



Gandhi Special Tubes Ltd.

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

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

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

CIN.: L27104MH1985PLC036004 .



Date: July 04, 2022

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

Subject: 37th Annual Report for the financial year 2021-2022

Dear Sir/ Madam,

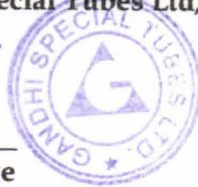
Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed 37th Annual Report of the Company, for the financial year 2021-2022.

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

Thanking you,

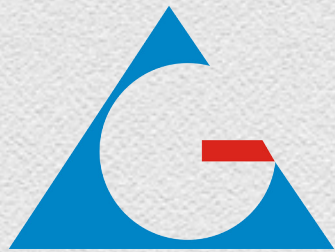
Yours Faithfully,

For Gandhi Special Tubes Ltd,



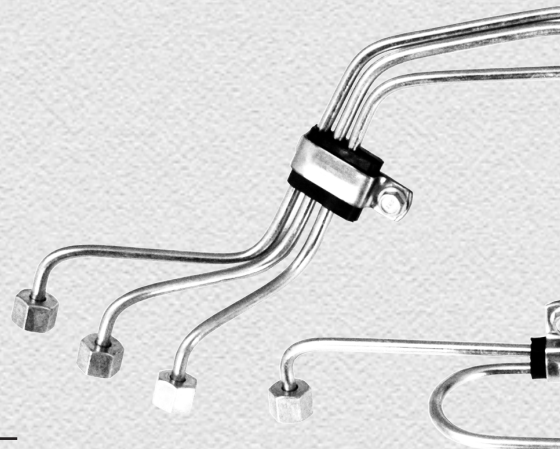
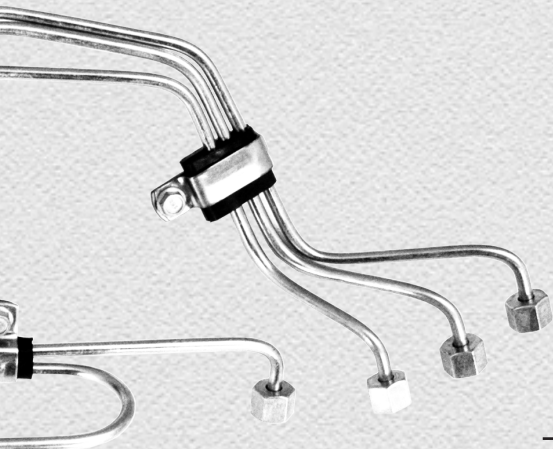
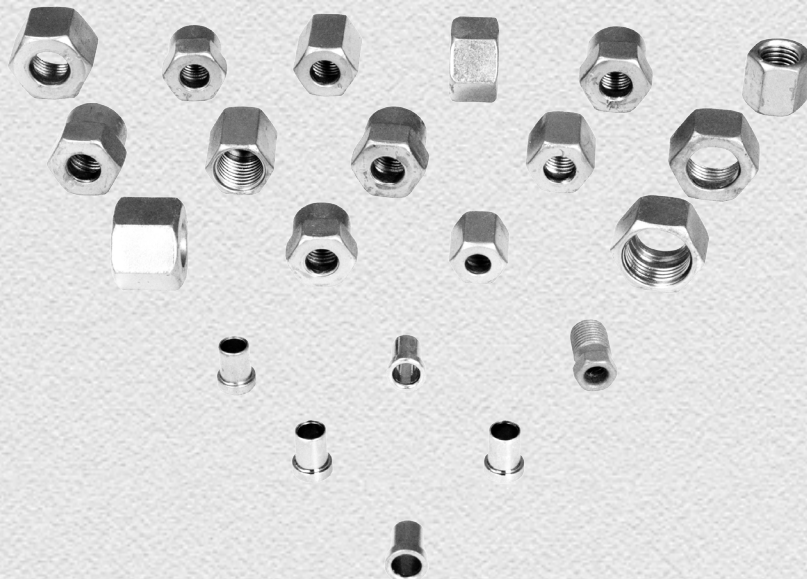
Jitendra Khadye

Company Secretary & Compliance Officer



Gandhi
Special Tubes Ltd.

37th Annual Report 2021-22



IATF 16949:2016
Certified Company

Social Welfare Activity

“GANDHI SPECIAL PRIMARY / SECONDARY SCHOOL
VALUKAD, GUJARAT”

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



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GANDHI SPECIAL TUBES LIMITED

BOARD OF DIRECTORS	:	MR. MANHAR G. GANDHI Chairman & Managing Director MR. BHUPATRAI G. GANDHI Joint Managing Director MR. KAVAS N. WARDEN Director MR. DHARMEN B. SHAH Director MR. JAYESH M. GANDHI Director MS. BHAVI J. KORADIA Director
AUDIT COMMITTEE	:	MR. DHARMEN B. SHAH Chairman MR. KAVAS N. WARDEN Director MR. JAYESH M. GANDHI Director MS. BHAVI J. KORADIA Director
COMPANY SECRETARY	:	MR. JITENDRA DATTARAM KHADYE
CHIEF FINANCIAL OFFICER	:	MS. SHOBHANA RAJAN VARTAK
REGISTERED OFFICE	:	201-204, PLAZA, 2 ND FLOOR 55 HUGHES ROAD, MUMBAI - 400 007 Tel No: 23634179, 23634183, 23635042 complianceofficer@gandhitubes.com
WORKS	:	VILLAGE NURPURA TALUKA- HALOL, DIST: PANCHMAHAL GUJARAT – 389 350
AUDITORS	:	SHASHIKANT J. SHAH & CO. CHARTERED ACCOUNTANTS
BANKERS	:	HDFC BANK LTD., MUMBAI
SECRETARIAL AUDITORS	:	DHOLAKIA & ASSOCIATES LLP COMPANY SECRETARIES
DETAILS OF STOCK EXCHANGE	:	COMPANY'S EQUITY SHARES ARE LISTED ON BSE LTD & NATIONAL STOCK EXCHANGE OF INDIA LTD

**GANDHI SPECIAL TUBES LIMITED
10-YEARS FINANCIAL HIGHLIGHTS**

Particulars	IND AS										(₹ Lakhs)
	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18	2018-19	2019-20	2020-21	2021-22	
Net Sales	9,593.96	8,352.55	9,189.77	9,117.37	9,757.23	11,393.17	12,290.68	8,093.84	11,352.58	13,699.44	
Total Income	9,862.19	9,144.02	9,632.55	9,417.47	10,712.94	12,217.66	13,061.55	8,664.96	11,965.50	14,177.39	
EBIDTA (Earning Before Dep. Interest & Tax)	3,509.83	3,407.02	2,774.79	2,991.27	4,252.79	4,934.73	5,344.39	2,958.18	5,086.37	5,373.27	
Depreciation	433.68	493.66	495.03	470.58	445.65	387.31	369.05	355.48	329.74	324.69	
Profit After Taxation	2,206.28	1,730.84	1,579.63	1,855.00	3,080.63	3,356.51	3,863.13	2,137.28	3,615.23	3,856.58	
Equity Dividend (%)	120.00	120.00	150.00	150.00	180.00	0.00	180.00	180.00	180.00	180.00	
Dividend Payout	881.92	881.92	1,102.40	1,102.40	1,322.88	0.00	1,243.67	1,243.67	1,162.68	1,162.68	
Equity Share Capital	734.93	734.93	734.93	734.93	734.93	690.93	690.93	645.93	645.93	607.60	
Reserves & Surplus	14,326.72	15,025.76	15,273.62	15,801.80	18,029.08	17,032.43	19,413.90	14,011.25	16,548.67	14,109.11	
Net Worth	15,061.65	15,760.69	16,008.55	16,536.73	18,764.01	17,723.36	20,104.83	14,657.18	17,194.60	14,716.71	
Gross Fixed Assets	10,957.77	12,670.83	12,897.51	13,014.98	12,998.16	12,980.58	13,290.19	13,318.53	13,342.70	13,800.36	
Net Fixed Assets	5,195.71	6,415.11	6,274.00	5,901.42	5,520.49	5,139.14	5,128.33	4,811.64	4,514.11	4,642.44	

Key Indicators

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18	2018-19	2019-20	2020-21	2021-22
Earning per share	15.01	11.78	10.75	12.62	20.96	22.85	27.96	15.93	27.98	30.66
Turnover per share - ₹	65.27	56.83	62.52	62.03	66.38	82.45	88.94	62.65	87.88	112.73
Book Value per share	102.47	107.23	108.91	112.51	127.66	128.26	145.49	113.46	133.10	121.11
Debt/Equity Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit Margin %	23.00	20.72	17.19	20.35	31.57	29.46	31.43	26.41	31.85	28.15
EBDIT/ Net Sales %	36.58	40.79	30.19	32.81	43.59	43.31	43.48	36.55	44.80	39.22

* Figures are restated as per IND AS

FOR KIND ATTENTION OF SHAREHOLDERS:

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

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

Steps involved in dematerialization of shares

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

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

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

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

MEMBER UPDATION FORM

FORM ISR – 1

(see SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor’s service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

REQUEST FOR REGISTERING PAN, KYC DETAILS OR CHANGES / UPDATION THEREOF

[For Securities (Shares / Debentures / Bonds, etc.) of listed companies held in physical form]

Date: ___/___/___

A. I / We request you to Register / Change / Update the following (Tick ✓ relevant box)

<input type="checkbox"/> PAN	<input type="checkbox"/> Postal Address
<input type="checkbox"/> Bank details	<input type="checkbox"/> E-mail address
<input type="checkbox"/> Signature	<input type="checkbox"/> Mobile number
Demat Account details	

B. **Security Details:**

Name of the Issuer Company		Folio No.:
Name(s) of the Security holder(s) as per the Certificate(s)	1. 2. 3.	
Number & Face value of securities		
Distinctive number of securities	From	To

C. I / We are submitting documents as per Table below (tick ✓ as relevant, refer to the instructions):

	✓	Document / Information / Details	Instruction / Remark
1		PAN of (all) the (joint) holder(s) PAN Whether it is Valid (linked to Aadhaar): <input type="checkbox"/> Yes <input type="checkbox"/> No	PAN shall be valid only if it is linked to Aadhaar by March 31,2021* For Exemptions / Clarifications on PAN, please refer to ObjectionMemo in page 4
2		Demat Account Number	Also provide Client Master List (CML) of your Demat Account, provided by the Depository Participant.

3		Proof of Address of the first holder	<p>Provide any one of the documents, only if there is change in the address;</p> <ul style="list-style-type: none"> · Client Master List (CML) of your Demat Account, provided by the Depository Participant · Valid Passport / Ration Card / Registered Lease or Sale Agreement of Residence / Driving License / Flat Maintenance bill. · Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old. · Identity card / document with address, issued by any of the following: Central/ State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions. · For FII/sub account, Power of Attorney given by FII/sub- account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken. · The proof of address in the name of the spouse
4		Bank details	<p>Provide the copy of the bank statement with details of bank name, branch, account number and IFS Code or copy of cheque leaf. Alternatively, Bank details available in the CML will be updated in the folio.</p>
5		E-mail address	<p>_____</p> <p>Alternatively the e-mail address available in the CML will be updated in the folio</p>
6		Mobile	<p>_____</p> <p>Alternatively the mobile number available in the CML will be updated in the folio</p>
7		Specimen Signature	<ul style="list-style-type: none"> · Provide banker's attestation of the signature of the holder(s) as per Form ISR – 2 in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021) and · Original cancelled cheque
8		Nomination**	<ul style="list-style-type: none"> · Providing Nomination: Please submit the duly filled up Nomination Form (SH-13) or 'Declaration to Opt out of Nomination' as per Form ISR – 3, in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 · Change in Existing Nomination: Please use Form SH-14 in SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 · Cancellation of Existing Nomination: Please use Form SH-14 and Form ISR – 3

* or any date as may be specified by the CBDT

** Nomination (**Form SH-13 or SH-14**) / 'Declaration to Opt-Out of nomination' (**Form ISR – 3**), has to furnished by the holder(s) separately for each listed company.

Mode of submission of documents to the RTA

Please use any one of the following mode;

1. In Person Verification (**IPV**): by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s)
2. In hard copy: by furnishing self-attested photocopy(ies) of the relevant document, with date
3. Through e-mail address already registered with the RTA, with e-sign of scanned copies of documents
4. Service portal of the RTA with e-sign with scanned copies of documents, if the RTA is providing such facility

Note

- It is mandatory for holders of physical securities in listed company to furnish PAN, full KYC details (address proof, bank details, e-mail address, mobile number) and Nomination (for all the eligible folios).
- Upon receipt or up-dation of bank details, the RTA automatically, pay electronically, all the moneys of / payments to the holder that were previous unclaimed / unsuccessful.
- RTA shall update the folio with PAN, KYC details and Nominee, within seven working days of its receipt. However, cancellation of nomination, shall take effect from the date on which this intimation is received by the company / RTA.
- RTA shall not insist on Affidavits or Attestation / Notarization or indemnity for registering / up-dating / changing PAN, KYC details and Nomination.

Authorization: I / We authorise you (RTA) to update the above PAN and KYC details in my / our folio (s) __, ____, in which I / We are the holder(s) (strike off what is not applicable).

Declaration: All the above facts stated are true and correct.

	Holder 1	Holder 2	Holder 3
Signature	✓	✓	✓
Name	✓	✓	✓
Full postal address	✓		
PIN	✓		

FORM ISR – 2

(see circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination)

Confirmation of Signature of securities holder by the Banker

1. Bank Name and Branch		
2. Bank contact details Postal Address Phone number E-mail address		
3. Bank Account number		
4. Account opening date		
5. Account holder(s) name(s)	1) 2) 3)	
6. Latest photograph of the account holder(s)		
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; width: 150px; height: 60px; display: flex; align-items: center; justify-content: center;">1st Holder</div> <div style="border: 1px solid black; width: 150px; height: 60px; display: flex; align-items: center; justify-content: center;">2nd Holder</div> <div style="border: 1px solid black; width: 150px; height: 60px; display: flex; align-items: center; justify-content: center;">3rd Holder</div> </div>		
7. Account holder(s) details as per Bank Records		
a) Address		
b) Phone number		
c) Email address		
d) Signature(s)		
1) <div style="border: 1px solid black; width: 150px; height: 40px; display: inline-block;"></div>	2) <div style="border: 1px solid black; width: 150px; height: 40px; display: inline-block;"></div>	3) <div style="border: 1px solid black; width: 150px; height: 40px; display: inline-block;"></div>
Seal of the Bank	Signature verified as recorded with the Bank	
Place:	(Signature) Name of the Bank Manager	
Date:	Employee Code E-mail address	

NOTICE OF THIRTY SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that Thirty Seventh Annual General Meeting of the Members of Gandhi Special Tubes Limited will be held on Tuesday, July 26, 2022 at 11.00 a.m. (IST) through Video Conference (“VC”) or Other Audio Visual Means (“OAVM”), to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at 201-204, Plaza, 2nd Floor, 55, Hughes Road, Mumbai – 400 007.

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements for the year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon for the Financial Year ended March 31, 2022.
2. To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2022.
3. To appoint a Director in place of Shri Bhupatrai Gandhi (DIN 00041273), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company for a period of 5 years and to fix their remuneration.

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

“RESOLVED THAT pursuant to the recommendation made by the Audit Committee and as per the provisions of Section 139(2) of the Companies Act, 2013 read with Rule 6 of The Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. S.V. Doshi & Co., Chartered Accountants, Mumbai, having the Firm Registration No. 102752W and holding valid Peer Review Certificate issued by the Institute of Chartered Accountants of India, as Statutory Auditors of the Company in place of M/s. Shashikant J. Shah & Co., Chartered Accountants, Mumbai from the conclusion of 37th Annual General Meeting upto the conclusion of 42nd Annual General Meeting of the Company and at such remuneration plus GST, out of pocket expenses as may be mutually agreed between the Board and the Statutory Auditors.

SPECIAL BUSINESS

5. Re-appointment of Shri Manharlal G. Gandhi as Managing Director and Payment of Remuneration with effect from 01.01.2023.

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

“RESOLVED THAT considering the recommendation made by the Nomination & Remuneration Committee and pursuant to the provisions of Sections 197, 198 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment(s) thereof, for the time being in force), subject to the approval of the members in the General Meeting by way of Special Resolution, Shri Manharlal G. Gandhi be and is hereby re-appointed as Managing Director of the Company for a further period of Five years with effect from 1st January, 2023 to 31st December, 2027 and the remuneration and perquisites payable to him shall remain the same as follows:-

OVERALL REMUNERATION:

Subject to the provisions of Sections 197, 198, read with Schedule V and other provisions applicable of the Companies Act, 2013, if any, the remuneration payable to Shri Manharlal G. Gandhi, Managing Director, in any financial year shall not exceed 5% (five percent) of the net profits of the Company.

MINIMUM REMUNERATION

Where in any financial year during the currency of the tenure of Shri Manharlal G. Gandhi, Managing Director, the company has no profits or its profits are inadequate, the remuneration payable to Shri Manharlal G. Gandhi, Managing Director, will

be according to the applicable provisions of Schedule V of the Act. Within the aforesaid ceiling, the remuneration payable (except the Commission) to Shri Manharlal G. Gandhi, Managing Director, shall be as follows:

SALARY, PERQUISITES AND ALLOWANCES

Not Exceeding ₹10,00,000/- p.m. inclusive of all perquisites and allowances except those specifically excluded as per Schedule V of the Act.

COMMISSION:

As decided by the Board of Directors at the time of adoption of accounts, but not exceeding the ceiling in respect of overall remuneration as prescribed under Section 197 and 198 of the Companies Act, 2013.

Other Term and Conditions

- a) Leave: 30 working days leave (traveling time included) once in every year of service, with encashment of un-availed leave at the end of their tenure.
 - b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; gratuity payable at a rate not exceeding half a month salary for each completed year of service and encashment of un-availed leave at the end of tenure shall not be included in the computation of the ceiling on remuneration in terms of Schedule V of the Companies Act, 2013.
 - c) Shri Manharlal G. Gandhi will not be entitled to sitting fees for meetings of the Board/ Committee of the Board attended by him.
 - d) Shri Manharlal G. Gandhi shall not be liable to retire by rotation.
6. Re-appointment of Shri Bhupatrai G. Gandhi as Managing Director and Payment of Remuneration with effect from 01.01.2023.

