement of equity shares and if permissible, would tender additional shares too under the proposed buyback offer albeit subject to maintaining minimum public shareholding post buyback and placed on table the letter indicating their intention to this effect. The Board noted the following before considering the proposal for Buyback:

- i. provisions of Section 68 of the Companies Act, 2013 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 are applicable for the proposed consideration of buyback.
- 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 Buyback 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, 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 sub-section (1) of Section 62 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;
- vii. 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;
 - viii. 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, i.e from June 22, 2021 till the date on which the payment of consideration to shareholders who have accepted the Buyback Offer;
 - ix. 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;
 - x. 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;
 - xi. there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
 - xii. 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;
 - 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 and physically destroyed in the manner prescribed under the Buyback Regulations and the Act within 7 (seven) days of the last date of completion of the Buyback.
 - xx. Board has authority to approve buyback upto 10% of the paid up equity share capital without approval of the shareholders;
 - xxi. Approval of the shareholders is required if buyback exceeds 10% of the paid up equity share capital of the Company by passing a special resolution in the general meeting of the Company.
 - xxii. Shares can be bought back from the open market or through tender offer directly to the shareholders of the Company.
 - xxiii. Number of shares to be bought back in a financial year is within the limit of 25% of the existing paid up capital of the Company. The maximum number of shares that can be bought back is 32,29,654.
 - xxiv. the total buyback consideration should not exceed 25% of the paid up capital and free reserves. The total paid up capital and free reserves of the company as on March 31, 2021 was Rs. 168.90/- Crores and accordingly the maximum consideration payable for the buy-back is Rs.42.23 Crores.
 - xxv. Paid up Share Capital is Rs. 6.45 Crores divided into 1,29,18,616 equity shares of Rs.5/- each. Free Reserve (Surplus in Profit and Loss Account) is Rs. 162.44 Crores as on 31-3-2021.
 - xxvi. Buy-back will also not have any effect on the limit under Section 186 for inter-corporate investments, loans, guarantees and securities as at present the inter-corporate investment is not exceeding the limit and moreover, the amount invested in mutual funds will be realized to generate liquidity for buyback.

Section 68 of the Companies Act, 2013 allows for a maximum buyback upto 25% of the paid up equity share capital of the Company subject to the following confirmations from the Management:

- (1) The ratio of the aggregate of secured and unsecured debts owed by the Company after buy-back will not be more than twice the paid up equity share capital and its free reserves. {Section 68(2)(d)}.
- (2) The Company will not be rendered insolvent within a period of one year from the date of declaration of result by which the buy-back proposal will be approved by the shareholders of the company.
- (3) The Company shall observe and comply with the provisions of Section 68 of the Companies Act, 2013 and SEBI Buyback Regulations and the Buyback of shares shall be made in accordance with these provisions {Section 68(2)(f)}.
- (4) The Company shall not buyback its equity shares from any person through negotiated deal whether on or of the stock exchange or through spot transactions or through any private arrangement. {Regulation 4(2) of SEBI Buyback Regulations.
- (5) The Buyback is proposed to be through Tender Offer in accordance with Chapter III of the SEBI Buyback Regulations.

The Management confirmed all the points mentioned above.

Also in terms of provisions contained in clauses (ix) and (x) of Schedule I to the SEBI Buyback Regulations, 2018 the Board of Directors confirm the following:

(i) There are no defaults subsisting in repayment of deposits, Redemption of Debentures, or Payment of Interest thereon or Redemption of Preference shares or repayment of any term loans to any financial institutions or banking company by the company.

The Board of Directors of the Company have also made a full inquiry into the affairs and prospects of the Company and have formed an opinion:

- (i) Immediately following the date of the Board meeting held on Tuesday, June 22, 2021, and the date on which the result of special resolution passed by the members at the general meeting will be declared, approving the Buyback, there are 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 i.e. Tuesday, June 22, 2021, and the date on which the result of special resolution passed by the members at the general meeting will be declared and having regard to their intention with respect to the management of Company's business during the said year and to the amount and character of the financial resources which will be available to the Company during the said 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 passing of the shareholders resolution approving the Buyback.
- (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

After giving the above mentioned necessary confirmations, the Board proceeded to decide the method to be adopted for Buyback, maximum number of shares to be bought back, maximum price per share for Buyback and total consideration to be paid for Buyback and thereafter the Board recommended following resolutions to the members for their approval:

4.1 Approval for Buyback of Equity Shares

Text of the Resolution passed at the Meeting of the Board of Directors:

“RESOLVED THAT approval of the Board of Directors be and is hereby accorded to the Company to buyback its own 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred and Sixteen) equity shares of Rs. 5/- each at a price of Rs.550/- (Rupees Five Hundred Fifty Only) per share through Tender Offer and that following resolutions be proposed and recommended to the shareholders to be passed as 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 and 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 (Buyback 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 Rs. 5/- (Rupees Five) each (the “**Equity Shares**”) up to 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred and 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 Rs.550/- (Rupees Five Hundred and Fifty only) per Equity Share, payable in cash for an aggregate consideration not exceeding Rs. 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.

RESOLVED LASTLY THAT report addressing the Board by the Auditors of the Company on the permissible capital payment towards buyback of equity shares, be and is hereby noted.”

The Chairman summarized that the Board decided to consider Buyback of upto 7,66,616 Equity Shares at maximum price of Rs. 550/- per equity shares subject to the approval of members in ensuing Annual General Meeting.”

4.2 Approval for Constitution of the Buyback Committee

The Chairman stated that the Buyback exercise would require regular approvals for procedural and administrative matters and since it would not be feasible for the Board to meet often, the Board decided to constitute a Buyback Committee consisting of any three Directors and confer them with all the administrative and procedural powers for the smooth flow of Buyback Activity. The Board discussed the same and passed the following resolution in this regard unanimously:

“**RESOLVED FURTHER THAT** Buyback Committee of Directors namely, Shri Manhar Gandhi, Managing Director, Shri Jayesh Gandhi, Non-Executive Director and Shri. Dharmen B. Shah, Independent Director of the Company be and is hereby constituted to exercise all the powers of the Board as required to be exercised post approval by the shareholders and particularly all the administrative and procedural matters of the Buyback and that any two Directors shall constitute the quorum and that sitting fees payable to Non-Executive Director shall be Rs. 5000/- per meeting. Further the Buyback Committee is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem

necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to:

- a) finalizing the terms of the Buyback like record date, entitlement ratio, the timeframe for completion of Buyback;
- b) the appointment and finalization of the merchant banker, bankers, advisors, registrars, scrutinizers, consultants, representatives, intermediaries, agencies, printers, advertising agency, compliance officer, as may be required, for the implementation of the Buyback;
- c) Decide and settle the remuneration for all such intermediaries/agencies/persons, including by the payment of commission, brokerage, fee, charges etc. and enter into agreements/letters in respect thereof;
- d) Preparation, signing and filing of the public announcement, the Draft Letter of Offer / Letter of Offer and filing of declaration of solvency with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities;
- e) making all applications to the appropriate authorities for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the applicable rules, regulations framed thereunder;
- f) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing 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, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereto, and BSE notice no. 20170210-16 dated February 10, 2017;
- g) enter into escrow arrangements as required in terms of the Buyback Regulations;
- h) opening, operation and closure of all necessary accounts including escrow account, special payment account, demat escrow account as required in terms of the Buyback Regulations;
- i) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
- j) extinguishment of shares bought back by the Company and filing of certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/or the Board, as required under applicable law;
- k) do all such acts, matters and things incidental and in connection with the Buyback and sign, execute and deliver such documents as may be necessary or desirable and execution of documents under the Common Seal of the Company as may be required;
- l) to settle and resolve any queries or difficulties raised by SEBI, stock exchanges, Registrar of Companies and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Buyback Committee be and is hereby authorised to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback.

RESOLVED FURTHER THAT the minutes of the Buyback Committee shall be tabled at every Board Meeting held after the meeting of the buyback committee.”

The Chairman summarized that buyback committee of three directors was constituted to exercise all the administrative and procedural powers of the Board.

5. DETAILS OF PUBLIC ANNOUNCEMENT

The Public Announcement dated Wednesday, August 11, 2021 was published in the following newspapers on Thursday, August 12, 2021, in accordance with Regulation 7(i) of the Buyback Regulations, within two working days from the date of declaration of the results of special resolution passed by the shareholders of the Company, i.e. Wednesday, August 11, 2021. Corrigendum to the Public Announcement dated Thursday August 12, 2021 was published in the following newspapers on Friday, August 13, 2021:

| Publication | Language | Editions |
|-------------------|----------|----------|
| Business Standard | English | All |
| Business Standard | Hindi | All |
| Navshakti | Marathi | Mumbai |

A copy of the Public Announcement and Corrigendum to Public Announcement is available on the Company's website www.gandhispecialtubes.com, SEBI website www.sebi.gov.in, BSE website www.bseindia.com and NSE website www.nseindia.com.

6. DETAILS OF THE BUYBACK OFFER

- 6.1 The Board of Directors, at their meeting held on Tuesday, June 22, 2021 has, in accordance with Article 24A and 24B of Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions of the Act, the Share Capital Rules, the Management Rules, including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance with the Buyback Regulations, approved the proposal to Buyback the Company's Equity Shares, subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed or imposed by such government, regulatory, statutory or appropriate authorities which may be agreed by the Board of Directors. The Company sought approval of its shareholders for the said Buyback, by a special resolution passed at the Annual General Meeting held on Tuesday, August 10, 2021. The shareholders approved the said proposal of Buyback of Equity Shares and the voting results were announced on Wednesday, August 11, 2021, which are available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The Company has been authorized to Buyback a number of Equity Shares not exceeding 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares from the holders of Equity Shares as on the Record Date, for an amount not exceeding Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only). The Offer Size does not include transaction costs, namely applicable taxes such as securities transaction tax, GST, stamp duty, filing fees, advisors' fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses. The Offer Size is 24.96% of the total paid-up equity share capital and free reserves of the Company as per the audited financial statements as on March 31, 2021. The Buyback offer will comprise a purchase of up to 7,66,616 Equity Shares, aggregating up to 5.93% of the paid-up equity shares of the Company as on March 31, 2021 at a price of Rs. 550/- (Rupees Five Hundred Fifty only) per Equity Share on a proportionate basis by way of a Tender Offer route through Stock Exchange Mechanism, in accordance and consonance with the provisions contained in the Buyback Regulations, the Act, Share Capital Rules and Management Rules, as amended.
- 6.2 The Buyback is subject to such other undertakings, representations, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, Government of India, ROC, Depositories, the Stock Exchanges and any other regulatory or governmental authorities as may be required.
- 6.3 The Buyback shall be undertaken on a proportionate basis from the Eligible Shareholders of the Company as on the Record Date being Tuesday, August 31, 2021, through the Tender Offer process prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through stock exchange" as specified by the SEBI Circulars. Once the Buyback is concluded, all Equity Shares purchased by the Company in the Buyback will be extinguished.
- 6.4 The aggregate paid-up share capital and free reserves of the Company as per the audited financial statements as on March 31, 2021 is Rs. 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 maximum amount utilized for the Buyback shall not exceed 25% of the total paid-up capital and free reserves of the Company, as per the audited financial statements of the Company as on March 31, 2021, i.e., Rs. 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 offer is Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only), excluding brokerage and other costs and is therefore within the limit of 25% of the Company's total paid-up equity capital and free reserves, as per the audited financial statements as on March 31, 2021.
- 6.5 Further, under the Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the fully paid-up Equity Shares 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 (calculated on the basis of the total paid-up equity capital of the Company as on March 31, 2021). As the Company proposes to buyback up to 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares, which aggregates up to 5.93% of the paid-up Equity Shares of the Company as on March 31, 2021, the same is within the aforesaid 25% limit.
- 6.6 In terms of the Buyback Regulations, under Tender Offer route, the promoter and the promoter group of the Company have an option to participate in the Buyback. In this regard, select members of the promoters and the promoter group of the Company have expressed their intention, via their letters dated Tuesday, June 22, 2021, to participate in the Buyback and may tender up to a maximum of 26,23,771 (Twenty Six Lakhs Twenty Three Thousand Seven Hundred Seventy One) Equity Shares or such lower number of Equity Shares in compliance with the Buyback Regulations / terms of the Buyback. The extent of their participation in the Buyback has been detailed in paragraph 11.5 of this Letter of Offer.
- 6.7 The promoter and promoter group of the Company are already in control over the Company and therefore such change in voting rights of the promoter and promoter group will not result in any change in control over the Company. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the promoters, which constitute 73.39%

of the total equity capital and voting rights of the Company as on the date of this Public Announcement, may change. Company and the promoter and promoter group of the Company have undertaken that in case there is an increase in shareholding / voting rights of the promoter and promoter group beyond 75% in the Company, necessary steps will be taken to reduce shareholding / voting rights of the promoter and promoter group in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended, so that the Company is in due compliance of the minimum public shareholding requirement. The Company and the promoter and promoter group of the Company have undertaken vide their letters dated Tuesday, June 22, 2021 to comply with the minimum public shareholding requirements even after the Buyback.

7. AUTHORITY FOR THE BUYBACK

- 7.1 The Buyback is being undertaken by the Company in accordance with Article 24A and 24B of its Articles of Association, the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions of the Act, the rules hereunder and the Buyback Regulations. The Buyback is further subject to approvals, permissions and sanctions as may be necessary, from time to time from statutory, regulatory or governmental authorities as required under applicable laws, including but not limited to SEBI and the Stock Exchanges.
- 7.2 The Board at its meeting dated Tuesday, June 22, 2021 has passed a resolution approving the Buyback of Equity Shares of the Company. As the Buyback is more than 10% of the total paid-up equity capital and free reserves of the Company, in terms of Section 68(2)(b) of the Act, it was necessary to obtain the consent of the shareholders of the Company to the Buyback by way of a special resolution. As per Section 110 of the Act read with Rule 22(16)(g) of the Companies (Management and Administration) Rules, 2014, in respect of Buyback of Equity Shares, the consent of the shareholders of the Company to the Buyback is required to be obtained by means of Postal Ballot, provided that the Company may transact such business at the General Meeting if the facility of voting by electronic means under Section 108 of the Act is given to the shareholders. Accordingly, the consent of the shareholders of the Company to the Buyback was obtained by means of a special resolution passed at the Annual General Meeting held on Tuesday, August 10, 2021 and the results of the same were declared on Wednesday, August 11, 2021.

