



August 12, 2021

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

**The Manager - Listing Department**  
**The National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> 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: Buy Back of Equity Shares by M/s. Gandhi Special Tubes Limited**

We, Prime Securities Limited (SEBI Registration No: MB/INM000000750), have been appointed by M/s. Gandhi Special Tubes Limited (“the Company”) as Manager to the Buyback of Equity Shares by the Company through the Tender Offer.

The Board of Directors of the Company at their Meeting held on Tuesday, June 22, 2021 have approved, in terms of the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (“**Buyback Regulations**”), the Buy Back of upto **7,66,616** fully paid-up Equity Shares of face value of Rs. 5/- each of the Company, from all existing shareholders / beneficial owners of Equity Shares of the Company as on Record Date, on a proportionate basis, through the Tender Offer route using Stock Exchange Mechanism, at a maximum price of **Rs. 550/-** per Equity Share, for an aggregate amount of **Rs. 42,16,38,800/-** (“**the Buyback**”), representing **24.96%** of the total Paid-up Capital and Free Reserves as per the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021. The Buyback has also been approved by the Shareholders of the Company by way of a Special Resolution on Tuesday, August 10, 2021. The voting results were announced on Wednesday, August 11, 2021.

The Buyback is in accordance with Article 24A and 24B of the Articles of Association of the Company, the provisions contained in the Sections 68, 69 and 70 of the Companies Act, 2013 (“**the Act**”) including any statutory modifications or re-enactment thereof for the time being

Prime Securities Limited  
1109 / 1110, Maker Chambers V,  
Nariman Point, Mumbai 400 021.  
CIN: L67120MH1982PLC026724  
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*Handwritten signature in blue ink*

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in force, and all other applicable provisions, if any, of the Act and the provisions contained in the Buyback Regulations, as amended from time to time.

Pursuant to the authority granted by the Shareholders of the Company, the Buyback Committee of the Board of Directors of the Company, at their Meeting held on Wednesday, August 11, 2021, has approved the **final Buyback Price of Rs. 550/- (Rupees Five Hundred Fifty only)** per Equity Share and the Public Announcement ("PA") and in terms of provisions of the Regulation 7(i) of the Buyback Regulations, published the PA on Thursday, August 12, 2021 in the following newspapers:

1. Business Standard (English - All Editions) (English National Daily);
2. Business Standard (Hindi - All Editions) (Hindi National Daily); and
3. Navshakti (Marathi - Mumbai Edition) (Regional Language Daily).

In this regard, please find enclosed herewith the following documents for your information and records:

1. Certified true copy of the Special Resolutions passed by the Shareholders on Tuesday, August 10, 2021;
2. A published copy of the PA dated Wednesday, August 11, 2021, published in newspapers on Thursday, August 12, 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**

*As Doshi*  
**Apurva Doshi**  
**VP - Corporate Finance**



Encl: As above



# Gandhi Special Tubes Ltd.

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

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

E-mail : info@gandhitubes.com • Website : www.gandhitubes.com

CIN : L27104MH1985PLC036004



**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF GANDHI SPECIAL TUBES LIMITED AT THE 36<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON TUESDAY, AUGUST 10, 2021 THROUGH VIDEO CONFERENCING ("VC") /OTHER AUDIO VISUAL MEANS ("OAVM") WHICH COMMENCED AT 11.00 A.M AND CONCLUDED AT 11.32 A.M. AT THE DEEMED PLACE AT THE REGISTERED AT 201 - 204, PLAZA, 2<sup>ND</sup> FLOOR, 55 HUGHES ROAD, NEXT TO DHARAM PALACE, MUMBAI - 400 007.**

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



**RESOLVED FURTHER THAT** the Company, to the extent legally permissible, implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereof.

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

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

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



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

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

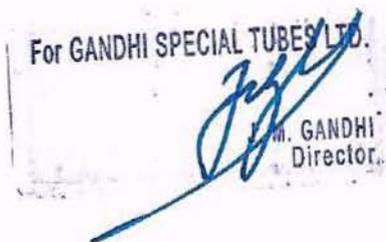
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**For Gandhi Special Tubes Limited**



**Manharlal G. Gandhi,  
Managing Director  
DIN: 00041190**

**Address: 303, Mangal Kunj, A Block,  
2 Mount Pleasant Road, Near Varsha Bunglow,  
Malabar Hill, Mumbai - 400 006**



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

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

**Item No. 4**

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

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

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

Requisite details relating to the Buyback are given below:

a) **Necessity for the Buyback:**

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

- i) The Buyback will help the Company to return surplus cash to its shareholders, in proportion to their shareholding, thereby, enhancing the overall returns to the shareholders;
- ii) The Buyback is generally expected to improve return on equity and earnings per share by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- iii) The Buyback, which is being implemented through the Tender Offer route would involve allocating to the Small Shareholders the higher of: (a) the number of shares entitled as per their shareholding; or (b) 15% of the number of shares to be bought back, as per Regulation 6 of the Buyback Regulations. The Company believes that this reservation for small shareholders would benefit a large number of the Company's public shareholders, who would be classified as "Small Shareholders"
- iv) The Buyback gives an option to the shareholders of the Company, either to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or not to participate and get a resultant increase in their percentage shareholding in the Company post the Buyback offer, without additional investment.

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

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

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

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

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

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

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

The Maximum Buyback Price represents:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

h) **Details of holding and transactions in the shares of the Company:**

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

Sr. No.	Name	Number of Shares held	% Shareholding
1	Manhar G. Gandhi (HUF)	79,418	0.61
2	Manhar G. Gandhi (Small HUF)	1,16,522	0.90
3	Manhar G. Gandhi	18,18,075	14.07
4	Bhupatrai G. Gandhi (HUF)	1,06,347	0.82
5	Bhupatrai G. Gandhi (Small HUF)	1,10,880	0.86
6	Bhupatrai G. Gandhi	17,07,686	13.22
7	Jayesh M. Gandhi	10,32,498	7.99
8	Manoj B. Gandhi	9,69,816	7.51
9	Bharti M. Gandhi	6,94,265	5.38

10	Chandra B. Gandhi	4,16,961	3.23
11	Gopi J. Gandhi	4,01,010	3.11
12	Jigna M. Gandhi	3,97,396	3.08
13	Karishma J. Gandhi	2,16,638	1.68
14	Karan Manoj Gandhi	3,07,763	2.38
15	Rahul Jayesh Gandhi	1,07,459	0.83
16	Jigna Nilesh Mehta	43,634	0.34
17	Bina Tushar Shah	32,800	0.25
18	Nilesh Vinodrai Mehta	8,139	0.06
19	B. M. Gandhi Investment Co. LLP	4,77,572	3.70
20	Gandhi Finance Co. LLP	4,35,819	3.37
	<b>Total</b>	<b>94,80,698</b>	<b>73.39</b>

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

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

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

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

Sr. No.	Name	Designation	Number of Shares held	% Shareholding
1	Manhar G. Gandhi	Managing Director	18,18,075	14.07
2	Bhupatrai G. Gandhi	Joint Managing Director	17,07,686	13.22

3	Jayesh M. Gandhi	Non-executive Promoter Director	10,32,498	7.99
4	Dharmen B. Shah	Independent Director	3,000	0.02
5	Kavas N. Warden	Independent Director	26,000	0.20
6	Bhavi J. Koradia	Independent Director	Nil	Nil
7	Shobhana R. Vartak	Chief Financial Officer	Nil	Nil
8	Jitendra D. Khadye	Company Secretary	Nil	Nil

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

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

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

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

Sr. No.	Promoter Name	Number of Shares held	Maximum Number of Shares intended to Tender
1	Manhar G. Gandhi (HUF)	79,418	13,678
2	Manhar G. Gandhi (Small HUF)	1,16,522	61,462
3	Manhar G. Gandhi	18,18,075	2,94,805
4	Bhupatrai G. Gandhi (HUF)	1,06,347	10,387
5	Bhupatrai G. Gandhi (Small HUF)	1,10,880	61,960
6	Bhupatrai G. Gandhi	17,07,686	3,47,115
7	Jayesh M. Gandhi	10,32,498	76,032
8	Manoj B. Gandhi	9,69,816	84,648

9	Bharti M. Gandhi	6,94,265	1,52,629
10	Chandra B. Gandhi	4,16,961	32,641
11	Gopi J. Gandhi	4,01,010	1,40,537
12	Jigna M. Gandhi	3,97,396	31,553
13	Karishma J. Gandhi	2,16,638	2,16,638
14	Karan Manoj Gandhi	3,07,763	88,763
15	Rahul Jayesh Gandhi	1,07,459	45,759
16	Jigna Nilesh Mehta	43,634	43,634
17	Bina Tushar Shah	32,800	Nil
18	Nilesh Vinodrai Mehta	8,139	8,139
19	B. M. Gandhi Investment Co. LLP	4,77,572	4,77,572
20	Gandhi Finance Co. LLP	4,35,819	4,35,819
<b>Total</b>		<b>94,80,698</b>	<b>26,23,771</b>

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

1) Manhar G. Gandhi (HUF)

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

2) Manhar G. Gandhi (Small HUF)

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

3) Manhar G. Gandhi

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

4) Bhupatrai G. Gandhi (HUF)

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

5) Bhupatrai G. Gandhi (Small HUF)

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

6) Bhupatrai G. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
07/12/1995	Purchase	20,000	17.10	10.00
20/04/1998	Purchase	90,000	6.52	10.00
16/10/2000	Purchase	95,300	17.30	10.00
17/10/2000	Purchase	29,700	17.50	10.00

02/04/2001	Purchase	55,000	12.65	10.00
<b>Sub-Total</b>		<b>2,90,000</b>		
Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	5,80,000	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	1,17,731	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	1,15,154	550.00	5.00
<b>Total</b>		<b>3,47,115</b>		

7) Jayesh M. Gandhi

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

8) Manoj B. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
02/01/1996	Purchase	11,000	18.71	10.00
08/01/1996	Purchase	44,000	18.62	10.00

09/01/1996	Purchase	1,000	17.65	10.00
20/10/2000	Purchase	50,000	17.22	10.00
<b>Sub-Total</b>		<b>1,06,000</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	2,12,000	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	63,908	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	63,444	550	5.00
<b>Total</b>		<b>84,648</b>		

9) **Bharti M. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
02/04/1987	Purchase	2,900	6.05	10.00
20/06/1996	Purchase	25,000	19.45	10.00
02/08/1996	Purchase	2,500	17.40	10.00
05/08/1996	Purchase	7,300	16.95	10.00
20/06/1997	Purchase	500	12.15	10.00
27/06/1997	Purchase	3,400	13.24	10.00
29/09/1997	Purchase	6,000	10.35	10.00
14/12/1998	Purchase	9,000	8.75	10.00
08/03/1999	Purchase	4,000	9.38	10.00
11/03/1999	Purchase	3,000	9.37	10.00
12/03/1999	Purchase	3,400	9.21	10.00
16/03/1999	Purchase	2,600	8.95	10.00
17/03/1999	Purchase	3,500	9.28	10.00
19/03/1999	Purchase	1,600	9.26	10.00
30/03/1999	Purchase	1,500	9.47	10.00
01/04/1999	Purchase	3,000	9.45	10.00
05/04/1999	Purchase	500	10.00	10.00
02/08/1999	Purchase	1,600	10.37	10.00
03/08/1999	Purchase	1,500	10.77	10.00
04/08/1999	Purchase	1,700	10.31	10.00
05/08/1999	Purchase	500	10.60	10.00
06/08/1999	Purchase	200	10.00	10.00
27/09/1999	Purchase	4,700	12.36	10.00