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

“RESOLVED THAT considering the recommendation made by the Nomination & Remuneration Committee and pursuant to the provisions of Sections 197, 198 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment(s) thereof, for the time being in force), subject to the approval of the members in the General Meeting by way of Special Resolution, Shri Bhupatrai G. Gandhi be and is hereby re-appointed as Joint Managing Director of the Company for a further period of Five years with effect from 1st January, 2023 to 31st December, 2027 and the remuneration and perquisites payable to him shall remain the same as follows:-

OVERALL REMUNERATION:

Subject to the provisions of Sections 197, 198, read with Schedule V and other provisions applicable of the Companies Act, 2013, if any, the remuneration payable to Shri Bhupatrai G. Gandhi, Joint Managing Director, in any financial year shall not exceed 5% (five percent) of the net profits of the Company.

MINIMUM REMUNERATION

Where in any financial year during the currency of the tenure of Shri Bhupatrai G. Gandhi, Joint Managing Director, the company has no profits or its profits are inadequate, the remuneration payable to Shri Bhupatrai G. Gandhi, Joint Managing Director, will be according to the applicable provisions of Schedule V of the Act. Within the aforesaid ceiling, the remuneration

payable (except the Commission) to Shri Bhupatrai G. Gandhi, Joint Managing Director, shall be as follows:-

SALARY, PERQUISITES AND ALLOWANCES

Not Exceeding ₹10,00,000/- p.m. inclusive of all perquisites and allowances except those specifically excluded as per Schedule V of the Act.

COMMISSION:

As decided by the Board of Directors at the time of adoption of accounts, but not exceeding the ceiling in respect of overall remuneration as prescribed under Section 197 and 198 of the Companies Act, 2013.

Other Term and Conditions

- a) Leave: 30 working days leave (traveling time included) once in every year of service, with encashment of un-availed leave at the end of their tenure.
 - b) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961; gratuity payable at a rate not exceeding half a month salary for each completed year of service and encashment of un-availed leave at the end of tenure shall not be included in the computation of the ceiling on remuneration in terms of Schedule V of the Companies Act, 2013.
 - c) Shri Bhupatrai G. Gandhi will not be entitled to sitting fees for meetings of the Board/ Committee of the Board attended by him.
 - d) Shri Bhupatrai G. Gandhi shall be liable to retire by rotation.
7. Ratification of remuneration of Cost Auditors.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹60,000/- (Rupees Sixty Thousand only) for the Financial Year ending March 31, 2023 as approved by the Board of Directors of the Company payable to Shri. Dakshesh Zaveri, the Cost Accountant, having ICWAI Registration No. 8971 for conducting the Cost Audit of the Company be and is hereby ratified.”

By Order of the Board of Directors

Jitendra D. Khadye
Company Secretary

Place: Mumbai

Date: May 27, 2022

Regd. Office:

201-204 Plaza, 2nd Floor,

55 Hughes Road,

Mumbai – 400 007

Tel: 022 – 23634179

CIN: L27104MH1985PLC036004

Email: complianceofficer@gandhitubes.com

Website: www.gandhispecialtubes.com

NOTES:**APPOINTMENT OR REAPPOINTMENT OF DIRECTOR**

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

SPECIAL BUSINESS AND EXPLANATORY STATEMENT

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, (Act) relating to Special Business to be transacted at the Annual General Meeting (the "AGM" or "Meeting"), is annexed hereto.
3. As per the provisions of Clause 3.A.II. of the Ministry of Corporate Affairs General Circular No. 20/ 2020 dated 5th May 2020 and 02/2021 dated 13th January, 2021 and 2/2022 dated 05th May, 2022 the matters of Special Business as appearing at Items No. 5 to 7 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forms part of this Notice.

MEMBER'S ENTITLEMENT TO ATTEND MEETING VIA VIDEO CONFERENCE

- 4.i. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular number 02/2021 dated January 13, 2021 and Circular number 2/2022 dated May 05, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 in relation to "Relaxation from compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015" permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
 - ii. The Helpline number regarding any queries/assistance for participation in the AGM through VC/OAVM is 1800-345-4001
 - iii. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail addresses are registered with the Company or the Depository Participant(s). Members (Physical/Demat) who have not registered their email addresses with the Company can get the same registered with the company by requesting in member updation form by sending an email at einward.ris@kfintech.com or evoting@kfintech.com. Please submit duly filled in and signed member updation form to the abovementioned email. Upon Verification of the Form the email will be registered with the Company.
- 5a) Pursuant to the provisions of the Companies Act,2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circular and SEBI Circular through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.**
- b) Members are requested to participate on first come first serve basis, as participation through video conferencing is limited and will be closed on expiry of 15 minutes from the schedule time of the AGM. However, the participation of members

holding 2% or more, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis. Members can login and join 15(fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till expiry of 15(fifteen) minutes after the schedule time. Participation is restricted upto 2000 members only.

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

INSTITUTIONAL INVESTORS/CORPORATE MEMBER

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

JOINT HOLDERS

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

RECORD DATE

- 8. In view of the discontinuation of the physical transfer of shares there will not be any Book Closure but the Company has fixed the Record Date as Friday, the 01st July, 2022 (close of the business hours).

DIVIDEND AND ITS PAYMENT

- 9. Subject to the provisions of the Act, dividend as recommended by the Board, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as of the close of the business hours on Friday, July 01, 2022.
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Friday, July 01, 2022;
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Friday, July 01, 2022.
- 10. In case of Dematerialized Shares, the Company is obliged to print Bank details on the dividend warrants, as are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) ("the Depositories") to the Company. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company or its Registrars for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised by the members only to their Depository Participant.

11. Pursuant to Regulation 12 read with Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is mandatory to print the bank account details of the investors on Dividend Warrant Instrument. Hence, in order to avoid incidents of fraudulent encashment of the Dividend warrants, Members holding shares in physical form are requested to intimate the RTA of the Company, under the signatures of the sole/first joint holder, the following information so that the Bank Account number and name and address of the Bank can be printed on the dividend warrant, if and when issued:

- (a) Name of the sole/first joint holder and folio number.
- (b) Particulars of Bank Account viz:
 - (i) Name of Bank;
 - (ii) Name of branch;
 - (iii) Complete address of the Bank with pin code number;
 - (iv) Account type, whether Savings or Current;
 - (v) Bank account number allotted by the Bank
 - (vi) 9 Digits MICR No.

TAXATION ON CURRENT DIVIDEND

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

For Resident Shareholders, who have provided PAN, taxes shall be deducted at source under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend. If no PAN is provided, then the tax shall be deducted at source at 20% as per Section 206AA of the Act. No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by the resident shareholders during Financial Year 2022-23 does not exceed ₹5,000. In cases where the shareholder provides Form No. 15G /Form No. 15H and provided that all the required eligibility conditions are met, no tax will be deducted at source.

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

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

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

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

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

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

1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;
 2. Tax residency certificate from the jurisdictional tax authorities confirming residential status [for the dividend declared in FY 2021-22] – TRC
 3. Declaration by the non- resident in prescribed Form No. 10F
 4. Self-declaration by the non-resident shareholder as to:
 - Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
 - No Permanent Establishment / fixed base in India in accordance with the applicable tax treaty;
 - Shareholder being the beneficial owner of the dividend income to be received on the equity shares.
13. In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income Tax Act, 1961, we request you to upload the abovementioned details and documents in the format provided by us and as applicable to you on the link <https://ris.KFintech.com/form15/> by **05:00 p.m.** IST on Friday, July 15, 2022.

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

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

INVESTOR EDUCATION AND PROTECTION MATTER—UNCLAIMED DIVIDEND AND SHARES

15. Members who have not encashed their dividends warrants for Financial Year 2015-2016 or any subsequent years are requested to write to the Company immediately but not later than February, 2023 claiming dividends declared by the Company for the said period (Proforma of Indemnity Bond for Duplicate Dividend Warrant is available under “Investor Section” on the website of the Company viz. www.gandhispecialtubes.com).
16. Members are requested to note that the Interim Dividend for the year ended March 31, 2016 declared on January 20, 2016 and which remained unpaid or unclaimed is due to be transferred to IEPF in March, 2023 pursuant to Section 125 of the Companies Act, 2013 and the rules made thereunder.
17. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of ₹22,21,590/- (Twenty Two Lakhs Twenty One Thousand Five Hundred and Ninety Only) of the Company for the financial year ended March 31, 2015 has been transferred to the

Investor Education and Protection Fund (IEPF) established by the Central Government on March 15, 2022 pursuant to Section 125 of the Companies Act, 2013.

18. Pursuant to Rule 5 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the company has uploaded the information in respect of the Unclaimed Dividends in respect of the Financial years 2014-2015 to 2019-2020 on the website of the IEPF viz. www.iepf.gov.in and under "Investor Section" on the website of the Company viz. www.gandhispecialtubes.com. The objective of the IEPF Rules is to help the shareholders ascertain Status of the unclaimed amounts and thus overcome their problem.

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

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

Accordingly, during the year under review, the Company has transferred 12201 shares to the IEPF Account maintained with NSDL on April 21, 2022 taking the year 2014-2015 as base. The details of the shares transferred to IEPF Authority are uploaded under "Investor Section" on the website of the Company viz. www.gandhispecialtubes.com.

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

HOLDING IN PHYSICAL FORM

20. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant. Form SH-13 is available under "Investor Section" on the website of the Company viz. www.gandhispecialtubes.com;

21. As per Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In order to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form so as to be able to freely transfer them and participate in corporate actions such as buyback. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Kfin Technologies Limited for assistance in this regard.

SERVICE OF ANNUAL REPORTS

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

23. Pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

24 Considering the difficulties caused due to the Covid-19 pandemic, MCA and SEBI have dispensed with the requirement of printing and sending physical copies of the Annual Report and the Notice of this Meeting and the Annual Reports will be sent via email to all those members who have registered their email ids with the Company or the Registrar and Transfer Agent or the Depositories or the Depository Participants as on Friday, July 01, 2022.

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

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

ATTENDANCE AT AGM THROUGH VIDEO CONFERENCING

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

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

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

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

- f) Members, holding shares as on the cut-off date i.e. Friday July 15, 2022 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers at <https://emeetings.kfintech.com> and clicking on "Speaker Registration" during the period from Saturday July 23, 2022 (9:00 a.m. IST) upto Monday, July 25, 2022 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries / views /questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window will close at 3.00 p.m. (IST) on July 24, 2022.

MEMBERS TO KNOW OR DO

26. The Company's Equity Shares are listed at (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai- 400 051.
27. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at M/s. KFin Technologies Limited, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana.
28. The Company does not give gifts, gift coupons or cash in lieu of gifts to its Members. The Company also does not organize any plant visits for its Members. However, the Company is committed to the Members' wealth maximization through superior performance reflected in corporate benefits like dividend and increased market capitalization.
29. Shareholders can register their complaints, if any, on an exclusive e-mail id complianceofficer@gandhitubes.com which has been designated for the said purpose.
30. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
31. In terms of the MCA Circulars and in the view of the Board of Directors, all matters included in this Notice are unavoidable and hence are proposed for seeking approval at this AGM. All documents referred to in the accompanying Notice and the Explanatory Statement have been uploaded on the website of the Company at www.gandhispecialtubes.com. All shareholders will be able to inspect all documents referred to in the Notice electronically without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to complianceofficer@gandhitubes.com.
32. The Registers of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Registrar of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection under Section 139 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to complianceofficer@gandhitubes.com.
33. Member who is desirous of getting any information as regard to the business to be transacted at the meeting are requested to write to the Company their queries at least seven days in advance of the Meeting in order to keep the required information readily available at the Meeting.
34. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.

35. Voting through electronic means

1. Pursuant to the provisions of section 108 of the Companies Act, 2013 read with, Rule 20 of Companies (Management and Administration) Rules, 2014 (amended from time to time) and sub-regulation (1) & (2) of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote by electronic means (remote e-voting) and the business may be transacted through remote e-voting services provided by M/s. KFin Technologies Limited.
2. The remote e-voting period commences on Saturday, July 23, 2022 (9:00 a.m. IST) and ends on Monday, July 25, 2022 (5:00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in demat form, as on the cut-off date i.e. Friday, July 01, 2022 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
3. The process and manner for remote e-voting and joining and voting at the AGM are explained below:
 - Step 1: Access to Depositories e-voting system in case of individual Members holding shares in demat mode.
 - Step 2: Access to KFin e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.
 - Step 3: Access to join the AGM on KFin system and to participate and vote thereat.

Details on Step 1 are mentioned below:

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

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

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

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

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

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

Details on Step 2 are mentioned below:

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

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

They will have to follow the following process:

- i) Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>.
- ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a Member is registered with KFin for e-voting, they can use their existing User ID and password for casting the vote.
- iii) After entering these details appropriately, click on “LOGIN”.

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

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

- i) Members will be able to attend the AGM through VC / OAVM platform provided by KFin. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company / KFin.

- ii) After logging in, click on the Video Conference tab and select the EVEN of the Company.
- iii) Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.

Other Instructions:

- i) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- ii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, July 1, 2022.
- iii) Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. Friday, July 1, 2022 may obtain the User ID and Password in the manner as mentioned below:
 - a) If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD<space>E-voting Event Number + Folio No. or DP ID Client ID to +91 9212993399
Example for NSDL: MYEPWD<SPACE> IN12345612345678
Example for CDSL: MYEPWD<SPACE> 1402345612345678
Example for Physical: MYEPWD<SPACE> XXX1234567890
 - b) If email ID of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c) Members may call KFin toll free number 1800 309 4001.
 - d) Members may send an email request to: evoting@kfintech.com. If the Member is already registered with the KFin e-voting platform then such Member can use his / her existing User ID and password for casting the vote through remote e-voting.
- iv) The Board of Directors has appointed Shri. Nrupang B. Dholakia, Designated Partner of M/S.DHOLAKIA & ASSOCIATES LLP Company Secretaries being in Whole Time Practice be, as a Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
- v) The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the AGM is being held through VC / OAVM. The e-voting window shall be activated upon instructions of the Chairman of the AGM during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform and no separate login is required for the same.
- vi) The results declared along with the Scrutinizer's report will be forwarded to BSE Limited and National Stock Exchange of India Limited; be displayed at the Registered Office of the Company and simultaneously uploaded on the Company's website viz. www.gandhispecialtubes.com and that of KFin viz. <https://evoting.kfintech.com>.

ANNEXURE

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

SHRI BHUPATRAI GANDHI

Name of the Director	Shri. Bhupatrai Gandhi
Date of Birth	16.11.1939
Date of Appointment	22.04.1985
Qualification	B.COM
Experience in specific functional areas	Shri. Bhupatrai Gandhi has more than 60 years of experience in Tube Industries
Directorships in other Companies	None
Chairman/ Member of the Committees of the Board of Directors of the Company	Member of Stakeholders Relationship Committee
Chairman/Member of the Committees of the Board of Directors of the other Companies in which he is a Director	None
No. of Shares held in the Company	16,08,745 Equity Shares of ₹5/-each.
Inter-se Relationship between Directors	Brother of Shri. Manhar Gandhi, Chairman & Managing Director
Director Identification Number	00041273

By Order of the Board of Directors

Jitendra D. Khadye
Company Secretary

Place: Mumbai

Date: May 27, 2022

Regd. Office:

201-204 Plaza, 2nd Floor,

55 Hughes Road,

Next to Dharam Palace,

Mumbai - 400 007

Tel: 022 – 23634179

CIN: L27104MH1985PLC036004

Email: complianceofficer@gandhitubes.com

Website: www.gandhispecialtubes.com

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

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

Item No. 5 & 6:

As per the requirements of Section 102(1) read with Section 110 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information to enable the shareholders to consider and approve the Special Resolutions set out at item nos. 5 and 6 of the Notice.

The present term of Shri M.G. Gandhi as Managing Director and Shri B.G. Gandhi as Joint Managing Director is expiring on 31st December, 2022.

Based on the recommendations and approval of the Nomination and Remuneration Committee and the Audit Committee, the Board of Directors of the Company at its Meeting held on Friday, 27th May, 2022 re-appointed Shri Manharlal G. Gandhi and Shri Bhupatrai G. Gandhi as Managing Director and Joint Managing Director respectively of the Company, for a further period of Five Years with effect from 1st January 2023, subject to the approval by the members in General Meeting in accordance with the provisions of Sec 196(3) and Schedule V of the Companies Act, 2013.

Shri Manharlal G. Gandhi at present is 82 years old and Shri Bhupatrai G. Gandhi at present is 84 years old but keeping good health, attends the affairs of the Company including office work regularly. Section 196 (3) read with clause c of part I of Schedule V to the Companies Act, 2013, provides that the Central Government approval is not required for appointment of such Managing Director and Joint Managing Director if the approval is accorded by the shareholders by passing the special resolution.

Keeping in view that Shri Manharlal G. Gandhi and Shri Bhupatrai G. Gandhi have rich and varied experience in the industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to re-appoint them as Managing Director and Joint Managing Director respectively. The terms and conditions including remuneration payable to Shri Manharlal G. Gandhi and Shri Bhupatrai G. Gandhi are set out in the draft Agreements to be entered into by the Company with Shri Manharlal G. Gandhi and Shri Bhupatrai G. Gandhi.

The Board recommends the re-appointment of Shri Manharlal G. Gandhi and Shri Bhupatrai G. Gandhi as the Managing Director and Joint Managing Director respectively.

Shri Manharlal G. Gandhi and Shri Bhupatrai G. Gandhi are interested in the above resolutions in respect of their respective reappointments as also they being related to each other. Shri Jayesh Gandhi, Director is also interested being related to the Managing Director and the Joint Managing Director. No other Director is concerned or interested in the said resolutions.

The overall remuneration is in accordance with the provisions of Section I of Part II of Schedule V to the Companies Act, 2013 and the minimum remuneration is in accordance with the provisions of Section II of Part II of the Schedule V to the Companies Act, 2013 and subject to the overall limit of 10% (5% for each) of the net profits of the Company for each financial year computed in the manner prescribed in Section 198 of the Companies Act, 2013.

The text in Resolution may also be considered as an extract of the terms and conditions of appointment of the Managing Director and Joint Managing Director as required under Section 190 of the Companies Act, 2013.

Except Shri. Manharlal G. Gandhi and Shri Bhupatrai G. Gandhi and Shri Jayesh M. Gandhi none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 & 6 of the Notice.

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration to the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023.

In terms of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023 by passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board re-recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members.