8. NECESSITY AND BASIS FOR THE BUYBACK

- 8.1 Share Buyback is the acquisition by a Company of its own Equity Shares. The objective is to return surplus cash to the Members holding Equity Shares of the Company. The Board, at its meeting held on Tuesday, June 22, 2021, considered the accumulated free reserves as well as the cash liquidity reflected in the audited financial statements as on March 31, 2021 and considering these, the Board decided to allocate a sum of Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only) for distributing to the Members holding Equity Shares of the Company, through the Buyback. After considering several factors and benefits to the Members holding Equity Shares of the Company, the Board decided to recommend the Buyback of maximum of 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares (representing 5.93% of the total number of Equity Shares in the paid-up equity share capital of the Company) at a price of Rs. 550/- (Rupees Five Hundred Fifty only) per Equity Share for an aggregate consideration of Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only).
- 8.2 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 facilitate the Company to return surplus cash to its shareholders thereby enhancing the overall returns to the shareholders;
 - (ii) The Buyback is generally expected to improve return on equity through distribution of cash and improve 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 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.

9. 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) Fully Paid-up Equity Shares of face value of Rs. 5/- each of the Company.

10. MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK

- 10.1 The maximum amount of funds required for the Buyback will be Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only), excluding transaction costs, namely applicable taxes such as Buyback tax, securities transaction tax, GST, stamp duty, filing fees, advisors fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses. The Offer Size is 24.96% of total fully paid-up capital and free reserves of the Company, which is within the stipulated limit of 25% of the aggregate of the fully paid-up share capital and free reserves of the Company as on March 31, 2021.
- 10.2 The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company or such other source as may be permitted by the Buyback Regulations or the Act. Borrowings from banks and financial institutions, if any, will not be used for the Buyback.

11. MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF THE BUYBACK ON THE COMPANY

- 11.1 The Buyback is not likely to cause any material impact on the profitability / earnings of the Company, except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. In the event that there is 100% acceptance of the Equity Shares tendered in the Buyback from Shareholders on a proportionate basis, the funds deployed by the Company towards the Buyback would be up to Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only) excluding transaction costs, namely applicable taxes such as Buyback Tax, securities transaction tax, GST, stamp duty, filing fees, advisors fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses. This shall impact the investment income earned by the Company, on account of the reduced amount of funds available for investments.
- 11.2 The Buyback is not expected to impact, in any manner, either the growth opportunities for the business of Company or its cash requirement for business operations.
- 11.3 The Buyback is generally expected to contribute to the overall enhancement of shareholder value.
- 11.4 The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.
- 11.5 In terms of the Buyback Regulations, under the Tender Offer route, the Promoters of the Company have the option to participate in the Buyback. In this regard, select members of the promoters and the promoter group of the Company have informed the Company via their letter(s) dated Tuesday, June 22, 2021 regarding their intention to participate in the Buyback and accordingly may tender up to a maximum of 26,23,771 (Twenty Six Lakhs Twenty Three Thousand Seven Hundred Seventy One) Equity Shares as mentioned in the table below or such lower number of Equity Shares in compliance with the Buyback Regulations / terms of the Buyback. Please see below the maximum number of Equity Shares intended to be tendered by each of the Promoters in the Buyback:

| Sr. No. | 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 |
| Total | | 94,80,698 | 26,23,771 |

11.6 The details of the date and price of acquisition of the Equity Shares that each of the Promoters intend to tender are set out below:

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

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 25/01/1988 | Rights Issue * | 12,200 | 10.00 | 10.00 |
| Sub-Total | | 12,200 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 13,678 | | |

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

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 25/01/1988 | Rights Issue * | 39,500 | 10.00 | 10.00 |
| Sub-Total | | 39,500 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 61,462 | | |

3) **Manhar G. Gandhi**

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 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 |
| Sub-Total | | 2,61,200 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 2,94,805 | | |

4) **Bhupatrai G. Gandhi (HUF)**

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 25/01/1988 | Rights Issue * | 12,200 | 10.00 | 10.00 |
| Sub-Total | | 12,200 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 10,387 | | |

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

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|-----------------------|-------------------------|---------------------------|------------------|
| 25/01/1988 | Rights Issue * | 39,400 | 10.00 | 10.00 |
| Sub-Total | | 39,400 | | |

| | | | | |
|--------------|--|---------------|--------|------|
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 61,960 | | |

6) **Bhupatrai G. Gandhi**

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 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 |
| Sub-Total | | 2,90,000 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 3,47,115 | | |

7) **Jayesh M. Gandhi**

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 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 |
| Sub-Total | | 1,05,500 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 76,032 | | |

8) **Manoj B. Gandhi**

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 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 |
| Sub-Total | | 1,06,000 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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) | 550.00 | 5.00 |
| Total | | 84,648 | | |

9) **Bharti M. Gandhi**

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|-----------------------|-------------------------|---------------------------|------------------|
| 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 |
| 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 |
| Sub-Total | | 1,21,070 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 1,52,629 | | |

10) Chandra B. Gandhi

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 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 |
| Sub-Total | | 43,100 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 32,641 | | |

11) Gopi J. Gandhi

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 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 |
| Sub-Total | | 98,900 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 1,40,537 | | |

12) Jigna M. Gandhi

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 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 |
| Sub-Total | | 41,800 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 31,553 | | |

13) Karishma J. Gandhi

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 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 |
| Sub-Total | | 1,22,150 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 2,16,638 | | |

14) Karan Manoj Gandhi

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 29/09/1997 | Purchase | 4,000 | 10.35 | 10.00 |
| 12/11/1998 | Purchase | 8,000 | 8.85 | 10.00 |
| Sub-Total | | 12,000 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 88,763 | | |

15) Rahul Jayesh Gandhi

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 30/01/2009 | Purchase | 4,300 | 38.52 | 5.00 |
| 02/02/2009 | Purchase | 3,000 | 38.19 | 5.00 |
| Sub-Total | | 7,300 | | |
| 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 |
| Total | | 45,759 | | |

16) Jigna Nilesh Mehta[#]

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

17) Nilesh Vinodrai Mehta[#]

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

18) B. M. Gandhi Investment Co. LLP

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|---------------------------------|--|-------------------------|---------------------------|------------------|
| 23/05/1986 | IPO * | 1,32,150 | 10.00 | 10.00 |
| 30/12/1992 | Rights Issue * | 1,59,500 | 10.00 | 10.00 |
| Sub-Total | | 2,91,650 | | |
| 15/09/2006 | Sale | (12,000) | 136.32 | 10.00 |
| Sub-Total | | 2,79,650 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 4,77,572 | | |

19) **Gandhi Finance Co. LLP**

| Date of Transaction / Allotment | Nature of Transaction | Number of Equity Shares | Consideration Price (Rs.) | Face Value (Rs.) |
|--|--|--------------------------------|----------------------------------|-------------------------|
| 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 |
| Sub-Total | | 2,67,200 | | |
| 15/09/2006 | Sale | 12,000 | 136.32 | 10.00 |
| Sub-Total | | 2,55,200 | | |
| 26/03/2008 | Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 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 |
| Total | | 4,35,819 | | |

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.

- 11.7 Consequent to the Buyback and based on the number of Equity Shares bought back within each category of shareholders, the shareholding pattern of the Company would undergo a change.
- 11.8 All of the Directors and Key Managerial Personnel of the Company are eligible to participate in the Buyback on the same terms as all other Eligible Shareholders. Except as otherwise provided herein, the Directors and Key Managerial Personnel have not indicated whether they intend to participate in the Buyback or the number of Equity Shares that they intend to tender in the Buyback.
- 11.9 Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoters of the Company may increase or decrease from the existing 73.39% of the total equity capital and voting rights of the Company.
- 11.10 Assuming 100% of the Eligible Shareholders elect to fully participate in the Buyback up to their Buyback Entitlement, the aggregate shareholding of the Promoters following the Buyback may increase from 73.39% pre Buyback to 73.78% post Buyback and the aggregate shareholding of the public in the Company shall decrease from 26.61% pre Buyback to 26.22% post Buyback.
- 11.11 Consequent to the Buyback and based on the number of Equity Shares bought back from the non-resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, their shareholding may undergo a change.
- 11.12 The debt-equity ratio post Buyback will not exceed the permissible limit of 2:1 as prescribed by the Act and Buyback Regulation, even if 100% of the Eligible Shareholders elect to fully participate in the Buyback up to their Buyback Entitlement.
- 11.13 The Company shall not issue any Equity Shares or other specified securities (including by way of bonus) till the date of closure of the Buyback.
- 11.14 The current Buyback is not made within a period of one year reckoned from the date of expiry of buyback period, i.e., October 18, 2019, of the preceding Buyback Offer and the Company undertakes that it shall not make any buy-back offer within a period of one year reckoned from the date of expiry of buyback period of the current offer of buy-back.
- 11.15 The Promoters of the Company have not and shall not deal in Equity Shares of the Company on the Stock Exchanges or off market, including by way of inter-se transfer(s) of Equity Shares among the Promoters during the period from the date of passing the Board Resolution, i.e. Tuesday, June 22, 2021, till the closing of the Offer, i.e., Wednesday, October 13, 2021.
- 11.16 The Company shall not raise further capital for a period of one year from the closure of Buyback offer except in discharge of its subsisting obligations.

11.17 Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2021 are as follows:

| Particulars | Pre Buyback | Post Buyback |
|--|-------------|--------------|
| Net Worth (Rs. Lakhs) | 16,890.22 | 12,673.83 |
| Return on Net Worth / Return on Equity (%) | 21.40 | 28.53 |
| Basic Earnings per Share (Rs.) | 27.98 | 29.75 |
| Book Value per Share (Rs.) | 130.74 | 104.29 |
| Price / Earnings | 17.52 | 16.48 |
| Total Debt / Equity Ratio | N.A. | N.A. |

Notes:

- Pre and Post Buyback calculations are based on Audited Financial numbers as on March 31, 2021
- Post Buyback numbers are calculated by reducing the pre Buyback net worth by the proposed Buyback amount (assuming full acceptance) without factoring any impact of reduction in the investment income (due to reduced amount available for investment post Buyback) on the profit and loss account
- Net worth** = Equity shares + Free Reserves as defined under the Act
- Return on Net worth** = Annualized Profit after Tax divided by closing Net worth
- Earnings per Share** = Profit after Tax divided by total number of Equity Shares, adjusted for the Buyback amount [assuming full acceptance]
- Book Value per Equity Share** = Net worth divided by total number of Equity Shares, adjusted for the Buyback amount [assuming full acceptance]
- Price / Earnings** = Closing market price of the Equity Shares on BSE on August 12, 2021, i.e. Rs.490.30, divided by annualized Earnings per Equity Share
- Total Debt / Equity Ratio** = Total debt divided by Net worth. **Total Debt / Equity Ratio is not applicable as the Company has no borrowings**

12. BUYBACK PRICE AND BASIS OF DETERMINING THE PRICE OF THE BUYBACK

12.1 The Equity Shares of the Company are proposed to be bought back at a price of Rs. 550/- (Rupees Five Hundred Fifty only) per Equity Share in cash. The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average market price and closing price of the Equity Shares on the Stock Exchanges where the Equity Shares are listed, the net worth of the Company, price earnings ratio, potential impact on other financial parameters such as earnings per share and return on equity.

12.2 The Buyback Price represents:

- A premium of 88.26% and 88.06% to the volume weighted average market price of the Equity Shares on BSE and NSE respectively, during the three months preceding Tuesday, June 15, 2021, being the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback; and
- A premium of 67.96% and 67.74% over the volume weighted average market price of the equity shares on the BSE and on NSE, respectively for a period of two (2) weeks preceding Tuesday, June 15, 2021 viz., the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.
- A premium of 35.40% and 35.25% over the closing price of the Equity Shares on the Stock Exchanges 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.

12.3 The closing market price of the Equity Shares as on the date of intimation to the Stock Exchanges for the Board Meeting for considering the Buyback, i.e., Tuesday, June 15, 2021, was Rs. 406.20 and Rs. 406.65 on the BSE and the NSE respectively.

12.4 The Buyback Price is more than 4.21 times the book value per Equity Share as on March 31, 2021 of the Company on a basis, which was Rs. 130.74 per Equity Share.

12.5 The basic Earnings per Share ("EPS") of the Company as on March 31, 2021 was Rs. 27.98. Assuming full acceptance under the Buyback, the Company's EPS would be Rs 29.75 after the Buyback. The post Buyback EPS is calculated by reducing the number of Equity Shares of the Company proposed to be bought back, assuming full acceptance under the Buyback, without factoring in any impact in the Statement of Profit & Loss due to reduction in cash.

12.6 The annualized return on Net Worth of the Company as on March 31, 2021 was 21.40%. Assuming full acceptance under the Buyback, the Company's annualized return on net-worth would be 28.53% after the Buyback. The post Buyback numbers are calculated by reducing the net worth of the Company by the proposed Buyback amount, assuming full acceptance under the Buyback, without factoring in any impact in the Statement of Profit & Loss due to the reduction in cash.

13. SOURCES OF FUNDS FOR THE BUYBACK

- 13.1 Assuming full acceptance, the funds that would be deployed by the Company for the purposes of the Buyback would be up to Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only) excluding transaction costs, namely applicable taxes such as Buyback tax, securities transaction tax, GST, stamp duty, filing fees, advisors fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses.
- 13.2 The Company will be funding the Buyback with cash on hand that has been generated through internal accruals and / or by liquidating financial instruments held by the Company. The Company does not intend to raise debt for the purpose of the Buyback. Thus, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.
- 13.3 The Company shall transfer from its free reserves, a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account, and the details of such transfer shall be disclosed in its subsequent audited financial statements.

14. DETAILS OF ESCROW ACCOUNT AND AMOUNT TO BE DEPOSITED THEREIN

- 14.1 In accordance with Regulation 9(xi) of the Buyback Regulations, the Company has appointed HDFC Bank Limited as the escrow agent for the Buyback. The Company, the Managers to the Buyback and the Escrow Agent have entered into an Escrow Agreement dated Thursday, August 5, 2021. The Escrow Agent has its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
- 14.2 In terms of the Escrow Agreement dated Thursday, August 5, 2021, the Company has opened an escrow account in the name and style “**GANDHI SPECIAL TUBES LTD-BUYBACK ESCROW A/C-2021**” bearing the account number 57500000723026 with the Escrow Agent. In accordance with Regulation 9(xi)(b)(i) of the Buyback Regulations, the Company has deposited a sum of Rs. 10,54,09,700/- (Rupees Ten Crores Fifty Four Lakhs Nine Thousand Seven Hundred Only) in the Escrow Account. This amount deposited is equal to the amount required to be deposited in terms of the Buyback Regulations. In terms of the Escrow Agreement the amount deposited would form part of the Escrow Account. In accordance with the Buyback Regulations, the Managers to the Buyback will be empowered to operate the Escrow Account and realise the value of the Escrow Account.