28/09/1999	Purchase	1,300	12.12	10.00
29/10/1999	Purchase	1,000	13.40	10.00
16/12/1999	Purchase	1,000	13.70	10.00
13/03/2000	Purchase	1,300	12.65	10.00
22/03/2000	Purchase	500	12.15	10.00
06/06/2001	Purchase	6,700	13.40	10.00
05/07/2001	Purchase	100	14.20	10.00
06/07/2001	Purchase	6,000	13.15	10.00
10/08/2001	Purchase	10,900	10.80	10.00
04/03/2002	Purchase	200	14.10	10.00
06/03/2002	Purchase	1,370	15.10	10.00
02/01/2003	Purchase	800	16.10	10.00
<b>Sub-Total</b>		<b>1,21,070</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	2,42,140	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	44,754	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	44,757	550.00	5.00
<b>Total</b>		<b>1,52,629</b>		

10) Chandra B. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
02/04/1987	Purchase	2,900	6.05	10.00
29/09/1997	Purchase	7,000	10.35	10.00
31/12/1998	Purchase	200	9.10	10.00
04/01/1999	Purchase	500	9.15	10.00
07/01/1999	Purchase	200	9.15	10.00
08/01/1999	Purchase	1,000	9.10	10.00
11/02/1999	Purchase	2,200	9.25	10.00
08/03/1999	Purchase	2,900	9.37	10.00
25/10/1999	Purchase	5,000	14.15	10.00
06/01/2000	Purchase	2,300	13.20	10.00
07/01/2000	Purchase	1,900	13.27	10.00
09/07/2001	Purchase	5,000	12.60	10.00
12/08/2003	Purchase	12,000	22.60	10.00

<b>Sub-Total</b>		<b>43,100</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	86,200	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	26,758	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	26,801	550.00	5.00
<b>Total</b>		<b>32,641</b>		

11) Gopi J. Gandhi

Date of Transaction/ Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
13/02/1997	Purchase	3,000	15.00	10.00
14/02/1997	Purchase	1,000	15.00	10.00
24/02/1997	Purchase	1,100	15.15	10.00
25/02/1997	Purchase	6,000	15.33	10.00
26/02/1997	Purchase	900	15.15	10.00
27/02/1997	Purchase	300	15.15	10.00
14/03/1997	Purchase	16,200	14.43	10.00
17/03/1997	Purchase	5,500	15.00	10.00
18/03/1997	Purchase	3,500	14.80	10.00
29/09/1997	Purchase	4,000	10.35	10.00
31/03/1999	Purchase	500	9.35	10.00
01/04/1999	Purchase	17,000	9.45	10.00
12/08/2003	Purchase	15,000	22.60	10.00
26/02/2004	Purchase	12,900	30.89	10.00
15/09/2006	Purchase	12,000	137.68	10.00
<b>Sub-Total</b>		<b>98,900</b>		
26/03/2008	Sub division of Face Value of Equity Shares from ₹ 10/- each to ₹ 5/- each	1,97,800	NA	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	29,196	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	28,067	550.00	5.00
<b>Total</b>		<b>1,40,537</b>		

12) Jigna M. Gandhi

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

13) Karishma J. Gandhi

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

Total	2,16,638	
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14) Karan Manoj Gandhi

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

15) Rahul Jayesh Gandhi

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

16) Jigna Nilesh Mehta#

Date of Transaction/ Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
As on 26/03/2008	Sub divided Equity Shares of Face Value of	47,200	NA	5.00

	₹ 5/- each			
12/02/2019	Market Sale	20	354.21	5.00
<b>Sub Total</b>		<b>47,180</b>		
18/10/2019	Shares bought back in Buyback Offer - 2019	3,546	550.00	5.00
<b>Total</b>		<b>43,634</b>		

17) Nilesh Vinodrai Mehta#

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

18) B. M. Gandhi Investment Co. LLP

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

19) Gandhi Finance Co. LLP

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

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

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

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

j) **No Defaults:**

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

k) **Confirmations from the Board:**

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

- i) Immediately following the date of the Board meeting and the date on which the result of special resolution passed by the members at 36th Annual General Meeting will be declared, approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts;
- ii) As regards the Company's prospects for the year immediately following the date of the Board meeting approving the Buyback as well as for the year immediately following the date on which special resolution passed by the members at the general meeting will be declared, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting as also from the date of general meeting Resolution;
- iii) In forming an opinion as aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities), as if the Company was being wound up under the provisions of the Act (to the extent applicable) and the Insolvency and Bankruptcy Code, 2016.

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

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

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

To,

The Board of Directors,

Gandhi Special Tubes Limited

201-204 Plaza, 2nd Floor,

55 Hughes Road,

Next to Dharam Palace,

Mumbai - 400 007

Maharashtra, India.

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

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

**Management's Responsibility:**

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

**Auditor's Responsibility:**

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

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

aforsaid date and from the date on which the results of the shareholders' resolution with regard to the proposed buyback are declared.

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

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

**Opinion:**

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

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

## Restriction on Use

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

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

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

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

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

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

## ANNEXURE A

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

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

Particulars as on March 31, 2021		Amount (₹)
Paid up capital (1,29,18,616 shares of ₹ 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 Reg. No. 109996W)

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

June 22, 2021  
Mumbai

- n) Confirmations from Company as per the provisions of Buyback Regulations and Act:
- All the Equity Shares of the Company are fully paid up;
  - The Company will not Buyback its Equity Shares so as to delist its shares from the Stock Exchange;
  - The Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of the Board meeting;

- iv) The Company shall not buy back its shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- v) The Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- vi) The Company shall not make any offer of buyback within a period of one year reckoned from the date of the buyback period, as defined in the Buyback Regulations;
- vii) The Company shall not issue and allot any shares or other specified securities (including ESOPs) including by way of bonus, till the date of expiry of the buyback period;
- viii) The Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and / or Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback;
- ix) The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback as prescribed under the Companies Act and rules made thereunder;
- x) There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- xi) Pursuant to Regulation 24(i)(f) of the Buyback Regulations, the Company shall not raise further capital for a period of one year from the expiry of the buyback period, as defined in the Buyback Regulations, except in discharge of its subsisting obligations;
- xii) The Company, as per the provisions of Section 68(8) of the Companies Act, will not issue same kind of shares or other securities including allotment of new shares under clause (a) of Section 62(1) or other specified securities within a period of six (6) months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- xiii) The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the public announcement of the offer to Buyback is made;
- xiv) The Company shall not Buyback locked-in shares and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable;
- xv) The Company shall transfer from its free reserves, a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the Capital Redemption

Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet;

- xvi) The special resolution approving the Buyback will be valid for a maximum period of one year from the date of passing the said special resolution (or such extended period as may be permitted under the Companies Act or the Buyback Regulations or by the appropriate authorities). The exact time table for the Buyback shall be decided by the Board (or its duly constituted Committee) within the above time limits;
- xvii) The equity shares bought back by the Company will be compulsorily cancelled in the manner prescribed under the Buyback Regulations and the Act and will not be held for re-issuance;
- xviii) The company shall not directly or indirectly purchase its own shares or other specified securities - (a) through any subsidiary company including its own subsidiary companies, (b) through any investment company or group of investment companies; and
- xix) The Equity Shares bought back by the Company will be extinguished in the manner prescribed under the Buyback Regulations and the Act within 7 (seven) days of the last date of completion of the Buy-back.

**o) For any clarifications related to the Buyback process, shareholders holding Equity Shares of the Company may contact:**

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

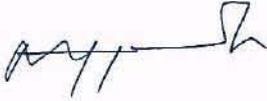
All the material documents referred to in the Notice and Explanatory Statement such as the Memorandum and Articles of Association of the Company, relevant Board resolution for the Buyback, the audited accounts for the period from April 1, 2020 to March 31, 2021, the Auditors Report dated Tuesday, June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

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

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

//Certified True Copy//

For Gandhi Special Tubes Limited



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Manharlal G. Gandhi,

Managing Director

DIN: 00041190

Address: 303, Mangal Kunj, A Block,  
2 Mount Pleasant Road, Near Varsha Bunglow,  
Malabar Hill, Mumbai - 400 006

# GANDHI SPECIAL TUBES LIMITED

Registered Office: 201-204, 2<sup>nd</sup> Floor, Plaza, 55 Hughes Road, Next to Dharam Palace, Mumbai 400007, Maharashtra, India  
 CIN: L27104MH1985PLC036004  
 Tel: +91-22-2363 4179 Email: compliance@gandhitubes.com, Website: www.gandhispecialtubes.com  
 Contact Person: Mr. Jitendra Khadye (Company Secretary & Compliance Officer)



### PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF GANDHI SPECIAL TUBES LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018

This Public Announcement ("Public Announcement") is being made pursuant to the provisions of Regulation 7(a) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buyback Regulations") for the time being in force and modification and amendments made thereunder from time to time and the disclosures as specified in Schedule I to the Buyback Regulations read with Schedule I to the Buyback Regulations. PROFFER FOR BUYBACK OF UPTO 7,66,616 (SEVEN LAKHS SIXTY SIX THOUSAND SIX HUNDRED SIXTEEN) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 5/- (RUPEES FIVE ONLY) EACH OF GANDHI SPECIAL TUBES LIMITED AT A PRICE OF RS. 500/- (RUPEES FIVE HUNDRED ONLY) ON A PROPORTIONATE BASIS ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS USING THE STOCK EXCHANGE MECHANISM.

#### 1. THE BUYBACK OFFER AND OFFER PRICE:

1.1 The Board of Directors (hereinafter referred to as the "Board" and unless required to the contrary or meaning thereof, as deemed to include a duly authorized "Board Committee") constituted by the Board to exercise its powers of Gandhi Special Tubes Limited ("the Company") at its Meeting held on Tuesday, June 22, 2021 ("Board Meeting") has passed a resolution to buyback the Equity Shares of the Company, subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and amendments, if any, as may be prescribed by the appropriate authorities which may be agreed to by the Board. The Company sought the approval of its shareholders for the said buyback, by a special resolution, at the Annual General Meeting held on Tuesday, August 10, 2021. The shareholders have approved the said proposal of Buyback of Equity Shares ("Buyback Offer") payable in cash, for an aggregate amount of Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred Only) ("Maximum Buyback Offer Size").

1.2 The Buyback Offer Size was published on Wednesday, August 11, 2021 determined the final Buyback Price of Rs. 500/- (Rupees Five Hundred Fifty Only) per Equity Share ("Buyback Price") and the total amount for the Buyback, i.e., Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred Only) ("Buyback Offer Size"), excluding the expenses incurred or to be incurred for the Buyback.

1.3 The Buyback is in accordance with Article 24A and 24B of the Articles of Association of the Company, provisions contained in Sections 68, 69 and 70 of the Companies Act, 2013 ("the Act"), and applicable rules thereunder including without limitation, the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ("Management Rules"), 2014 ("Management Rules"), 2014 ("Management Rules") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended, to the extent applicable, and subject to any modification or amendments thereto, which may be in force, and all other applicable provisions, if any, of the Act and the provisions contained in the Buyback Regulations, as amended from time to time.

1.4 The Buyback is being subject to (a) approval, permission and sanction(s) as may be necessary and subject to such conditions and modifications, if any, from time to time from statutory, regulatory or governmental authorities as required under applicable laws, including but not limited to Securities and Exchange Board of India ("SEBI") and the stock exchanges where the Equity Shares of the Company are listed, i.e., BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") ("Stock Exchanges").

1.5 The Buyback Offer Size is 24.96% of the total paid-up capital and free reserves as per the audited financial statements of the Company for the financial year ended March 31, 2021 (the last audited financial statements available as on the date of the Buyback Offer) and within the statutory limit of 25% of the total paid-up capital and free reserves as per the last audited financial statements of the Company. The maximum number of Equity Shares proposed to be bought back represents 5.93% of the total number of Equity Shares of the paid-up equity capital of the Company as on March 31, 2021.

1.6 The Buyback Offer Size does not include any other expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, Stock Exchanges, applicable tax costs as Buyback tax, brokerage, securities transaction tax, GST, stamp duty, advisors' fees, public announcement publication expenses, printing and other expenses and other expenses ("Transaction Costs").