By Order of the Board of Directors

Jitendra D. Khadye
Company Secretary

Place: Mumbai

Date: May 27, 2022

Regd. Office:

201-204 Plaza, 2nd Floor,

55 Hughes Road,

Next to Dharam Palace,

Mumbai - 400 007

Tel: 022 – 23634179

CIN: L27104MH1985PLC036004

Email: complianceofficer@gandhitubes.com

Website: www.gandhispecialtubes.com

BOARD'S REPORT

Dear Members,

Directors are pleased to present their Thirty Seventh Annual Report on the business and operations of your Company along with the Audited Financial Statements for the financial year ended on March 31, 2022.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2022 is summarized below:

(₹ in Lakhs except Earning Per Share)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Revenue from operations	13,699.44	11,352.58
Other Income	477.95	612.92
Total Revenue	14,177.39	11,965.50
Profit before Tax	5,048.58	4,756.63
Less: Tax Expenses		
Current Tax	1,202.06	1,161.41
Deferred Tax	(10.06)	(20.01)
Profit for the year	3,856.58	3,615.23
Dividend paid	1,162.68	1,162.68
Amount paid for Buy Back of Equity Shares	4,178.06	-
Tax on Buy Back of Shares	973.32	-
Earnings Per Share of ₹ 5/-	30.66	27.98

2. RESERVES

Your Company has utilised the Retained Earnings of ₹5,189.71 Lakhs (including Buy Back Tax of ₹973.32 Lakhs) for the purpose of buy back of 7,66,616 fully paid-up equity shares of ₹5/- each at a price of ₹550/- per Equity Share during the year under report.

3. PERFORMANCE AND AFFAIRS OF THE COMPANY

During the year under review, the Company has earned revenue from the sale of products of ₹13,250.72 as against ₹11,022 lakhs in the Previous Year. This has resulted in an increase of 20.22 % over the Previous Year. Further profit before tax for the year increased by 6.14 %.

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

4. DIVIDEND

Your Directors are pleased to recommend a dividend of 200 % i.e. ₹10/- per equity share, out of Free reserves, for the Financial Year ended March 31, 2022 subject to necessary approval by the Shareholders at the ensuing Annual General Meeting of the Company to be held on Tuesday, July 26, 2022. The total dividend recommended for the financial year 2021-2022 is ₹1215.2 lakhs. Payment of Dividend will be made to the members whose names appear in Register as on July 01, 2022. This Dividend will be subject to Income Tax in the hands of the Shareholders and also subject to Deduction of Tax at Source as per the provisions of Income Tax Act, 1961. Members are advised to refer to the detailed note stated in the Note to the Notice convening 37th Annual General Meeting.

5. BUYBACK OF SHARES

During the financial year 2021-2022, the Company was successful in buying back 7,66,616 fully paid-up equity shares of ₹5/- each offered to the shareholders through tender offer at a price of ₹550/- per Equity Share representing up to 5.93% of the paid-up Equity Share Capital of the Company for an aggregate amount ₹42,16,38,800/- (Rupees Forty Two Crores Sixteen Lakhs Thirty Eight Thousand Eight Hundred only). The Buyback process was completed and the shares so bought back were extinguished on October 20, 2021. Post buyback of shares, the paid up equity capital got reduced by ₹38.33 Lakhs to ₹607.60 Lakhs.

6. ECONOMIC SCENARIO:

The geopolitical conflict might lead to a major slowdown in global economy in 2022 which might result in a decline in GDP and a further spike in inflation, as observed by the International Monetary Fund (IMF). Inflation in advanced economies is expected to be 5.7%, while it is predicted to be 8.7% in emerging markets and developing economies (EMDEs). The worsening supply-demand imbalance will lead to a further rise in inflation. The spike in fuel and commodity prices is driven by the war. Global market volatility, commodity price rise especially crude oil price has impacted the Indian economy as well. However domestic growth rate is gradually improving. Considering all the parameters, the real GDP growth is projected at 7.2% for 2022-23.

7. CURRENT BUSINESS STATUS

High steel prices in the domestic market have benefitted India's primary steel makers in FY22. Despite the pandemic, Company has achieved good results and was able to maintain healthy growth in this difficult period on account of commendable efforts of employees under committed leadership.

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

8. CHANGES IN NATURE OF BUSINESS AND REVISION IN THE BOARD'S REPORT

There is no change in the nature of business of the Company during the year. There is no revision made in the Board's Report and whatever submitted herewith is the final report.

9. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Your Company does not have any Subsidiary, Associate and Joint Venture Company.

10. CORPORATE GOVERNANCE

Pursuant to Regulation 27(2) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report and Certificate regarding compliance of conditions of Corporate Governance form an integral part of this report and are set out as separate annexure to this Report. In order to obviate duplication of information some of the information required under the Board's Report has been captured in the Corporate Governance Report.

11. BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(f) of SEBI (Listing Obligations and Disclosures Requirement) Regulations 2015, the Business Responsibility Report (BRR) is not applicable to the Company as Company has moved out of top 1000 Listed Companies based on Market Capitalisation as on 31st March, 2022 due to Buyback of 7,66,616 Equity Shares.

12. PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

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

Shri Bhupatrai Gandhi (DIN 00041273), Director will retire by rotation and being eligible and not being disqualified under section 164 of the Companies Act, 2013, offers himself for re-appointment.

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

(ii) Key Managerial Personnel

During the year under review, there is no change in the Key Managerial Personnel.

(iii) Declaration by an Independent Director(s)

The Company has received all the necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations.

(iv) Annual Evaluation of the Board

In compliance with the provisions of Section 134 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance and that of its Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors and also as per the Guidance Notes issued by SEBI vide its Circular No: SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 05, 2017 covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

14. BOARD AND COMMITTEES

During the year, four (4) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between two meetings was less than the period prescribed under the Companies, 2013, Secretarial Standard-1 on Board Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, meeting convened on June 22, 2021 and last meeting of previous financial year convened on February 08, 2021 with a gap of 133 days. However, this will not be treated as violation of Section 173(1) of the Companies Act, 2013 in view of the relaxation granted by Ministry of Corporate Affairs through Circular No. 08/2021 of May 03, 2021 addressing to the Registrar of Companies and Regional Director that no action be taken for the relaxation granted under the circular if the gap does not exceed 180 days. The details of the Audit Committee, Stakeholder Relationship, Nomination and Remuneration Committee and Corporate Social Responsibility Committee have been given in the Report on the Corporate Governance. Recommendations made by the Audit Committee have been accepted by the Board without any modification.

15. DIRECTOR'S RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by your Directors make the following statements under Section 134(5) in terms of Section 134(3)(c) of the Companies Act, 2013 and hereby confirm that:-

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The directors have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- c. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis;
- e. The directors have laid down proper systems financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. NOMINATION AND REMUNERATION COMMITTEE

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The text of the policy is available on the website of the Company www.gandhispecialtubes.com. There has been no change in the policy during the year.

17. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES

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

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

18. RISK MANAGEMENT SYSTEM

The Company has designed Risk Management System to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these Risk Management System in their decision making pertaining to its business and corporate functions. At present there is no identifiable risk which, in the opinion, of the Board may threaten the existence of the Company.

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

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in "Annexure A" which forms part of this Report.

20. INTERNAL CONTROL SYSTEMS

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

21. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an adequate system for internal financial controls which commensurate with its size and nature of business. Detailed procedures are in place to ensure that all assets are safeguarded and protected against losses, all transactions authorized, recorded and appropriately reported.

22. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2022 is available on the Company's website on www.gandhispecialtubes.com.

23. CORPORATE SOCIAL RESPONSIBILITY

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

The Annual Report on CSR in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, for the year 2021-2022 is annexed as '**Annexure B**' to the Board's Report.

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

Under Section 139 of the Companies Act, 2013 and the rules made there under, it is mandatory for the Company to appoint Statutory Auditors on completion of term permitted in the Annual General Meeting and as such M/s Shashikant J. Shah & Co., will hold office upto the conclusion of 37th Annual General Meeting of the Company. Therefore the Board has recommended an appointment of M/s. S. V. Doshi & Co., Chartered Accountants, Mumbai and having Firm Registration No: 102752W in place of M/s. Shashikant J. Shah & Co., Chartered Accountants, to hold the office from the conclusion of 37th Annual General Meeting upto the conclusion of 42nd Annual General Meeting of the Company.

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

(ii) SECRETARIAL AUDITOR

We are sad to inform you that Shri. Bhumitra Dholakia, Designated Partner of M/s. Dholakia & Associates LLP, Company Secretaries in Practice expired on January 20, 2022. Shri. Bhumitra Dholakia, by profession a Company Secretary, was associated with the Company since its inception. His counselling and contribution at the meetings of the Board and Committee were very useful and has helped the Company to remain on the sound footing. The Board and All Committees have placed on record their sincere and deep appreciation for the guidance and advice during his long tenure.

Pursuant to provisions of section 204 of the Act and the rules framed there under, the Board has appointed M/s. Dholakia & Associates LLP, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2021-2022. The Secretarial Audit Report in Form MR-3 is annexed herewith as "**Annexure C**".

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

(iii) COST AUDITOR

The Board has appointed Shri. Dakshesh Zaveri as the Cost Auditor for the year 2022-2023 pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2015 at a remuneration of ₹ 60,000/- (Rupees Sixty Thousand only) which is subject to the ratification by members in the ensuing Annual General Meeting.

25. SECRETARIAL STANDARDS

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

26. HUMAN RESOURCES

Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. The Company maintains healthy, cordial and harmonious relations with all personnel and thereby enhancing the contributory value of the Human Resources.

27. ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company conducts operations in such a manner, so as to ensure safety of all concerned, compliance environmental regulations and preservation of natural resources. There was no accident during the year.

28. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR END OF THE COMPANY TO WHICH FINANCIAL RESULTS RELATES AND THE DATE OF THIS REPORT

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

29. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

The Company has not taken any loan during the year. The details of Guarantees, Investments and Securities as covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes No. 5, 8 and 34 of the Financial Statements which form part of the Annual Report.

30. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. Thus disclosure in form AOC-2 is not required as such Related Party Transactions are not material. However, the details have been furnished in the Notes No. 40 to the financial statement which should be treated as part of this Board's Report.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval at every quarterly meeting.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link of the same has been provided in the Corporate Governance Report.

31. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014.

There were no employees except the Managing Director and Joint Managing Director of the Company drawing remuneration of ₹1.02 crores or more per annum or ₹ 8.5 lakhs or more per month during the year under review. Both the Managing Director and Joint Managing Director are related to each other and they are promoters of the Company. Their appointment is contractual as approved by the Board and members of the Company.

The information relating to ratio of the remuneration of each director to the median employee's remuneration and such other prescribed details as required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2022 is provided in a separate "**Annexure D**" forming part of this Report.

Further, the report and the accounts are being sent to the members excluding the aforesaid annexure in terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company, 21 days before the Annual General Meeting and up to the date of the Annual General Meeting during the business hours on working days. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

32. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

The Company has set up an Internal Complaints Committee (ICC) for providing a Redressal mechanism pertaining to sexual harassment of women employees at workplace in Mumbai and at Halol, Gujarat. There was no complaint received during the year under review.

33. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

The company has not made any application nor there is any proceeding pending under Insolvency and Bankruptcy Code, 2016 (31 of 2016).

34. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

The Company has neither been involved in One Time Settlement of any sort nor taken any loan from bank or financial institution.

35. GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of shares with differential rights.
2. Issue of sweat equity shares.
3. There is no Employees Stock Option Scheme.

4. There were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
5. No orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

36. ACKNOWLEDGEMENT

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

For and On behalf of the Board of Directors

Manhar G. Gandhi
Chairman & Managing Director
DIN: 00041190

Place: Mumbai

Date: May 27, 2022

“ANNEXURE A”

ANNEXURE TO BOARD'S REPORT

PARTICULARS REQUIRED PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014 FOR THE YEAR ENDED ON MARCH 31, 2022.

I. Conservation of Energy

1. Energy conservation measures taken:

(i) Optimum utilisation of Furnace.

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

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

The Company has installed a Roof Top Solar Plant with a capacity of 2.000 (Two) Mega Watt at its factory situated in Halol, Gujarat to save electricity and reduce electricity expenses.

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

A. POWER AND FUEL CONSUMPTION

Particulars		2021-2022	2020-2021
Electricity Purchased			
Units Purchased	Lakhs KWH	47.20	44.61
Total Amount	₹ Lakhs	385.24	363.72
Average Rate / KWH	Rupees	8.16	8.15
GSPC Gas Consumed			
Quantity Consumed	SCM	1536781	1510006
Total Amount	₹ Lakhs	757.88	503.52
Average Rate / SCM	Rupees	49.32	33.35
Liquid Nitrogen Consumed			
Quantity Consumed	CUM	3618358	3990992
Total Amount	₹ Lakhs	153.59	201.20
Average Rate/Cum	Rupees	4.24	5.04

B. CONSUMPTION PER UNIT OF PRODUCTION

Sr. No.	Particulars	Unit of Measurement	2021-2022 Per Tonne	2020-2021 Per Tonne
1.	Electricity*	KWH	1129.82	942.17
2.	GSPC GAS**	Tonne	0.246	0.258
3.	Liquid Nitrogen**	CUM	762.72	897.26

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

** Indicates only GSPC GAS consumption and Liquid Nitrogen.

II. Research and Development and Technology Absorption**A. RESEARCH AND DEVELOPMENT****(1) SPECIFIC AREAS IN WHICH R & D WAS CARRIED OUT BY THE COMPANY**

The Company is undertaking regular developmental activities to strengthen its operations through innovation to improve productivity and quality.

(2) BENEFITS DERIVED AS A RESULT OF THE ABOVE R & D

The Company is achieving efficiency in production and improvement in quality of product.

(3) FURTHER PLAN OF ACTION

At present, there are no specific areas in which the Company has undertaken Research & Development.

(4) CAPITAL EXPENDITURE ON R & D

The Company has not made separate allocation in the accounts, but the expenditure (other than capital expenditure) is shown under respective heads of expenditure in the Profit & Loss Account.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company is taking steps on a continuous basis to improve product and process technology in an effort to provide equality products to the consumers.

III. Foreign Exchange Earnings and Outgo

Total foreign exchange earnings and outgo is as follows:

Foreign Exchange Earnings ₹ 255.57 Lakhs

Foreign Exchange Outgo ₹ 314.71 Lakhs

For and On behalf of the Board of Directors

Manhar G. Gandhi
Chairman & Managing Director
DIN: 00041190

Place: Mumbai

Date: May 27, 2022

“ANNEXURE B”

**ANNUAL REPORT ON CSR ACTIVITIES
FOR THE YEAR ENDED ON 31ST MARCH, 2022**

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

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

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

Further details are available on the Web Site of the Company www.gandhispecialtubes.com.

2. Composition of CSR Committee:

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

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

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

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

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

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

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

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

Financial Year	Net Profit as per Section 198 of the Companies Act, 2013 (in ₹)
2018-2019	49,75,34,359
2019-2020	26,02,69,635
2020-2021	47,56,62,468
Total Profit	1,23,34,66,462
Average Net Profit	41,11,55,487
2% of Average Net Profit	82,23,110
Total amount unspent upto Financial Year 2020-2021	83,54,504
Total amount to be spent for CSR Activities in Financial Year 2021-22	1,65,77,614

7.

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

₹ 82,23,110/-

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

Nil

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

Nil

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

₹ 82,23,110/-

8.

(a) CSR amount spent or unspent for the financial year 2021-2022

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
1,67,50,000/-	0	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local areas (Yes/No)	Location of the project		Amount spent for the project (In ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Registration Number
1.	Shree Lallubhai Sheth Arogya Mandir	1(i)	Yes	Gujarat	Savarkundla	50,00,000	No	Shree Vidhyaguru Foundation	CSR00006633
2.	Shree Lallubhai Sheth Arogya Mandir	1(i)	Yes	Gujarat	Savarkundla	37,50,000	No	Shree Vidhyaguru Foundation	CSR00006633
3.	Smt. Parsanben Narandas Ramji Shah Society for Relief and Rehabilitation of Disabled	1(iii)	Yes	Gujarat	Bhavnagar	30,00,000	Yes	Smt. Parsanben Narandas Ramji Shah Society for Relief and Rehabilitation of Disabled	CSR00001320
	Total	-	-	-	-	1,17,50,000	-	-	-

(d) Amount spent in Administrative Overhead – Nil

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 1,67,50,000/-

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (In ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	82,23,110
(ii)	Total Amount Unspent upto 31.03.2021	83,54,504
(iii)	Total CSR Obligation for Financial Year 31.03.2022	1,65,77,614
(iv)	Total amount spent for the Financial Year	1,67,50,000
(v)	Excess amount spent for the financial year [(iii)-(iv)]	1,72,386
(vi)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(vii)	Amount available for set off in succeeding financial years [(v)-(vi)]	1,72,386

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (In ₹)	Amount spent in the reporting Financial Year (In ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if			Amount remaining to be spent in succeeding financial years (In ₹)
				Name of the Fund	Amount (In ₹)	Date of transfer	
1.	2021-2022	Nil	1,67,50,000	Not Applicable	Not Applicable	Not Applicable	0
2.	2020-2021	Nil	50,16,650	Not Applicable	Not Applicable	Not Applicable	30,66,976
3.	2019-2020	Nil	1,12,45,250	Not Applicable	Not Applicable	Not Applicable	52,87,528
	Total	Nil	3,30,11,900	Not Applicable	Not Applicable	Not Applicable	

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details)

(a) Date of creation or acquisition of the capital asset(s) – Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset – Not Applicable.

(c) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) – Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable

Chairman and Managing Director

Chairman of CSR Committee

“ANNEXURE C”**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

[Issued in pursuance to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with modifications as deemed necessary, without changing the substance of format given in MR-3]

To,
The Members,
Gandhi Special Tubes Limited
201-204, Plaza, 2nd Floor
55 Hughes Road,
Mumbai - 400 007

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gandhi Special Tubes Limited (CIN L27104MH1985PLC036004)** (hereinafter called 'the Company') for the financial year ended 31st March, 2022 through electronic platform due to widespread outbreak of pandemic COVID-19. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

A. In expressing our opinion, it must be noted that-

- i. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
- iii. We have not verified correctness and appropriateness of financial records and books of accounts of the Company.
- iv. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- v. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

B. Based on our online verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process (duly evolved) and compliance-mechanism in place to the extent and as applicable to the Company in the manner and subject to the reporting made hereinafter:

C. We have conducted an online examination of the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

VA. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

VB. The Company has not undertaken any of the activities during the audit period as envisaged in the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and hence are not relevant for the purpose of audit:

- a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August 2021) and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August 2021);
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to 16th August 2021) and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 17th August 2021);
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (up to 9th June 2021) and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10th June 2021).