15. FIRM FINANCING ARRANGEMENTS

- 15.1 The Company, duly authorized by its Buyback Committee, has identified and earmarked funds for the purpose of fulfilment of the obligations of the Company under the Buyback. Such earmarked funds, together with funds provided for escrow arrangements, are in excess of the Buyback Size.
- 15.2 M/s Shashikant J. Shah & Co., Statutory Auditors of the Company (Firm Registration number 109996W), Chartered Accountants, having its office at 1056, Hubtown Solaris, N. S. Phadke Marg, Andheri (East), Mumbai - 400069, Tel: +91-22-62362555, signing through their Partner, Nikunj S. Shah (Membership No.: 112867) have certified, vide its certificate dated Tuesday, August 10, 2021, that the Company has adequate funds for the purposes of the Buyback of maximum of 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen only) Equity Shares at a price of Rs. 550/- (Rupees Five Hundred Fifty only) per Equity Share and has adequate financial resources for fulfilling the obligations under the Buyback.
- 15.3 Based on the aforementioned certificate, the Managers to the Buyback confirm that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Act and the Buyback Regulations.

16. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 16.1 The capital structure as on date of the Public Announcement is as follows:

| Particulars | Pre Buyback (Rs.) |
|---|-------------------|
| Authorised Share Capital 2,40,00,000 Equity Shares of face value Rs. 5/- each | 12,00,00,000 |
| Issued, Subscribed and Paid-up Share Capital 1,29,18,616 Equity Shares of face value Rs. 5/- each | 6,45,93,080 |

- 16.2 Assuming full acceptance in the Buyback the capital structure post Buyback would be as follows:

| Particulars | Post Buyback (Rs.) |
|---|--------------------|
| Authorised Share Capital 2,40,00,000 Equity Shares of face value Rs. 5/- each | 12,00,00,000 |
| Issued, Subscribed and Paid-up Share Capital 1,21,52,000 Equity Shares of face value Rs. 5/- each | 6,07,60,000* |

* Assuming the full acceptance of the Buyback Size. However, the post Buyback issued, subscribed and Paid-up Capital may differ depending upon the actual number of Equity Shares bought back.

- 16.3 As on the date of Public Announcement, the Company confirms that there are no outstanding preference shares, partly paid-up Equity Shares, outstanding convertible instruments or calls in arrears.
- 16.4 As on the date of Public Announcement, there is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.
- 16.5 The Company shall not issue and allot any new Equity Shares including by way of bonus from the date of Public Announcement till the date of closure of this Buyback.
- 16.6 Details of Buyback programmes by the Company in the last 3 (three) years from the date of this Letter of Offer are given below:

| Sr. No. | Opening Date | Closing Date | Method of Buyback | Equity Shares bought back |
|---------|-------------------------------|----------------------------|---|---------------------------|
| 1. | Tuesday, March 6, 2018 | Monday, March 19, 2018 | Buyback through Tender Offer route through stock exchange mechanism | 8,80,000 |
| 2. | Wednesday, September 25, 2019 | Thursday, October 10, 2019 | Buyback through Tender Offer route through stock exchange mechanism | 9,00,000 |

- 16.7 The Shareholding Pattern of the Company as on the Record Date, i.e. Tuesday, August 31, 2021 as well as post completion of the Buyback is as shown below:

| Particulars | Number of Equity Shares | % of existing share capital | No. of Equity Shares post Buyback * | % of share capital post Buyback * |
|--|-------------------------|-----------------------------|-------------------------------------|-----------------------------------|
| Promoters (including Promoter Group) | 94,80,698 | 73.39 | 89,65,580 | 73.78 |
| Foreign Investors (OCBs / FIIs / NRIs / Non-residents / Non-domestic companies / ADRs) | 21,020 | 0.16 | 31,86,420 | 26.22 |
| Indian Financial Institutions / Banks / Mutual Funds / Govt. Companies | 825 | 0.01 | | |
| Public including other Bodies Corporate | 34,16,073 | 26.44 | | |
| Total | 1,29,18,616 | 100.00 | 1,21,52,000 | 100.00 |

* Assuming full acceptance of Equity Shares in the Buyback in the ratio of their entitlement and acceptance of Promoters and Promoter Group shares based on their intention or entitlement, whichever is lower.

- 16.8 The aggregate Shareholding of the Promoters of the Company as on the date of the Public Announcement and this Letter of Offer:

| 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 |
| | Total | 94,80,698 | 73.39 |

- 16.9 The aggregate Shareholding of the Directors / Partners of the Promoter, where the Promoter is a Company / Entity as on the date of the Public Announcement and this Letter of Offer:

| 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 |

- 16.10 Aggregate Shareholding of the Directors and Key Managerial Personnel of the Company as on the date of the Public Announcement and this Letter of Offer:

| 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 |

- 16.11 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 Annual General Meeting for Buyback, i.e. Tuesday, June 22, 2021 and during the period of 12 months preceding the date of the Public Announcement i.e., Wednesday, August 11, 2021.

17. BRIEF INFORMATION ABOUT THE COMPANY

- 17.1 The Company is a leading manufacturer of tubes for manufacturing of automobile components since 1985.
- 17.2 The Company was incorporated on April 22, 1985 in Maharashtra, India, as “Gandhi Special 07 Tubes Limited”, a public limited company under the Indian Companies Act, 1956. The Company name was changed to “Gandhi Special Tubes Limited” on November 6, 1995 following approval of the name change by the Board, Shareholders and other regulatory authorities. The Company started its manufacturing activities with the tubes of 0.7 mm wall thickness and at that time it was intended that the Company’s main product would be tubes with 0.7 mm wall thickness. Over a period of time, the Company gauged the marketing needs and started producing the tubes of various sizes and diameters. Therefore it was decided to drop “07” from the name of the Company to reflect that the Company is not a one product Company. The Company made an initial public offering of equity shares in India, which were listed on Bombay Stock Exchange on August 8, 1986.
- 17.3 The Registered Office of the Company is situated at 201-204, 2nd Floor, Plaza, 55, Hughes Road, Next to Dharam Palace, Mumbai 400007, Maharashtra, India.
- 17.4 The Company was a project set up by Gandhi Group. The project was for manufacturing small diameter welded and cold drawn seamless steel tubes. All the critical equipment was imported from Germany. The Company is also manufacturing Cold Formed Tube Nuts for Fuel Injection Tube Assemblies and other Tube Assemblies. This was a pioneering effort in India as in the past tube nuts were being manufactured by machining. The products are marketed all over India and are also exported all over the world..
- 17.5 The manufacturing plants (3 units) of the Company are located at Halol (near Vadodara) in Gujarat, with an approximate area of 20 acres and construction shed of approximately 2.5 lakh sq.ft. The manufacturing capacity is as follows:

| | |
|--|---|
| Cold Drawn Seamless Steel Tubes | 3 bright annealing furnaces of capacity of 2 Tons / hour along with number of draw benches (since the Company predominantly manufactures small diameter seamless steel tubes involving multiple draw-annealing cycles, the production capacity is currently approx. 500 Tons / month) Size range: 3.1 to 63.5mm OD & 0.5 to 7 mm wall thickness |
| Small diameter welded steel tubes | 1 small diameter tube mill with a capacity of 2.5 million meters / month Size range: 3.1 to 12.7 mm OD & 0.5 to 1.2 mm Wall Thickness |
| Cold Formed tube nuts | Company has cold formers for producing cold formed nuts up to 24 mm A/F Total manufacturing capacity of approx. 50 Tons/month |

17.6 The organization has given due importance to developing reliable quality systems. Company's quality system has been certified as per **IATF 16949:2016** by M/S TUV. The organization's philosophy is to aim at continuous growth by giving priority to customer satisfaction through assured product quality and use of state of art technology.

17.7 The Equity Shares are currently traded in dematerialised mode under the trading code 513108 at BSE and GANDHITUBE at NSE. The ISIN of the Equity Shares is INE524B01027.

17.8 For the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, the Company recorded Revenue from Operations of Rs. 11,352.58 Lakhs, Rs. 8,093.84 Lakhs and Rs. 12,290.68 Lakhs, respectively, and Profit after Tax of Rs. 3,700.10 Lakhs, Rs. 2,144.33 Lakhs and Rs. 3,880.79 Lakhs, respectively.

17.9 For the three months ended June 30, 2021, the Company recorded Revenue from Operations of Rs. 3,307.94 Lakhs and Profit after Tax of Rs. 1,110.94 Lakhs. The year-on-year change in Revenue from Operations and Profit after Tax for the three months ended June 30, 2021 as compared to same period in the previous year was 197.36% and 251.12%, respectively, owing to Covid-19 induced lockdown during the last quarter ending June 30, 2020.

17.10 Refer to paragraph 18 "Financial Information of the Company" in this Letter of Offer for more details.

17.11 Details of the changes in Share Capital of the Company since incorporation are as follows:

| Date of Allotment | No. of shares issued / bought back | Face Value (Rs.) | Issue Price / Buyback Price (Rs.) | Type of Issue / Offer (IPO / FPO / Preferential Issue / Scheme / Bonus / Rights, etc.) | Cumulative Equity Share Capital | |
|-------------------|------------------------------------|------------------|-----------------------------------|--|------------------------------------|--------------------------|
| | | | | | Cumulative capital (No. of shares) | Cumulative Capital (Rs.) |
| 23/05/1986 | 32,36,100 | 10 | 10 | IPO | 32,36,100 | 3,23,61,000 |
| 25/01/1988 | 12,60,000 | 10 | 10 | Rights Issue | 44,96,100 | 4,49,61,000 |
| 1988-89 | (59,900) | 10 | NA | Forfeiture of shares | 44,36,200 | 4,43,62,000 |
| 09/05/1990 | 9,78,331 | 10 | 10 | Rights issue | 54,14,531 | 5,41,45,310 |
| 1990-91 | 59,900 | 10 | 14 | Re-issue of Forfeited Shares | 54,74,431 | 5,47,44,310 |
| 30/12/1992 | 6,15,407 | 10 | 10 | Issued to Financial Institution on conversion of dues at Par | 60,89,838 | 6,08,98,380 |
| 30/12/1992 | 30,46,619 | 10 | 10 | Rights Issue | 91,36,457 | 9,13,64,570 |
| 1994-95 | 3,12,780 | 10 | 10 | Issued to Financial Institution on conversion of loan at Par | 94,49,237 | 9,44,92,370 |
| 2000-01 | (20,99,929) | 10 | 17 | Buyback of Shares | 73,49,308 | 7,34,93,080 |
| 26/03/2008 | 73,49,308 | 5 | NA | Subdivision of Shares | 1,46,98,616 | 7,34,93,080 |
| 27/03/2018 | (8,80,000) | 5 | 500 | Buyback of Shares | 1,38,18,616 | 6,90,93,080 |
| 18/10/2019 | (9,00,000) | 5 | 550 | Buyback of Shares | 1,29,18,616 | 6,45,93,080 |

Notes: The relevant documents showing the exact date of allotment in IPO / Rights Issue and Forfeiture / Reissue of Forfeited shares are not available and the same are based on certificates given by the Company.

17.12 The Board of Directors of the Company as on the date of the Public Announcement and this Letter of Offer, comprises the following:

| Name, Age and DIN | Designation | Qualifications | Date of Appointment / Reappointment | Other Directorships** |
|---|------------------------------|----------------|-------------------------------------|-----------------------|
| Manharlal Gordhandas Gandhi DIN: 00041190 Age: 80 years | Chairman & Managing Director | Inter Arts | April 22, 1985 | Nil |
| Bhupatrai Gordhandas Gandhi DIN: 00041273 Age: 81 years | Joint Managing Director | B.COM | April 22, 1985 | Nil |

| | | | | |
|---|--|----------------------|------------------|---|
| Jayesh Manharlal Gandhi DIN: 00041330 Age: 55 years | Non Executive Director (Promoter Group) | B.COM., M.B.A. | May 7, 1998 | Jaishri Engineering Company Pvt. Ltd.- Managing Director |
| Kavas Nariman Warden DIN: 00045840 Age: 85 years | Non Executive & Independent Director | B.E. (Mechanical) | June 3, 1988 | Nil |
| Dharmen B. Shah DIN: 01834884 Age: 60 years | Non Executive & Independent Director | B.COM, F.C.A | October 11, 2007 | Sagron Properties Private Ltd.- Director |
| Bhavi Jatin Koradia DIN: 07004836 Age: 37 years | Non Executive & Independent Director (Woman) Director | Chartered Accountant | October 30, 2014 | Nil |

17.13 There are no changes in the Board of Directors during the last 3 years ending on the date of the Public Announcement and this Letter of Offer except cessation of Mr. Dhiraj Shantilal Shah, Independent Director due to his demise on January 10, 2020.

17.14 Our Directors and Key Managerial Personnel (that is, our executive officers) are eligible to participate in the offer. The Buyback will not result in any benefit to any Director of the Company / Promoter / person in control of the Company / group company except to the extent of their participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the equity share capital post Buyback.