1.7 The Buyback will be undertaken on a proportionate basis from the holders of Equity Shares ("Beneficial Owners") of Equity Shares of the Company as on a Record Date, being Friday, August 27, 2021 ("Record Date"), as per the records maintained by the Company by the Depositories as on the Record Date ("Eligible Shareholders") through the Tender Offer process prescribed under Regulation 4(v)(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 in Section 68 of the Companies Act, 2013 and CDP/ILDS/ISS/ILDS/12015 dated April 13, 2016 (Circular No. CDP/CRO/ILDS/12016/131 dated December 9, 2016, including any amendments thereto ("SEBI Circulars"). In this regard, the Company will request the Stock Exchanges to provide the appropriate Acquisition Window (as defined in paragraph 12.4 below) to facilitate tendering of Equity Shares under the Buyback Offer. Accordingly, Equity Shares may be tendered in the Buyback through either BSE or NSE. For the purpose of this Buyback, BSE would be the designated stock exchange. Once the Buyback is concluded, all Equity Shares purchased by the Company in the Buyback will be extinguished.

1.8 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. 168,90,22,719/- (Rupees One Hundred Sixty Eight Crores Ninety Lakhs Twenty Two Thousand Seventy Nine Only). Under the provisions of the Act, the maximum amount allowed 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 Five 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 transaction costs and is therefore within the limit of 25% of the Company's total paid-up capital and free reserves, as per the audited financial statements as on March 31, 2021.

1.9 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 capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 22,25,65,473 (Twenty Two Lakhs Twenty Five Thousand Six Hundred Fifty Five Only). The maximum number of 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, the same is within the aforesaid 25%.

1.10 In terms of the Buyback Regulations, under Tender Offer route, the Members of Promoter and Promoter Group of the Company have the option to participate in the Buyback. In this regard, select members of the promoter and promoter group of the Company have opted to participate in the Buyback. On Tuesday, June 22, 2021 to participate in the Buyback and may tender up to a maximum of 26,23,771 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 7 of this Public Announcement.

1.11 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 73.59% of the Company, may be diluted. The promoters and promoter group of the Company may change. The 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 of the Company, necessary steps will be taken to ensure that the Company remains in control over the Company and the promoter and promoter group of the Company 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 73.59% of the Company, may be diluted. The promoters and promoter group of the Company may change. The 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 of the Company, necessary steps will be taken to ensure that the Company remains in control over the Company and the promoter and promoter group of the Company will not result in any change in control over the Company.

1.12 Participation in the Buyback by the Eligible Shareholders may trigger capital gain taxation in India and in their country of residence. The transfer of Equity Shares should be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive a Letter of Offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholders should consult their legal, financial and tax advisors before determining whether to participate in the Buyback.

1.13 A copy of this Public Announcement is available on the Company's website ([www.gandhispecialtubes.com](http://www.gandhispecialtubes.com)) and is expected to be available on the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) during the period of the Buyback and on the websites of the Stock Exchanges ([www.bseindia.com](http://www.bseindia.com)), ([www.nseindia.com](http://www.nseindia.com)). A copy of this Public Announcement is also available on the website of the Registrar, KIM Technologies Private Limited ([www.kimtech.com](http://www.kimtech.com)).

#### 2. NECESSITY / RATIONALE FOR BUYBACK:

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 reserves as well as the cash and cash equivalents in the audited financial statements as on March 31, 2021 and considering there, 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. The earlier Buybacks were successfully completed in the month of April 2019, wherein 6,00,000 shares were bought back at a price of Rs. 500/- and in the month of October 2019, wherein 9,00,000 shares were bought back at a price of Rs. 500/-.

After considering several factors and benefits to the Members holding Equity Shares of the Company, the Board decided to recommend the Buyback of 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares (representing 5.93% of the total number of Equity Shares of the paid-up equity capital of the Company) at a price of Rs. 500/- (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). 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 21(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 is not a public company. The Board has taken the necessary steps to obtain the consent of the shareholders of the Company to the Buyback by way of a special resolution passed at the Annual General Meeting and the results of the same were obtained on Wednesday, August 11, 2021.

#### 3. MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK, ITS PERCENTAGE OF THE TOTAL PAID-UP CAPITAL AND FREE RESERVES AND SOURCE OF FUNDS FROM WHICH BUYBACK WOULD BE FINANCED:

The maximum amount required for Buyback will not exceed Rs. 42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred Only) and the source of funds for the Buyback would be the accumulated reserves and cash in hand of the Company. The said amount works out to 24.96% of the aggregate of the fully paid-up capital and free reserves as per the audited accounts of the Company as on March 31, 2021, which is within the prescribed limit of 25%.

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

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

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

#### 4. BUYBACK PRICE AND BASIS OF DETERMINING THE PRICE OF THE BUYBACK:

The Equity Shares of the Company are proposed to be bought back at a price of Rs. 500/- (Rupees Five Hundred Fifty Only) per share. The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and closing price of the Equity Shares on BSE and NSE, where the Equity Shares of the Company are listed, the net worth of the Company, price earnings ratio, industry price earnings ratio and other financial parameters and the possible impact of Buyback on the earnings per share.

#### 4.2 The Buyback Price represents:

- 4.2.1 A premium of 67.96% and 97.74% 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;
- 4.2.2 A premium of 88.26% and 88.05% 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
- 4.2.3 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 of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

#### 4.3 The closing market price of the Equity Shares as on the date of intimation to the Stock Exchanges of the Board Meeting for considering the Buyback, i.e., Tuesday, June 15, 2021, was Rs. 468.20 and Rs. 406.65 on BSE and NSE respectively.

#### 5. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK:

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

#### 6. DETAILS OF SHAREHOLDING AND TRANSACTIONS IN THE SHARES OF THE COMPANY:

6.1 The aggregate shareholding of the Promoter, Promoter Companies / Entities and Persons in Control of the Company as on the date of Board Meeting, the date Notice convening Annual General Meeting, i.e., Tuesday, June 22, 2021 and the date of the Public Announcement, is 94,80,698 Equity Shares, comprising 73.59% of the equity shares capital of the Company, as shown below:

Sl. No.	Name	Number of Shares held	% Shareholding
1.	Manohar G. Gandhi (HUF)	79,418	0.81
2.	Manohar G. Gandhi (Small HUF)	1,65,522	0.90
3.	Manohar G. Gandhi	18,10,775	14.07
4.	Bhupraj G. Gandhi (HUF)	1,06,347	0.82
5.	Bhupraj G. Gandhi (Small HUF)	1,10,880	0.88
6.	Bhupraj G. Gandhi	17,07,586	13.22
7.	Jayesh M. Gandhi	10,32,498	7.99
8.	Manoj B. Gandhi	6,96,616	7.51
9.	Bharati M. Gandhi	6,94,266	6.38
10.	Chandra B. Gandhi	4,16,961	3.23
11.	Gop J. Gandhi	4,07,010	3.11
12.	Jigna Nisheth Mehta	3,97,396	3.08
13.	Karishma J. Gandhi	2,16,038	1.68
14.	Karan Manoj Gandhi	3,07,763	2.38
15.	Rahul Jayesh Gandhi	1,07,459	0.83
16.	Jigna Nisheth Mehta	48,534	0.34
17.	Jigna Nisheth Mehta	32,800	0.26
18.	Nilesh Vinodha Mehta	8,139	0.06
19.	B. M. Gandhi Investment Co. LLP	4,77,572	3.70
20.	Gandhi Finance Co. LLP	4,35,819	3.37
	<b>Total</b>	<b>94,80,698</b>	<b>73.59</b>

#### 6.2 The aggregate shareholding of the Directors / Partners of the promoter, where the promoter is a Company Entity:

Sl. 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)	6,96,616	7.51
	<b>Gandhi Finance Co. LLP</b>		

Sl. No.	Name of Partners	Number of Shares held	% Shareholding
1.	Manohar G. Gandhi (Designated Partner)	18,10,775	14.07
2.	Bhupraj G. Gandhi (Designated Partner)	17,07,586	13.22
3.	Jayesh M. Gandhi	10,32,498	7.99
4.	Manoj B. Gandhi	6,96,616	7.51
5.	Chandra B. Gandhi	4,16,961	3.23

#### 6.3 Appropriate Shareholding of the Directors and Key Managerial Personnel of the Company:

None of the Directors or Key Managerial Personnel of the Company holds any Equity Shares in the Company except as following, as on the date of the Board Meeting, i.e., Tuesday, June 22, 2021.

Sl. No.	Name	Designation	Number of Shares held	% Shareholding
1.	Manohar G. Gandhi	Managing Director	18,10,775	14.07
2.	Bhupraj G. Gandhi	Joint Managing Director	17,07,586	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.	Kavay M. Vahan	Independent Director	25,000	0.20
6.	Rajesh J. Kondekar	Independent Director	3,300	0.03
7.	Shobhana R. Warak	Chief Financial Officer	Nil	Nil
8.	Jitendra D. Khadye	Company Secretary	Nil	Nil

#### 6.4 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 at its date of Notice convening Annual General Meeting for Buyback, i.e., Tuesday, June 22, 2021.

#### 7. INTENTION OF THE PROMOTERS AND PROMOTER GROUP TO TENDER EQUITY SHARES IN THE BUYBACK UNDER THE BUYBACK REGULATIONS, DETAILS OF ACQUISITION WINDOW:

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, the following Promoters of the Company have informed the Company to tender up to a maximum of 26,23,771 Equity Shares 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.

Sl. No.	Name	Number of Shares held	Maximum Number of Shares intended to tender
1.	Manohar G. Gandhi (HUF)	79,418	13,678
2.	Manohar G. Gandhi (Small HUF)	1,65,522	61,482
3.	Manohar G. Gandhi	18,10,775	2,94,805
4.	Bhupraj G. Gandhi (HUF)	1,06,347	10,387
5.	Bhupraj G. Gandhi (Small HUF)	1,10,880	61,960
6.	Bhupraj G. Gandhi	17,07,586	3,47,115
7.	Jayesh M. Gandhi	10,32,498	76,032
8.	Manoj B. Gandhi	6,96,616	84,848
9.	Bharati M. Gandhi	6,94,266	1,52,829
10.	Chandra B. Gandhi	4,16,961	32,541
11.	Gop J. Gandhi	4,07,010	1,46,537
12.	Jigna Nisheth Mehta	3,97,396	31,553
13.	Karishma J. Gandhi	2,16,038	2,16,038
14.	Karan Manoj Gandhi	3,07,763	88,763
15.	Rahul Jayesh Gandhi	1,07,459	45,759
16.	Jigna Nisheth Mehta	48,534	48,534
17.	Jigna Nisheth Mehta	32,800	32,800
18.	Nilesh Vinodha Mehta	8,139	8,139
19.	B. M. Gandhi Investment Co. LLP	4,77,572	4,77,572
20.	Gandhi Finance Co. LLP	4,35,819	4,35,819
	<b>Total</b>	<b>94,80,698</b>	<b>28,23,771</b>

The details of the date and price of acquisition / disposal of the Equity Shares that each of the promoters intend to tender is set out below:

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
	<b>Sub-Total</b>	<b>12,200</b>		
25/03/2008	Sub-Division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each	79,418	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	1,37,878	550.00	5.00
	<b>Total</b>	<b>1,32,896</b>		

Date of Transaction/Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
25/01/1988	Rights Issue *	36,500	10.00	10.00
	<b>Sub-Total</b>	<b>36,500</b>		
25/03/2008	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	6,024	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	85,141	550.00	5.00
	<b>Total</b>	<b>1,61,665</b>		

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	8.52	10.00
07/04/2001	Purchase	69,500	12.05	10.00
	<b>Sub-Total</b>	<b>2,61,200</b>		
25/03/2008	Sub-Division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each	3,22,400	NA	5.00
30/01/2009	Purchase	20,000	39.51	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	1,28,261	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	1,21,301	550.00	5.00
	<b>Total</b>	<b>2,94,805</b>		

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
	<b>Sub-Total</b>	<b>12,200</b>		
25/03/2008	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	6,926	550.00	5.00
	<b>Total</b>	<b>10,387</b>		