VI. And the Company being in the business of manufacturing Automobiles Components, Cold Formed Tube Nuts for Fuel Injection Tube Assemblies, Hydraulic and other tube Assemblies, no specific Special Acts are applicable to the Company as envisaged in the format of Audit Report under the Act.

D. We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards in respect of Meetings of Board of Directors (SS-1) and General Meetings (SS-2) as issued by the Institute of Company Secretaries of India;
- ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except that full year's Auditor's Report as received from Statutory Auditors in place of Limited Review Report was inadvertently filed with BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE) along with the financial results for the quarter ended 30th June, 2021 due to which fine was imposed by BSE and NSE on the Company and same was paid within the timeline specified by the Company.

E. We further report that--

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
- ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii) Majority decision is carried through and there was no instance of any director expressing any dissenting views.

F. We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

G. We further report that during the audit period none of the following events has taken place which has a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above

- i. Public/Rights/Preferential Issue of Shares/Debentures/Sweat equity etc.
- ii. Redemption of securities
- ii. Major decision taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- iv. Merger/Amalgamation/Reconstruction, etc.
- v. Foreign Technical Collaborations.

For DHOLAKIA & ASSOCIATES LLP
(Company Secretaries)

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

Place: Mumbai

Date: May 27, 2022

UDIN: F010032D00041081

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

Your Company is engaged in manufacturing and marketing of welded and seamless steel tubes of different sizes and specifications and Cold Formed Coupling Nuts. These products are mainly supplied to the Original Equipment Manufacturers (OEMs) of the automotive sector, Farm Equipment manufacturers, Construction equipment manufacturers and other Engineering Industries.

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

2. Opportunities & Threats

Opportunities:

- The budget’s focus is on creating infrastructure and manufacturing to propel the economy. In addition, enhanced outlays for key sectors such as transport and highways would provide impetus to demand for products of your company.
- Due to Normal Monsoon prediction from India Meteorological Department, across the country, demand for the Farm Equipment will increase which will create opportunities for the company.
- The Central Government has proposed Rs. 57,000 Crores under the Production Linked Incentive (PLI) scheme for the automobile sector, which is expected to improve the prospects for end product and component manufacturers. These in turn will drive demand for the company’s product in the country. Moreover, replacement of old vehicles with new ones is expected to increase in the years ahead due to the implementation of policies like ‘green tax’ on polluting cars and the Vehicle Scrappage Policy.

Threats:

- Constantly evolving, stricter safety and emission regulations can increase the cost of production of automobiles which could result in lower demand for your company’s products.
- Increase in Cost of Raw Material, Crude Oil and Gas price will result in increase in cost of production.

3. Product wise Performance

More than 75 % of the Revenue of the Company is generated from the production of Seamless Tubes and balance revenue is generated from other products viz; Welded Tubes, Cold Formed Nuts and generation of wind power.

4. Outlook

Currently we are experiencing surge in demand for your Company’s products due to increased production of commercial vehicles and Tractors. We expect the trend to continue.

Given the healthy growth potential of the automotive industry and its significance to the overall economy in terms of generating employment opportunities across several sectors, the Government of India will be determined to support its development. Nevertheless, your Company continues to focus on cost optimization, improving supply chain management and increasing labour productivity.

5. Risk and Concerns

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

Type of risk	Nature of risk
Industry and macroeconomic risks	Given that it operates in a dynamic industry, the Company’s investments and performance are shaped by megatrends in the operating environment. The Company’s operations and subsequent performance is contingent on how these predominant trends affect its ability to deliver on its commitments. For instance, adverse regulatory or economic circumstances in the global market can have a direct and detrimental impact on the Company’s revenue, earnings, cash position and outlook.
Foreign exchange risks	As the Company operates internationally, the Company undertakes transactions denominated in foreign currencies. The import of steel and its related consumable, and the export of finished tubes involve dealings in foreign currency. Therefore, any fluctuation in forex and interest rates will have a direct impact on the Company’s operations.

Type of risk	Nature of risk
Risks to direct costs	Volatility in costing and/or utilisation of steel products, raw materials, energy, equipment or any other direct cost will have an impact on the Company's margins. The Company keenly monitors the price movements and undertakes the necessary strategy or adopts remedial measures to offset this risk.
Legal risks related to tax structure	As an Indian entity, the Company is liable to various kinds of direct and indirect taxation applicable at various stages of the business. In light of this, the Company has in place a competent process and mechanism to deal with the constantly evolving tax environment that includes control framework for existing tax risks, the process for identifying and reporting new risks as well compliance to the same.
Environmental law risks	Due its reliance on natural resources, the Company's business operations are subject to local environmental laws, especially at its manufacturing sites. The cost and compliance that is associated with such regulations can directly impact the Company's daily operations. As a responsible organisation, the Company follows all mandated guidelines and laws and adhere to norms with respect to the environment.
Information technology risks	Access to information and data pertaining to operations and strategy is available through the inter-connected IT platforms the Company uses. Without adequate safeguards, this can be potentially harmful. The Company has (a) made significant investment towards ensuring robustness of security in addition to minimum cybersecurity protocols and (b) company has incorporated safeguards for hardware, software and has developed a highly competent in-house team to ensure trainings, developments, improvements etc.

Some additional external risk factors that your Company might be exposed to are:

Increase in Cost of Raw Material due to Global Events – The Local and Global Uncertainty caused due to uncertain global events has resulted disruption in supply chain and distribution and which has resulted into increase in cost of Raw Material.

Increase in Gas Price – Increase in Gas Price will result in surge of cost of production.

Currency volatility – Fluctuations in foreign exchange rates can impact the cost of imported raw materials and profitability of the Company.

Cyber Threats – Risk of Cyber Attacks are an ever growing threat that could lead to the loss of confidential information, impact business operation and potentially damage the Company reputation.

6. Internal Control Systems

Your Company has a well-established internal control system in place which is commensurate with the size and nature of its business. The internal control system ensures that all the assets of the Company are safeguarded from loss, damage or disposition. Checks and controls are in place to ensure that transactions are adequately authorized and recorded and that they are reported correctly. The internal control system is supplemented by an internal audit by a firm of independent Chartered Accountants and statutory audit which is periodically reviewed by the management and Audit Committee.

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

The Audit Committee of the Board regularly reviews compliance with the Company's policies, procedures and statutory requirements in consultation with the Statutory Auditors and the Internal Auditors, who also attend the Audit Committee meetings.

7. Financial Performance with respect to Operational Performance

a) Sales and Profit:

During the year, Net Sales escalated by approximately 20.67 % and Net Profit escalated by 6.68 %.

b) Financial Ratios:

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

Sr. No.	Ratio Description	March 31, 2022	March 31, 2021	Change (%)
1	Debtors Turnover (in days)*	44	82	-46
2	Inventory Turnover Ratio* (in days)	65	69	-6
3	Interest Coverage Ratio	Not Applicable in the absence of interest payment		
4	Current Ratio	8.33	10.70	-22.4
5	Debt Equity Ratio	Not Applicable in the absence of any debt		
6	Operating Profit Margin (%)	35.61	39.75	-10
7	Net Profit Margin (%)	27.20	30.21	-10
8	Return on Net Worth	3.80	4.65	-18

Detailed explanation of financial ratios:

* Debtors Turnover has improved due to increase sales consequential cost of goods sold with more or less same inventory.

Detailed explanation of ratios:

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

8. Capital Investment:

Capital Investment of Rs.447 Lakhs was made during the year. The entire capital investment has been made out of the Company's internal cash accruals.

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

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

The code of conduct and fair business practices;

Evolution of performance based compensation packages to attract and retain talent.

Skill development of all Blue collared workforce to enable them to effectively meet the productivity and quality deliverables.

There were total 385 number of employees (including contractual employees) under the payroll of the Company.

10. Safety, Health and Environment (SHE) Management

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

11. Cautionary Statement

Statements made in this Management Discussion and Analysis describing your Company's objectives, projections, estimates and expectations are "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

The Management is confident that your Company with its quality products, enduring relations with OEM and commitment of staff will continue to sustain its growth and pay out by way of dividend to the shareholders in the year 2022-2023.

For GANDHI SPECIAL TUBES LTD.

Manhar G. Gandhi
Chairman and Managing Director
DIN: 00041190

Place: Mumbai
Date: May 27, 2022

REPORT ON CORPORATE GOVERNANCE**(Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)****1. Company Philosophy on Corporate Governance**

Your Company's philosophy on Corporate Governance is for promoting fairness, transparency, accountability and integrity in conducting the business of the Company to achieve sustained growth and maximum value for all its stakeholders. The rights of the shareholders are honoured, their grievances are redressed well in time and important information is shared with them. The Company follows principles governing disclosures and obligations as enshrined in the Regulation 4 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company is fully compliant with the Regulatory Guidelines relating to the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 ('The Act').

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

2. Board of Directors**(A) Composition**

The Board of the Company has an optimum combination of Executive, Non-Executive and Independent Directors with one woman director and more than fifty percent of the Board of Directors comprises non-executive directors with the strength of fifty percent independent directors. As on 31st March, 2022, the Board consists of 6 directors out of which two are executive directors, one non-executive promoter director and three independent directors inclusive of a woman director.

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

The attendance of the Board of Directors and related information as on March 31, 2022 is as follows: These details should be viewed in consonance with the requirements for the Board's Report.

Name of the Director & Designation	No. of Board Meetings attended (out of total 4 meetings)	Attendance at the last AGM on August 10, 2021	Directorship in other companies incorporated in India (including private limited companies)	No. of other Board Committees of which Member / Chairman (other than GANDHI SPECIAL TUBES LIMITED)	Executive / Non Executive / Independent	Inter Se relationship between directors
Mr. Manhar G. Gandhi, Chairman and Managing Director	4	Present	Nil	None	Executive (Promoter Group)	Brother of Mr. Bhupatrai G. Gandhi, Joint Managing Director and Father of Mr. Jayesh M. Gandhi, Director.
Mr. Bhupatrai G. Gandhi, Joint Managing Director	3	Present	Nil	None	Executive (Promoter Group)	Brother of Mr. Manhar G. Gandhi, Chairman & Managing Director
Mr. Kavas N. Warden	4	Absent	Nil	None	Non-Executive & Independent	None

Name of the Director & Designation	No. of Board Meetings attended (out of total 4 meetings)	Attendance at the last AGM on August 10, 2021	Directorship in other companies incorporated in India (including private limited companies)	No. of other Board Committees of which Member / Chairman (other than GANDHI SPECIAL TUBES LIMITED)	Executive / Non Executive / Independent	Inter Se relationship between directors
Mr. Jayesh M. Gandhi	4	Present	1	None	Non-Executive (Promoter Group)	Son of Mr. Manhar G. Gandhi, Chairman & Managing Director
Mr. Dharmen B. Shah	4	Present	1	None	Non-Executive & Independent	None
Mrs. Bhavi J. Koradia	4	Present	Nil	None	Non-Executive & Independent (woman)	None

None of the Independent Directors on the Board holds the office of Director in more than 7 (seven) listed Companies. Both the Managing Director and Joint Managing Director are not holding any office as Independent Directors in any other listed company.

(E) Board Meetings

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

Two Board Meetings were held through Video Conferencing/ Other Audio Visual Means as per Companies (Meetings of Board and its Powers) Amendment Rules, 2020 during the year on June 22, 2021 and August 12, 2021 and Two Board Meetings were held physically at Registered Office Address on October 28, 2021, and February 10, 2022 respectively. All the board meetings have been held within the prescribed time gap of 120 days between any two meetings except in first meeting i.e. meeting convened on June 22, 2021 and last meeting of previous financial year convened on February 08, 2021 with a gap of 133 days. However, this will not be treated as violation of Section 173(1) of the Companies Act, 2013 in view of the relaxation granted by Ministry of Corporate Affairs through Circular No. 08/2021 of May 03, 2021 addressing to the Registrar of Companies and Regional Director that no action be taken for the relaxation granted under the circular if the gap does not exceed 180 days. Separate meeting of the Independent Director was convened on February 10, 2022 and the business as envisaged under Listing Regulations, 2015 and the Companies Act, 2013 was transacted. The meeting was held with the presence of Key Managerial Personnel of the Company.

(F) Number of Shares held by Non-Executive Director as on March 31, 2022.

Sr. No.	Shareholder's Name	No. of shares
1	Mr. Jayesh M. Gandhi	9,75,944
2	Mr. Dharmen B. Shah	3,000
4	Mr. Kavas N. Warden	24,600
5	Mrs. Bhavi J. Koradia	-

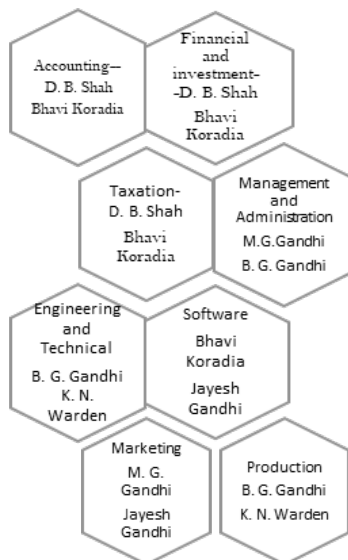
The Company has not issued any convertible instrument.

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

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

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

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



(I) Independent Directors confirmation by the Board

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

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

COMMITTEES OF THE BOARD

3. Audit Committee

a) Brief description of terms of reference

The terms of reference of the Audit Committee were modified at the meeting held on January 27, 2020 and the same are in accordance with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. In addition, the Audit Committee reviews the Accounting Policies, interacts with the Statutory Auditor and Internal Auditor and discusses the audit programme with them. The Committee acts as a link between the Management, Auditors and Board of Directors of the Company and has full access to financial information.

Recommendations of the Audit Committee, if any, are considered and implemented by the Board from time to time.

(b) Composition, Name of Members and Chairman

Audit Committee consists of four Directors Viz:

1. Mr. Dharmen B. Shah, (Chartered Accountant) - Chairman and Independent Director
2. Mr. Kavas Warden (BE Mechanical) - Independent Director
3. Mrs. Bhavi J. Koradia (Chartered Accountant) - Independent Director
4. Mr. Jayesh M. Gandhi (B. Com and MBA) - Non Executive Director.

All the members of the Committee are Non-Executive Directors and two thirds of them are independent directors. The Chairman of the Audit Committee remained present at the previous Annual General Meeting. All the members of the Audit Committee are professionals and financially literate within the meaning of Regulation 18 (1) (c) of the Listing Regulations, 2015.

(c) Meetings and Attendance during the year

The Audit Committee met 4 (Four) times during the year on June 22, 2021, August 12, 2021, October 28, 2021, and February 10, 2022 respectively. The attendance of each member of the committee is given below:

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

Managing Director is the permanent invitee to the Audit Committee. The Statutory Auditor, Internal Auditor and Secretarial Auditor also attend the meetings regularly and participate in the discussion and make valuable suggestions. Cost Auditors also attends the meeting when the Report of the Cost Auditor is considered. The Minutes of the Audit Committee Meetings were noted at the Board Meetings. The Company Secretary is the secretary of the committee.

4. Nomination and Remuneration Committee**(a) Brief description of Terms of Reference**

Apart from determining the Company's Policy on specific remuneration packages for Executive Directors and to fix the remuneration payable to executive directors, the terms of reference are in accordance with the provisions of the Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 and rules framed there under.

(b) Composition, Name of Members and Chairman

Nomination and Remuneration Committee comprises of:-

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

(c) Meetings and Attendance during the year

During the year Nomination and Remuneration Committee meeting was held on February 10, 2022. All the members of the Committee attended the Meeting.

(d) Remuneration Policy

The Nomination and Remuneration Policy for Working Directors is reviewed periodically to ensure that the same is in line with the peer companies. The payment of remuneration is duly approved by the Remuneration Committee, the Board of Directors and the Shareholders. The Policy is available on the website of the Company at www.gandhispecialtubes.com.

(e) Performance evaluation of Directors

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

5. Meeting of Independent Directors

A Separate meeting of the Independent Directors was held on February 10, 2022, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

6. Details of Remuneration paid to the Directors for the year ended March 31, 2022.**(a) Managing Director and Joint Managing Director**

The Agreements with the Managing Director and the Joint Managing Director are for a period of Five Years each commencing from January 01, 2018.

The total remuneration paid to the Managing Director and the Joint Managing Director during the year 2021-2022 was as under:

(₹ In Lakhs)			
Name	Salary	Commission	Total
Mr. Manhar G. Gandhi Mg. Director	90	157	247
Mr. Bhupatrai G. Gandhi Jt. Mg. Director.	90	157	247

Notes:

- (a) Either party to the agreement is entitled to terminate by giving the other party a notice of 3 months.
- (b) The Managing Director and the Joint Managing Director are entitled to compensation for loss of office in accordance with and subject to restrictions laid down under section 202(2) of the Companies Act, 2013.
- (c) Presently, the Company does not have a scheme for grant of stock options either to the Managing Director or to the Joint Managing Director.
- (d) The Managing Director and Joint Managing Director are entitled to commission within the overall limit prescribed under sections 197 of the Companies Act, 2013.

- (e) The Non-Executive Directors are not entitled to any remuneration except payment of sitting fees for attending the meetings of Board of Directors and Committees thereof. During the year 2021-2022, the Company has paid total sitting fee of ₹ 9,65,000/- to non-executive directors as under:

Mr. Kavas N. Warden	:	₹ 2,27,500/-
Mr. Jayesh M. Gandhi	:	₹ 2,57,500/-
Mr. Dharmen B. Shah	:	₹ 2,42,500/-
Mrs. Bhavi J. Koradia	:	₹ 2,37,500/-

7. Stakeholders Relationship Committee

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

Stakeholders Relationship Committee comprises of:

Mr. Jayesh M. Gandhi	- Chairman and Non-Executive Director.
Mr. Bhupatrai G. Gandhi	- Executive Director
Mr. Kavas N. Warden	- Independent Director

The Company promptly redresses the complaint of the shareholders. It sends an advance intimation to encash the unclaimed dividend, to the shareholders who have not claimed their dividend. Stakeholders Relationship Committee met once during the year on February 10, 2022. All the members of the Committee attended the meeting. The Company Secretary is the secretary of the Committee. The Minutes of the Stakeholders' Relationship Committee Meeting are being noted at the Board Meeting.

(b) Name & Designation of Compliance Officer:

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

- (c) to (e) A statement of various complaints received, cleared and pending by the Company during the year ended on March 31, 2022 is given below:

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

The "SCORES" website of SEBI for redressing of Grievances of the investors is being visited at regular intervals by the Company Secretary and there are no pending complaints registered with SCORES for the Financial Year ended on March 31, 2022.