18. FINANCIAL INFORMATION OF THE COMPANY

18.1 Historically, the Company has prepared its financial statements in accordance with Indian GAAP, applicable accounting standards and the guidance notes issued by the ICAI, the Act and other statutory and / or regulatory requirements. However, from April 1, 2017, the Company has adopted Indian Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder (“Ind AS”). **The Company does not have any subsidiaries and hence is not required to prepare consolidated accounts. Accordingly, all financial data given in this Letter of Offer are based on standalone financial statements.**

18.2 The brief audited financial information of the Company, as extracted from the audited financial statements for the last three financial years and from unaudited financial statement for the three months ended June 30, 2021 is provided below:

(a) **Based on unaudited financial statements for the three months ended June 30, 2021 and the audited financial statements for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 under Ind-AS**

Excerpts from the Statement of Profit and Loss (Rs. In Lakhs unless stated otherwise)

| Particulars | Period ended June 30, 2021 | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|-------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Revenue from Operations | 3,307.94 | 11,352.58 | 8,093.84 | 12,290.68 |
| Other Income | 173.86 | 612.92 | 571.12 | 770.87 |
| Total Income | 3,481.80 | 11,965.50 | 8,664.96 | 13,061.55 |
| Total Expenses excluding Interest, Depreciation, Tax & Extraordinary Items | 1,965.98 | 6,879.13 | 5,706.78 | 7,717.16 |
| Interest | --- | --- | --- | --- |
| Depreciation | 77.31 | 329.74 | 355.48 | 369.05 |
| Profit before Exceptional Item and Tax | 1,438.51 | 4,756.63 | 2,602.70 | 4,975.34 |
| Exceptional Item | --- | --- | --- | --- |
| Profit before Tax | 1,438.51 | 4,756.63 | 2,602.70 | 4,975.34 |
| Provision for Tax (incl. deferred tax) | 331.44 | 1,141.40 | 465.42 | 1,112.21 |
| Profit after Tax | 1,107.07 | 3,615.23 | 2,137.28 | 3,863.13 |
| Other Comprehensive Income net of Tax | 3.87 | 84.87 | 7.05 | 17.66 |
| Total Comprehensive Income | 1,110.94 | 3,700.10 | 2,144.33 | 3,880.79 |

Excerpts from the Balance Sheet and Key Financial Ratios (Rs. In Lakhs unless stated otherwise)

| Particulars | Period ended June 30, 2021 | Year ended March 31, 2021 | Year ended March 31, 2020 | Year ended March 31, 2019 |
|----------------------------------|-------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Equity Share Capital | 645.93 | 645.93 | 645.93 | 690.93 |
| Reserves & Surplus | 17,355.23 | 16,244.29 | 13,706.87 | 19,154.52 |
| Net Worth / Shareholders Equity | 18,001.16 | 16,890.22 | 14,352.80 | 19,845.45 |
| Total Debt | --- | --- | --- | --- |
| Key Financial Ratios | | | | |
| Earnings per Share (Rs.) (Basic) | 8.57 | 27.98 | 15.93 | 27.96 |
| Book Value per Share (Rs.) | 139.34 | 130.74 | 111.10 | 143.61 |
| Debt-Equity Ratio | N/A | N/A | N/A | N/A |
| Return on Net Worth (%) | 24.16 | 21.40 | 14.89 | 19.47 |

Notes:

- Net worth** = Equity shares + Free Reserves as defined under the Act
- Earnings per Share** = Profit after Tax divided by total number of Equity Shares
- Book Value per Equity Share** = Net worth divided by total number of Equity Shares
- Total Debt / Equity Ratio** = Total debt divided by Net worth. **Total Debt / Equity Ratio is not applicable as the Company has no borrowings**
- Return on Net worth** = Annualized Profit after Tax divided by closing Net worth

18.3 The Company confirms that it shall comply with the provisions of the Takeover Regulations, wherever and if applicable. The Company confirms that it has complied with Sections 68, 69, 70 and 110 of the Act, the Share Capital Rules and the Management Rules.

19. STOCK MARKET DATA

19.1 The Equity Shares of the Company are listed on the BSE and NSE.

19.2 The high, low and average market prices for the last three financial years and the monthly high, low and average market prices for the 6 months preceding the date of Public Announcement and the corresponding volumes on NSE are as follows:

| Period | High (Rs.) | Date of High | Number of Equity Shares traded on that date | Low (Rs.) | Date of Low | Number of Equity Shares traded on that date | Average Price* (Rs.) | Total volume traded in period |
|------------------------|---------------|-----------------|---|--------------|----------------|---|----------------------------|--|
| 3 Years | | | | | | | | |
| 01-Apr-20 to 31-Mar-21 | 316.00 | 09-Feb-21 | 82,380 | 154.00 | 18-May-20 | 2,730 | 220.42 | 23,03,318 |
| 01-Apr-19 to 31-Mar-20 | 416.90 | 31-May-19 | 7,942 | 140.00 | 24-Mar-20 | 3,557 | 307.11 | 6,77,448 |
| 01-Apr-18 to 31-Mar-19 | 414.70 | 14-Aug-18 | 17,867 | 337.10 | 08-Oct-18 | 1,217 | 373.09 | 8,03,441 |
| 6 Months | | | | | | | | |
| 01-Aug-21 to 31-Aug-21 | 558.85 | 04-Aug-21 | 3,27,849 | 432.65 | 11-Aug-21 | 37,361 | 483.88 | 9,89,558 |
| 01-Jul-21 to 31-Jul-21 | 492.45 | 30-Jul-21 | 28,921 | 423.00 | 01-Jul-21 | 1,39,456 | 455.38 | 9,22,689 |
| 01-Jun-21 to 30-Jun-21 | 441.70 | 23-Jun-21 | 3,68,861 | 310.05 | 01-Jun-21 | 70,072 | 374.02 | 20,41,608 |
| 01-May-21 to 31-May-21 | 324.05 | 25-May-21 | 13,141 | 285.50 | 05-May-21 | 13,463 | 303.45 | 1,91,008 |
| 01-Apr-21 to 30-Apr-21 | 341.70 | 28-Apr-21 | 3,14,261 | 256.95 | 19-Apr-21 | 1,079 | 276.74 | 4,91,329 |
| 01-Mar-21 to 31-Mar-21 | 297.85 | 03-Mar-21 | 13,323 | 254.55 | 19-Mar-21 | 4,385 | 274.48 | 1,84,161 |

Source: www.nseindia.com

* Average of the daily closing price

(1) High of Intraday Highs. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.

(2) Low of Intraday Lows. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.

- 19.3 The high, low and average market prices for the last three financial years and the monthly high, low and average market prices for the 6 months preceding the date of Public Announcement and the corresponding volume on BSE are as follows:

| Period | High (Rs.) | Date of High | Number of Equity Shares traded on that date | Low (Rs.) | Date of Low | Number of Equity Shares traded on that date | Average Price* (Rs.) | Total volume traded in period |
|------------------------|------------|--------------|---|-----------|-------------|---|----------------------|-------------------------------|
| 3 Years | | | | | | | | |
| 01-Apr-20 to 31-Mar-21 | 316.15 | 09-Feb-21 | 9,151 | 160.00 | 29-May-20 | 883 | 221.43 | 4,99,456 |
| 01-Apr-19 to 31-Mar-20 | 414.00 | 03-Jun-19 | 997 | 136.70 | 24-Mar-20 | 317 | 309.16 | 1,20,649 |
| 01-Apr-18 to 31-Mar-19 | 424.85 | 14-Aug-18 | 1,166 | 340.00 | 08-Oct-18 | 503 | 373.98 | 1,91,361 |
| 6 Months | | | | | | | | |
| 01-Aug-21 to 31-Aug-21 | 557.85 | 04-Aug-21 | 20,454 | 432.90 | 11-Aug-21 | 8,294 | 483.73 | 1,00,291 |
| 01-Jul-21 to 31-Jul-21 | 500.00 | 16-Jul-21 | 13,973 | 422.30 | 01-Jul-21 | 24,049 | 455.30 | 1,49,953 |
| 01-Jun-21 to 30-Jun-21 | 442.05 | 23-Jun-21 | 40,978 | 310.10 | 02-Jun-21 | 4,142 | 374.00 | 2,63,780 |
| 01-May-21 to 31-May-21 | 324.95 | 28-May-21 | 1,178 | 284.55 | 05-May-21 | 3,119 | 303.36 | 44,291 |
| 01-Apr-21 to 30-Apr-21 | 342.00 | 28-Apr-21 | 44,633 | 255.00 | 19-Apr-21 | 296 | 276.62 | 73,540 |
| 01-Mar-21 to 31-Mar-21 | 296.95 | 04-Mar-21 | 1,440 | 240.00 | 31-Mar-21 | 1,887 | 274.31 | 40,229 |

Source: www.bseindia.com

* Average of the daily closing price

- (1) High of Intraday Highs. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.
- (2) Low of Intraday Lows. In case the price is the same on 2 dates then the date on which the volume is higher has been considered.

- 19.4 Notice of the Board Meeting convened to consider the proposal of the Buyback was given to the BSE and NSE on Tuesday, June 15, 2021. The closing price of the Company's equity share on Tuesday, June 15, 2021 was Rs. 406.20 on BSE and Rs. 406.65 on NSE. The Board, at its meeting held on Tuesday, June 22, 2021, approved the proposal for the Buyback at a price not exceeding Rs. 550 per share and the intimation was sent to BSE and NSE on the same day. The high and low market prices on Monday, June 21, 2021 (being the trading day previous to the day on which the Board Meeting was held to approve the Buyback) were Rs. 409.00 and Rs. 391.15, respectively on BSE, and were Rs. 404.00 and Rs. 392.65, respectively on NSE. The closing price of the Company's Equity Shares on Wednesday, June 23, 2021 (being the next working day post the Board Meeting approving the Buyback) was Rs. 434.45 per Equity Share on the BSE and Rs. 433.50 per Equity Share on the NSE. The closing price of the Company's Equity Shares on Tuesday, August 10, 2021, being the date of shareholders' meeting was Rs. 460.90 per Equity Share on the BSE and Rs. 460.60 per Equity Share on the NSE. The closing price of the Company's Equity Shares on Wednesday, August 11, 2021 was Rs. 455.90 per Equity Share on the BSE and Rs. 456.00 per Equity Share on the NSE. The closing price of the Company's Equity Shares on Thursday, August 12, 2021 (being the date of publication of PA) was Rs. 490.30 per Equity Share on the BSE and Rs. 491.90 per Equity Share on the NSE. The closing price of the Company's Equity Shares on Friday, August 13, 2021 (being one day immediately after publication of PA) was Rs. 479.15 per Equity Share on the BSE and Rs. 479.55 per Equity Share on the NSE. The closing price of the Company's Equity Shares on Monday, August 16, 2021 (being two day immediately after publication of PA) was Rs. 486.80 per Equity Share on the BSE and Rs. 486.95 per Equity Share on the NSE. The closing price of the Company's Equity Shares on Tuesday, August 31, 2021 (being the Record Date) was Rs. 462.50 per Equity Share on the BSE and Rs. 462.70 per Equity Share on the NSE.

20. DETAILS OF THE STATUTORY APPROVALS

- 20.1 The Board at its meeting held on Tuesday, June 22, 2021 approved the proposal for the Buyback. The Equity Shareholders approved the Buyback by way of a special resolution at their meeting, the results of which were announced on Wednesday, August 11, 2021.
- 20.2 The Buyback offer is subject to approvals, if any required, under the provisions of the Act, the Buyback Regulations, FEMA and/or such other acts in force for the time being.
- 20.3 The Buyback from each Eligible Shareholder is subject to all statutory consents and approvals as may be required by such Eligible Shareholder under applicable laws and regulations. The Eligible Shareholder shall be solely responsible for obtaining all such statutory consents and approvals (including, without limitation the approvals from the Reserve Bank of India, if any) as may be required by them in order to sell their Equity Shares to the Company pursuant to the Buyback. An Eligible Shareholder would be required to provide copies of all such consents and approvals obtained by them to the Registrar to the Buyback. The Buyback of Shares from Non-Resident Shareholders, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs), and members of foreign nationality, if any, etc., will be subject to approvals, if any, of the appropriate authorities, including RBI under FEMA, as applicable. It is the obligation of such Non-Resident Shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to tender equity shares in the buyback and for the Company to purchase such Equity Shares, tendered. The

Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.

20.4 As of date, there is no other statutory or regulatory approval required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.

21. REGISTRAR TO THE BUYBACK

21.1 The Company has appointed the following as the Registrar to the Buyback:



KFin Technologies Private Limited
Selenium, Tower-B, Plot No 31 – 32,
Gachibowli Financial District, Nanakramguda
Hyderabad 500032, India
Tel: +91-40-67162222
Fax: +91-40-23431551
Toll free number: 1800 309 4001
Contact Person: Mr. M. Murali Krishna
E-mail: gstl.buyback2021@kfintech.com
SEBI Registration Number: INR000000221
Validity Period: Permanent Registration

21.2 In case of any query, the shareholders may contact the Registrar to the Buyback during working hours, i.e., 10:00 a.m. to 5:00 p.m. India Standard Time on all working days except Saturday, Sunday and public holidays.

22. PROCEDURE FOR SUBMISSION

Eligible Shareholders who wish to tender their Equity Shares in the Buyback are required to submit their form(s) with their broker for bidding. After entering a valid bid, the seller member should send, either by registered post / courier to the Registrar to the Buyback, Tender Forms, TRS generated by the exchange bidding system along with the requisite documents, super scribing the envelope as “**Gandhi Special Tubes Limited - Buyback 2021**”, or hand deliver the same to the Registrar to the Buyback at the address mentioned on the cover page and in paragraph 21.1. Eligible Shareholders holding Equity Shares in the dematerialized form are requested to refer to paragraph 24.20. Eligible Shareholders holding Equity Shares in the physical form are requested to refer to paragraph 24.21.

PLEASE NOTE THAT IT IS NOT MANDATORY FOR ELIGIBLE SHAREHOLDERS HOLDING AND TENDERING EQUITY SHARES IN DEMATERIALIZED FORM TO SUBMIT THE TENDER FORM AND THE TRS. In the event of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the stock exchange bidding system, the Buyback shall be deemed to have been Accepted for such shareholders holding Equity Shares in dematerialized form.

ELIGIBLE SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGERS TO THE BUYBACK.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

23. PROCESS AND METHODOLOGY FOR THE BUYBACK

23.1 The Company proposes to Buyback up to 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares from all the Eligible Shareholders, on a proportionate basis (subject to the reservation for Small Shareholders), through the Tender Offer route at a price of Rs. 550/- (Rupees Five Hundred Fifty only) per Equity Share, payable in cash for an aggregate amount of up to Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only) (being less than 25% of the total paid-up equity capital and free reserves of the Company as per the audited financial statements of the Company as on March 31, 2021). The maximum number of Equity Shares proposed to be bought back represents 5.93% of the total paid-up equity share capital of the Company. The Buyback is in accordance with Article 24A and 24B of the Articles of Association of the Company and subject to the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Act read with the rules made thereunder and in compliance with the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, the Stock Exchanges, RBI, etc. The Equity Shareholders approved the

Buyback by way of a special resolution passed at the Annual General Meeting held on Tuesday, August 10, 2021, the results of which were announced on Wednesday, August 11, 2021.

23.2 As on the Record Date, the aggregate shareholding of the Promoters / Persons in Control was 94,80,698 (Ninety Four Lakhs Eighty Thousand Six Hundred Ninety Eight) Equity Shares, which represents 73.39% of the existing equity share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the Promoters of the Company have the option to participate in the Buyback. In this regard, select member of the Promoter and Promoter Group as listed in paragraph 11.5 of this Letter of Offer have expressed their intention, vide their letters dated Tuesday, June 22, 2021, to participate in the Buyback and offer 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.