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
	<b>Sub-Total</b>	<b>39,400</b>		

Date of Transaction/Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
20/09/1999	Purchase	4,300	12.86	10.00
29/05/2000	Purchase	100	13.20	10.00
11/05/2000	Purchase	200	13.20	10.00
31/05/2002	Purchase	100	15.55	10.00
30/02/2004	Purchase	100	30.00	10.00
<b>Sub-Total</b>		<b>1,230</b>		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each	2,41,300	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	(13,871)	550.00	5.00
<b>Total</b>		<b>2,16,839</b>		

**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	4,300	10.33	10.00
12/11/1998	Purchase	8,000	8.85	10.00
<b>Sub-Total</b>		<b>12,300</b>		
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	(13,828)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(9,960)	550.00	5.00
<b>Total</b>		<b>89,763</b>		

**15. Rahul Jayesh Gandhi**

Date of Transaction/Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
30/01/2000	Purchase	4,300	38.52	5.00
02/02/2009	Purchase	4,300	38.19	5.00
<b>Sub-Total</b>		<b>8,600</b>		
27/03/2018	Shares bought back in Buyback Offer - 2018	(3,880)	500.00	5.00
08/04/2019	Promoter Inter-se Transfer - Gift	50,000	Nil	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(7,781)	550.00	5.00
<b>Total</b>		<b>47,939</b>		

**16. Nigam 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
<b>Sub Total</b>		<b>47,180</b>		
18/10/2019	Shares bought back in Buyback Offer - 2019	(3,548)	550.00	5.00
<b>Total</b>		<b>43,632</b>		

**17. Nilesh Vinodlal 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	8,600	NA	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(601)	550.00	5.00
<b>Total</b>		<b>8,139</b>		

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

Date of Transaction/Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
23/05/1986	IPO	1,32,150	10.00	10.00
30/12/1982	Rights Issue	5,800	10.00	10.00
<b>Sub-Total</b>		<b>2,97,650</b>		
15/09/2006	Gift	(12,000)	138.32	10.00
<b>Sub-Total</b>		<b>2,85,650</b>		
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	(38,315)	550.00	5.00
<b>Total</b>		<b>4,77,972</b>		

**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
30/12/1982	Rights Issue	5,800	10.00	10.00
<b>Sub-Total</b>		<b>2,97,650</b>		
15/09/2006	Gift	(12,000)	138.32	10.00
<b>Sub-Total</b>		<b>2,85,650</b>		
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	(39,159)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(25,425)	550.00	5.00
<b>Total</b>		<b>4,35,816</b>		

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

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

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

**II. CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE ACT:**

- At the Equity Shares held in the name of the Company.
- The Company will not buyback its Equity Shares so as to delist its shares from the Stock Exchange.
- The Company has not undertaken a Buyback of any of its securities during the period of one year immediately preceding the date of commencement of the preparation and presentation of the Statement.
- 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 during the implementation of the Buyback.
- The Company confirms that there are no default subsisting in the repayment of deposit or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or payment of any term loans or interest payable thereon to any financial institution or bank or other lender.
- The Company has been in compliance with Sections 92, 123, 127 and 129 of the Act.
- 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.
- The Company shall 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.
- The Company shall not use borrowed funds, directly or indirectly whether secured or unsecured, of any form and nature, from bank or financial institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback.
- The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital as reserves after the Buyback as prescribed under the Act, rules made thereunder and the Buyback Regulations.
- There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act, as on 08/07/2021.
- Pursuant to Regulation 24(4) 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.
- The Company, as per the provisions of Section 68(8) of the Act, will not issue any kind of shares or other securities including allotment of new shares under clause (a) of Section 62(1) or other specified securities within a period of six (6) months after the completion of the Buyback except by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.
- The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the public announcement of the offer of Buyback is made.
- The Company shall not buyback locked-in shares and non-transferable shares or other specified securities at the discretion of lock-in or till the shares or other specified securities become transferable.
- 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.
- 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 Act or the Buyback Regulations or by the appropriate authority). The exact time table for the Buyback shall be decided by the Board (or its duly constituted Committee) within the above time limits.
- 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.
- The Company shall not directly or indirectly purchase or acquire any other specified securities - (a) through any subsidiary company including its own subsidiary companies, (b) through any investment company or group of investment companies, and (c) through any other company.
- The Equity Shares bought back by the Company will be cancelled in the manner prescribed under the Buyback Regulations and the Act within seven (7) days of the last date of completion of the Buyback.

**9. CONFIRMATIONS BY THE BOARD:**

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

- Immediately following the date of the Board meeting and the date on which the result of special resolution passed by the members at Annual General Meeting approving the Buyback, there will be no grounds on which the Company could be wound up by its debts.
- As regards the Company's prospects for the year immediately following the date of the Board meeting approving the Buyback as well as for the year immediately following the date on which special resolution passed by the members at the Annual General Meeting, and having regard to the Board's intention with respect to the management of the Company's business during that year and the amount and character of the financial resources which will be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting as also from the date of Special Resolution.
- In forming an opinion as to the Board's intention with respect to the management of the Company's business and its financial resources, as if the Company was being wound up under the provisions of the Act (as amended) and the Insolvency and Bankruptcy Code, 2016 (as the extent modified and in force).

**10. REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY'S STATUTORY AUDITORS ON THE PERMISSIBLE CAPITAL PAYMENT AND THE OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY QUOTE**

To, **Board of Directors**  
**Gandhi Special Tubes Limited**  
 201-204 Plaza, 2nd Floor, 55 Hughes Road, Next to Chauran Palace, Mumbai - 400007 Maharashtra, India  
**Statutory Auditor's Report in respect of proposed buyback of Equity Shares by Gandhi Special Tubes Limited (the "Company") in terms of clause 68(2)(c) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulation, 2018 (as amended) ("SEBI Buyback Regulations")**

- The Report is issued in accordance with the terms of our engagement letter dated June 22, 2021.
- The Board of Directors of the Company has approved a proposal to buyback of Equity Shares by the Company at its meeting held on June 22, 2021 in pursuance of the provisions of Sections 68, 69 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 March 31, 2021 (hereinafter referred to as the "Statement"). This statement has been prepared by the Management, which we have initiated for the purpose 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 systems 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 required into the state of affairs of the Company in relation to the audited financial statements as at March 31, 2021.

ii. 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 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 is declared.

We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certifications 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 Financial Information, and Other Assurance and Related Services Engagements Option.

**Opinion:**

Based on our examination, information and explanation given to us by the management, we report that: i. We have enquired into the state of affairs of the Company in relation to the audited financial statements as at and for the year ended March 31, 2021 which has been approved by the Board of Directors at their meeting held on June 22, 2021.

ii. 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.

iii. 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, 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 is declared.

**Restriction on Use:**

- This report has been issued at the request of the Company solely for use of the Company.
- The report was prepared in respect of proposed buyback of equity shares of the Company in pursuance to the provisions of Section 68 and any applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations.
- 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 the buyback to be sent to the members 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 any other authority.
- For providing to the Members appointed by the Company, each for the purpose of establishment of equity shares and may not be suitable for any other purpose.

**For Sharelink J. Shah & Co.**

Chartered Accountants  
 (Firm Registration No. 199096V)  
 Nigam S. Shah  
 Partner  
 Membership No. 112667  
 UDIN: 21112667AAAAR620  
 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 financial statements of the Company for the year ended March 31, 2021.

Particulars as on March 31, 2021	Amount (Rs.)
<b>Paid up capital (1,28,18,616 shares of Rs.5/- each)</b>	<b>A 6,45,93,800</b>
Free Reserves	
- Profit and loss account balance	162,44,28,909
- Securities Premium	3,00,00,000
- Reserves	1,00,00,000
<b>Total Free Reserves</b>	<b>B 1,62,44,28,909</b>
<b>Total paid up capital and free reserves</b>	<b>A + B 168,90,02,709</b>
Maximum amount permissible for total paid up capital of Rs. 5/- each of the Company Act, 2013 (25% of the total paid up capital and free reserves)	42,29,55,520

For Sharelink J. Shah & Co.  
 Chartered Accountants  
 (Firm Registration No. 199096V)  
 Nigam S. Shah  
 Partner  
 Membership No. 112667  
 UDIN: 21112667AAAAR620  
 June 22, 2021  
 Mumbai

**11. RECORD DATE AND SHAREHOLDER ENTITLEMENT**

As required under the Buyback Regulations, the Company has fixed Friday, August 27, 2021 as the "Record Date" for determining the entitlement of the shareholders in the name of the shareholders holding Equity Shares, who will be eligible to participate in the Buyback.

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

- Reserved category for Small Shareholders ("Reserved Category") and
- General category for all Eligible Shareholders other than Small Shareholders ("General Category").

As per Regulation 20(1)(b) of the Buyback Regulations, a "Small Shareholder" is a shareholder who holds Equity Shares having market value, as on the Record Date, of the closing price of Equity Shares on the Stock Exchange having the highest trading volume, as on the Record Date, of not more than Rs. 2,00,000/- (Rupees Two Lakhs only).

Based on the holding of Equity Shares as on the Record Date, the Company will determine the entitlement of each Eligible Shareholder, including Small Shareholders, to tender their Equity Shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Eligible Shareholder belongs. The final number of Equity Shares that the Company shall purchase from Eligible Shareholders will be based on the total number of Equity Shares tendered by the respective Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Eligible Shareholder belongs.

The Company may not purchase all of the Equity Shares tendered by the Eligible Shareholders.

In order to ensure that the same Eligible Shareholder with multiple demat accounts / folios does not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held in all such Eligible 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 in the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds / trusts, insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately where these Equity Shares are held in different schemes and have a different demat account nomenclature based on information prepared by the registrar ("Registrar") as per the shareholder records received from the Depositories.

After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the other category.

Eligible Shareholders participating in the Buyback will be voluntary. Eligible Shareholders can choose to participate in or not to participate in the Buyback. Eligible Shareholders who wish to participate in the Buyback shall also invest additional investment. Eligible Shareholders may also tender a part of their entitlement. Eligible Shareholders also have the option of tendering additional Equity Shares (over and above their entitlement) to participate in the shortfall created due to non-participation of some other Eligible Shareholders. Any tendered additional investment, Eligible Shareholders may also tender a part of their entitlement. Eligible Shareholders cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date. If the Buyback entitlement for any Eligible Shareholder is not a round number (i.e. not a multiple of Equity Shares), the fractional entitlement shall be ignored or proportion of entitlement to tender. Equity Shares in the Buyback shall be tendered in the following order:

The Equity Shares tendered as part of the Buyback offer and will be given preference in the acceptance of one Equity Share, if such Small Shareholders who have registered their email id with the depositories. The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid out in the Buyback Regulations. Each Eligible Shareholder will receive the Buyback offer through the Registrar and the Registrar will be responsible for participating in the Buyback.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Shareholders as on the Record Date. Eligible Sellers who have registered their email id with the depositories / Company, shall be dispatched the Letter of Offer through electronic means. If Eligible Sellers wish to obtain a physical copy of the Letter of Offer, they may send a request to the Company or Registrar at the address mentioned below.

Eligible Sellers who have not registered their email id with the depositories / the Company, shall be dispatched the Letter of Offer through physical mode.

**12. PROCESS AND MECHANISM TO BE ADOPTED FOR BUYBACK**

The Buyback will be offered to all Eligible Shareholders / beneficial owners holding Equity Shares of the Company either in physical and / or dematerialized form as on the Record Date, i.e. Friday, August 27, 2021, as per the records available to the Company by the Depositories. An Eligible Shareholder who wishes to tender their shares in the Buyback must follow the following procedure:

The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by the SEBI, Circulars, and following the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.