As per Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the exclusive E-mail Id of the Investor Grievance Department of the Company is complianceofficer@gandhitubes.com.

8. Corporate Social Responsibility Committee (CSR Committee) (Voluntary Disclosure)

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

Based on the recommendation of the Committee the Board of Directors has approved the Corporate Social Responsibility and the same is available on the website of the Company i.e. www.gandhispecialtubes.com under "Investor Relation" column.

The Committee comprises of

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

The Committee met thrice during the year on June 22, 2021, September 20, 2021 and December 30, 2021 respectively which discussed and recommended the Board the amount to be spent for the year 2021-2022.

The terms of the Committee includes the matters specified in the Section 135 of the Act, Schedule VII to the Act and rules framed thereunder.

A summary of Corporate Social Responsibility activities carried out by the Company during the year under review and details thereof are given in the "Annexure B" to the Board's Report. The Company Secretary is the secretary of the committee.

9. Risk Management Committee

The Company is not required to have the Risk Management Committee as it does not fall under the Top 1000 Companies as required by the Listing Regulations.

10. General Body Meetings

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

Financial Year ended	Date of AGM	Time	Venue	Details of Special Resolutions
March 31, 2019	31.07.2019	11.00 a.m.	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai - 400 007	1) To approve Buyback of Equity Shares through Tender offer Route
March 31, 2020	22.09.2020	11.00 a.m.	Held through Video Conferencing/ Other Audio Visual Means at the deemed Place at the Registered Office at 201-204, Plaza, 2 nd Floor, 55 Hughes Road, Mumbai – 400 007	1) Re-appointment of Smt. Bhavi J. Koradia as an Independent Director for second term of 5 years with effect from July 29, 2020
March 31, 2021	10.08.2021	11.00 a.m.	Held through Video Conferencing/ Other Audio Visual Means at the deemed Place at the Registered Office at 201-204, Plaza, 2 nd Floor, 55 Hughes Road, Mumbai – 400 007	1) To approve Buyback of Equity Shares through Tender offer Route

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

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

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

11. Means of Communication:**(a) Quarterly/Half-yearly and Yearly Financial Results**

The quarterly/half-yearly and annual results of the Company are published in the newspapers and posted on the website of the Company at www.gandhispecialtubes.com. The quarterly and annual results are generally published in The Free Press Journal and Navshakti. The Company's financial results are sent in time to Stock Exchanges so that they may be posted on the Stock Exchanges' website.

(b) Company's Corporate Website

The Company's website is a comprehensive reference on Gandhi Special Tubes' management, products, investor relations, Clients, etc. The section on "Investors' relations" serves to inform the shareholders, by giving complete financial details, corporate governance, Composition of Board, contact information relating to our registrar and share transfer agent, etc.

Quarterly Report on Corporate Governance under Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been submitted to Stock Exchange(s) as follows:

Quarterly Report for the quarter ended	Submitted to BSE Ltd.	Submitted to National Stock Exchange of India Ltd through NEAPS
June 30, 2021	14.07.2021	14.07.2021
September 30, 2021	20.10.2021	20.10.2021
December 31, 2021	06.01.2022	06.01.2022
March 31, 2022	11.04.2022	11.04.2022

(c) Release of official news

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

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

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

(e) Presentation to Institutional Investors or to analysts

There is no official news release displayed on the website. The Company has not made any presentation to institutional investors or equity analyst.

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

37th Annual General Meeting of the shareholders will be held on Tuesday, July 26, 2022 at 11.00 a.m.
Venue: Through Video Conferencing in accordance with Ministry of Corporate Affairs ("MCA") circulars dated 8th

April 2020, 13th April 2020, 5th May 2020, 15th June 2020 and 13th January, 2021 and 05th May, 2022 which permits Companies to hold Annual General Meeting through Video Conference without the physical presence of the members.

(b) Dividend Payment Date: The final dividend, if declared shall be paid/credited on or before Thursday, August 25, 2022

(c) Listing on Stock Exchange

1. BSE Ltd

Phiroze Jeejeeboy Towers,
Dalal Street, Mumbai-400001

2. National Stock Exchange of India Ltd.

Exchange Plaza, Plot no C/1, G block,
Bandra Kurla complex, Bandra (E)
Mumbai-400 051.

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

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

(f) Payment of listing fees:

The Annual Listing Fee for the financial year 2022-2023 have been paid to the BSE Ltd and NSE Ltd.

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

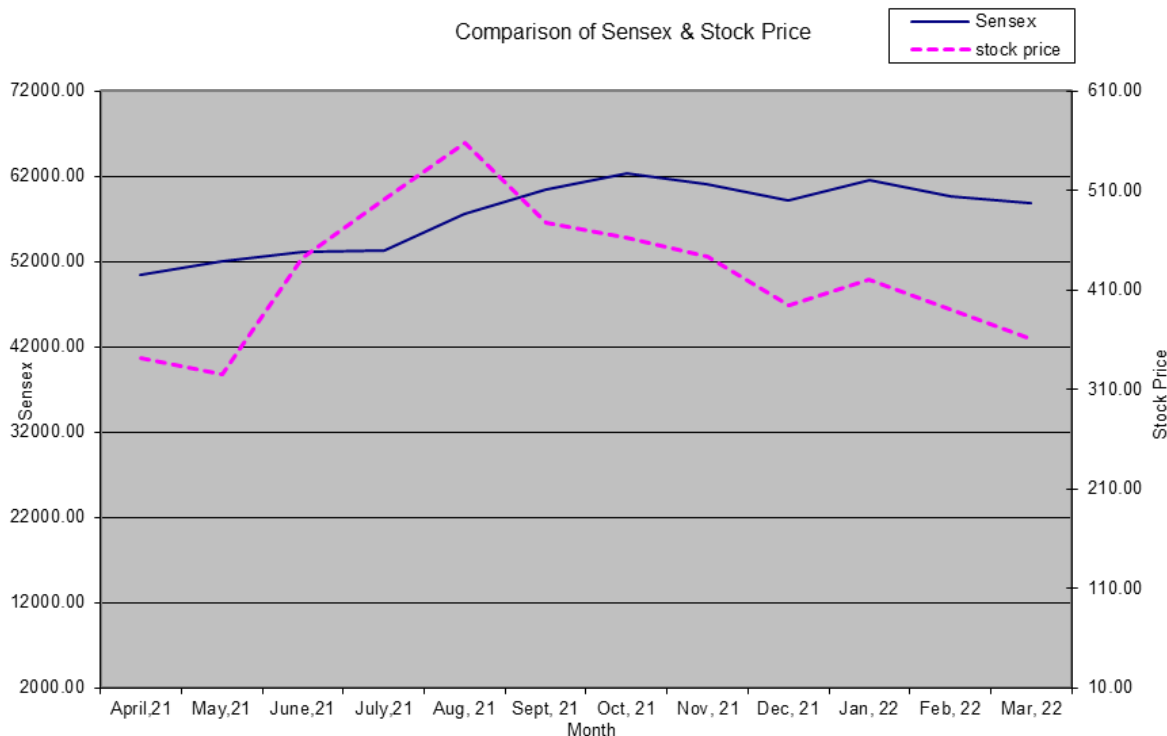
Monthly Share Price Data of the Company's shares on BSE for the year ended March 31, 2022

Month	Highest Rate (Rs.)	Date	Lowest Rate (Rs.)	Date
April 2021	342.00	28/04/2021	255.00	19/04/2021
May 2021	324.95	28/05/2021	284.55	05/05/2021
June 2021	442.05	23/06/2021	310.10	02/06/2021
July 2021	500.00	16/07/2021	422.30	01/07/2021
August 2021	557.85	04/08/2021	432.90	11/08/2021
September 2021	477.00	15/09/2021	420.50	21/09/2021
October 2021	463.00	04/10/2021	410.45	25/10/2021
November 2021	443.50	11/11/2021	357.65	30/11/2021
December 2021	394.00	09/12/2021	340.10	21/12/2021
January 2022	419.95	18/01/2022	361.15	25/01/2022
February 2022	391.05	01/02/2022	302.25	28/02/2022
March 2022	359.95	17/03/2022	315.00	02/03/2022

Monthly Share Price Data of the Company's shares on NSE for the year ended March 31, 2022

Month	Highest Rate (Rs.)	Date	Lowest Rate (Rs.)	Date
April 2021	341.70	28/04/2021	256.95	19/04/2021
May 2021	324.05	25/05/2021	285.55	05/05/2021
June 2021	441.70	23/06/2021	310.05	01/06/2021
July 2021	492.45	30/07/2021	423.00	01/07/2021
August 2021	558.85	04/08/2021	432.65	11/08/2021
September 2021	479.90	16/09/2021	421.30	21/09/2021
October 2021	464.50	04/10/2021	415.00	25/10/2021
November 2021	447.95	01/11/2021	359.00	29/11/2021
December 2021	394.00	10/12/2021	342.30	20/12/2021
January 2022	419.80	18/01/2022	363.00	25/01/2022
February 2022	390.55	01/02/2022	302.30	28/02/2022
March 2022	367.95	15/03/2022	314.00	02/03/2022

(h) Performance in comparison to BSE Sensex



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

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

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

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

Regd. Office

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

(k) Share Transfer System

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

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

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

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

(l) (1) Distribution of Share Holding as on March 31, 2022

DISTRIBUTION SCHEDULE AS ON 31/03/2022			
Category	No. of shareholder	% of Cases	% Amount
1-5000	10076	99.26	16.37
5001- 10000	26	0.26	1.49
10001- 20000	16	0.16	1.74
20001- 30000	4	0.04	0.78
30001- 40000	5	0.05	1.46
40001- 50000	2	0.02	0.70
50001- 100000	3	0.03	1.89
100001 & Above	18	0.18	75.57
Total:	10150	100.00	100.00

(2) Distribution of shareholding according to categories of shareholders as on March 31, 2022

SHARE HOLDING PATTERN AS ON 31/03/2022				
Sr.No.	Description	Cases	Shares	% Equity
1	BANKS	1	1200	0.01
2	CLEARING MEMBERS	14	2796	0.02
3	DIRECTORS AND THEIR RELATIVES	2	27600	0.23
4	FOREIGN NATIONALS	1	1000	0.01
5	FOREIGN PORTFOLIO INVESTORS	1	22769	0.19
6	H U F	311	116141	0.96
7	I E P F	1	164988	1.36
8	INDIAN PROMOTER COMPANIES	2	842701	6.93
9	BODIES CORPORATES	82	263539	2.17
10	NBFC	2	501	0.00
11	NON RESIDENT INDIANS	207	172147	1.42
12	NRI NON-REPATRIATION	56	38533	0.32
13	COMPANY PROMOTERS	17	8092556	66.58
14	RESIDENT INDIVIDUALS	9453	2405529	19.80
	Total:	10150	12152000	100

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

Sr. No.	Name	Shareholding as on 31/03/2022
1.	Gandhi Finance Co. LLP	4,02,090
2	B.M. Gandhi Investment Co. LLP	4,40,611

(m) Details of Dematerialization and its liquidity

Sr. No.	Name of Depository	Shares	% To Equity
1	NSDL	98,93,859	81.42
2	CDSL	18,52,220	15.24
	Sub Total	1,17,46,079	96.66
3	PHYSICAL	4,05,921	3.34
	Total:	1,21,52,000	100.00

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

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

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

(q) Address for Correspondence:

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

SEBI toll-free helpline service for investors: 1800 22 7575/1800 266 7575 (available on all days from 9.30 a.m. to 5.30 p.m.)

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

13. Other Disclosures

(a) Related Party Transactions

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the promoters, directors and management that had a potential conflict with the interest of the Company at large.

All the transactions with related parties are periodically placed before the Audit Committee and pre-approval is also obtained wherever required. In fact the price charged to the related party is the same what is charged to third party wherever comparison is possible and otherwise the transactions are at Arm's length and in the ordinary course of business. The Register of Contracts detailing transactions in which Directors are interested is placed before the Board at every meeting for its approval. Transactions with related parties, as per requirements of Ind AS 24, are disclosed in Note No. 40 to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.

(b) Compliances by the Company

There have been no instances of non-compliance on any matter with the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital market during the last three years except that full year's Auditor's Report as received from Statutory Auditors in place of Limited Review Report was inadvertently filed with BSE and NSE for the quarter ended June 30, 2021 due to which fine was imposed by BSE and NSE and same was paid within the timeline specified by the BSE and NSE.

(c) Whistle Blower Policy:

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

(d) Compliance with Mandatory and Non-Mandatory Items

The Company has complied with all mandatory requirements regarding the Board of Directors, Audit Committee and other Board committees and other disclosures as required under the provisions of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of compliance in respect of non-mandatory (Discretionary) requirements of Part E of Schedule II under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

i) The Board

Maintenance of the Non-Executive Chairman's Office: Presently not applicable as the Chairman of the Company is a Managing Director. At present provisions relating to separation of the Office of the Chairman and Managing Director is not applicable to the Company.

ii) Shareholder Right

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

iii) Audit Qualification

There have been no qualifications by the Statutory Auditors in their report on the Accounts of the Company. The Company shall endeavor to continue to have unqualified financial statements. There have been no qualifications by the Secretarial Auditors in their Secretarial Audit Report.

iv) Reporting of Internal Auditor Partner of the firm of Internal Auditor attends the meetings of the audit committee regularly and directly inter-acts with the audit committee.

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

Not Applicable as the Company does not have any subsidiary.

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

The web link for policy dealing with related party transactions is at www.gandhispecialtubes.com

vii) Disclosure of commodity price risks and commodity hedging activities

Not Applicable

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

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

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

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

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

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

16. Total fees for all services paid by the Company, to Shashikant J. Shah & Co., Chartered Accountants and Statutory Auditors of the Company, as included in the financial statements of the Company for the year ended March 31, 2022, is as follows:

(₹ in Lakhs)

Particulars	Amount (Rs)
Statutory Audit Fees	6.75
For other services	0.53
Total fees (Rs.)	7.28

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

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

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

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

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

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

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

21. CEO/CFO Certifications

The Chairman and the Managing Director and the Chief Financial Officer of the Company have given annual Certification on Financial Statements and the cash flow statement and internal controls for financial reporting to the Board in terms of Regulation 17(8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They also give the quarterly certification on financial results while placing the financial results before the board in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These certificates have been placed before the board and audit committee meetings from time to time.

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

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed to the Board of Directors, their compliance with the Code of Conduct of the Company pursuant to Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars	No. of shareholders	No. of Shares	% age of share capital
Aggregate number of Shareholders and outstanding shares as on 1st April 2021	8,353	1,29,18,616	100
Shareholders who had approached the Company and whose shares were transferred from the suspense account during the year	Nil	Nil	Nil
Shareholders whose shares were transferred to Investor Education and Protection fund	23	12201	0.100
Aggregate number of Shareholders and outstanding shares lying as on 31st March 2022	10150	1,21,52,000	100

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

For and on behalf of the Board of Directors

Manhar G. Gandhi
Chairman & Managing Director
DIN: 00041190

Place: Mumbai
Date: May 27, 2022

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

1. This report contains details of compliance of condition of Corporate Governance by Gandhi Special Tubes Limited ("the Company") for the year ended 31st March 2022, as stipulated in Regulation 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulation, 2015 (SEBI Listing Regulation)

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

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

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirement of SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31st March 2022.
5. We have conducted our examination in accordance with the Guidance Note on Certificate for Special Purpose, Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India ("ICAI"), and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion, and to the best of our examination and explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

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

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

Firm Reg. No.: 109996W

NIKUNJ S. SHAH

Partner

Membership No.: 112867

UDIN: 22112867AJTJPQ1082

Place: Mumbai**Date: May 27, 2022**

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

Declaration Regarding Code of Conduct

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

Manhar G. Gandhi
Managing Director
DIN: 00041190

Place: Mumbai
Date: May 27, 2022

MD/ CFO Certification

The Board of Directors
Gandhi Special Tubes Limited

(a) We have reviewed the financial statements and the cash flow statement of Gandhi Special Tubes Limited. for the Financial year ending March 31, 2022 and that to the best of our knowledge and belief, we state that;

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(d) we have indicated to the Auditors and the Audit Committee:

- (i) significant changes, if any, in the internal control over financial reporting during the year.
- (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely

Manhar G. Gandhi
Managing Director
DIN: 00041190

Shobhana R. Vartak
Chief Financial Officer

Place: Mumbai
Date: May 27, 2022

Practising Company Secretaries' Certificate On Directors

**(Pursuant to Regulation 34(3) read with Schedule V Para –C Clause 10(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**To
The Members,
Gandhi Special Tubes Limited
201-204, Plaza, 2nd Floor
55 Hughes Road,
Mumbai - 400 007**

1. We have been engaged to issue certificate that none of the Directors on the Board of the Gandhi Special Tubes Limited ("Company") having CIN L27104MH1985PLC036004 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI) /Ministry of Corporate Affairs or any such statutory authority in terms of Para 10(i) of Part C of Schedule V read with Regulations 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).
2. Pursuant to the aforesaid Listing Regulations we have examined the following records:
 - a. The declaration pursuant to Section 184 of the Companies Act, 2013 ("the Act") given by each of the Directors of the Company with respect to his/her interest in other entities as Director or otherwise along with his/her relatives in Form MBP-1 and taken on record by the Company,
 - b. The declaration pursuant to Section 164 of the Act, given by the each of the Directors of the Company confirming that he/she is not disqualified to hold the Office of Director as on 31st March, 2022 in Form No DIR-8 and taken on record by the Company,
 - c. The particulars of Directors of the Company as displayed on the web portal of the Ministry of Corporate Affairs; and
 - d. General Search on the website of the Securities and Exchange Board of India ("SEBI").
3. Based on the above verification, and to the best of our information and according to the explanations provided to us, we are of the opinion that none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2022.

Sr No	Name of the Director	Designation/Category	Director Identification Number
1.	Mr. Manharlal Gordhandas Gandhi	Chairman & Managing Director/Promoter	00041190
2.	Mr. Bhupatrai Gordhandas Gandhi	Joint Managing Director/ Executive Director/ Promoter	00041273
3.	Mr. Jayesh Manharlal Gandhi	Non-Executive/Non-Independent Director/ Promoter	00041330
4.	Mr. Kavas Nariman Warden	Non-Executive/Independent Director	00045840
5.	Mr. Dharmen Bhaskarraai Shah	Non-Executive/Independent Director	01834884
6.	Ms. Bhavi Jatin Koradia	Non-Executive/Independent Director	07004836

4. It should be noted that our responsibility is to express a reasonable assurance in the form of an opinion as to the qualification/eligibility of each of the Directors of the Company to hold the office as Director in the Companies in accordance with the generally accepted procedure and the process of due-diligence followed, based on the available information on best efforts basis as on 31st March, 2022 and it is neither an audit nor an expression of opinion on the personal credentials of the Directors of the Company.
5. This certificate is issued to the Company solely for the purpose of complying with the aforesaid Listing Regulations and may not be used for any other purpose.