23.3 Assuming acceptance of all Equity Shares tendered in the Buyback from the Eligible Shareholders up to their respective Buyback Entitlement, the shareholding of the Promoter after the completion of the Buyback will increase to 73.78% of the post Buyback total paid-up equity share capital of the Company. Also, if none of the public shareholders participate and only the Promoter participates to the extent of its Buyback Entitlement, its shareholding will reduce to 72.28% of the total equity share capital of the Company.

23.4 Record Date, Ratio of Buyback and entitlement of each Shareholder:

23.4.1 As required under the Buyback Regulations, the Company has announced Tuesday, August 31, 2021 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders holding Equity Shares, who are eligible to participate in the Buyback Offer.

23.4.2 The Equity Shares proposed to be bought back by the Company as a part of the Buyback are divided in two categories:

- Reserved category for Small Shareholders (“**Reserved Category**”); and
- General category for all Eligible Shareholders other than Small Shareholders (“**General Category**”)

23.4.3 As defined in Regulation 2(i)(n) of the Buyback Regulations, a “Small Shareholder” is a Shareholder who holds Equity Shares having market value, on the basis of the closing price on Tuesday, August 31, 2021, i.e., the Record Date, of not more than Rs. 200,000/- (Rupees Two Lakhs only). As on the Record Date, the closing price on NSE being the Recognized Stock Exchange having the highest trading volume was Rs. 462.70 per Equity Share. Accordingly, all Eligible Shareholders holding not more than 432 Equity Shares as on the Record Date are classified as Small Shareholders for the purpose of the Buyback Offer.

23.4.4 Based on the above definition, there are 13,788 Small Shareholders, with an aggregate shareholding of 9,18,510 Equity Shares, as on the Record Date, which constitutes 7.11% of the outstanding paid up equity share capital of the Company and 14.46% of the maximum number of Equity Shares which are proposed to be bought back as part of this Buyback Offer.

23.4.5 In accordance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders will be 1,14,992 Equity Shares, which is the higher of:

- (a) Fifteen percent of the number of Equity Shares which the Company proposes to buyback, i.e., 15% of 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares, which works out to 1,14,992 (One Lakh Fourteen Thousand Nine Hundred Ninety Two) Equity Shares; or
- (b) The number of Equity Shares to which the Small Shareholders are entitled, as per their shareholding as on Record Date, (i.e., $(9,18,510 / 1,29,18,616) \times 7,66,616$), which works out to 54,506 Equity Shares. All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since some of the Promoters also intend to offer Equity Shares held by them in the Buyback.

23.4.6 Accordingly, the General Category shall consist of 6,51,624 Equity Shares.

23.4.7 Based on the above analysis and in accordance with Regulation 6 of the Buyback Regulations, 1,14,992 Equity Shares have been reserved for the Small Shareholders (“Reserved Category”) and accordingly, the General Category for all other Eligible Shareholders shall consist of 6,51,624 Equity Shares (“General Category”).

23.4.8 Based on the above, the Buyback Entitlement for both categories is as follows:

Category Entitlement Ratio of Buyback

| Category | Entitlement Ratio of Buyback* |
|-------------------|---|
| Reserved Category | 1 Equity Shares out of every 8 fully paid-up Equity Shares held on the Record Date |
| General Category | 12 Equity Shares out of every 221 fully paid-up Equity Shares held on the Record Date |

* The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved category for Small Shareholders is 12.52% and General category for all other Eligible Sellers is 5.43%.

23.5 Fractional Entitlements

- 23.5.1 If the Buyback Entitlement, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e., not a multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback Offer, for both categories of Shareholders.
- 23.5.2 On account of ignoring the fractional entitlement, those Small Shareholders who hold 7 or less Equity Shares as on the Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

23.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- (a) Full acceptance of Equity Shares from Small Shareholders in the Reserved Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- (b) After the acceptance as described in paragraph 23.6(a), if there are any Equity Shares left to be bought back in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of fractional entitlement), and have tendered additional Equity Shares, shall be given preference and one Equity Share each from the additional Equity Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- (c) After the acceptance as described in paragraph 23.6(a) and (b), in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptance per Small Shareholder shall be made in accordance with the Buyback Regulations., i.e., valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Equity Shares remaining to be bought back in the Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders from whom one Equity Share has been accepted in accordance with paragraph 23.6(b) shall be reduced by one.
- (d) In case of proportionate acceptance, as described in paragraph 23.6(c), adjustment for fractional entitlements will be made as follows:
- For any Small Shareholder, if the number of additional Equity Shares to be accepted, calculated on a proportionate basis is not a multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Small Shareholder, if the number of additional Equity Shares to be accepted, calculated on a proportionate basis is not a multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

23.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

- 23.7.1 Subject to the provisions contained in this Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by Shareholders (other than Small Shareholders) in the General Category in the following order of priority:
- (a) Full Acceptance of Equity Shares from Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- (b) After the acceptance as described in paragraph 23.7.1(a), in case there are any Equity Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the other Eligible Shareholders over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Buyback Regulations, i.e., valid acceptances per Shareholder shall be equal to the General Category Additional Shares by the Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Equity Shares remaining to be bought back in General Category.
- (c) In case of proportionate acceptance described in paragraph 23.7.1(b), adjustment for fractional entitlements, will be made as follows:
- For any Eligible Shareholder, if the number of additional Equity Shares to be accepted, calculated on a proportionate basis is not a multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

- For any Eligible Shareholder, if the number of additional Equity Shares to be accepted, calculated on a proportionate basis is not a multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

23.8 Basis of Acceptance of Equity Shares between the two categories

- 23.8.1 After acceptances of tenders, as mentioned in paragraph 23.6 and 23.7, in case, there are any Shares left to be bought back in one category (“**Partially Filled Category**”) and there are additional unaccepted validly tendered Shares (“**Further Additional Shares**”) in the second category (“**Over Tendered Category**”), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per Shareholder shall be equal to Further Additional Shares validly tendered by the Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.
- 23.8.2 If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 23.8.1 out of the Shares left to be bought back in the Partially Filled Category provided no acceptance could take place from such Shareholder in accordance with paragraph 23.6.
- 23.8.3 In case of proportionate acceptance described in paragraph 23.8.1 and 23.8.2, adjustment for fractional entitlements will be made as follows:
- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

23.9 For avoidance of doubt, it is clarified that as per the paragraphs above

- 23.9.1 Equity Shares accepted under the Buyback from each Eligible Shareholder, shall be lower of the following:
- the number of Equity Shares tendered by the respective Shareholder; and
 - the number of Equity Shares held by the respective Shareholder, as on the Record Date.
- 23.9.2 Equity Shares tendered by any Shareholder over and above the number of Equity Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.
- 23.9.3 In case of any practical issues resulting out of rounding-off of Equity Shares or otherwise, the Buyback Committee or any person(s) authorized by the Buyback Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in this paragraph 23.

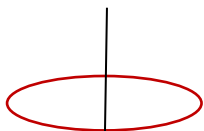
23.10 Clubbing of Entitlement

In order to ensure that the same shareholders with multiple demat accounts / folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common 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 Eligible Shareholders holding Equity Shares in physical form, 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 a 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 to the Buyback as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body – broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

24. PROCEDURE FOR TENDERING EQUITY SHARES AND SETTLEMENT

- 24.1 The Buyback is open to all Equity Shareholders / beneficial owners of Equity Shares of the Company, as per the records made available to the Company by Depositories as on the Record Date. An Eligible Shareholder who wishes to tender their shares in the Buyback must have an active trading account.

- 24.2 The Company proposes to effect the Buyback through the Tender Offer route, on a proportionate basis. This Letter of Offer and Tender Form, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Equity Shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.
- 24.3 The Eligible Shareholder(s) who have registered their Email IDs with the Depositories / the Company, shall be dispatched the Letter of Offer through electronic means. If Eligible Shareholder(s) who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar to the Buyback at the address or email id mentioned on the cover page of the Letter of Offer by stating such Eligible Shareholder's name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. The Eligible Shareholder(s) who have not registered their email ids with the Depositories / the Company shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in paragraph 24.23 below. For U.S. shareholders who have not registered their e-mail addresses with the Depositories, physical copies of the Letter of Offer, in addition to being sent by registered post to their address registered with the Depositories in accordance with Indian law, may also be sent by expedited commercial courier.
- 24.4 After Accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
- 24.5 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court / any other competent authority for transfer / disposal / sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists. The Company shall comply with Regulation 24(v) of the Buyback Regulations which states that the Company shall not buyback locked-in Equity Shares and non-transferrable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 24.6 Eligible Shareholders will have to transfer their Equity Shares from the same demat account in which they were holding such Equity Shares as on the Record Date, and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account to the special account of the Indian Clearing Corporation Limited and the National Securities Clearing Corporation Limited ("**Clearing Corporation**"). In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Equity Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback. The Board or Buyback Committee authorized by the Board will have the authority to decide such final allocation in case of non-receipt of sufficient proof by such Eligible Shareholder.
- 24.7 Shareholders' participation in the Buyback will be voluntary. The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Equity Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their shareholding percentage, post Buyback, as a result of the decrease in the paid-up Equity Share Capital, without additional investment. Shareholders may also accept a part of their Buyback entitlement. Shareholders also have the option of tendering additional Equity Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Shareholder shall be in terms of procedure outlined in paragraph 24 of this Letter of Offer.
- 24.8 The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the Shareholder as on the Record Date. In case the Eligible Shareholder holds Equity Shares through multiple demat accounts, the tender through a demat account cannot exceed the number of Equity Shares held in that demat account.
- 24.9 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- 24.10 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" in accordance with the SEBI Circulars and following the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 24.11 For implementation of the Buyback, the Company has appointed M/s. Dalal and Broacha Stock Broking Private Limited as the registered broker to the Company (the "**Company's Broker**") to facilitate the process of tendering of Equity Shares through stock exchange mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company, as described in this paragraph 24. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders. The contact details of the Company's Broker are as follows:



Dalal and Broacha Stock Broking Private Limited

506, Maker Chambers V, Nariman Point, Mumbai 400021

Contact Person: Khushbu Shah

Tel: +91-22-67141414

Email: khushbu.shah@dalal-broacha.com

Website: www.dalal-broacha.com

BSE/NSE SEBI Registration No: INZ000210337

Validity Period: Permanent Registration

CIN: U67120MH1997PTC111186

- 24.12 The Company will request the Stock Exchanges i.e. the BSE and the NSE to provide the Acquisition Window to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buyback. Accordingly, Equity Shares may be tendered in the Buyback through either BSE or NSE. BSE would be the Designated Stock Exchange for the Buyback (“**Designated Stock Exchange**”). The details of the Acquisition Window will be specified by the Stock Exchanges from time to time.
- 24.13 All Eligible Shareholders, through their respective stock brokers (“**Seller Member(s)**”) will be eligible and responsible to place orders in the Acquisition Window.
- 24.14 At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company’s Broker. During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Seller Members during normal trading hours of the secondary market. The Seller Member can enter orders for Equity Shares in dematerialized form or physical form. In the tendering process, the Company’s Broker may also process the orders received from the Eligible Shareholders. The reporting requirements for Non-Resident Shareholders under the FEMA and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholder and/or the Shareholder Broker through which the Eligible Shareholder places the bid.
- 24.15 In the event Selling Member of any Eligible Shareholder is not registered with BSE / NSE as trading member / stock broker, then that Eligible Shareholder can approach any BSE / NSE registered stock broker and can register himself by using quick unique client code (“**UCC**”) facility through that BSE / NSE registered stock broker (after submitting all details as may be required by such BSE / NSE registered stock broker in compliance with applicable law). In case the Eligible Shareholder is unable to register himself by using quick UCC facility through any other BSE / NSE registered stock broker, then that Eligible Shareholder may approach the Company’s Broker, viz. M/s. Dalal and Broacha Stock Broking Private Limited, to register himself by using quick UCC facility.
- 24.16 The Eligible Shareholder approaching Designated Stock Exchange registered stock broker (with whom he does not have an account) may have to submit the requisite documents as may be required. The requirement of documents and procedures may vary from broker to broker and may inter-alia include:

In case of Eligible Seller being an individual:

If Eligible Seller is registered with KYC Registration Agency (“KRA”): Forms required:

- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Seller is not registered with KRA: Forms required:

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
 - PAN card copy
 - Address proof
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Eligible Seller is HUF:

If Eligible Seller is registered with KYC Registration Agency (“KRA”): Forms required:

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Seller is not registered with KRA: Forms required:

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - PAN card copy of HUF & KARTA
 - Address proof of HUF & KARTA
 - HUF declaration
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Eligible Seller other than Individual and HUF:

If Eligible Seller is KRA registered: Form required

- Know Your Client (KYC) form Documents required (all documents certified true copy)
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

If Eligible Seller is not KRA registered: Forms required:

- KRA form
- Know Your Client (KYC) form Documents required (all documents certified true copy):
 - PAN card copy of company/ firm/trust
 - Address proof of company/ firm/trust
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories /partners/trustees
- PAN card copies & address proof of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

24.17 Modification / cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by a single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as ‘one’ bid for the purposes of Acceptance. An order can be cancelled or modified by an Eligible Shareholder who has tendered his Equity Shares during the Tendering Period by contacting his Seller Member through whom the initial bid was placed by providing a request for modification / cancellation via his registered email address or registered telephone number or by visiting the Seller Member’s branch and submitting a written request.

24.18 The cumulative quantity of Equity Shares tendered under the Buyback shall be made available on BSE website www.bseindia.com and NSE website www.nseindia.com throughout the Tendering Period and will be updated at specific intervals during the Tendering Period.

24.19 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

24.20 Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form

- 24.20.1 Eligible Shareholders who desire to tender their Equity Shares in the dematerialised form under the Buyback will have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.
- 24.20.2 The Seller Member will be required to place a bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the Stock Exchanges. Before placing the bid, the Eligible Shareholder will need to transfer the tendered Equity Shares to the Clearing Corporation by using the settlement number through the early pay-in mechanism as prescribed by the Depositories. This shall be validated at the time of order / bid entry. The details of the settlement number under which the Equity Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular which shall be issued at the time of issue opening by Clearing Corporation. For further details, Eligible Shareholders may refer to the circulars issued by Clearing Corporation.
- 24.20.3 For Custodian Participant orders for dematerialized Equity Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian will confirm the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders will be deemed to be rejected. For all confirmed Custodian Participant orders, order modification by the Seller Member will revoke the custodian confirmation and the revised order will be sent to the custodian again for confirmation.
- 24.20.4 Upon placing the bid, the Seller Member will provide a Transaction Registration Slip (“TRS”) generated by the Exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered, etc.
- 24.20.5 Eligible Shareholders shall also provide all relevant documents, that are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
- (a) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
 - (b) Duly attested death certificate and succession certificate / legal heirship certificate / court approved scheme of merger / amalgamation for a company, in case any Eligible Shareholder has expired or dissolved or merged; and
 - (c) In case of companies, the necessary certified corporate authorizations (including board and / or general meeting resolutions).
- 24.20.6 In case of demat Equity Shares, submission of Tender Form and TRS is not required. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for Eligible Shareholders holding Equity Shares in demat form.**
- 24.20.7 The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buyback decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the saving account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company.