For implementation of the Buyback, the Company has appointed **Ms. Dalal and Brokers Stock Broking Private Limited** as the Registered Broker to the Company ("the Company's Broker") to facilitate the process of tendering of Equity Shares and to act as the clearing mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

**Dalal and Brokers Stock Broking Private Limited**  
 506, Maker Chambers V, Naraina Point, Mumbai 400021  
 Contact Person: Ms. Khushi Shah  
 Tel: +91-22-61141414  
 Email: buyback@dalalbrokers.com

Website: www.dalalbrokers.com  
 BSNIS/SEBI Registration No: IN200210337  
 CIN: L27120M1997PT111186

The Company will request the Stock Exchanges, i.e. BSE and NSE, to provide a separate acquisition window ("Acquisition Window") to facilitate participation in the Buyback by Eligible Shareholders who wish to tender their shares in the Buyback through the Stock Exchanges. Eligible Shareholders may tender their shares through the "Mechanism for acquisition of shares through Stock Exchange" notified by the SEBI, Circulars, and following the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.

For implementation of the Buyback, the Company has appointed **Ms. Dalal and Brokers Stock Broking Private Limited** as the Registered Broker to the Company ("the Company's Broker") to facilitate the process of tendering of Equity Shares and to act as the clearing mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

**Dalal and Brokers Stock Broking Private Limited**  
 506, Maker Chambers V, Naraina Point, Mumbai 400021  
 Contact Person: Ms. Khushi Shah  
 Tel: +91-22-61141414  
 Email: buyback@dalalbrokers.com

Website: www.dalalbrokers.com  
 BSNIS/SEBI Registration No: IN200210337  
 CIN: L27120M1997PT111186

The Company will request the Stock Exchanges, i.e. BSE and NSE, to provide a separate acquisition window ("Acquisition Window") to facilitate participation in the Buyback by Eligible Shareholders who wish to tender their shares in the Buyback through the Stock Exchanges. Eligible Shareholders may tender their shares through the "Mechanism for acquisition of shares through Stock Exchange" notified by the SEBI, Circulars, and following the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.

For implementation of the Buyback, the Company has appointed **Ms. Dalal and Brokers Stock Broking Private Limited** as the Registered Broker to the Company ("the Company's Broker") to facilitate the process of tendering of Equity Shares and to act as the clearing mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

**Dalal and Brokers Stock Broking Private Limited**  
 506, Maker Chambers V, Naraina Point, Mumbai 400021  
 Contact Person: Ms. Khushi Shah  
 Tel: +91-22-61141414  
 Email: buyback@dalalbrokers.com

Website: www.dalalbrokers.com  
 BSNIS/SEBI Registration No: IN200210337  
 CIN: L27120M1997PT111186

and can register themselves by using quick unique client code ("UCC") facility through the BSE / NSE registered stock broker (in compliance with applicable law). In case the Eligible Shareholders are unable to register using UCC facility through any other BSE / NSE registered stock broker, the Eligible Shareholders may approach Company's Broker - Ms. Dalal and Brokers Stock Broking Private Limited to place their bids, subject to completion of KYC requirements as required by the Company's Broker.

Modification / cancellation of orders will be allowed during the tendering period of the Buyback. 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.

The cumulative quantity of Equity Shares tendered under the Buyback shall be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com) throughout the trading session and will be subject to specific intervals during the tendering period.

Further, the Company will not accept Equity Shares tendered for Buyback which under restraint order of the court for transfer / sale and / or in respect of which is otherwise under dispute or where less of such certificates have been notified to the Company by the Depos

# GANDHI SPECIAL TUBES LIMITED

Registered Office: 201-204, 2<sup>nd</sup> Floor, Plaza, 55 Hughes Road, Next to Dharam Palace,  
Mumbai 400007, Maharashtra, India  
CIN: L27104MH1985PL036004  
Tel: +91-22-2363 4179 Email: compliance@ Gandhityubes.com, Website: www.gandhispecialtubes.com  
Contact Person: Mr. Jitendra Khadye (Company Secretary & Compliance Officer)



**PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF GANDHI SPECIAL TUBES LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018**

This Public Announcement ("Public Announcement") is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Regulations") for the time being in force, including the applicable regulations and amendments thereto. It contains the disclosures as specified in Schedule I to the Buyback Regulations and Schedule II to the Buyback Regulations.

**OFFER FOR BUYBACK OF UP TO 76,616 SEVEN LAKHS SIXTY SIX THOUSAND SIX HUNDRED SIXTEEN FULLY PAID UP EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AND ONE CRORE SEVEN LAKHS SEVEN THOUSAND SEVEN HUNDRED FIFTY FIVE FULLY PAID UP EQUITY SHARES ON A PROPORTIONATE BASIS THROUGH TENDER OFFER PROCESS UNDER THE STOCK EXCHANGE MECHANISM**

## 1. THE BUYBACK OFFER AND OFFER PRICE:

1.1 The Board of Directors (hereinafter referred to as the "Board" and "Committee" constituted by the Board to exercise its powers) of Gandhi Special Tubes Limited ("the Company") at its Meeting on Tuesday, Jun 22, 2021 ("Board Meeting") has passed a resolution to buyback the Equity Shares of the Company. Subject to such other approvals, permissions and conditions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the appropriate authorities which may be agreed to by the Board. The Company sought the approval of its shareholders for the said Buyback, by a special resolution, at the Annual General Meeting held on Tuesday, August 10, 2021. The shareholders have approved the said proposal of Buyback of Equity Shares and the results of the Special Resolution passed were announced on Wednesday, August 11, 2021. At the Annual General Meeting, the shareholders of the Company have approved, by a special resolution, the buyback ("the Buyback") of the equity shares of face value of Rs. 50/- (Rupees Five only) each of the Company ("Equity Shares") from all the existing shareholders / beneficial owners of Equity Shares of the Company as on the Record Date, on a proportionate basis, by way of a tender offer route through Stock Exchange of India (SEBI) and/or through the Company's own website.

1.2 The Buyback Committee vide its resolution dated Wednesday, August 11, 2021 determined the final Buyback Price of Rs. 550/- (Rupees Five Hundred Fifty only) per Equity Share ("Buyback Price") and the total amount for the Buyback, i.e., Rs. 42,16,38,800/- (Rupees Forty Two Crores Eighteen Lakhs Thirty Eight Thousand Eight Hundred only) ("Buyback Offer Size"), including the expenses incurred or to be incurred for the Buyback.

1.3 The Buyback is in accordance with Article 24A and 24B of the Articles of Association of the Company, provisions contained in Sections 68 and 70 of the Act, and applicable rules thereunder including without limitation, the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014 ("Management Rules") and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI LODR"), as amended, to the extent applicable, including any statutory modification or re-enactment thereof for the time being in force, and all other applicable provisions, if any, of the Act and the provisions contained in the Buyback Regulations, as amended from time to time.

1.4 The Buyback is further subject to approvals, (renewable and sanctionable) as may be necessary and subject to such conditions and modifications, if any, from time to time from statutory, regulatory or governmental authorities as required under applicable laws, including but not limited to Securities and Exchange Board of India ("SEBI") and the stock exchange of India (SEBI) and/or through the Company's own website.

1.5 The Buyback Offer Size is 24.90% of the total paid-up capital and free reserves as per the audited financial statements of the Company for the financial year ended March 31, 2021 (the last audited financial statements available as on date of the Board Meeting) and is within the statutory limit of 25% of the total paid-up capital and free reserves as per the last audited financial statements of the Company. The maximum number of Equity Shares proposed to be bought back represents 5.93% of the total number of Equity Shares of the paid-up capital of the Company as on March 31, 2021.

1.6 The Buyback Offer Size and Buyback Price does not include any expenses incurred or to be incurred for the buyback like listing fees payable to SEBI, Stock Exchange, applicable tax such as Buyback tax, brokerage, securities transaction tax, GST, stamp duty, adhoc charges, public notice, group meeting, publication expenses, printing and dispatch expenses, and other incidental and related expenses ("Transaction Costs").

1.7 The Buyback will be undertaken on a proportionate basis from the holders of Equity Shares / Beneficial Owners of Equity Shares of the Company as on Record Date, being Friday, August 27, 2021 ("Record Date") as per records made available to the Company by the Depositories as on the Record Date ("Eligible Shareholders") through the Tender Offer process prescribed under Regulation 4(v)(a) of the Buyback Regulations. Additionally, the Buyback shall be implemented by the Company using the "Mechanism of acquisition of shares through Stock Exchange" as specified in the circular bearing number CO/2019/131 dated December 9, 2016, including any amendments thereto ("SEBI Circular"). In this regard, the Company will request the Stock Exchange to provide the necessary facilities as defined in paragraph 12 below, to facilitate tendering of Equity Shares under the Buyback. Accordingly, Equity Shares may be tendered in the Buyback through either SEBI or NSE. For the purpose of this Buyback, SEBI would be the designated stock exchange. Once the Buyback is concluded, all Equity Shares purchased by the Company in the Buyback will be dematerialized.

1.8 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. 166,90,22,079/- (Rupees One Hundred Sixty Eight Crores Ninety Lakhs Twenty Two Thousand Six Hundred Twenty Two Thousand and 79/- only). The maximum amount allowed for the Buyback shall not exceed 25% of the total paid-up capital and free reserves of the Company as on the Record Date. The maximum number of Equity Shares proposed to be bought back represents 5.93% of the total number of Equity Shares of the paid-up capital of the Company as on March 31, 2021. As the Company proposes to buyback up to 76,616 Equity Shares of Stock Exchange of India (SEBI) and/or through the Company's own website, the same will be at least 25% limit.

1.9 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 capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that the Company have proposed to buyback is 76,616 Equity Shares (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 76,616 Equity Shares of Stock Exchange of India (SEBI) and/or through the Company's own website, the same will be at least 25% limit.

1.10 In terms of the Buyback Regulations, under Tender Offer route, the Members of Promoter and Promoter Group of the Company have the option to participate in the Buyback. In this regard, selected members of the Promoter and Promoter Group of the Company have expressed their intention to exercise their tender offer route. On Tuesday, June 22, 2021 to participate in the Buyback and may tender up to a maximum of 26,23,771 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 will be as per the Buyback Regulations.

1.11 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, the promoter and promoter group of the Company, 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 the Public Announcement, may change. The 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 of 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 full compliance of the general public interest. 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.

1.12 Participation in the Buyback by the SEBI and NSE is subject to the Buyback Regulations and the Act and in their country of residence. The transaction of Buyback would also be chargeable to securities transaction tax in India. In this regard, the Shareholders will receive a Letter of Offer, which will contain a more detailed note on taxation. However, in view of the particular nature of tax consequences, Eligible Shareholders should consult their legal, financial and tax advisors before determining whether to participate in the Buyback.

1.13 A copy of this Public Announcement is available on the Company's website (www.gandhispecialtubes.com) and is expected to be available on the SEBI website during the period of the Buyback. A copy of this Public Announcement will also be available on the website of the Registrar, Klink Technologies Private Limited (www.klinktechnologies.com).

## 2. NECESSITY / RATIONALE FOR BUYBACK:

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 available with the Company and the Buyback Offer Size. 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 is 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(1)(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 electronic voting is used. The Board of Directors of the Company is given the authority to transact such business at the General Meeting if the facility of electronic voting is used. The same was obtained by a special resolution passed at the Annual General Meeting and the results of the same were declared on Wednesday, August 11, 2021.

2.1 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 (i.e., the number of shares held by the Shareholders who own 1% or less 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" as per Regulation 2(a)(v) of the Buyback Regulations. 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.

3. MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK, ITS PERCENTAGE OF THE TOTAL PAID-UP CAPITAL AND FREE RESERVES AND SOURCE OF FUNDS FROM WHICH BUYBACK WOULD BE FINANCED:  
The maximum amount required for Buyback will be Rs. 42,16,38,800/- (Rupees Forty Two Crores Eighteen Lakhs Thirty Eight Thousand Eight Hundred only) excluding transaction costs. The said amount works out to 24.9% of the aggregate of the fully paid-up capital and free reserves as per the audited accounts of the Company as on March 31, 2021, which is within the prescribed limit of 25%.  
The funds for the implementation of the proposed Buyback will be sourced out of the free reserves, as permitted by the Buyback Regulations or the Act.