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

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

**Place: Mumbai
Date: May 27, 2022
UDIN: F010032D000410311**

INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of GANDHI SPECIAL TUBES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and a fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Director is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (Financial Position), Profit or Loss (financial performance), total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we Report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No.34 to the Financial Statements.

-
- ii. The Company has not entered into any long-term contracts including derivative contracts for which there were any material foreseeable losses, as required under the applicable law or Indian Accounting Standards.
- iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared and paid during the current year by the Company is in compliance with Section 123 of the Act.

(C) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under Section 197 of the Act.

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

Nikunj S. Shah – Partner
Membership No. : 112867
UDIN: 22112867AJTUQM8191

Place: Mumbai
Date: May 27, 2022

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2022

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

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of its intangible Assets;
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is a lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the record of the Company, the Company has not revalued its Property, Plant and Equipment (including right of use asset) or intangible assets or both during the year.
- (e) According to the Information and explanation given to us and on the basis of our examination of the records of the Company, no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) As explained to us, the physical verification of inventory has been conducted by the Management in accordance with the phased programme of verification which, In our opinion, is reasonable and no material discrepancies were noticed on such verification and the discrepancies noticed on physical verification for each class of inventory have been properly dealt with in the books of accounts.
- (b) The Company has not been sanctioned working capital limits in excess of ₹5 Crore, in aggregate, at any point of time during the year from Banks or Financial Institutions on the basis of security of Current Assets. Hence, Clause 3 (ii)(b) of the order is not applicable.
- iii. (a) According to the information and explanations given to us and on the basis of our examination of records of Company, the Company has made investments in Companies (including Mutual Funds), provided guarantee or security and has granted unsecured loan to other parties, during the year in respect of which:
- (A) The Company does not have any subsidiaries, joint ventures and associates. Hence, question of giving loans, guarantees, securities etc. to such subsidiaries, joint ventures and associates does not arise;
- (B) In respect of unsecured loan to Other Parties, the Aggregate amount during the accounting year and balance outstanding as at Balance Sheet date is ₹50 Lakhs.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the investments made, guarantees provided, security given and the terms and conditions of the grant of the loan and guarantees provided are not prejudicial to the interest of the Company;

- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and that the repayments or receipts have been regular;
 - (d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loan given;
 - (e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there is no loan falling due during the year which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties;
 - (f) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying the terms or period of repayment.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. According to the information and explanation given to us and on the basis of our examination of the records of the company, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year as per the directives issued by the Reserve Bank of India and within the meaning of the provisions of section 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable. Thus, the clause(v) of paragraph 3 of the order is not applicable to the company.
- vi. We have broadly reviewed the records maintained by the Company in respect of its products, where pursuant to the Companies (Cost Records and Audit) Rules 2014, the maintenance of cost records have been prescribed under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained, we have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- vii. In respect of Statutory Dues:
- a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service-Tax, Duty of Customs, Cess and any other statutory dues to the appropriate authorities.
 - b) The disputed Statutory dues aggregating to ₹188.23 Lakhs, which have not been deposited on account of disputed matter pending before appropriate authorities are as under:

Nature of the Statute	Nature of Dues	Amount under dispute not yet deposited	Period to which the Amount Relates	Forum where Dispute is Pending
Service Tax Laws	Service Tax	161.89	01-09-2004 to 30-09-2013	Before Customs, Excise & Service tax Appellate tribunal
Service Tax Laws	Service Tax	1.11	01-03-2012 to 31-12-2012	Before Commissioner (Appeal) Customs, Excise & Service tax
Sales Tax Laws	Sales Tax	25.23	01-04-2002 to 31-03-2003	Before joint Commissioner of sales tax (Appeal)
	Total	188.23		

- viii. According to the information and explanation given to us, and on the basis of our examination of the records of the company, there are no such instances noticed where transactions are not recorded in the books of account have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961(43 of 1961). There is no previously unrecorded income which was required to be properly recorded in the books of account during the year.
- ix. The Company does not have any loans or borrowings from any financial institution's banks, government or debenture holders during the year. Thus, the clause(ix) and its sub clause (a) to (f) of paragraph 3 of the order is not applicable to the company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) Based on the examination of the books and records of the Company and according to the information and explanation given to us, considering the principal of materiality outlined in the Standard on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, no Report under sub-Section 12 of Section 143 of the Act has been filed by the Auditor's in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014, with the Central Government.
- (c) According to the information and explanations given to us, no whistle blower complaint has been received by the Company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. (a) Based on information and explanation provided to us and our Audit Procedures, in our opinion, the Company has an Internal Audit System commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit Reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with its directors and hence provisions of Section 192 of the Act are not applicable to the Company.
- xvi. (a) The Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) (a) and (b) of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, Clause 3(xvi)(c) and (d) of the Order are not applicable.
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

- xviii. There has been no resignation of the Statutory Auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub Section (5) of Section 135 of the Act pursuant to any project. Accordingly, Clause 3(xx)(a) and (b) of the Order are not applicable.
- xxi. The Company has no Subsidiaries, Associates and Joint Venture Companies. The Company need not prepare consolidated financial statements and hence the financial statements have been prepared by the management of the company and audited by us on standalone basis. Considering this, the question of qualification or adverse remarks of the respective auditors in the Companies (Auditors' Report) Order (CARO) reports of the companies being included in consolidated financial statement does not arise.

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

Nikunj S. Shah - Partner
Membership No.: 112867
UDIN: 22112867AJTUQM8191

Place: Mumbai
Date: May 27, 2022

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

Report on the Internal Financial Controls over financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial Reporting of GANDHI SPECIAL TUBES LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on Company’s internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial Reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial Reporting with reference to financial statement and their operating effectiveness. Our audit of internal financial controls over financial Reporting included obtaining an understanding of internal financial controls over financial Reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial Reporting with reference to these financial statements of the Company.

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

A Company’s internal financial control over financial Reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial Reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial Reporting with reference to these financial statements includes those policies and procedures that:-

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial Reporting with reference to these financial statement and such internal financial controls over financial Reporting with reference to these financial statements were operating effectively as at March 31, 2022, based on the internal control over financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Nikunj S. Shah – Partner
Membership No.: 112867
UDIN: 22112867AJTUQM8191

Place: Mumbai

Date: May 27, 2022

BALANCE SHEET AS AT 31 MARCH 2022

(₹ in Lakhs)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
A	ASSETS			
1	Non-Current Assets			
	a) Property Plant and Equipment	2	4,641.77	4,510.86
	b) Right of use Assets	3	31.44	25.93
	c) Other Intangible Assets	4	0.67	3.25
	d) Financial Assets			
	i) Investments	5	3,852.41	2,787.09
	ii) Other Financial Assets	6	2.81	2.81
	e) Other Non-current Assets	7	67.01	142.01
	Total Non-Current Assets		8,596.11	7,471.95
2	Current Assets			
	a) Inventories	8	2,377.72	2,098.41
	b) Financial Assets			
	i) Investments	9	3,401.95	6,595.33
	ii) Trade Receivables	10	1,668.91	2,546.63
	iii) Cash and Cash Equivalents	11	99.69	146.08
	iv) Other Bank Balances	12	139.23	137.31
	v) Loans	13	50.00	-
	vi) Other Financial Assets	14	52.33	61.79
	c) Other Current Assets	15	250.47	183.28
	Total Current Assets		8,040.30	11,768.83
	TOTAL ASSETS	TOTAL	16,636.41	19,240.78
B	EQUITY AND LIABILITIES			
1	Equity			
	a) Equity Share Capital	16	607.60	645.93
	b) Other Equity	17	14,109.11	16,548.67
	Total Equity		14,716.71	17,194.60
2	Liabilities			
	Non-Current Liabilities			
	a) Financial Liabilities			
	i) Lease Liabilities	18	30.68	23.26
	b) Provisions	19	256.43	251.86
	c) Deferred Tax Liabilities (net)	20	667.31	671.35
	Total Non-Current Liabilities		954.42	946.47
	Current Liabilities			
	a) Financial Liabilities			
	i) Lease Liabilities	21	9.17	8.60
	ii) Trade Payables			
	Micro, Small and Medium Enterprises	22	4.30	15.99
	Others	22	132.52	155.22
	iii) Other Financial Liabilities	23	478.04	470.34
	b) Other Current Liabilities	24	268.87	328.80
	c) Provisions	25	49.26	38.99
	d) Current Tax Liabilities (Net)	26	23.12	81.77
	Total Current Liabilities		965.28	1,099.71
	Total Liabilities		1,919.70	2,046.18
	TOTAL EQUITY AND LIABILITIES	TOTAL	16,636.41	19,240.78
	Significant Accounting Policies	1		
	See accompanying notes to the financial statements	1 to 45		

As per our attached report of even date

For Shashikant J. Shah & CO.

Chartered Accountants
Firm Reg. No. 109996W

Nikunj S Shah

Partner
Membership No. 112867

Mumbai, 27 May 2022

For and on behalf of the Board of Directors

M. G. GANDHI

(Chairman & Managing Director)
(DIN 00041190)

K. N. WARDEN

(Director)
(DIN 00045840)

BHAVI KORADIA

(Director)
(DIN 07004836)

B. G. GANDHI

(Joint Managing Director)
(DIN 00041273)

J. M. GANDHI

(Director)
(DIN 00041330)

SHOBHANA RAJAN VARTAK

(CFO)

D. B. SHAH

(Director)
(DIN 01834884)

JITENDRA DATTARAM KHADYE

(Company Secretary)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2022

(₹ in Lakhs except earning per share)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
	INCOME			
1	Revenue from Operations	27	13,699.44	11,352.58
2	Other Income	28	477.95	612.92
	Total Income		14,177.39	11,965.50
3	EXPENSES			
	a) Cost of Materials Consumed	-	4,856.55	3,667.28
	b) Changes in Inventories of Finished Goods and Work-in-Progress and Stock in Trade	29	(10.27)	85.31
	c) Employee Benefits Expense	30	890.07	825.95
	d) Depreciation and Amortization Expense	2, 3, 4	324.69	329.74
	e) Financial Charges	31	5.34	4.93
	f) Other Expenses	32	3,062.43	2,295.66
	Total Expenses		9,128.81	7,208.87
4	Profit before Tax		5,048.58	4,756.63
5	Tax Expense			
	a) Current Tax	33	1,202.06	1,161.41
	b) Deferred Tax	33	(10.06)	(20.01)
	Total Tax Expenses		1,192.00	1,141.40
6	Profit for the year		3,856.58	3,615.23
7	Other Comprehensive Income			
	Items that will not be reclassified subsequently to profit or loss			
	a) Remeasurement [gain/(loss)] of net Defined Benefit Plan		23.93	113.42
	b) Income tax on above		(6.02)	(28.55)
	Total Other Comprehensive Income		17.91	84.87
8	Total Comprehensive Income for the year		3,874.49	3,700.10
9	Earning per share (of ₹ 5/- each)			
	Basic and Diluted (₹)	39	30.66	27.98
	Significant Accounting Policies	1		
	See accompanying notes to the financial statements	1 to 45		

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

For Shashikant J. Shah & CO.

 Chartered Accountants
 Firm Reg. No. 109996W

M. G. GANDHI

 (Chairman & Managing Director)
 (DIN 00041190)

B. G. GANDHI

 (Joint Managing Director)
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Nikunj S Shah

 Partner
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SHOBHANA RAJAN VARTAK

(CFO)

JITENDRA DATTARAM
KHADYE

(Company Secretary)

Mumbai, 27 May 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Number of Shares	Amount (₹ in Lakhs)
Balance as at 1 April 2020		1,29,18,616	645.93
Add / (Less) : Changes during the year		-	-
Balance as at 31 March 2021		1,29,18,616	645.93
Add / (Less) : Changes due to Buy back during the year		(7,66,616)	(38.33)
Balance as at 31 March 2022	16	1,21,52,000	607.60

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus			
	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Total
Balance as at 1 April 2020	5.39	298.99	13,706.87	14,011.25
Profit for the year	-	-	3,615.23	3,615.23
Other Comprehensive Income for the year				
- Remeasurement gain/(loss) on Defined Benefit Plan (Net of tax)	-	-	84.87	84.87
Transfer to Capital Redemption Reserve	-	-	-	-
Dividend	-	-	(1,162.67)	(1,162.67)
Premium paid on Buy Back of Equity shares (including Buy Back Tax)	-	-	-	-
Balance as at 31 March 2021	5.39	298.99	16,244.30	16,548.68
Profit for the year	-	-	3,856.58	3,856.58
Other Comprehensive Income for the year				
- Remeasurement gain/(loss) on Defined Benefit Plan (Net of tax)	-	-	17.91	17.91
Transfer to Capital Redemption Reserve (7,66,616 shares of ₹5/- each)	-	38.33	(38.33)	-
Dividend	-	-	(1,162.68)	(1,162.68)
Premium paid on Buy Back of Equity shares (including Buy Back Tax)	-	-	(5,151.38)	(5,151.38)
Balance as at 31 March 2022	5.39	337.32	13,766.40	14,109.11

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

For Shashikant J. Shah & CO.

Chartered Accountants
Firm Reg. No. 109996W

Nikunj S Shah

Partner
Membership No. 112867

Mumbai, 27 May 2022

M. G. GANDHI

(Chairman & Managing Director)
(DIN 00041190)

K. N. WARDEN

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(CFO)

D. B. SHAH

(Director)
(DIN 01834884)

JITENDRA DATTARAM

KHADYE

(Company Secretary)

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2022

(₹ in Lakhs)

	Particulars	As at 31 March 2022	As at 31 March 2021
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before Tax	5,048.58	4,756.63
	Add / (Less):- Adjustments for Non-Cash / Non-Operating Items :		
	Depreciation and amortisation	324.69	329.74
	Interest income	(129.61)	(144.98)
	Interest Expenses	5.34	4.93
	Dividend income	-	(90.34)
	Net Gain on Sale of Non-current Investments	(31.24)	0.24
	Gain on Sale of Current Investments	(134.85)	(30.24)
	Gain on Fair Valuation of Investments	(176.16)	(344.11)
	(Profit)/Loss on Property, Plant and Equipment sold/scrapped/written off (Net)	0.06	10.96
	Other Adjustments	23.93	113.42
	Operating profit before working capital changes	4,930.74	4,606.25
	Adjusted for :		
	(Increase) / Decrease in Trade Receivables	877.72	(1,074.40)
	(Increase) / Decrease in Inventories	(279.32)	423.64
	(Increase) / Decrease in Other Financial Assets	9.46	14.45
	(Increase) / Decrease in Other Current Assets	(67.18)	(90.59)
	Increase/(Decrease) in Trade Payables, Other Current, Financial Liabilities & Short-term Provisions	(76.34)	533.28
	Increase / (Decrease) in other Liabilities and Provisions	12.56	(74.04)
		476.90	(267.66)
	Cash generated from Operations	5,407.64	4,338.59
	Taxes paid	(1,260.71)	(1,095.98)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	4,146.93	3,242.61
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Interest received	129.61	144.98
	Dividend received	-	90.34
	Purchase of Property, Plant and Equipment	(383.62)	(116.24)
	Sale of Property, Plant and Equipment	0.03	0.58
	Loans	(50.00)	-
	Purchase of investments during the year	(6,427.29)	(8,483.65)
	Sale of investments during the year	8,897.60	6,361.62
	NET CASH FROM (USED IN) INVESTING ACTIVITIES (B)	2,166.33	(2,002.37)

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2022

(₹ in Lakhs)

	Particulars	As at 31 March 2022	As at 31 March 2021
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Interest Expenses	(5.34)	(4.93)
	Payment for Buy-Back of Equity Shares :		
	against Equity Share Capital	(38.33)	-
	against Security Premium Account	(4,178.06)	-
	tax on Buy Back of Shares	(973.32)	-
	Corporate Dividend	(1,162.68)	(1,162.68)
	NET CASH (USED IN) FINANCING ACTIVITIES (C)	(6,357.73)	(1,167.61)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(44.47)	72.63
	Opening Balance of Cash and Cash Equivalents and Other Bank Balances	283.39	210.76
	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES	238.92	283.39
	Significant Accounting Policies	1	
	See accompanying notes to the financial statements	1 to 45	

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

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

Mumbai, 27 May 2022

M. G. GANDHI(Chairman & Managing Director)
(DIN 00041190)**K. N. WARDEN**(Director)
(DIN 00045840)**BHAVI KORADIA**(Director)
(DIN 07004836)**B. G. GANDHI**(Joint Managing Director)
(DIN 00041273)**J. M. GANDHI**(Director)
(DIN 00041330)**SHOBHANA RAJAN VARTAK**

(CFO)

D. B. SHAH(Director)
(DIN 01834884)**JITENDRA DATTARAM****KHADYE**
(Company Secretary)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**Notes forming Part of the Financial Statements****Corporate Information**

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

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

The financial statements for the year ended 31 March 2022 are approved by the Company's Board of Directors on 27 May, 2022

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

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

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

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

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

1.2 Property, Plant and Equipment (PPE)

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

Freehold land is carried at historical cost.

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

Depreciation:

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

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

1.3 Leases

The Company's lease asset classes primarily consist of lease for Land on which windmill has been installed for power generation and godown at Mumbai. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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

1.4 Intangible Assets

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

1.5 Impairment of non-financial assets

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

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

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

1.6 Current versus Non-current classification

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

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

All other assets are classified as non-current.

All liability is current when :

- i) It is expected to be settled in normal operating cycle
- ii) It held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The company classifies all other liabilities as non-current.

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

1.7 Inventories

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

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

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

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

1.8 Statement of Cash Flows

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

1.9 Provisions, Contingent liabilities and Contingent Assets

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

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

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

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

1.10 Revenue Recognition

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

a) Sale of Goods

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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

b) Rendering of Services

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

c) Interest Income

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

d) Dividends

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

e) Export incentives

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

1.11 Employee Benefits

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

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

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

b) Defined Contribution Plan

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**ii) Compensated Absences**

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

1.12 Taxes on Income

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

a) Current Tax

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

b) Deferred Tax

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

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

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

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

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

c) Current and deferred tax for the year

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

1.13 Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.14 Foreign Currency Transactions

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

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

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

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

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

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

ii) Impairment of financial assets

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

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

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

ii) Financial Liabilities

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

d) Derecognition of Financial Assets and Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**1.16 Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

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

1.17 Key estimates, assumptions and judgements

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

a) Property, Plant and Equipment/Intangible Assets

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

b) Leased Assets

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

c) Fair Value measurements of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets (Net Assets Value in case of units of Mutual Funds), their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Employee Benefit Plans

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

All assumptions are reviewed at each reporting date.