24.21 Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in Physical form

- 24.21.1 In accordance with SEBI’s Circulars dated July 31, 2020 (Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144), Shareholders holding Equity Shares in physical form are allowed to tender such shares in a buyback undertaken through the tender offer route. However, such tendering shall be as per the provisions of the Buyback Regulations.
- 24.21.2 Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buyback will be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (i) the Tender Form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares), (ii) original share certificate(s), (iii) valid share transfer form(s)/Form SH-4 duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of PAN Card(s) of all Eligible Shareholders, (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder is deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the register of members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar card, voter identity card or passport.

- 24.21.3 Based on these documents, the concerned Seller Member shall place an order/bid on behalf of the Eligible Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buyback, using the Acquisition Window of the Designated Stock Exchange. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
- 24.21.4 Any Seller Member /Eligible Shareholder who places a bid for Equity Shares in physical form, is required to deliver the original share certificate(s) and documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback i.e. KFin Technologies Private Limited (at the address mentioned on cover page) not later than 2 (two) working days from the Buyback Closing Date i.e. Wednesday, October 6, 2021 (by 5:00 p.m.). The envelope should be super scribed as “**Gandhi Special Tubes Limited - Buyback 2021**”. One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Seller Member.
- 24.21.5 The Eligible Shareholders holding Equity Shares in physical form should note that such Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the Equity Shares in physical form for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such verification, Designated Stock Exchange shall display such bids as ‘unconfirmed physical bids’. Once Registrar to the Buyback confirms the bids, they will be treated as ‘confirmed bids’.
- 24.21.6 In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Eligible Shareholders should ensure that the process of getting such Equity Shares dematerialized is completed well in time so that they can participate in the Buyback before the closure of the tendering period of the Buyback.
- 24.21.7 An unregistered shareholder holding Equity Shares in physical form may also tender his shares for Buyback by submitting the duly executed transfer deed for transfer of shares, purchased prior to Record Date, in his name, along with the offer form, copy of his PAN card and of the person from whom he has purchased shares and other relevant documents as required for transfer, if any.

24.22 For Equity Shares held by Eligible Shareholders who are Non-Resident Shareholders of Equity Shares (Read with paragraph 20 “DETAILS OF STATUTORY APPROVALS”):

- 24.22.1 Eligible Shareholders who are non-resident shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them in the Company.
- 24.22.2 Eligible Shareholders who are FIIs/FPIs should also enclose a copy of their SEBI registration certificate.
- 24.22.3 In case the Equity Shares are held on repatriation basis, the Non-Resident Eligible Shareholders shall obtain and enclose a letter from its authorised dealer / bank confirming that at the time of acquiring such Equity Shares, payment for the same was made by the non-resident Eligible Shareholders from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Non-Resident Seller is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Seller shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buyback.
- 24.22.4 If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered by Eligible Shareholders, being Non-Resident Shareholders, under the Buyback are liable to be rejected.

24.23 In case of non-receipt of this Letter of Offer:

The non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any person who is eligible to receive the Letter of Offer, shall not invalidate the Buyback in any manner. If any Eligible Shareholder who is holding Equity Shares in dematerialized form and has been sent the Letter of Offer through electronic means wishes to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number. Upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. In case of non-receipt of the Letter of Offer, Eligible Shareholders may participate in the offer by applying on the Tender Form downloaded from the Company’s website i.e., www.gandhispecialtubes.com or from the website of the Registrar to the Buyback i.e. <http://karisma.kfintech.com> or obtain a duplicate copy of the same by writing to the Registrar to the Buyback. Such Eligible Shareholders may also participate in the Buyback by providing their application in plain paper in writing signed by such shareholder (in case jointly held then

signed by all shareholders), stating name, address, folio number, number of shares held as on the Record Date, client ID number, DP name, DP ID number, number of Equity Shares tendered. Eligible Shareholder(s) have to ensure that their bid is entered in the Acquisition Window prior to the closure of the Offer. Please note that the Company shall accept Equity Shares from the Eligible Shareholders on the basis of their holding and Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.

24.24 Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the Acquisition Window to be made available by BSE and NSE before the Closing Date.

24.25 The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement.

- (a) The Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Shareholder, shall not invalidate the offer to any person who is eligible to receive this offer under the Buyback.
- (b) The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- (c) Depositories are required to provide information to the Clearing Corporation about the shareholder on whose behalf the Seller Member has placed a sell order. This information shall include investor PAN, beneficiary account details and bank details including IFSC code.

24.26 Acceptance of Orders

The Registrar to the Buyback shall provide details of order acceptance to Clearing Corporation within specified time lines.

24.27 Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations:

- (a) The settlement of trades will be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- (b) The Company will transfer the consideration pertaining to the offer through the Company's Broker who in turn will make the funds pay-in to the Clearing Corporation's bank account on or before the pay-in date for settlement as per the secondary market mechanism. For Equity Shares in dematerialized form accepted under the Buyback, such beneficial owners will receive funds pay-out in their bank account as provided by the depository system directly to the Clearing Corporation and in case of Equity Shares in physical form, the Clearing Corporation will release the funds to the Seller Member(s) as per secondary market payout mechanism. If bank account details of any Eligible Shareholder are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Members for onward transfer to such Eligible Shareholder. The payment of consideration to all Eligible Shareholders validly participating in the Buyback will be made in Indian National Rupees.
- (c) The Equity Shares bought back in the demat form will be transferred directly to the escrow account of the Company ("**Demat Escrow Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Designated Stock Exchange.
- (d) Excess demat shares or unaccepted demat shares, if any, tendered by the Eligible Shareholders will be transferred by the Clearing Corporation directly to the Eligible Shareholders' Depository account. If the securities transfer instruction is rejected in the depository system, due to any issue, then such securities will be transferred to the Seller Members depository pool account for onward transfer to the Eligible Shareholder. In case of Custodian Participant orders, excess demat shares or unaccepted demat shares, if any, will be returned to the respective Custodian depository pool account. The Custodian Participants will return these unaccepted shares to their respective clients on whose behalf the bids have been placed. Any excess or unaccepted Equity Shares in physical form pursuant to proportionate acceptance/ rejection will be returned back to the concerned Eligible Shareholders directly by the Registrar to the Buyback. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares in dematerialized form, in case such Equity Shares accepted by the Company are less than such Equity Shares tendered in the Buyback.

- (e) The Eligible Shareholders will have to ensure that they keep the depository participant account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of shares under the Buyback.
- (f) Every Seller Member who puts in a valid bid on behalf of an Eligible Shareholder, must issue a contract note for the Equity Shares accepted in the offer. The Company's Broker must also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

24.28 Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). Whether a Seller Member assesses any such costs, charges or expenses will depend on the commercial arrangement between the Eligible Shareholder and their respective Seller Member. Accordingly, the Buyback consideration received by the selling Eligible Shareholders from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Eligible Shareholders.

24.29 The Equity Shares lying to the credit of the Demat Escrow Account bought back and accepted will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

24.30 Settlement of Funds / Payment of Consideration

- (a) The settlements of fund obligation for dematerialised Equity Shares shall be effected as per the SEBI Circulars and as prescribed by Exchange and Clearing Corporation from time to time.
- (b) Clearing Corporation shall settle the trades by making direct funds payout to the Eligible Shareholders and the Seller Members must issue a contract note. The Buyer's Broker must also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If the Eligible Shareholder's bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank due to any reasons, then the amount payable to Eligible Shareholders will be transferred to the Seller Member for onward transfer to the Eligible Shareholder.
- (c) In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out will be given to their respective Shareholder Broker's settlement accounts for releasing the same to their respective Shareholder's account onward. For this purpose, the client type details will be collected from the Depositories, whereas amount payable to the Eligible Shareholder pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Stock Exchanges and the Clearing Corporation from time to time.

24.31 Special Account opened with the Clearing Corporation

The details of transfer of the Demat Shares to the special account of the Clearing Corporation under which the Equity Shares are to be transferred in the account of Clearing Corporation by trading member or custodians shall be informed in the issue opening circular that will be issued by the Designated Stock Exchange or the Clearing Corporation.

24.32 Rejection Criteria

The Equity Shares tendered by Eligible Shareholders will be liable to be rejected on the following grounds:

For Eligible Shareholders holding Equity Shares in the dematerialized form if:

- a) The Equity Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or
- b) If there is a name mismatch in the dematerialised account of the Equity Shareholder and PAN; or
- c) Shares tendered over and above the holding as on the Record Date; or
- d) Where there exists any restraint order of a Court/any other competent authority for transfer/disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

For Eligible Shareholders holding Equity Shares in the physical form:

- a) If the documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before Wednesday, October 6, 2021 by 5.00 p.m.; or
- b) If there is any other company's share certificate enclosed with the Tender Form instead of the share certificate of the Company; or
- c) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; or
- d) If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical share certificate; or
- e) In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar and Transfer Agent; or

- f) Where there exists any restraint order of a Court/ any other competent authority for transfer/disposal/sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists; or
- e) Shares tendered over and above the holding as on the Record Date; or
- g) If the PAN cards (self-attested) of the shareholder and all the joint holders, are not submitted with the form.

25. NOTE ON TAXATION

The following summary of the tax considerations is based on the reading of the current provisions of the tax laws of India and the regulations thereunder, the judicial and the administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions, any such changes might have different tax implications.

In view of the complexity and the subjectivity involved in the tax consequences on buyback transaction, eligible shareholders are required to consult their respective tax advisors for tax treatment in their hands considering the relevant tax provisions, facts and circumstances of their case. The company does not accept any responsibility for the accuracy or otherwise of this tax summary and explicitly disowns any liability arising out of any action including a tax position taken by the eligible shareholder by relying on this summary. The summary of tax considerations relating to buy back of equity shares listed on the stock exchange set out below should be treated as indicative and for general guidance purposes only.

Disclosures in this section are based on the opinion obtained by the Company from M/s. Shahikant J. Shah & Co., Chartered Accountant.

General

The Indian tax year runs from April 1 to March 31. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act 1961 (“ITA”).

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her India sourced income or income received by such person in India. In case of shares of a Company, the source of income from shares would depend on the ‘situs’ of the shares. As per judicial precedents, generally the “situs” of the shares is where company is “incorporated” and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the relevant Double Tax Avoidance Agreement (“DTAA”) subject to satisfaction of the relevant conditions including non-applicability of General Anti-Avoidance Rule (“GAAR”) and providing and maintaining necessary information and documents as prescribed under the ITA.

The summary of tax implications on buyback of equity shares listed on the stock exchanges in India is set out below. All references to equity shares in this note refer to equity shares listed on the stock exchanges in India unless stated otherwise.

Income Tax Provisions in respect of Buyback of Equity Shares listed on Recognized Stock Exchange

- a) Finance Act, 2019 has amended Section 115QA to include Companies Listed on Recognized stock Exchange within the ambit of Section 115QA. As per Section 115QA, Listed Companies making a public announcement of Buyback of shares on or after July 5, 2019 are required to Pay an additional Tax @ 20%, plus Surcharge @ 12%, plus Health & Education Cess @4% on the Distributed Income.

Distributed Income is defined under Section 115QA to include Consideration paid by the company on buyback of Shares as reduced by the amount which was received by the company on issue of such shares, determined in the manner specified in Rule 40BB.

- b) The tax on the distributed income by the company shall be treated as the final payment of tax in respect of the said income and no further credit therefor shall be claimed by the company or by any other person in respect of the amount of tax so paid.
- c) No deduction under any other provision of this Act shall be allowed to the company or a shareholder in respect of the income which has been charged to tax.
- d) As the said income has been charged to tax at company level, it shall be exempt in the hands of shareholders under Section 10(34A) of the ITA. Accordingly, any income arising in the hands of the shareholder (whether resident or non-resident) on buyback of equity shares shall be exempt from tax in India irrespective of the characterization of the shares, i.e., whether long term or short term or held as investment or stock-in-trade under sub-clause (34A) of Section 10 of the ITA.

Tax Deduction at Source (“TDS”)

Since there is no provision regarding the TDS in case of Buyback, company is not required to deduct any tax at source on consideration payable to Resident Shareholders.

Further, given that the consequential income would be exempt from tax in the hands of shareholders u/s 10(34A) of the ITA, the same would not be subject to TDS for Non-Resident Shareholders.

Caveat:

The summary of the tax considerations as above is based on the current provisions of the tax laws of India, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Shareholders, who are non-residents in India, in respect of tax consequence (including capital gain tax, if any) in their state of residence, are required to consult their tax advisors for the applicable tax and the appropriate course of action that they should take considering the provisions of the relevant country or state tax law and provisions of DTAA where applicable.

The above note on taxation sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein.

Securities transaction tax

Since the buyback of shares shall take place through the settlement mechanism of the Stock Exchange, securities transaction tax at 0.1% of the value of the transaction will be applicable.

26. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clauses (ix) and clause (x) of Schedule I under read with Regulation 5 (iv) (b) of Buyback Regulations:

- 26.1 The Board of Directors has made full enquiry into the affairs and prospects of the Company and confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
- 26.2 The Board of Directors confirms that based on a full enquiry conducted into the affairs and prospects of the Company, and, after taking into account the financial position of the Company including the projections and also considering all contingent liabilities, the Board of Directors has formed an opinion that:
- a) Immediately following the date of the Board meeting i.e. Tuesday, June 22, 2021 and the date of passing of the shareholders resolution i.e. Tuesday, August 10, 2021 approving the Buyback, there are no grounds on which the Company could be found unable to pay its debts.
 - b) As regards the Company’s prospects for the year immediately following the date of the Board meeting i.e. Tuesday, June 22, 2021 and the date of passing of the shareholders resolution i.e. Tuesday, August 10, 2021 approving the Buyback, having regard to their intentions with respect to the management of the Company’s business during the said year and to the amount and character of the financial resources which will be available to the Company during the said 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 passing of the shareholders resolution approving the Buyback.
 - c) In forming its opinion as aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities payable) as if the Company were being wound up under the provisions of the Act and the Insolvency and Bankruptcy Code, 2016, as amended.

This declaration is made and issued by the Board of Directors in terms of the resolution passed at the meeting held on Tuesday, June 22, 2021.