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

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

4. BUYBACK PRICE AND BASIS OF DETERMINING THE PRICE OF THE BUYBACK:  
4.1 The Equity Shares of the Company are proposed to be bought back at a price of Rs. 550/- (Rupees Five Hundred Fifty only) per share. The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average price and closing price of the Equity Shares on BSE and NSE, where the Company's Equity Shares are listed, the net worth of the Company, the operating price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per share.

4.2 The Buyback Price represents:  
4.2.1 A premium of 57.96% and 57.74% over the volume weighted average market price of the equity shares on BSE and 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.

4.2.2 A premium of 88.20% 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

4.2.3 A premium of 50.08% and 35.25% over the closing price of the Equity Shares on the Stock Exchanges as on Tuesday, June 15, 2021 being the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

4.3 The closing market price of the Equity Shares as on the date of intimation to the Stock Exchanges of the Board Meeting for considering the Buyback is Rs. 202.00/- (Rs. 202/-) and Rs. 495.65/- (Rs. 495.65/-) on BSE and NSE, respectively.

5. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK:  
The Company proposes to buyback up to 76,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen) Equity Shares of face value of Rs. 5/- (Rupees Five only) each of the Company, which represents 5.93% of the total number of Equity Shares of the Company.

6. DETAILS OF SHAREHOLDING AND TRANSACTIONS IN THE SHARES OF THE COMPANY:  
6.1 The aggregate shareholding of the Promoter, Promoter Companies / Entities and Persons in Control of the Company as on the date of Board Meeting, the date of Notice convening Annual General Meeting, i.e., Tuesday, June 22, 2021 and the date of this Public Announcement, is 94,80,698 Equity Shares, comprising 73.39% of the equity share capital of the Company, as shown below:

Sl. No.	Name	Number of Shares held	% Shareholding
1.	Manohar G. Gandhi (HUF)	79,418	0.61
2.	Manohar G. Gandhi (Small HUF)	16,522	0.06
3.	Manohar G. Gandhi	18,175	0.07
4.	Bhupathi G. Gandhi (HUF)	1,06,347	14.07
5.	Bhupathi G. Gandhi (Small HUF)	1,10,868	0.88
6.	Bhupathi G. Gandhi	17,07,686	13.22
7.	Jayesh M. Gandhi	10,32,498	7.99
8.	Manoj B. Gandhi	9,66,816	7.51
9.	Bharti M. Gandhi	6,94,265	5.38
10.	Chandna B. Gandhi	4,16,967	3.23
11.	Geeg J. Gandhi	4,01,810	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	0.85
16.	Jigna Nitesh Mehta	43,824	0.34
17.	Bina Lushar Shah	32,800	0.25
18.	Nitesh Vinodra Mehta	8,139	0.06
19.	B. M. Gandhi Investment Co. LLP	4,77,572	3.70
20.	Gandhi Finance Co. LLP	4,35,819	3.37
	<b>Total</b>	<b>94,80,698</b>	<b>73.39</b>

6.2 The aggregate shareholding of the Directors / Partners of the promoter, where the promoter is a Company / Entity:

B. M. Gandhi Investment Co. LLP			
Sl. 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)	9,66,816	7.51

Gandhi Finance Co. LLP			
Sl. No.	Name of Partners	Number of Shares held	% Shareholding
1.	Manohar G. Gandhi (Designated Partner)	18,175	14.07
2.	Bhupathi G. Gandhi (Designated Partner)	17,07,686	13.22
3.	Jayesh M. Gandhi	10,32,498	7.99
4.	Manoj B. Gandhi	9,66,816	7.51
5.	Bharti M. Gandhi	6,94,265	5.38
6.	Chandna B. Gandhi	4,16,967	3.23

6.3 Aggregate Shareholding of the Directors and Key Managerial Personnel of the Company:  
None of the Directors or Key Managerial Personnel of the Company holds any Equity Shares in the Company except as follows, as on the date of the Board Meeting, i.e., Tuesday, June 22, 2021:

Sl. No.	Name	Designation	Number of Shares held	% Shareholding
1.	Manohar G. Gandhi	Managing Director	18,175	14.07
2.	Bhupathi G. Gandhi	Joint Managing Director	17,07,686	13.22
3.	Jayesh M. Gandhi	Non-executive Promoter Director	10,32,498	7.99
4.	Chandna B. Gandhi	Independent Director	3,000	0.02
5.	Karan Manoj Gandhi	Independent Director	28,000	0.26
6.	Bhoni J. Koradia	Independent Director	200	0.00
7.	Shobhana R. Warikar	Chief Financial Officer	Nil	Nil
8.	Jitendra D. Khadye	Company Secretary	Nil	Nil

6.4 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/or 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.

7. INTENTION OF THE PROMOTERS AND PROMOTER GROUP TO TENDER EQUITY SHARES IN THE BUYBACK INDICATING THE NUMBER OF SHARES, DETAILS OF ACQUISITION WITH DATES AND PRICE:  
None 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, selected members of the Promoter and Promoter Group of the Company have expressed their intention to exercise their tender offer route. On Tuesday, June 22, 2021 to participate in the Buyback and may tender up to an aggregate maximum of 26,23,771 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.

Sl. No.	Name	Number of Shares held	Maximum Number of Shares intended to Tender
1.	Manohar G. Gandhi (HUF)	79,418	13,678
2.	Manohar G. Gandhi (Small HUF)	16,522	61,482
3.	Manohar G. Gandhi	18,175	2,94,805
4.	Bhupathi G. Gandhi (HUF)	1,06,347	10,387
5.	Bhupathi G. Gandhi (Small HUF)	1,10,868	61,360
6.	Bhupathi G. Gandhi	17,07,686	3,47,115
7.	Jayesh M. Gandhi	10,32,498	76,032
8.	Manoj B. Gandhi	9,66,816	64,648
9.	Bharti M. Gandhi	6,94,265	1,52,829
10.	Chandna B. Gandhi	4,16,967	32,541
11.	Geeg J. Gandhi	4,01,810	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	88,769
15.	Rahul Jayesh Gandhi	1,07,459	75,793
16.	Jigna Nitesh Mehta	43,824	43,824
17.	Bina Lushar Shah	32,800	32,800
18.	Nitesh Vinodra Mehta	8,139	8,139
19.	B. M. Gandhi Investment Co. LLP	4,77,572	4,77,572
20.	Gandhi Finance Co. LLP	4,35,819	4,35,819
	<b>Total</b>	<b>94,80,698</b>	<b>29,72,771</b>

The details of the date and price of acquisition / (disposal) of the Equity Shares that each of the promoters intend to tender at or set out below:

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
	<b>Sub-Total</b>	<b>12,200</b>	<b>10.00</b>	<b>10.00</b>
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	(8,410)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(5,312)	550.00	5.00
	<b>Total</b>	<b>13,678</b>		

\*) Manohar 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
	<b>Sub-Total</b>	<b>39,500</b>	<b>10.00</b>	<b>10.00</b>
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	(6,024)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(8,514)	550.00	5.00
	<b>Total</b>	<b>61,482</b>		

\*) Manohar G. Gandhi (Small HUF)

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	89,500	12.65	10.00
	<b>Sub-Total</b>	<b>2,61,200</b>		
26/03/2008	Sub-Division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each	5,22,400	NA	5.00
26/03/2008	Sub-Division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each	20,000	28.51	5.00
27/03/2018	Shares bought back in Buyback Offer - 2018	(1,28,256)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(1,21,300)	550.00	5.00
	<b>Total</b>	<b>2,94,805</b>		

\*) Manohar 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 *	12,200	10.00	10.00
	<b>Sub-Total</b>	<b>12,200</b>	<b>10.00</b>	<b>10.00</b>
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
	<b>Total</b>	<b>10,387</b>		

\*) Bhupathi 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
	<b>Sub-Total</b>	<b>12,200</b>	<b>10.00</b>	<b>10.00</b>
26/03/2008	Sub-Division of Face Value of Equity Shares from Rs. 1			



# GANDHI SPECIAL TUBES LIMITED

Registered Office: 201-204, 2<sup>nd</sup> Floor, Plaza, 55 Hughes Road, Next to Dharam Palace, Mumbai 400007, Maharashtra, India CIN: L27104MH1985PLC036004  
Tel: +91-22-2363 4179 Email: complianceofficer@gandhitubes.com, Website: www.gandhispecialtubes.com  
Contact Person: Mr. Jitendra Khadye (Company Secretary & Compliance Officer)

**PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF GANDHI SPECIAL TUBES LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018**

This Public Announcement ("Public Announcement") is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buyback Regulations") for the time being in force, including any statutory modifications and amendments from time to time, and contains the disclosures as specified in Schedule II to the Buyback Regulations read with Schedule I of the Buyback Regulations.

**OFFER FOR BUYBACK OF UPTO 7,66,616 (SEVEN LAKHS SIXTY SIX THOUSAND SIX HUNDRED SIXTEEN) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF 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 ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS USING THE STOCK EXCHANGE MECHANISM**

### 1. THE BUYBACK OFFER AND OFFER PRICE:

1.1 The Board of Directors (hereinafter referred to as the "Board" and unless repugnant to the context or meaning thereof, be deemed to include a duly authorized "Buyback Committee" constituted by the Board to exercise its powers) of Gandhi Special Tubes Limited ("the Company") at its Meeting held on Tuesday, June 22, 2021 ("Board Meeting") has passed a resolution to buyback the Equity Shares of the Company, 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 by the appropriate authorities which may be agreed to by the Board. The Company sought the approval of its shareholders for the said Buyback by a special resolution, at the Annual General Meeting held on Tuesday, August 10, 2021. The shareholders have approved the said proposal of Buyback of Equity Shares and the results of the Special Resolution passed were announced on Wednesday, August 11, 2021. At the Annual General Meeting, the shareholders of the Company have approved, by a special resolution, the buyback ("the Buyback") of not exceeding 7,66,616 (Seven Lakhs Sixty Six Thousand Six Hundred Sixteen only) fully paid-up equity shares of face value of Rs. 5/- (Rupees Five only) each of the Company ("Equity Shares") from all the existing shareholders / beneficial owners of Equity Shares of the Company as on the Record Date, on a proportionate basis, by way of a Tender Offer route through Stock Exchange Mechanism, at a maximum price of Rs. 550/- (Rupees Five Hundred Fifty only) per Equity Share ("Buyback Offer Price") payable in cash, for an aggregate amount of Rs. 42,16,38,800/- (Rupees Forty Two Crores Eighteen Lakhs Thirty Eight Thousand Eight Hundred only) ("Maximum Buyback Offer Size").

1.2 The Buyback Committee vide its resolution dated Wednesday, August 11, 2021 determined the final Buyback Price of Rs. 550/- (Rupees Five Hundred Fifty only) per Equity Share ("Buyback Price") and the total amount for the Buyback, i.e., Rs. 42,16,38,800/- (Rupees Forty Two Crores Eighteen Lakhs Thirty Eight Thousand Eight Hundred only) ("Buyback Offer Size"), excluding the expenses incurred or to be incurred for the Buyback.

1.3 The Buyback is in accordance with Article 24A and 24B of the Articles of Association of the Company, provisions contained in the Sections 88, 89 and 70 of the Companies Act, 2013 ("the Act"), and applicable rules thereunder including without limitation, the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014 ("Management Rules") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended, to the extent applicable, including any statutory modification or re-enactment thereof for the time being in force, and all other applicable provisions, if any, of the Act and the provisions contained in the Buyback Regulations, as amended from time to time.

1.4 The Buyback is further subject to approval(s), permission(s) and sanction(s) as may be necessary, and subject to such conditions and modifications, if any, from time to time from statutory, regulatory or governmental authorities as required under applicable laws, including but not limited to Securities and Exchange Board of India ("SEBI") and the stock exchanges where the Equity Shares of the Company are listed, i.e., BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (collectively "Stock Exchanges").