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

e) Impairment of Assets

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

f) Impairment of Financial Assets

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

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

g) Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. Also refer Note No. 33.

1.18 Recent Accounting Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below;

a) Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2 PROPERTY, PLANT AND EQUIPMENT

Owned Assets as at 31st March 2022

(₹ in Lakhs)

Particulars	Freehold Land and Site Development	Building Factory	Building Others	Plant and Machinery	Furniture and Fixtures	Office Equipment's	Vehicles	Wind Mills	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
(I) Gross Carrying Value									
Balance as at 1 April 2021	71.80	899.04	1,188.11	3,442.27	44.03	17.60	40.18	492.30	6,195.33
Additions during the year	-	-	-	437.75	5.23	4.39	-	-	447.37
Deductions/Adjustments during the year	-	-	-	(0.34)	-	(1.05)	-	-	(1.39)
Balance as at 31 March 2022	71.80	899.04	1,188.11	3,879.68	49.26	20.94	40.18	492.30	6,641.31
(II) Accumulated Depreciation									
Balance as at 1 April 2021	-	192.59	133.74	1,112.01	32.44	11.19	(25.05)	227.57	1,684.49
Depreciation expense for the year	-	34.14	26.51	202.11	6.10	2.74	13.92	30.87	316.39
Deductions/Adjustments during the year	-	-	-	(0.33)	-	(0.98)	-	-	(1.31)
Balance as at 31 March 2022	-	226.73	160.25	1,313.79	38.54	12.95	(11.13)	258.44	1,999.57
(III) Net Carrying Value (I-II)									
Balance as at 31 March 2022	71.80	672.32	1,027.87	2,565.89	10.72	8.00	51.31	233.86	4,641.77

Owned Assets as at 31st March 2021

(₹ in Lakhs)

Particulars	Freehold Land and Site Development	Building Factory	Building Others	Plant and Machinery	Furniture and Fixtures	Office Equipment's	Vehicles	Wind Mills	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
(I) Gross Carrying Value									
Balance as at 1 April 2020	71.80	899.04	1,188.11	3,455.57	43.66	15.94	37.96	492.30	6,204.38
Additions during the year	-	-	-	30.61	0.38	4.29	-	-	35.28
Deductions/Adjustments during the year	-	-	-	(43.91)	-	(2.63)	2.22	-	(44.32)
Balance as at 31 March 2021	71.80	899.04	1,188.11	3,442.27	44.04	17.60	40.18	492.30	6,195.34
(II) Accumulated Depreciation									
Balance as at 1 April 2020	-	158.31	107.22	938.54	26.39	11.71	(38.98)	192.63	1,395.82
Depreciation expense for the year	-	34.28	26.51	205.96	6.05	1.97	13.92	34.95	323.64
Deductions/Adjustments during the year	-	-	-	(32.50)	-	(2.50)	-	-	(35.00)
Balance as at 31 March 2021	-	192.59	133.73	1,112.00	32.44	11.18	(25.06)	227.58	1,684.46
(III) Net Carrying Value (I-II)									
Balance as at 31 March 2021	71.80	706.45	1,054.38	2,330.26	11.59	6.42	65.24	264.72	4,510.86

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

3 Right of use Assets as at 31st March 2022

(₹ in Lakhs)

Particulars	Leasehold Land	Building - Others	Total
(I) Gross Carrying Value			
Balance as at 1 April 2021	29.15	8.63	37.78
Additions during the year	-	11.24	11.24
Deductions/Adjustments during the year	-	-	-
Balance as at 31 March 2022	29.15	19.87	49.02
(II) Accumulated Amortization			
Balance as at 1 April 2021	3.88	7.97	11.85
Depreciation expense for the year	1.94	3.79	5.73
Deductions/Adjustments during the year	-	-	-
Balance as at 31 March 2022	5.82	11.76	17.58
(III) Net Carrying Value (I-II)			
Balance as at 31 March 2022	23.32	8.12	31.44

Right of use Assets as at 31st March 2021

(₹ in Lakhs)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

4 OTHER INTANGIBLE ASSETS as at 31st March 2022

(₹ in Lakhs)

Particulars	Software Licences	Total
(I) Gross Carrying Value		
Balance as at 1 April 2021	10.94	10.94
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Balance as at 31 March 2022	10.94	10.94
(II) Accumulated Depreciation		
Balance as at 1 April 2021	7.69	7.69
Depreciation expense for the year	2.58	2.58
Deductions/Adjustments during the year	-	-
Balance as at 31 March 2022	10.27	10.27
(iii) Net Carrying Value (I-II)		
Balance as at 31 March 2022	0.67	0.67

OTHER INTANGIBLE ASSETS as at 31st March 2021

(₹ in Lakhs)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5 NON-CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars		As at 31 March 2022	As at 31 March 2021
Investments measured at amortised cost			
In bonds (Quoted, fully paid up)	<i>Number of units</i>		
7.28%-Indian Railway Finance Corporation Ltd. Tax Free Bonds	12,080 (12,080)	120.80	120.80
7.35%-NABARD Tax Free Bonds	2,004 (2,004)	20.04	20.04
7.35%-Indian Railway Finance Corporation Ltd. Tax Free Bonds	3,527 (3,527)	35.27	35.27
7.35%-NHAI Limited Tax Free Bonds	14,285 (14,285)	142.85	142.85
7.39%-NHAI Limited Tax Free Bonds	6,167 (6,167)	61.67	61.67
7.39%-HUDCO Ltd. Tax Free Bonds	8,408 (8,408)	84.08	84.08
8.30%-NHAI Limited Tax Free Bonds	23,736 (23,736)	245.80	245.80
8.30%-Power Finance Corporation Ltd. Tax Free Bonds	27,500 (27,500)	283.72	283.72
8.41%-NTPC Limited Tax Free Bonds	9,499 (9,499)	94.99	94.99
8.41%-India Infrastructure Finance Co. Ltd. Tax Free Bonds	30,000 (30,000)	300.00	300.00
8.46%-Rural Electrification Corporation Ltd. Tax Free Bonds	10,000 (10,000)	120.75	120.75
6.75%-Piramal Capital and Housing Finance Limited	12,000 (-)	99.60	-
Total		1,609.57	1,509.97
Investments measured at amortised cost			
In Non Convertible Debentures (Unquoted, fully paid up)	<i>Number of units</i>		
NDX Financial Services Private Limited	100 (-)	100.00	-
		100.00	-
Investments measured at Fair Value through Profit & Loss			
In Mutual Funds (Unquoted, fully paid up)			
Long-term Mutual Funds :	<i>Number of units</i>		
AXIS Equity Saver Fund - Direct - Growth	13,56,055 (-)	245.72	-
HDFC Asset Allocator Fund of Fund-Direct-Growth	29,99,850 (-)	347.98	-
HDFC Equity Saving Fund - Direct plan-Growth option	10,96,243 (7,14,584)	574.60	328.62
KOTAK Equity Arbitrage Fund - Direct - Growth	12,69,930 (-)	402.17	-
KOTAK Equity Saving Fund - Regular Plan - Growth	4,02,898 (-)	74.93	-
MIRAE Asset Equity Savings Fund - Direct - Growth	13,14,058 (-)	198.66	-
MIRAE Asset Equity Savings Fund - Regular - Growth	3,39,081 (-)	49.46	-
SBI Equity Savings Fund - Direct Plan - Growth	13,23,515 (-)	249.32	-
Total		2,142.84	328.62

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(₹ in Lakhs)

Particulars		As at 31 March 2022	As at 31 March 2021
Fixed Maturity Plans :	Number of units		
HDFC FMP (1344D October-2018-1)-Direct Plan-Growth Option-Series-43	- (30,00,000)	-	381.64
HDFC FMP (1232D November-2018-1)-Direct Plan-Growth Option-Series-43	- (20,00,000)	-	250.48
HDFC FMP (1190D January-2019-1)-Direct Plan-Growth Option-Series-43	- (4,99,990)	-	61.10
Kotak FMP (1063D)-Direct plan-Growth Option-Series 239	- (20,00,000)	-	255.28
	Total	-	948.50
	Total	2,242.84	1,277.12
	Total	3,852.41	2,787.09
Aggregate amount of quoted investments		1,609.57	1,509.97
Aggregate market value of quoted investments		1,852.51	1,768.81
Aggregate amount of Unquoted investments		2,242.98	1,277.12

6 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits	2.81	2.81
Total	2.81	2.81

7 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposits	67.01	67.01
Capital Advances	-	75.00
Total	67.01	142.01

8 INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw Materials	1,615.85	1,339.69
Work-in-progress	329.01	364.80
Finished goods	108.21	62.15
Stores and spares	324.65	331.77
Total	2,377.72	2,098.41

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

9 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars		As at 31 March 2022	As at 31 March 2021
Investments measured at amortised cost			
In bonds (Quoted, fully paid up)			
	<i>Number of units</i>		
8.20%-NHAI Limited Tax Free Bonds	- (1,236)	-	12.36
11.40%-Tata Power Ltd. Taxable Bonds	- (10)	-	101.25
11.50%-Tata Steel Ltd. Taxable Bonds	- (10)	-	102.65
	Total	-	216.26
Investments measured at Fair Value through Profit & Loss			
In Mutual Funds (Unquoted, fully paid up)			
Short-term Mutual Funds :			
	<i>Number of units</i>		
HDFC Ultra Short Term Fund - Direct plan-Growth Plan	1,93,76,631 (4,40,30,468)	2,405.18	5,256.97
	Total	2,405.18	5,256.97
Fixed Maturity Plans :			
	<i>Number of units</i>		
Aditya Birla Sun Life Fixed Term Plan (1099D)-Regular Growth-Series QW	- (10,00,000)	-	113.91
HDFC FMP (1141D August-2018-1)-Direct Plan-Growth Option-Series-42	- (50,00,000)	-	631.86
Nippon India Fixed Horizon Fund-XXXVIII-Growth Option-Series-11	- (30,00,000)	-	376.33
HDFC FMP (1344D October-2018-1)-Direct Plan-Growth Option-Series-43	30,00,000 (-)	401.29	-
HDFC FMP (1232D November-2018-1)-Direct Plan-Growth Option-Series-43	20,00,000 (-)	260.85	-
HDFC FMP (1190D January-2019-1)-Direct Plan-Growth Option-Series-43	4,99,990 (-)	63.66	-
Kotak FMP (1063D)-Direct plan-Growth Option-Series 239	20,00,000 (-)	270.97	-
	Total	996.77	1,122.10
		3,401.95	6,379.07
	Total	3,401.95	6,595.33

Aggregate amount of quoted investments	-	216.26
Aggregate market value of quoted investments	-	219.47
Aggregate amount of Unquoted investments	3,401.95	6,379.07

10 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivables :		
Considered Good - Secured	15.00	-
Considered Good - Unsecured	1,653.91	2,546.63
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
Total	1,668.91	2,546.63

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Trade Receivables ageing schedule as at 31 March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	1,668.91	-	-	-	-	1,668.91
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed trade receivables - considered good	2,546.63	-	-	-	-	2,546.63
Undisputed trade receivables - credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-

11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks		
- In Current Accounts	97.89	144.56
Cash on hand	1.80	1.52
Total	99.69	146.08

12 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked Balances with Bank		
- In Dividend Accounts	126.73	137.31
- In Fixed Deposit [Pledged with the Bank against Bank Guarantee]	12.50	-
Total	139.23	137.31

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13 LOANS

(₹ in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Other Loans (Through NBFC - P2P Platform Registered with RBI for borrowers Personal or Business Purpose)				
Considered Good - Secured		-		-
Considered Good - Unsecured		50.00		-
Loan Receivables which have significant increase in Credit Risk		-		-
Loan Receivables - Credit Impaired		-		-
Less : Loss Allowance		-		-
Total		50.00		-

14 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Other Short-term advances		0.20		0.34
Interest accrued on deposits		2.60		2.69
Interest accrued on Non-current Investments-Bonds		49.53		58.76
Total		52.33		61.79

15 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Security Deposits		18.52		-
Prepaid Expenses		30.13		26.97
Balances with Government authorities		184.42		142.79
Advances to Suppliers		0.10		0.16
Other Current Assets		17.30		13.36
Total		250.47		183.28

16 SHARE CAPITAL

Particulars	As at 31 March 2022		As at 31 March 2021	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
AUTHORISED				
Equity Shares of ₹ 5/- each	2,40,00,000	1,200.00	2,40,00,000	1,200.00
Total	2,40,00,000	1,200.00	2,40,00,000	1,200.00
ISSUED, SUBSCRIBED AND PAID UP				
Equity Shares of ₹ 5/- each fully paid up	1,21,52,000	607.60	1,29,18,616	645.93
Total	1,21,52,000	607.60	1,29,18,616	645.93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
a) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholders	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	%	No. of Shares	%
1) Manhar G. Gandhi	18,98,290	15.62	20,14,015	15.59
2) Bhupatrai G. Gandhi	17,12,239	14.09	19,24,913	14.90
3) Jayesh M. Gandhi	9,75,944	8.03	10,32,498	7.99
4) Manoj B. Gandhi	10,16,833	8.37	9,69,816	7.51
5) Bharti M. Gandhi	6,53,760	5.38	6,94,265	5.37

b) Reconciliation of number of shares

Particulars	As at 31 March 2022	As at 31 March 2021
	No. of Shares	No. of Shares
Shares at the beginning	1,29,18,616	1,29,18,616
Less: Buy back of shares	(7,66,616)	-
	1,21,52,000	1,29,18,616

c) Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares having a par value of ₹ 5/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d) Equity shares movement during 5 years preceding 31 March 2022

Equity shares extinguished on buy-back;

Equity Shares	As at 31 March 2018		As at 31 March 2020		As at 31 March 2022	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Opening balance	1,46,98,616	734.93	1,38,18,616	690.93	1,29,18,616	645.93
Shares extinguished on buy back	8,80,000	44.00	9,00,000	45.00	7,66,616	38.33
Closing balance	1,38,18,616	690.93	1,29,18,616	645.93	1,21,52,000	607.60

i) The Company bought back 8,80,000 equity shares for an aggregate amount of ₹ 44 crore being 5.99% of the total paid up equity share capital at ₹ 500 per equity share. The equity shares bought back were extinguished on April 2, 2018.

ii) The Company bought back 9,00,000 equity shares for an aggregate amount of ₹ 49.50 crore being 6.51% of the total paid up equity share capital at ₹ 550 per equity share. The equity shares bought back were extinguished on October 24, 2019.

iii) The Company bought back 7,66,616 equity shares for an aggregate amount of ₹ 42.16 crore being 5.93% of the total paid up equity share capital at ₹ 550 per equity share. The equity shares bought back were extinguished on 20 October 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

e) Shareholding of Promoters*

Shares held by promoters at the end of the year 31 March 2022

Sr. No.	Promoter Name	As at 1 April 2021		As at 31 March 2022		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
1	MANHAR G. GANDHI	18,18,075	14.07%	17,14,564	14.11%	0.04%
2	BHUPATRAI G. GANDHI	17,07,686	13.22%	16,08,745	13.24%	0.02%
3	JAYESH M GANDHI	10,32,498	7.99%	9,75,944	8.03%	0.04%
4	MANOJ B GANDHI	9,69,816	7.51%	10,16,833	8.37%	0.86%
5	BHARTI M GANDHI	6,94,265	5.38%	6,53,760	5.38%	0.00%
6	B. M. GANDHI INVESTMENT CO. LLP	4,77,572	3.70%	4,40,611	3.63%	(0.07%)
7	GANDHI FINANCE CO. LLP	4,35,819	3.37%	4,02,090	3.31%	(0.06%)
8	CHANDRA B GANDHI	4,16,961	3.23%	3,94,076	3.24%	0.01%
9	GOPI J GANDHI	4,01,010	3.11%	3,95,460	3.25%	0.14%
10	JIGNA M GANDHI	3,97,396	3.08%	3,75,573	3.09%	0.01%
11	KARAN MANOJ GANDHI	3,07,763	2.38%	2,89,293	2.38%	0.00%
12	KARISHMA V. KOTHARI	2,16,638	1.68%	1,99,872	1.64%	(0.04%)
13	MANHAR G. GANDHI(SMALL HUF)	1,16,522	0.90%	1,08,849	0.90%	0.00%
14	BHUPATRAI G. GANDHI (SMALL HUF)	1,10,880	0.86%	1,03,494	0.85%	(0.01%)
15	RAHUL JAYESH GANDHI	1,07,459	0.83%	1,00,649	0.83%	0.00%
16	BHUPATRAI G. GANDHI (HUF)	1,06,347	0.82%	-	0.00%	(0.82%)
17	MANHAR G. GANDHI(HUF)	79,418	0.61%	74,877	0.62%	0.01%
18	JIGNA NILESH MEHTA	43,634	0.34%	40,257	0.33%	(0.01%)
19	BINA TUSHAR SHAH	32,800	0.25%	32,800	0.27%	0.02%
20	NILESH VINODRAI MEHTA	8,139	0.06%	7,510	0.06%	0.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

17 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
CAPITAL RESERVE		
Surplus (Gain) on Forfeited Shares		
Balance as per last Balance Sheet	5.39	5.39
Closing balance	5.39	5.39
CAPITAL REDEMPTION RESERVE		
Balance as per last Balance Sheet	298.99	298.99
Add : Additions during the year	38.33	-
Closing balance	337.32	298.99
RETAINED EARNINGS		
Balances as at the beginning of the Year	16,244.29	13,706.87
Add : Profit for the year	3,856.58	3,615.23
Other Comprehensive Income for the year	17.91	84.87
Less : Dividend on Equity shares	1,162.68	1,162.68
Less : Transferred to Capital Redemption Reserve	38.33	-
Premium paid on Buy Back of Shares	4,178.05	-
Tax on Buy Back of Shares	973.32	-
Closing balance	13,766.40	16,244.29
Total	14,109.11	16,548.67

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

a) **Capital Reserve**

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

b) **Capital Redemption Reserve**

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

c) **Retained Earnings**

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

18 FINANCIAL LIABILITIES (Non-Current)

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Liabilities	30.68	23.26
Total	30.68	23.26