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

Sd/-
Manhar G. Gandhi
Managing Director
DIN: 00041190

Sd/-
Jayesh M. Gandhi
Director
DIN: 00041330

In addition, the Company has also confirmed that it is in compliance with Sections 92, 123, 127 and 129 of the Act.

27. REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY'S STATUTORY AUDITOR'S ON THE PERMISSIBLE CAPITAL PAYMENT AND THE OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY

The text of the Report dated Tuesday, June 22, 2021 received from M/s Shashikant J. Shah & Co., Statutory Auditors, addressed to the Board of Directors of the Company is reproduced below:

Quote

The Board of Directors Gandhi Special Tubes Limited

201-204 Plaza, 2nd Floor,
55, Hughes Road,
Next to Dharam Palace,
Mumbai - 400007
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 (x) of Schedule I to the SEBI 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 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 (x) 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, 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 Registration No: 109996W)

Sd/-
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 buyback 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 (Rs.) |
|--|--------------|----------------------|
| Paid up capital (1,29,18,616 shares of Rs.5/- each) | A | 6,45,93,080 |
| Free Reserves | | |
| - Profit and loss account balance | | 162,44,28,999 |
| - Securities Premium | | - |
| - General Reserve | | - |
| Total Free Reserves | B | 162,44,28,999 |
| Total paid up capital and free reserves | A + B | 168,90,22,079 |
| 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 Registration No: 109996W)

Sd/-
Nikunj S. Shah
Partner
Membership No. 112867
UDIN: 21112867AAAAAW9820

June 22, 2021
Mumbai

Unquote

28. MATERIAL DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the registered office of the Company at 201-204, 2nd Floor, Plaza, 55, Hughes Road, Next to Dharam Palace, Mumbai 400 007, Maharashtra, India on any working day (i.e., Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. Indian Standard Time up to the date of closure of the Buyback:

- a) Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Gandhi Special Tubes Limited;
- b) Copy of the Annual Reports of the Company for the Year ended March 31, 2019, March 31, 2020 and March 31, 2021;
- c) Copy of the Unaudited Financial Statements of the Company as on June 30, 2021;
- d) Copy of the Resolution passed by the Board of Directors at their Meeting held on Tuesday, June 22, 2021 approving proposal for Buyback and the Resolution passed by the Board of Directors at their Meeting held on Tuesday, June 22, 2021 reconstituting the Buyback Committee;
- e) Copy of Certificate dated Tuesday, June 22, 2021 received from M/s. Shashikant J. Shah & Co., in terms of clause (xi) of Schedule I of the Buyback Regulations;
- f) Copy of the Annual General Meeting Notice dated Tuesday, June 22, 2021 along with Explanatory Statement;
- g) Copy of the Resolution of the Shareholders passed at the Annual General Meeting on Tuesday, August 10, 2021;
- h) Copy of the Escrow Agreement dated Thursday, August 5, 2021 between Gandhi Special Tubes Limited, HDFC Bank, Mumbai and Prime Securities Limited and a Certificate dated Wednesday, September 8, 2021 from HDFC Bank, Mumbai confirming the balance of Rs. 10,54,09,700/- (Rupees Ten Crores Fifty Four Lakhs Nine Thousand Seven Hundred Only) to the credit of Escrow Account;
- i) Copy of the Certificate from M/s. Shashikant J. Shah & Co., dated Tuesday, August 10, 2021 certifying that the Company has made firm arrangement of funds for the purposes of Buyback of 7,66,616 Equity Shares at the price of Rs. 550/- per Equity Share;
- j) Copy of Public Announcement dated Wednesday, August 11, 2021 published in the newspapers on Thursday, August 12, 2021 regarding Buyback of Equity Shares;
- k) Copy of Corrigendum to Public Announcement dated Thursday, August 12, 2021 published in the newspapers on Friday, August 13, 2021 regarding Buyback of Equity Shares;
- l) Copy of Declaration of Solvency and an Affidavit in Form SH-9 as prescribed under Section 68(6) of the Act; and
- m) Copy of Opinion on Note on Taxation, dated Thursday, August 12, 2021, obtained by the Company from Shashikant J. Shah & Co., Chartered Accountants;
- n) Copy of the SEBI Observation Letter No. SEBI/HO/CFD/DCR-III/OW/22706 dated September 6, 2021

29. REMEDIES AVAILABLE TO SHAREHOLDERS / BENEFICIAL OWNERS

29.1 In case of any grievance relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the investor can approach the Compliance Officer and / or Managers to the Buyback and / or Registrar to the Buyback for redressal at the address mentioned below in paragraph 30 and 31 of this Letter of Offer.

29.2 If the Company makes any default in complying with the provisions of Sections 68, 69, 70 and 110 of the Act or any rules made thereunder, or any regulation or under clause (f) of sub-section (2) of Section 68 of the Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Act.

29.3 The address of the concerned office of the Registrar of Companies is as follows:

Registrar of Companies

100, Everest, Marine Drive

Mumbai 400002

Tel: +91-22-22812627 / +91-22-22020295 / +91-22-22846954

Fax: +91-22-22811977

Email: roc.mumbai@mca.gov.in

30. REGISTRAR TO THE BUYBACK / INVESTOR SERVICE CENTER AND COMPLIANCE OFFICER

30.1 The Company has designated the following as the Investor Service Centre for the Buyback:



KFin Technologies Private Limited

Selenium, Tower-B, Plot No 31 – 32,

Gachibowli Financial District, Nanakramguda

Hyderabad 500032, India

Tel: +91-40-67162222

Fax: +91-40-23431551

Toll free number: 1800 309 4001

Contact Person: Mr. M. Murali Krishna

E-mail: gstl.buyback2021@kfintech.com

SEBI Registration Number: INR000000221

Validity Period: Permanent Registration

30.2 In case of any query, the shareholders may contact the Registrar to the Buyback on any day except Saturday, Sunday and Public holidays between 10:00 a.m. and 5:00 p.m. Indian Standard Time at the aforementioned address.

30.3 The Company has designated the following as the Compliance Officer for the Buyback:

Name: Jitendra Khadye

Designation: Company Secretary

Address: Gandhi Special Tubes Limited
201-204, 2nd Floor, Plaza, 55, Hughes Road,
Next to Dharam Palace, Mumbai 400007, Maharashtra, India

Tel: +91-22-23634179

Email ID: complianceofficer@gandhitubes.com

Website: www.gandhispecialtubes.com

30.4 In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Friday between 10:00 a.m. and 5:00 p.m. Indian Standard Time on all working days, at the above mentioned address.

31. MANAGERS TO THE BUYBACK

31.1 The Company has appointed the following as Managers to the Buyback:



Prime Securities Limited

1109/1110, Maker Chambers V, Nariman Point,

Mumbai 400021, Maharashtra, India

Tel: +91-22-61842525

Fax: +91-22-24970777

Contact Person: Apurva Doshi / Nischay Saraf

Email: gstl_buyback@primesec.com

Website: www.primesec.com

CIN: L67120MH1982PLC026724

SEBI Registration Number: MB/INM000000750

31.2 We will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Equity Shares pursuant to the Buyback or making recommendations in connection with the Buyback.

32. DIRECTORS' RESPONSIBILITY STATEMENT

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accept full and final responsibility for all the information contained in this Letter of Offer and confirm that this Letter of Offer contains true, factual and material information and does not contain any misleading information. This Letter of Offer is issued under the authority of the Board of Directors through resolution passed by the Buyback Committee at meeting held on Thursday, September 9, 2021.

For and on behalf of the Board of Directors of
GANDHI SPECIAL TUBES LIMITED

Sd/-
Manhar G. Gandhi
Managing Director
DIN: 00041190

Sd/-
Jayesh Gandhi
Director
DIN: 00041330

Sd/-
Jitendra Khadye
Company Secretary & Compliance Officer
Membership No: A61403

Place: Mumbai

Date: September 9, 2021

TENDER FORM
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN DEMATERIALIZED FORM)

Bid Number:
Date:

| | | | |
|--|--|--|--|
| BUYBACK OPENS ON | | TUESDAY, SEPTEMBER 21, 2021 | |
| BUYBACK CLOSES ON | | MONDAY, OCTOBER 4, 2021 | |
| For Registrar use | | | |
| Inward No. | Date | Stamp | |
| | | | |
| Status (please tick appropriate box) | | | |
| <input type="checkbox"/> Individual | <input type="checkbox"/> FII/FPI | <input type="checkbox"/> Insurance Co | |
| <input type="checkbox"/> Foreign Co | <input type="checkbox"/> NRI/OCB | <input type="checkbox"/> FVCI | |
| <input type="checkbox"/> Body Corporate | <input type="checkbox"/> Bank/FI | <input type="checkbox"/> Pension/PF | |
| <input type="checkbox"/> VCF | <input type="checkbox"/> Partnership/LLP | <input type="checkbox"/> Others (Specify) | |
| India Tax Residency Status: Please tick appropriate box | | | |
| <input type="checkbox"/> Resident in India | <input type="checkbox"/> Non-Resident in India | <input type="checkbox"/> Resident of _____ (Shareholder to fill country of residence) | |
| Route of Investment (For NR Shareholders only) | | | |
| <input type="checkbox"/> Portfolio Investment Scheme | | <input type="checkbox"/> Foreign Investment Scheme | |

To,
Gandhi Special Tubes Limited
C/o. KFin Technologies Private Limited
 Selenium, Tower-B, Plot No 31-32, Gachibowli Financial District,
 Nanakramguda, Hyderabad 500032, India

Dear Sir/Madam,

Sub: Letter of Offer dated September 9, 2021 to Buyback upto 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares of Gandhi Special Tubes Limited ("Company") at a price of ₹ 550/- (Rupees Five Hundred Fifty only) per Equity Share ("Buyback Price") payable in cash

- I / We (having read and understood the Letter of Offer dated September 9, 2021 issued by the Company) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorize the Company to buyback the Equity Shares offered (as mentioned above) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby warrant that the Equity Shares comprised in this Tender Offer are offered for Buyback by me / us free from all liens, equitable interest, charges, and encumbrance.
- I / We declare that there are no restraints / injunctions or other covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender the Equity Shares for Buyback.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of documents and that the consideration will be paid as per the Stock Exchange mechanism.
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I / We agree to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and the extant applicable foreign exchange regulations.
- I / We agree to receive, at my own risk, the invalid / unaccepted Equity Shares under the Buyback Offer in the demat account from where I / We have tendered the Equity Shares in the Buyback.
- I / We agree that excess or unaccepted Equity Shares in dematerialized form, if any, tendered by the Eligible Shareholders would be returned to them by the Clearing Corporation directly to the respective Eligible Shareholder's DP account, as part of the exchange payout process. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess or unaccepted Equity Shares in dematerialized form, if any, will be returned to the respective custodian participant. The Seller Members would return these unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed.
- Details of Equity Shares held and tendered / offered for Buyback:

| Particulars | In Figures | In Words |
|---|-------------------|-----------------|
| Number of Equity Shares held as on Record Date (August 31, 2021) | | |
| Number of Equity Shares Entitled for Buyback (Buyback Entitlement) | | |
| Number of Equity Shares offered for Buyback (Including Additional Shares, if any) | | |

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 23 and 24 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

ACKNOWLEDGMENT SLIP: GANDHI SPECIAL TUBES LIMITED - BUYBACK 2021
(To be filled by the Eligible Shareholder) (Subject to verification)

| | |
|---|-----------------------|
| DP ID | Client ID |
| Received from Mr./Ms./Mrs. | |
| Form of Acceptance-cum-Acknowledgement, Original TRS along with: | |
| No. of Equity Shares offered for Buyback (In Figures) | (in words) |
| Please quote Client ID No. & DP ID No. for all future correspondence | Stamp of Stock Broker |

12. Applicable for all Non-Resident Shareholders only:
- I / We undertake to pay income taxes in India on any income arising on such Buyback accordance with prevailing income tax laws in India. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us
 - I / We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999, as amended ("FEMA Regulations") and the rules and regulations framed there under, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, under the FEMA Regulations and any other rules, regulations and guidelines, in regard to remittance of funds outside India.
13. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, Buyback Regulations and any other applicable laws.
14. I / We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on buyback of shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc., whenever called for.
15. Non-Resident Shareholders (including NRIs, OCBs, FPI, Foreign Nationals and FII) are requested to enclose a consent letter indicating the details of transfer i.e. number of Equity Shares to be transferred, the name of the investee company whose shares are being transferred i.e. "Gandhi Special Tubes Limited" and the price at which the Equity Shares are being transferred i.e. "Price determined in accordance with the Buyback Regulations" duly signed by the shareholder or his/its duly appointed agent and in the latter case, also enclose the power of attorney.
16. Details of Account with Depository Participant (DP):

| | | | | |
|---|--|------|--|------|
| Name of the Depository (tick whichever is applicable) | | NSDL | | CDSL |
| Name of the Depository Participant | | | | |
| DP ID No. | | | | |
| Client ID No. with the DP | | | | |

17. Equity Shareholders Details:

| Particulars | First/Sole Holder | Joint Holder 1 | Joint Holder 2 | Joint Holder 3 |
|--|-------------------|---|----------------|----------------|
| Full Name(s) Of the Holder | | | | |
| Signature(s)* | | | | |
| PAN | | | | |
| Address of the Sole/First Equity Shareholder | | | | |
| Telephone No. of Sole/First Equity Shareholder | | Email ID of Sole/First Equity Shareholder | | |

* Non-individual shareholders must affix rubber stamp and sign under valid authority. The relevant authorization should be enclosed with the application form submitted.