1.5 The Buyback Offer Size is 24.96% of the total paid-up capital and free reserves as per the audited financial statements of the Company for the financial year ended March 31, 2021 (the last audited financial statements available as on the date of the Board Meeting) and is within the statutory limit of 25% of the total paid-up capital and free reserves as per the last audited financial statements of the Company. The maximum number of Equity Shares proposed to be bought back represents 5.93% of the total number of Equity Shares of the paid-up equity capital of the Company as on March 31, 2021.

1.6 The Buyback Offer Size and Buyback Price does not include any other expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, Stock Exchanges, applicable tax such as Buyback tax, brokerage, securities transaction tax, GST, stamp duty, advisors' fees, public announcement publication expenses, printing and dispatch expenses, and other incidental and related expenses ("Transaction Costs").

1.7 The Buyback will be undertaken on a proportionate basis from the holders of Equity Shares / Beneficial Owners of Equity Shares of the Company as on a Record Date, being Friday, August 27, 2021 ("Record Date"), as per the records made available to the Company by the Depositories as on the Record Date ("Eligible Shareholders") through the Tender Offer process prescribed under Regulation 40(v)(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 SEBI in the circular 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 thereto ("SEBI Circulars"). In this regard, the Company will request the Stock Exchanges to provide the separate Acquisition Window (as defined in paragraph 12.4 below) to facilitate tendering of Equity Shares under the Buyback. Accordingly, Equity Shares may be tendered in the Buyback through either BSE or NSE. For the purpose of this Buyback, BSE would be the designated stock exchange. Once the Buyback is concluded, all Equity Shares purchased by the Company in the Buyback will be extinguished.

1.8 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. 198,90,22,079/- (Rupees One Hundred Fifty Eight Crores Ninety Lakhs Twenty Two Thousand Seven Hundred Ninety 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 Eighteen Lakhs Thirty Eight Thousand Eight Hundred only), excluding brokerage and other transaction costs and is therefore within the limit of 25% of the Company's total paid-up capital and free reserves, as per the audited financial statements as on March 31, 2021.

1.9 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 capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 32,26,854 (Thirty Two Lakhs Twenty Six Thousand Eight 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, the same is within the aforesaid 25% limit.

1.10 In terms of the Buyback Regulations, under Tender Offer route, the members of Promoter and Promoter Group of the Company have the option to participate in the Buyback. In this regard, select members of the promoters and 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 28,23,771 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 7 of this Public Announcement.

4.2 The Buyback Price represents:  
4.2.1 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, i.e., the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

4.2.2 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

4.2.3 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 of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

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

### 5. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK:

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

### 6. DETAILS OF SHAREHOLDING AND TRANSACTIONS IN THE SHARES OF THE COMPANY:

6.1 The aggregate shareholding of the Promoter, Promoter Companies / Entities and Persons in Control of the Company as on the date of Board Meeting, the date Notice convening Annual General Meeting, i.e., Tuesday, June 22, 2021 and the date of this Public Announcement, is 94,80,698 Equity Shares, comprising 79.39% of the equity share capital of the Company, as shown below:

Sr. No.	Name	Number of Shares held	% Shareholding
1	Manhar G. Gandhi (HUF)	79,418	0.81
2	Manhar G. Gandhi (Small HUF)	1,16,522	0.90
3	Manhar G. Gandhi	18,18,075	14.07
4	Bhupatral G. Gandhi (HUF)	1,06,347	0.82
5	Bhupatral G. Gandhi (Small HUF)	1,10,880	0.86
6	Bhupatral 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	Bharati M. Gandhi	6,94,285	5.38
10	Chandra B. Gandhi	4,16,961	3.23
11	Gopi J. Gandhi	4,01,010	3.11
12	Jigna M. Gandhi	3,97,398	3.08
13	Karishma J. Gandhi	2,16,638	1.68
14	Karan Manoj Gandhi	3,07,783	2.38
15	Rahul Jayesh Gandhi	1,07,459	0.83
16	Jigna Nilesh Mehta	43,634	0.34
17	Bina Tuskar Shah	32,800	0.25
18	Nilesh Vinodlal Mehta	8,139	0.08
19	B. M. Gandhi Investment Co. LLP	4,77,572	3.70
20	Gandhi Finance Co. LLP	4,35,819	3.37
<b>Total</b>		<b>94,80,698</b>	<b>79.39</b>

6.2 The aggregate shareholding of the Directors / Partners of the promoter, where the promoter is a Company / Entity:

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

Sr. No.	Name of Partners	Number of Shares held	% Shareholding
1	Manhar G. Gandhi (Designated Partner)	18,18,075	14.07
2	Bhupatral 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	Bharati M. Gandhi	6,94,285	5.38
6	Chandra B. Gandhi	4,16,961	3.23

6.3 Aggregate Shareholding of the Directors and Key Managerial Personnel of the Company:  
None of the Directors or Key Managerial Personnel of the Company holds any Equity Shares in the Company except for the following, as on the date of the Board Meeting, i.e., Tuesday, June 22, 2021.

Sr. No.	Name	Designation	Number of Shares held	% Shareholding
1	Manhar G. Gandhi	Managing Director	18,18,075	14.07
2	Bhupatral 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	Kawas N. Warden	Independent Director	26,000	0.20
6	Bhavi J. Karadia	Independent Director	Nil	Nil
7	Shobhana R. Vartak	Chief Financial Officer	Nil	Nil
8	Jitendra D. Khadye	Company Secretary	Nil	Nil

6.4 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.

### 7. INTENTION OF THE PROMOTERS AND PROMOTER GROUP TO TENDER EQUITY SHARES IN THE BUYBACK INDICATING THE NUMBER OF SHARES, DETAILS OF ACQUISITION WITH DATES AND PRICE:

In terms of the Buyback Regulations, under Tender Offer route, the Promoters of the Company have the option to participate in the Buyback. In this regard, the following Promoters of the Company have informed the Company via their letters dated Tuesday, June 22, 2021 to participate in the Buyback and may tender up to an aggregate maximum of 28,23,771 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	61,482
3	Manhar G. Gandhi	18,18,075	2,94,805
4	Bhupatral G. Gandhi (HUF)	1,06,347	10,387
5	Bhupatral G. Gandhi (Small HUF)	1,10,880	51,960
6	Bhupatral G. Gandhi	17,07,686	3,47,115
7	Jayesh M. Gandhi	10,32,498	76,032
8	Manoj B. Gandhi	9,69,816	84,546
9	Bharati M. Gandhi	6,94,285	1,52,629
10	Chandra B. Gandhi	4,16,961	32,547
11	Gopi J. Gandhi	4,01,010	1,40,537
12	Jigna M. Gandhi	3,97,398	31,553
13	Karishma J. Gandhi	2,16,638	2,16,638
14	Karan Manoj Gandhi	3,07,783	88,783
15	Rahul Jayesh Gandhi	1,07,459	45,769
16	Jigna Nilesh Mehta	43,634	43,634
17	Bina Tuskar Shah	32,800	Nil
18	Nilesh Vinodlal Mehta	8,139	8,139
19	B. M. Gandhi Investment Co. LLP	4,77,572	4,77,572
20	Gandhi Finance Co. LLP	4,35,819	4,35,819
<b>Total</b>		<b>94,80,698</b>	<b>28,23,771</b>

The details of the date and price of acquisition / (disposal) of the Equity Shares that each of the promoters intend to tender are set out below:

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
<b>Sub-Total</b>		<b>12,200</b>		
25/03/2008	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
<b>Total</b>		<b>13,678</b>		

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
<b>Sub-Total</b>		<b>39,500</b>		
25/03/2008	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	(6,024)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(6,514)	550.00	5.00
<b>Total</b>		<b>61,482</b>		

Date of Transaction/ Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
20/12/1992	Rights Issue *	1,01,700	10.00	10.00
30/04/1998	Purchase	90,000	6.32	10.00
07/04/2001	Purchase	69,500	12.85	10.00
<b>Sub-Total</b>		<b>2,61,200</b>		
25/03/2008	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
<b>Total</b>		<b>2,94,805</b>		

Date of Transaction/ Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
25/03/2008	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	(6,975)	550.00	5.00
<b>Total</b>		<b>10,387</b>		

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
<b>Sub-Total</b>		<b>12,200</b>		
25/03/2008	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	(6,024)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(6,514)	550.00	5.00
<b>Total</b>		<b>13,678</b>		

Date of Transaction/ Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
25/01/1988	Rights Issue *	1,03,500	10.00	10.00
25/09/1997	Purchase	4,000	11.15	10.00
18/11/1998	Purchase	8,000	8.86	10.00
11/09/1999	Purchase	1,700	12.77	10.00

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
<b>Sub-Total</b>		<b>39,400</b>		
25/03/2008	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	(6,678)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(6,162)	550.00	5.00
<b>Total</b>		<b>61,960</b>		

Date of Transaction/ Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
07/12/1996	Purchase	20,000	17.10	10.00
20/04/1998	Purchase	90,000	6.52	10.00
16/10/2000	Purchase	35,300	17.30	10.00
17/10/2000	Purchase	29,700	17.50	10.00
02/04/2001	Purchase	55,000	12.85	10.00
<b>Sub-Total</b>		<b>2,90,000</b>		
25/03/2008	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
<b>Total</b>		<b>3,47,115</b>		

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	18.82	10.00
09/01/1996	Purchase	500	17.86	10.00
17/10/2000	Purchase	35,100	17.50	10.00
20/10/2000	Purchase	14,900	17.22	10.00
<b>Sub-Total</b>		<b>1,05,500</b>		
25/03/2008	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
<b>Total</b>		<b>76,832</b>		

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	18.82	10.00
09/01/1996	Purchase	1,000	17.86	10.00
20/10/2000	Purchase	50,000	17.22	10.00
<b>Sub-Total</b>		<b>1,06,000</b>		
25/03/2008	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	(83,908)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(83,444)	550.00	5.00

Date of Transaction/Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
20/09/1999	Purchase	4,300	12.86	10.00
09/05/2000	Purchase	700	13.20	10.00
11/05/2000	Purchase	200	13.20	10.00
31/05/2002	Purchase	300	15.65	10.00
03/02/2004	Purchase	250	30.00	10.00
	<b>Sub-Total</b>	<b>1,22,150</b>		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each	2,44,300	NA	5.00
27/03/2016	Shares bought back in Buyback Offer - 2016	(13,760)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(13,872)	550.00	5.00
	<b>Total</b>	<b>2,16,538</b>		

**14) Karan Manoj Gandhi**

Date of Transaction/Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
29/03/1997	Purchase	4,000	10.35	10.00
12/11/1998	Purchase	8,000	8.85	10.00
	<b>Sub-Total</b>	<b>12,000</b>		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each	24,000	NA	5.00
27/03/2016	Shares bought back in Buyback Offer - 2016	(13,528)	500.00	5.00
18/05/2018	Promoter Inter-se Transfer - Gift	99,600	NIL	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(21,209)	550.00	5.00
	<b>Total</b>	<b>88,763</b>		

**15) Rahul Jayesh Gandhi**

Date of Transaction/Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
30/01/2009	Purchase	4,300	38.52	5.00
02/02/2009	Purchase	3,000	38.19	5.00
	<b>Sub-Total</b>	<b>7,300</b>		
27/03/2016	Shares bought back in Buyback Offer - 2016	(3,580)	500.00	5.00
08/04/2018	Promoter Inter-se Transfer - Gift	50,000	NIL	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(7,951)	550.00	5.00
	<b>Total</b>	<b>45,769</b>		

**16) Jigna Nilesh Mehta \***

Date of Transaction/Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
As on 25/03/2008	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
	<b>Sub-Total</b>	<b>47,180</b>		
18/10/2019	Shares bought back in Buyback Offer - 2019	(3,546)	550.00	5.00
	<b>Total</b>	<b>43,634</b>		

**17) Nilesh Vinodrai Mehta \***

Date of Transaction/Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (Rs.)	Face Value (Rs.)
As on 25/03/2008	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	(651)	550.00	5.00
	<b>Total</b>	<b>8,149</b>		

**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	IPD *	1,32,150	10.00	10.00
30/12/1992	Rights Issue *	1,59,500	10.00	10.00
	<b>Sub-Total</b>	<b>2,91,650</b>		
15/09/2006	Sale	(12,000)	136.32	10.00
	<b>Sub-Total</b>	<b>2,79,650</b>		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each	5,59,300	NA	5.00
27/03/2016	Shares bought back in Buyback Offer - 2016	(42,912)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(38,818)	550.00	5.00
	<b>Total</b>	<b>4,77,252</b>		

**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	IPD *	13,760	10.00	10.00
25/01/1988	Rights Issue *	5,920	10.00	10.00
30/12/1992	Rights Issue *	2,47,500	10.00	10.00
	<b>Sub-Total</b>	<b>2,67,200</b>		
15/09/2006	Sale	(12,000)	136.32	10.00
	<b>Sub-Total</b>	<b>2,55,200</b>		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each	5,10,400	NA	5.00
27/03/2016	Shares bought back in Buyback Offer - 2016	(39,159)	500.00	5.00
18/10/2019	Shares bought back in Buyback Offer - 2019	(35,422)	550.00	5.00
	<b>Total</b>	<b>4,25,819</b>		

Note: None of the Promoters mentioned hereinabove has acquired any shares for consideration other than cash. \* The relevant documents showing the exact date of acquisition by the Promoters in the IPO / Rights Issue are not available and the same are based on certificates given by the Company. # Details of date of acquisition/sale and cost of acquisition/sale prior to March 26, 2008 are not available and the same are based on certificates given by the Company.