19 NON-CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits	256.43	251.86
Total	256.43	251.86

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

20 DEFERRED TAX LIABILITIES (Net)

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
The movement on the Deferred Tax Account as follows :		
At the start of the year	671.35	662.82
Charge/(Credit) to the Statement of Profit and Loss	(4.04)	8.53
At the end of the year	667.31	671.35
Component of Deferred Tax Liabilities / (Assets) :		
Depreciation on Property, Plant and Equipment	677.17	652.44
Fair Valuation of Mutual Funds	66.56	91.27
Impact on adoption of Ind AS 116	(2.12)	(1.49)
Provision for Gratuity	(66.01)	(66.04)
Provision for Leave Encashment	(5.89)	(4.43)
Provision for Sales Returns	(2.40)	(0.40)
Total	667.31	671.35

21 FINANCIAL LIABILITIES (Current)

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Liabilities - Current Maturities of Lease liability	9.17	8.60
Total	9.17	8.60

22 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Micro, Small and Medium Enterprises	4.30	15.99
Others	132.52	155.22
Total	136.82	171.21

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

Trade Payables ageing schedule: As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
MSME	4.30	-	-	-	4.30
Others	132.52	-	-	-	132.52
Disputed dues- MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Trade Payables ageing schedule: As at 31st March, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
MSME	15.99	-	-	-	15.99
Others	155.22	-	-	-	155.22
Disputed dues- MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

23 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Due to Directors	314.00	280.00
Deposits from Customers	3.00	3.00
Unpaid dividends *	126.73	137.31
Other liabilities	34.31	50.03
Total	478.04	470.34

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

24 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from Customers	57.49	46.76
Statutory Remittances	211.38	282.04
Total	268.87	328.80

25 CURRENT PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
For Employee Benefits Plan	39.72	37.40
Other Provisions	9.54	1.59
Total	49.26	38.99

26 CURRENT TAX LIABILITIES (Net)

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Current Taxation (Net of payments)	23.12	81.77
Total	23.12	81.77

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

27 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Sale of products		
Manufactured Goods	13,154.72	10,949.33
Wind Power sold	96.00	72.51
	13,250.72	11,021.84
Other Operating Revenue		
Export Benefits	11.00	12.55
Wind Power, captively consumed	214.01	175.49
Job work charges	21.58	19.73
Sale of scrap	202.13	122.97
	448.72	330.74
Total	13,699.44	11,352.58

28 OTHER INCOME

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Interest Income		
Non-Current Investments	126.73	142.05
Others	2.88	2.93
	129.61	144.98
Dividend Income	-	90.34
Other Non operating Income :		
Exchange gain on Foreign Currency	4.57	0.89
Net Gain/(Loss) on sale of Non-current Investments	31.24	(0.24)
Net Gain on sale of Current Investments	134.86	30.24
Net gain on measuring investments in Mutual Fund at FVTPL	176.16	344.11
Others	1.51	2.60
	348.34	377.60
Total	477.95	612.92

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

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Inventories at close		
Finished Goods	108.21	62.15
Work-in-progress	329.01	364.80
	437.22	426.95
Inventories at commencement		
Finished Goods	62.15	92.41
Work-in-progress	364.80	419.85
	426.95	512.26
Total	(10.27)	85.31

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

30 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Salaries and Wages	810.74	746.39
Contributions to Provident and Other Funds	31.44	29.93
Gratuity	31.26	39.22
Staff Welfare Expense	16.63	10.41
Total	890.07	825.95

31 FINANCIAL CHARGES

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Interest Expenses - Lease	5.34	4.93
Total	5.34	4.93

32 OTHER EXPENSES

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Stores, Spares and Packing Materials consumed	480.10	368.68
Power and Fuel	1,312.07	1,073.28
Labour Charges	547.56	395.94
Factory Expenses	10.29	8.15
Repairs and Maintenance - Plant and Machinery	139.92	77.25
Repairs and Maintenance - Building	45.84	4.40
Repairs and Maintenance - Others	4.86	4.28
Insurance	29.87	23.84
Wind Mill Operating Expenses	85.90	108.52
Inward Freight	1.36	0.81
Rates & Taxes	13.29	8.81
Electricity Charges	1.81	1.54
Printing and Stationery	4.45	3.26
Communication Expenses	5.67	3.08
Travelling Expenses - Directors	0.58	0.23
Travelling Expenses - Others	1.27	0.09
Security Charges	19.31	20.21
Professional Charges	87.72	52.54
Directors' Sitting Fees	11.39	7.61
Advertising and sales Promotion Expenses	6.93	0.92
Outward Freight	3.92	4.30
Commission on Sales	4.18	4.58
Bank charges and commission	2.30	1.68
Donation	-	9.25
CSR Expenses	167.50	50.17
Auditors' Remuneration	7.28	6.73
Net Loss/(Gain) on sale of Property Plant and Equipment	-	0.30
Assets Discards / written off	0.06	10.66
Other Expenses	67.00	44.55
Total	3,062.43	2,295.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

32.1 Auditors' Remuneration *

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
As auditors		
(i) Statutory audit fees	6.75	6.50
(ii) For other Services	0.53	0.23
* Excluding Goods and Service Tax		
Total	7.28	6.73

33 DISCLOSURE PURSUANT TO IND AS 12 ON "INCOME TAXES"

A Components of Tax Expense/(Income)

(₹ in Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a) Profit or Loss Section		
i) Current Tax		
Tax Expense for the year	1,270.00	1,179.00
Adjustment recognised of prior periods	(67.94)	(17.59)
ii) Deferred tax	(10.06)	(20.01)
Income Tax Expense reported in the Statement of Profit or Loss	1,192.00	1,141.40
b) Other Comprehensive Income Section		
Net loss/(gain) on remeasurements of defined benefit plan	6.02	28.55
Income Tax Expense reported in Other Comprehensive Income	6.02	28.55

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	5,048.58	4,756.63
Corporate tax rate as per Income Tax Act, 1961	25.168%	25.168%
Tax on Accounting Profit	1,270.63	1,197.15
Tax effect of :		
Exempted income and Chapter VI A Deduction	(226.82)	(199.10)
Expenses disallowed	137.75	114.39
Tax effect which is chargeable at different rate	82.29	42.63
Others	6.15	23.93
Tax expenses relating to prior year	(67.94)	(17.59)
Current Tax Provision (A)	1,202.06	1,161.41
Deferred Tax Liability recognised	24.73	(11.36)
Deferred Tax Asset recognised	(34.79)	(8.65)
Deferred tax Provision (B)	(10.06)	(20.01)
Tax expense recognised during the year (A+B)	1,192.00	1,141.40
Effective tax rate	23.61%	24.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

34 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
A Contingent Liabilities		
a) Claims against the Company not acknowledged as debt :		
i) Excise / Service Tax matters under disputes	177.68	225.15
ii) Sales Tax demand under disputes	25.23	25.23
iii) Disputed Expenses	9.60	-
b) Counter Guarantees given by the Company to the bankers for Bank Guarantees	125.00	100.00
c) The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020, which may impact the contributions by the company towards certain employment benefits. The effective date from which the changes are applicable is yet to be notified, and the rules are yet to be framed. Impact if any of the changes will be assessed and accounted for in the period of notification of the relevant provisions		
B Commitments		
a) Operating Lease commitments :		
Lease future obligation/rights as at Balance Sheet date for Lease arrangements amount to :		
Within one year	9.17	8.60
After one year but not more than five years	29.41	33.56
More than five years	37.27	42.30

35 RATIOS

Ratio Analysis	Numerator	Denominator	31 March 2022	31 March 2021	Variance
(a) Current Ratio	Current Assets	Current Liabilities	8.3	10.7	(22.4%)
(b) Debt Equity Ratio	Total Debt (1)	Shareholder's Equity	0.3%	0.2%	0.1%
(c) Debt Service Coverage Ratio	Net Operating Income (2)	Debt Service (3)	486.9	459.3	6.0%
(d) Return on Equity Ratio	Profit for the period	Avg. Shareholders Equity	24.2%	22.7%	1.5%
(e) Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	3.5	2.6	(a) 34.6%
(f) Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	6.5	5.6	16.1%
(g) Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	42.4	32.3	(b) 31.3%
(h) Net Capital Turnover Ratio	Net Sales	Average Working Capital	1.9	1.1	(c) 72.7%
(i) Net Profit Ratio	Net Profit	Net Sales	28.2%	31.8%	(3.6%)
(j) Return on Capital employed	Earning before interest and taxes	Capital Employed (4)	32.8%	26.6%	6.2%
(k) Return on Investment	Income generated from investments	Average invested fund	5.6%	7.5%	(1.9%)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

- (1) Debt represents only lease liabilities
- (2) Net Profit after tax + Non-cash operating expenses + Interest + other adjustments like loss on sale of fixed assets, etc.
- (3) Lease payment for the current year
- (4) Tangible net worth + Deferred tax Liabilities + Lease Liabilities
- (a) Inventory Turnover Ratio - Due to increase sales consequential cost of goods sold with more or less same inventory
- (b) Trade Payables Turnover Ratio - Due to immediate payment to supplier and consequential low outstanding liability
- (c) Net Capital Turnover Ratio - Due to better working capital management

36 EMPLOYEE BENEFITS

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

a) Defined Contribution Plans

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

Particulars	(₹ in Lakhs)	
	31 March 2022	31 March 2021
Provident Fund and Employee's Pension Scheme	31.29	29.86
Employees State Insurance	0.15	0.07

b) Defined Benefit Plans

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

On normal retirement / early retirement / withdrawal / resignation:

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

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

On the death in service:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

c) Disclosures for defined benefit plans based on actuarial reports as on 31 March 2022

(₹ in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Gratuity Funded	Gratuity Non Funded	Gratuity Funded	Gratuity Non Funded
I) Changes in Defined Benefit Obligation :				
Opening defined benefit obligation	97.12	251.86	93.46	327.48
Current service cost	6.15	8.13	6.09	10.91
Past service cost	-	-	-	-
Interest cost	6.08	16.22	5.94	21.45
Actuarial loss/(gain) arising from changes in financial assumptions	(1.98)	(0.84)	0.57	0.47
Actuarial loss/(gain) arising from changes in demographic assumptions	-	-	-	-
Actuarial loss/(gain) arising on account of experience changes	(1.27)	(18.94)	(6.05)	(108.45)
Benefit (paid)	(4.29)	-	(2.90)	-
Closing defined benefit obligation	101.81	256.43	97.11	251.86
(ii) Changes in Value of Plan Assets :				
Opening value of plan assets	86.57	-	82.50	-
Expenses deducted from fund	-	-	-	-
Adjustment to the opening fund	-	-	-	-
Interest Income	5.56	-	5.38	-
Actual return on plan assets less interest on plan assets	0.90	-	(0.04)	-
Contributions by Employer	7.24	-	1.63	-
Benefits Paid	(4.29)	-	(2.90)	-
Closing value of plan assets	95.98	-	86.57	-
(iii) Amount recognised in the Balance Sheet:				
Present value of funded obligations as at the year end	101.81	256.43	97.11	251.86
Fair value of plan assets as at year end	95.98	-	86.57	-
Net (Asset) /Liability recognised as at the year end	5.83	256.43	10.54	251.86
(iv) Expenses recognised in the Statement of Profit and Loss:				
Current service cost	6.15	8.13	6.09	10.91
Past service cost	-	-	-	-
Interest on net defined benefit liability / (asset)	0.53	16.22	0.56	21.45
(Gains) / loss on settlement	-	-	-	-
Total Expenses charged to Profit & Loss	6.68	24.35	6.65	32.36
Expenses recognised in the Statement of Other Comprehensive Income:				
Net actuarial loss/(gain) recognized in the current year				
Changes in financial assumptions	(1.98)	(0.84)	0.57	0.47
Changes in demographic assumptions	-	-	-	-
Experience adjustments	(1.27)	(18.94)	(6.05)	(108.45)
Actual return on plan assets less interest on plan assets	(0.90)	-	0.04	-
Total amount recognized in the Statement of Other Comprehensive Income	(4.15)	(19.78)	(5.44)	(107.98)
(v) Asset information				
Others - Policy of Insurance	100%	-	100%	-
(vi) Principal actuarial assumptions used				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Mortality Table (LIC Administered Trust)	Indian Assured Lives Mortality (2006-08) Ult Table	Indian Assured Lives Mortality (2006-08) Ult Table
Retirement Age	58 Years	58 Years
Discount rate (p.a)	6.90%	6.55%
Salary growth rate (p.a)	7.50%	7.50%

d) Sensitivity Analysis

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

Particulars	31 March 2022				31 March 2021			
	Gratuity Funded		Gratuity Non Funded		Gratuity Funded		Gratuity Non Funded	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-2.65%	2.80%	-0.47%	0.47%	-2.89%	3.06%	-0.92%	0.93%
Salary growth rate (0.5% movement)	2.77%	-2.65%	0.47%	-0.47%	3.02%	-2.88%	0.92%	-0.91%

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

The expected contributions for Defined Benefit plan for the next financial year will be in line with FY 2021-22.

e) Leave Encashment:

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

Accordingly ₹ 23.41 Lakhs (Previous Year ₹ 17.60 Lakhs) being liability as at the year end for compensated absences as per actuarial valuation has been provided in the accounts.

37 SEGMENT REPORTING

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

38 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended dividend of ₹ 10.00 [200%] (Previous Year ₹ 9.00 [180%]) for equity share for the financial year ended 31 March 2022. The dividend is subject to the approval by the shareholders in the ensuing Annual General Meeting of the Company and therefore, has not been recognized as a liability as at the Balance Sheet date in line with Ind AS 10 on "Events after reporting period"

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

39 EARNING PER SHARE

Particulars	31 March 2022	31 March 2021
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	3,856.58	3,615.23
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	1,25,78,365	1,29,18,616
Add: Weighted Average Potential Equity Shares	-	-
Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	1,25,78,365	1,29,18,616
Face Value per Equity Share (₹)	5.00	5.00
Basic & Diluted Earnings per Share (₹)	30.66	27.98

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

Key Managerial Personnel (KMP)

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

Relative of KMP

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

Transactions (In Aggregate) with Related Parties

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Sales :		
Randeep Automobiles	289.25	228.42
Job Work Charges received		
Randeep Automobiles	25.47	23.28
Short-term employee benefits (Remuneration) *		
Manhar G. Gandhi	247.00	230.00
Bhupatrai G. Gandhi	247.00	230.00
* Excluding Provision for Gratuity and Contribution to Provident Fund.		
Sitting Fees :		
Kavas N. Warden	2.28	1.60
Jayesh M. Gandhi	2.58	1.65
Dharmen B. Shah	2.43	1.55
Bhavi Jatin Koradia	2.38	1.65
Outstanding Balances with Related Parties:		
Remuneration Payable :		
(i) Manhar G. Gandhi	157.00	140.00
(ii) Bhupatrai G. Gandhi	157.00	140.00

Notes :

Related parties relationship is as identified by the Company on the basis of information available with them and accepted by the Auditors. The Sales to / Job work charges received from related parties are at arms length price. The outstanding balances represents remuneration payable as on date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**41 CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The particulars of CSR expenditure are as follows :

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
i) Amount required to be spent by the company during the year	82.23	80.84
ii) Amount of expenditure incurred	167.50	50.17
iii) Shortfall at the end of the year	-	30.67
iv) Total of previous years shortfall	83.55	52.88
v) Reason for shortfall		Pertaining to ongoing projects
vi) Nature of CSR activities		Promoting education and providing medical assistance
vii) Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	NA	NA
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

42 CAPITAL MANAGEMENT

For the purpose of the Company's Capital Management, Capital includes issued Equity Capital and all Other Reserves (including Capital Redemption Reserve created on buy back of Equity Shares) attributable to the Equity shareholders of the Company. The Primary objective of the Company's Capital Management is to maximise the shareholders' value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholder's value.

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

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

Valuation

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

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

Fair Value measurement hierarchy

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

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

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(₹ in Lakhs)

Particulars	Fair Value		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	As at 31 March 2022	As at 31 March 2021		
Investments in			Level 1	Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.
- Long Term Mutual Funds	2,142.84	328.62		
- Short Term Mutual Funds	2,405.18	5,256.97		
- Fixed Maturity Plans	996.77	2,070.60		

ii) Financial Instruments measured at amortised cost:

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

(₹ in Lakhs)

Particulars	Amortised Cost	
	As at 31 March 2022	As at 31 March 2021
Investments in		
- Non Convertible Debentures	100.00	-

B Financial Risk Management and Policies

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

Company has exposure to following risk arising from financial instruments:

Credit risk
Liquidity risk
Market risk

a) Credit Risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

i) Trade Receivable

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

ii) Financial instruments

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

b) Liquidity risk

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

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities. The ratio of cash and cash equivalents and other investments to outflow is 5.70 times as at 31 March 2022 and 10.51 times as at 31 March 2021.

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

c) Market Risk

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

C Foreign Currency Risk:

The Company is subject to the risk that changes in foreign currency values impact the exports and other payables. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Us Dollar.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amount in Foreign currency	₹ in Lakhs	Amount in Foreign currency	₹ in Lakhs
Receivable USD	60,736.44	46.04	-	-

44 Other information’s as required pursuant to Notification dated 24 March 2021 under Schedule III are not applicable to the Company, hence the same is not given.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**45 PREVIOUS YEAR FIGURES**

Previous year figures have been regrouped, rearranged and reclassified, wherever necessary to correspond with the current year's classification / disclosure.

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

For Shashikant J. Shah & CO.

Chartered Accountants
Firm Reg. No. 109996W

Nikunj S Shah

Partner
Membership No. 112867

Mumbai, 27 May 2022

M. G. GANDHI

(Chairman & Managing Director)
(DIN 00041190)

K. N. WARDEN

(Director)
(DIN 00045840)

BHAVI KORADIA

(Director)
(DIN 07004836)

B. G. GANDHI

(Joint Managing Director)
(DIN 00041273)

J. M. GANDHI

(Director)
(DIN 00041330)

SHOBHANA RAJAN VARTAK

(CFO)

D. B. SHAH

(Director)
(DIN 01834884)

JITENDRA DATTARAM

KHADYE
(Company Secretary)

NOTES

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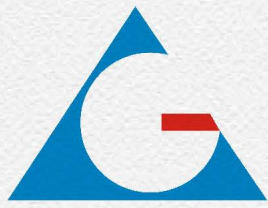
Halol Manufacturing Facility, Gujarat



Bright Annealing Furnace



Solar Panel Installation



Gandhi

Special Tubes Ltd.



GANDHI SPECIAL TUBES LTD.
CIN : L27104MH1985PLC036004

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