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form

1. This Offer will open on Tuesday, September 21, 2021 and close on Monday, October 4, 2021.
2. Eligible Shareholders who desire to tender their Equity Shares under the Buyback would have to do so through their respective Selling Member by indicating the details of equity shares they intend to tender under the Buyback offer.
3. Eligible Shareholders may submit their duly filled Tender Form to the office of Registrar to the Buyback (as mentioned in Paragraph 24 of the Letter of Offer) only post placing the bid via the Seller Member.
4. In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form should file a copy of the following documents:
 - i. Approval from the appropriate authority for such merger;
 - ii. The scheme of merger; and
 - iii. The requisite form filed with MCA intimating the merger.
5. **The Buyback shall be rejected for shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of Shares in the special account of the Clearing Corporation or a non-receipt of valid bid in the exchange bidding system.**
6. The shares in the Offer would be liable to be rejected if (i) the tenderer is not an Eligible Shareholder of the Company as on the Record date (ii) if there is a name and PAN mismatch in the demat account of the Eligible Shareholder (iii) in the event of non-receipt of the completed Tender Form and other documents from the Eligible Shareholders who were holding shares in physical form as on the Record Date and have placed their bid in dematerialized form.
7. The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buyback as may be decided by the Company / Registrar to the Buyback, in accordance with the Buyback Regulations.
8. Eligible Shareholders to whom the Offer is made are free to tender shares to the extent of their entitlement in whole or in part or in excess of their entitlement, but not exceeding their holding as on Record Date.
9. For the procedure to be followed by Eligible Shareholders for tendering in the Buyback, please refer to paragraph 24 ("Procedure for Tendering Shares and Settlement") of the Letter of Offer.
10. All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
11. By agreeing to participate in the Buyback, the non-resident Eligible Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
12. Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
13. In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the Buyback by providing their application in plain paper in writing signed by all Eligible Shareholders (in case of joint holding), stating name and address of the Eligible Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name, DP ID, beneficiary account number and number of Equity Shares tendered for the Buyback
14. Eligible Sellers have to fill up the EVENT number issued by Depository in the column for settlement details along with the market type as "Buyback", ISIN, Quantity of shares and CM BP ID of broker and execution date in the Delivery Instruction Slips (DIS) so that Equity Shares can be tendered for Buyback Offer
15. **The Tender Form and TRS is not required to be submitted to the Company, Manager or the Registrar. After the receipt of the Equity Shares in dematerialized form by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in dematerialized form.**

All capitalised items not defined herein shall have the meaning ascribed to them in the Letter of Offer.

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre: GANDHI SPECIAL TUBES LIMITED - BUYBACK 2021

KFin Fintech Private Limited

Selenium, Tower-B, Plot No 31 – 32, Gachibowli Financial District, Nanakramguda, Hyderabad 500032, India

Contact Person: M. Murali Krishna; **Tel:** +91-40-67162222; **Fax:** +91-40-23431551; **E-mail:** gstl.buyback2021@kfintech.com

Website: <http://karisma.kfintech.com>; **SEBI Registration Number:** INR00000221

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM)**

Eligible Shareholders holding Equity Shares in physical form are requested to refer to paragraph 24.21 of the Letter of Offer titled "Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in Physical Form", for details regarding permissibility of acceptance of Equity Shares held in physical form and for details regarding the procedure for tendering, before submitting the Tender Form and Securities Transfer Form with respect to Equity Shares held in physical form

Bid Number:

Date:

| | | | |
|--|--|--|--|
| BUYBACK OPENS ON | | TUESDAY, SEPTEMBER 21, 2021 | |
| BUYBACK CLOSSES ON | | MONDAY, OCTOBER 4, 2021 | |
| For Registrar use | | | |
| Inward No. | Date | Stamp | |
| | | | |
| Status (please tick appropriate box) | | | |
| <input type="checkbox"/> Individual | <input type="checkbox"/> FII/FPI | <input type="checkbox"/> Insurance Co | |
| <input type="checkbox"/> Foreign Co | <input type="checkbox"/> NRI/OCB | <input type="checkbox"/> FVCI | |
| <input type="checkbox"/> Body Corporate | <input type="checkbox"/> Bank/FI | <input type="checkbox"/> Pension/PF | |
| <input type="checkbox"/> VCF | <input type="checkbox"/> Partnership/LLP | <input type="checkbox"/> Others (Specify) | |
| India Tax Residency Status: Please tick appropriate box | | | |
| <input type="checkbox"/> Resident in India | <input type="checkbox"/> Non-Resident in India | <input type="checkbox"/> Resident of _____ (Shareholder to fill country of residence) | |
| Route of Investment (For NR Shareholders only) | | | |
| <input type="checkbox"/> Portfolio Investment Scheme | | <input type="checkbox"/> Foreign Investment Scheme | |

To,
Gandhi Special Tubes Limited
C/o. KFin Technologies Private Limited
Selenium, Tower-B, Plot No 31-32, Gachibowli Financial District,
Nanakramguda, Hyderabad 500032, India

Dear Sir/Madam,

Sub: Letter of Offer dated September 9, 2021 to Buyback upto 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares of Gandhi Special Tubes Limited ("Company") at a price of ₹ 550/- (Rupees Five Hundred Fifty only) per Equity Share ("Buyback Price") payable in cash

- I / We (having read and understood the Letter of Offer dated September 9, 2021 issued by the Company) hereby tender / Offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorize the Company to Buyback the Equity Shares offered (as mentioned above) and to issue instruction(s) to extinguish the Equity Shares.
- I / We hereby warrant that the Equity Shares comprised in this Tender Offer are offered for Buyback by me/us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints/ injunctions or other covenants of any nature which limits/ restricts in any manner my/ our right to tender Equity Shares for Buyback and that I / We am/ are legally entitled to tender the Equity Shares for Buyback.
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration will be paid as per the Stock Exchange mechanism.
- I / We agree to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback.
- I/We undertake to execute such further documents and give such further assurances that may be required for expedient to give effect to my/our tender/ offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013, Buyback Regulations and any other applicable laws.
- Details of Equity Shares held and tendered / offered for Buyback:

| Particulars | In Figures | In Words |
|---|------------|----------|
| Number of Equity Shares held as on Record Date (August 31, 2021) | | |
| Number of Equity Shares Entitled for Buyback (Buyback Entitlement) | | |
| Number of Equity Shares offered for Buyback (including Additional Shares, if any) | | |

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with paragraph 23 and 24 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

ACKNOWLEDGMENT SLIP: GANDHI SPECIAL TUBES LIMITED - BUYBACK 2021
(To be filled by the Equity Shareholder) (Subject to verification)

| | |
|---|------------------------|
| Folio No. | |
| Received from Mr./ Ms./Mrs. | |
| Form of Acceptance-cum-Acknowledgement, Original TRS along with: | |
| No. of Equity Shares offered for Buyback (In figures) | (in words) |
| Please quote Folio No. for all future correspondence | Stamp of Broker |

12. Details of Share Certificate(s) enclosed: _____ Total No. of Share Certificates Submitted: _____.

| Sr. No. | Folio No. | Share Certificate No. | Distinctive No(s) | | No. of Shares |
|--------------|-----------|-----------------------|-------------------|----|---------------|
| | | | From | To | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | |

In case the number of folios and share certificates enclosed exceed 2 nos., Please attach a separate sheet giving details in the same format as above

13. Details of the bank account of the sole or first Eligible Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

| Name of the Bank | Branch and City | IFSC and MICR Code | Account Number (indicate type of account) |
|------------------|-----------------|--------------------|---|
| | | | |

14. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

| | | | |
|--------------------------|---------------------------|--------------------------|---|
| <input type="checkbox"/> | Power of Attorney | <input type="checkbox"/> | Previous RBI approvals for acquiring the Equity Shares hereby tendered in the Buyback |
| <input type="checkbox"/> | Death Certificate | <input type="checkbox"/> | Succession Certificate |
| <input type="checkbox"/> | Self-attested copy of PAN | <input type="checkbox"/> | Corporate authorisations |
| <input type="checkbox"/> | TRS | <input type="checkbox"/> | Others (please specify) |

15. Applicable for all Non-resident shareholders

- I/We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with prevailing income tax laws in India within 7th day of the succeeding months in which the Shares are bought back by the Company. I/We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me/us.
- I / We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999, as amended (the "FEMA Regulations") and the rules and regulations framed there under, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, under the FEMA Regulations and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

16. I/ We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on buyback of shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc., whenever called for.

17. Equity Shareholders Details:

| Particulars | First/Sole Holder | Joint Holder 1 | Joint Holder 2 | Joint Holder 3 |
|--|-------------------|---|----------------|----------------|
| Full Name(s) Of the Holder | | | | |
| Signature(s)* | | | | |
| PAN | | | | |
| Address of the Sole/First Equity Shareholder | | | | |
| Telephone No. of Sole/First Equity Shareholder | | Email ID of Sole/First Equity Shareholder | | |

* Non-individual shareholders must affix rubber stamp and sign. The relevant authorisation should be enclosed with the application form submitted.

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form

- This Offer will open on Tuesday, September 21, 2021 and close on Monday, October 4, 2021.
- Eligible Shareholders who wish to tender their Equity Shares in response to this Buyback Offer should submit the following documents to their Selling Member (Seller Broker), who in turn would deliver the said documents along with the Transaction Registration Slip (TRS) to the Registrar; the documents should be sent to the Registrar only after the placement of a valid bid; non-submission of the below mentioned documents directly to the Registrar shall result in the rejection of the tendered Equity Shares: (i) The Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) the same order in which they hold the shares. (ii) Original share certificates (iii) Valid share transfer form(s) (SH-4) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company/Registrar) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company (iv) Self-attested copy of the Shareholder's PAN Card (v) Any other relevant documents such as (but not limited to): Duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form, Notarized copy of death certificate and succession certificate or probated will, as applicable, if the original Shareholder has deceased, Necessary corporate authorisations, such as Board Resolutions etc., in case of companies. In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form file a copy of the following documents: (i) Approval from the appropriate authority for such merger; (ii) the scheme of merger and (iii) the requisite form filed with MCA intimating the merger.
- Eligible Shareholders whom the Buyback Offer is made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement, but not exceeding the number of Shares held by them as on Record Date.
- All documents / remittances sent by or to Eligible Shareholders will be at their own risk and the Eligible Shareholders are advised to adequately safeguard their interests in this regard.
- In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by all Eligible Shareholders (in case of joint holding), stating name, address, folio number, number of Equity Shares held, Equity Share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, enclosing the original Equity Share certificate(s), copy of Eligible Shareholder's PAN card(s) and executed share transfer form in favour of the Company. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents, reach the Registrar to the Buyback not later than Wednesday, October 6, 2021, by 5:00 p.m. IST.
- For procedure followed by Eligible Shareholders for tendering shares in the buyback offer, please refer to Paragraph 24 of the Letter of Offer.
- All documents as mentioned above shall be enclosed with the valid Tender Form otherwise the shares will be liable for rejection. The shares shall be liable for rejection on the following grounds amongst others: (a) If any other company share certificates are enclosed with the Tender Form instead of the share certificate of the Company; (b) Non-submission of Notarized copy of death certificate and succession certificate / probated/Will, as applicable in case any Eligible Shareholder has deceased. (c) If the Eligible Shareholder(s) bid the shares but the Registrar does not receive the share certificate; or (d) In case the signature in the Tender Form and Form SH-4 doesn't match as per the specimen signature recorded with Company / Registrar. (e) If necessary corporate authorizations under official stamp are not accompanied with tender form (f) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders (g) the Form SH-4 is not witnessed
- The Equity Shares tendered in the buyback shall be rejected if (i) the Shareholder is not a Eligible Shareholder of the Company on the Record Date; or (ii) if there is a name mismatch in the share certificate of the Shareholder; or (iii) where there exists any restraint order of a Court/ any other competent authority for transfer / disposal/ sale; or (iv) or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists; or (v) the documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of Wednesday, October 6, 2021 by 5:00 p.m. IST.
- By agreeing to participate in the Buy-back the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).

All capitalised items not defined herein shall have the meaning ascribed to them in the Letter of Offer.

Tear along this line.....

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THIS ADDRESS:

Investor Service Centre: GANDHI SPECIAL TUBES LIMITED - BUYBACK 2021

KFin Fintech Private Limited

Selenium, Tower-B, Plot No 31 – 32, Gachibowli Financial District, Nanakramguda, Hyderabad 500032, India

Contact Person: M. Murali Krishna; **Tel:** +91-40-67162222; **Fax:** +91-40-23431551; **E-mail:** gstl.buyback2021@kfintech.com

Website: <http://karisma.kfintech.com>; **SEBI Registration Number:** INR000000221

Form No. SH-4 - Securities Transfer Form

[Pursuant to Section 56 of the Companies Act, 2013 and sub-rule (1) of Rule 11 of the Companies
(Share Capital and Debentures) Rules 2014]

Date of execution: _____/_____/_____

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN:

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| L | 2 | 7 | 1 | 0 | 4 | M | H | 1 | 9 | 8 | 5 | P | L | C | 0 | 3 | 6 | 0 | 0 | 4 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Name of the company (in full): Gandhi Special Tubes Limited

Name of the Stock Exchange where the company is listed, (if any): BSE Limited and National Stock Exchange of India Limited

DESCRIPTION OF SECURITIES

| Kind/Class of securities (1) | Nominal value of each unit of security (2) | Amount called up Per unit of security (3) | Amount paid up per unit of security (4) |
|------------------------------|--|---|---|
| Equity Share | Rs. 5/- | Rs. 5/- | Rs. 5/- |

| No. of Securities being Transferred | | | Consideration received (Rs.) | | | |
|-------------------------------------|----------|--|------------------------------|--|------------|--|
| In Figures | In words | | In words | | In Figures | |
| | | | | | | |
| Distinctive Number | From | | | | | |
| | To | | | | | |
| Corresponding Certificate Nos. | | | | | | |

Transferor's Particulars

Registered Folio Number

| | |
|---|----------------------------|
| Name(s) in full and PAN number (attach copy of pan card) | Seller Signature(s) |
| 1. _____ | _____ |
| 2. _____ | _____ |
| 3. _____ | _____ |

I hereby confirm that the transferor has signed before me.

Signature of the Witness : _____

Name of the Witness : _____

Address of the Witness : _____

_____ **Pin Code** _____

Transferee's Particulars

| Name in full (1) | Father's/Mother's /Spouse Name (2) | Address & E-mail id (3) |
|------------------------------|------------------------------------|--|
| Gandhi Special Tubes Limited | N.A | 201-204, 2nd Floor, Plaza, 55, Hughes Road, Next to Dharam Palace, Mumbai 400007, Maharashtra, India Email: complianceofficer@gandhitubes.com |

| Occupation (4) | Existing Folio No., if any (5) | Signature (6) |
|----------------|--------------------------------|---------------|
| Business | | |

Folio No. of Transferee

Value of stamp affixed: Rs. _____

Specimen Signature of Transferee(s)

1. _____
2. _____
3. _____

Enclosures:

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferees (For all listed Cos.)
4. Others, Specify, _____

STAMPS

For Office Use Only

Checked by _____

Signature Tallied by _____

Entered in the Register of Transfer on _____

vide Transfer no

Approval Date _____

Power of attorney / Probate / Death Certificate / Letter of Administration

Registered on _____ **at** _____

No _____

On the reverse page of the certificate

| | | | |
|------------------------|------------------------|---------------|------------------|
| Name of the Transferor | Name of the Transferee | No. of shares | Date of Transfer |
| _____ | _____ | _____ | _____ |

Signature of the authorized signatory