**8. CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE ACT:**

- All the Equity Shares of the Company are fully paid up.
- The Company will not buyback its Equity Shares so as to delist its shares from the Stock Exchange.
- 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.
- 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 during the implementation of the Buyback.
- The Company confirms that there are no defaults subsisting in the repayment of deposit or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
- The Company has been in compliance with Sections 92, 123, 127 and 129 of the Act.
- 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.
- 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.
- 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.
- 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 Act, rules made thereunder and the Buyback Regulations.
- There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act, as on date.
- 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.
- The Company, as per the provisions of Section 68(B) of the Act, will not issue same kind of shares or other securities including allotment of new shares under clause (a) of Section 62(1) or other specified securities within a period of six (6) months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.
- 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.
- 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.
- 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.
- 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 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.
- The equity shares bought back by the Company will be computably cancelled in the manner prescribed under the Buyback Regulations and the Act and will not be held for re-issuance.
- 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
- The Equity Shares bought back by the Company will be extinguished in the manner prescribed under the Buyback Regulations and the Act within seven (7) days of the last date of completion of the Buy-back.

**9. CONFIRMATIONS BY THE BOARD:**

- The Board has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:
  - Immediately following the date of the Board meeting and the date on which the result of special resolution passed by the members at Annual General Meeting approving the Buyback, there will be no grounds on which the Company could be found liable to pay its debts;
  - As regards the Company's prospects for the year immediately following the date of the Board meeting approving the Buyback as well as for the year immediately following the date on which special resolution passed by the members at the Annual General Meeting, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting as also from the date of Special Resolution;
  - 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 (to the extent notified and in force).

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

**The Board of Directors**  
**Gandhi Special Tubes Limited**  
 201-204 Plaza, 2nd Floor 55 Hughes Road, Next to Charam 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 (x) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (as amended) ("SEBI Buyback Regulations")**

- This Report is issued in accordance with the terms of our engagement letter dated June 22, 2021.
- 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 31<sup>st</sup> March, 2021 (hereinafter referred to as the "Statement"). This statement has been prepared by the Management, which we have initiated 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 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 inquired 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 at their meeting held on June 22, 2021.  
 b. The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the Statement attached herewith, is properly determined in our view in accordance with Section 68 (2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited financial statements of the Company as at and for the year ended March 31, 2021.  
 c. The Board of Directors of the Company, in their meeting held on June 22, 2021 have formed their opinion as specified in clause (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**  
 This report has been issued at the request of the Company solely for use of the Company 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, 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 (c) for providing to the Managers appointed by the Company, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For Shashikant J. Shah & Co.  
 Chartered Accountants  
 (Firm Registration No. 109966W)  
 Sd/-  
**Nikhil S. Shah**  
 Partner  
 Membership No. 112667  
 UDIN: 21112867AAAAW9620  
 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.)
<b>Paid up capital (1,29,18,616 shares of Rs.5/- each)</b>	<b>A 6,45,93,080</b>
Free Reserves	
- Profit and loss account balance	162,44,28,999
- Securities Premium	-
- General Reserve	-
<b>Total Free Reserves</b>	<b>B 162,44,28,999</b>
<b>Total paid up capital and free reserves</b>	<b>A + B 1,68,90,22,079</b>
Maximum amount permissible for buyback under Section 68 of the Companies Act, 2013 (25% of the total paid up capital and free reserves)	42,22,55,520

For Shashikant J. Shah & Co.  
 Chartered Accountants  
 (Firm Registration No. 109966W)  
 Sd/-  
**Nikhil S. Shah**  
 Partner  
 Membership No. 112667  
 UDIN: 21112867AAAAW9620  
 Mumbai, June 22, 2021

**11. RECORD DATE AND SHAREHOLDER ENTITLEMENT**

- As required under the Buyback Regulations, the Company has fixed Friday, August 27, 2021 as the "Record Date" for the purpose of determining the entitlement and the names of the shareholders holding Equity Shares, who will be eligible to participate in the Buyback.
- The Equity Shares proposed to be bought back by the Company as a part of the Buyback shall be divided into two categories:
  - Reserved category for Small Shareholders ("Reserved Category"); and
  - General category for all Eligible Shareholders other than Small Shareholders ("General Category").
- As defined in the Regulation 20(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 of the Equity Shares on the Stock Exchange having the highest trading volume as on the Record Date, of not more than Rs. 2,00,000/- (Rupees Two Lakhs only).
- In accordance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders will be the higher of (a) 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or (b) number of Equity Shares to which the Small Shareholders are entitled, as per the shareholding of Small Shareholders as on the Record Date.
- Based on the holding of Equity Shares as on the Record Date, the Company will determine the entitlement of each Eligible Shareholder, including Small Shareholders, to tender their Equity Shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Eligible Shareholder belongs. The final number of Equity Shares that the Company shall purchase from Eligible Shareholders will be based on the total number of Equity Shares tendered. Accordingly, in the event of overall response to the Tender offer being in excess of the Buyback Offer Size, the Company may not purchase all of the Equity Shares tendered by the Eligible Shareholders.
- In order to ensure that the same Eligible Shareholder with multiple demat accounts / folios does not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such Eligible 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 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 ("Registrar") as per the shareholder records received from the Depositories.
- After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Shareholders in that category, and thereafter from Eligible Shareholders who have tendered over and above their entitlement in the other category.
- Eligible Shareholders' participation in the Buyback will be voluntary. Eligible Shareholders can choose to participate, in part or in full, and get cash in lieu of Equity Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Eligible Shareholders may also tender a part of their entitlement. Eligible Shareholders also have the option of tendering additional Equity Shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any.
- The maximum number of Equity Shares that can be tendered under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date. If the Buyback entitlement for any Eligible Shareholder 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. The Small Shareholders whose entitlement would be less than 1 Equity Share may 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.
- The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in the Buyback Regulations. Each Eligible Shareholder will receive the letter of offer along with a tender / offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback.
- Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Shareholders as on the Record Date. Eligible Sellers who have registered their small IDs with the depositories / the Company, shall be dispatched the Letter of Offer through electronic means. If Eligible Sellers wish to obtain a physical copy of the Letter of Offer, they may send a request to the Company or Registrar at the address mentioned below.
- Eligible Sellers who have not registered their small IDs with the depositories / the Company, shall be dispatched the Letter of Offer through physical mode.

**12. PROCESS AND METHOD TO BE ADOPTED FOR BUYBACK**

- The Buyback is open to all Eligible Shareholders / beneficial owners holding Equity Shares of the Company, either in physical and / or in dematerialized form as on the Record Date i.e., Friday, August 27, 2021, as per the records made available to the Company by the Depositories. An Eligible Shareholder who wishes to tender their shares in the Buyback must have an active trading account.
- The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by the SEBI Circulars, and following the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
- For implementation of the Buyback, the Company has appointed **M/s. Dalal and Brochoo 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. The contact details of the Company's Broker are as follows:  
**Dalal and Brochoo Stock Broking Private Limited**  
 506, Maker Chambers V, Nariman Point, Mumbai 400021  
 Contact Person: Ms. Khushi Shah  
 Tel: +91-22-67141414  
 Email: khushi@dalal-brochoo.com  
 Website: www.dalal-brochoo.com  
 BSE/NSE SEBI Registration No: IN2000210337  
 Validity Period: Permanent Registration  
 CIN: U67120MH1997PTC111188
- The Company will request the Stock Exchanges, i.e., BSE and NSE, to provide a separate acquisition window ("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. The details of the Acquisition Window will be specified by the Indian Stock Exchanges from time to time.
- At the beginning of the tendering period, the order for buying Equity Shares will be placed by the Company through the Company's Broker. During the tendering period, the order for selling the Equity Shares will be placed by the Eligible Shareholders through their respective stock brokers (each, a "Seller Member") during normal trading hours of the secondary market. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders after Eligible Sellers have completed their KYC requirement as required by the Company's Broker.
- In the event the Seller Member(s) of any Eligible Shareholder is not registered with BSE/NSE as a trading member / stock broker then that Eligible Shareholder can approach any BSE/NSE registered stock broker

and can register themselves by using quick unique client code ("UCC") facility through the 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 Shareholders are unable to register using UCC facility through any other BSE / NSE registered broker, Eligible Shareholders may approach Company's Broker i.e., M/s. Dalal and Brochoo Stock Broking Private Limited to place their bids, subject to completion of KYC requirements as required by the Company's Broker.

- Modification / cancellation of orders will be allowed during the tendering period of the Buyback. 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.
- The cumulative quantity of Equity Shares tendered under the Buyback shall be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.
- Further, the Company will not accept Equity Shares tendered for Buyback which under instant order of the court for transfer / sale and / or title in respect of which is otherwise under dispute or where loss of share certificates has been notified to the Company and the duplicate share certificates have not been issued either due to such request being under process as per the provisions of law or otherwise.
- The reporting requirements for Non-Resident Shareholders under Reserve Bank of India Act, 1954, Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Seller and / or the Seller Member through which the Equity Shareholder places the bid.
- Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialized form**
- Eligible Shareholders who desire to tender their Equity Shares in the dematerialized 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.
- 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 Indian Clearing Corporation Limited or the National Securities Clearing Corporation Limited, as may be applicable ("Clearing Corporations") by using the settlement number or special account of Clearing Corporation 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 for the Buyback will be provided in a separate circular which will be issued at the time of issue opening by the Clearing Corporation.
- For Custodian participant orders for dematerialized Equity Shares, early pay-in is mandatory prior to confirmation of order by custodian. The Custodian Participant will confirm / reject the orders not later than the 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, any order modification will revoke the custodian confirmation and the revised order will be sent to the custodian again for confirmation.
- Upon placing the bid, the Seller Member will provide a Transaction Registration Slip ("TRS") generated by the Exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. The TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- The Buyback from the Eligible Shareholders who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies), foreign portfolio investors, non-resident Indians, members of foreign nationality, if any, shall be subject to the 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 also subject to the receipt / provision by such Eligible Shareholders of such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.
- In case of non-receipt of the completed tender form and other documents, but receipt of Equity Shares in the accounts of the Clearing Corporations and a valid bid in the exchange bidding system, the bid for Buyback shall be deemed to have been accepted.
- Equity Shares held in the physical form:**
- In accordance with SEBI's circular 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.
- Eligible Shareholders who are holding physical Equity Shares 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.
- 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.
- Any Seller Member / Eligible Shareholder who places a bid for physical Equity Shares, 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