



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 5, 2019

Corporate Relationship Department BSE LIMITED 1 st floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001. Scrip Code: 513108	The Manager Listing Department THE NATIONAL STOCK EXCHANGE OF INDIA LTD Exchange Plaza, Plot No C/1, G Block Bandra-Kurla Complex, Bandra (East) Mumbai - 400051. Company Code : GANDHITUBE
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Subject: 34th Annual Report for the year 2018-2019

Dear Sir/ Madam,

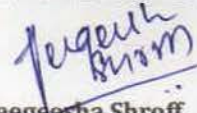
Pursuant to Reg 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed 34th Annual Report of the Company, for the year 2018-2019.

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

Thanking you,

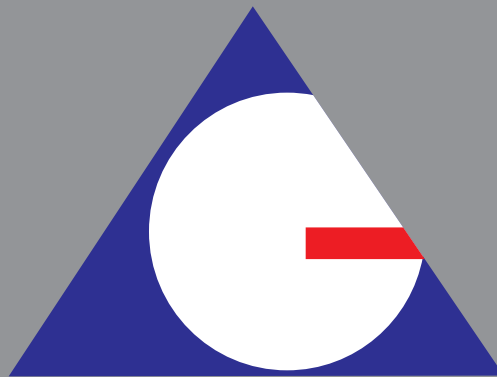
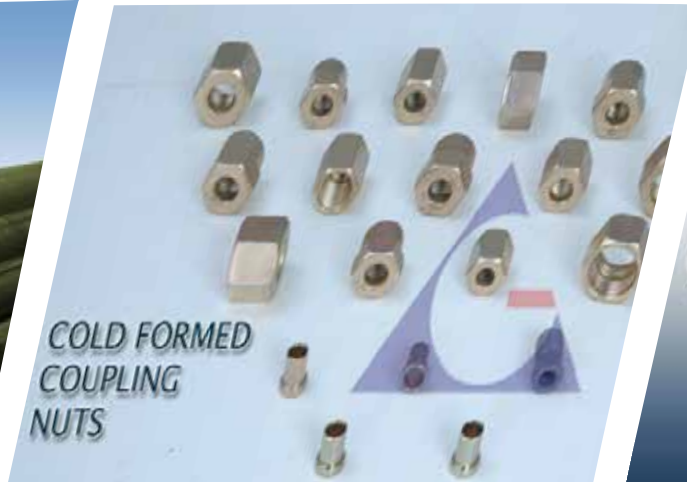
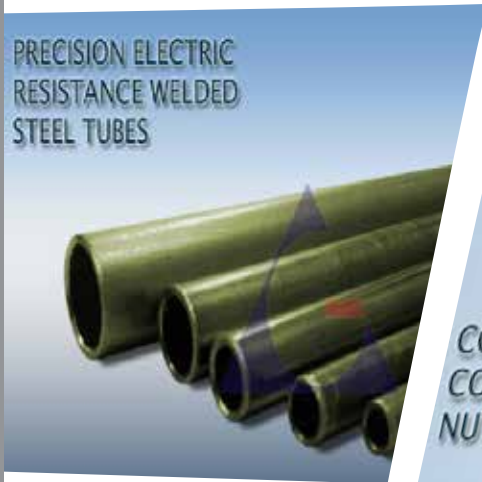
Yours Faithfully,

For **GANDHI SPECIAL TUBES LTD**


Jeegeesha Shroff
Company Secretary & Compliance Officer



34th Annual Report 2018-19



GANDHI SPECIAL TUBES LIMITED



ISO 9001:2008 & ISO/TS 16949:2009

Certified Company

“GANDHI SPECIAL TUBES-OLD AGE HOME” - OUR CSR ACTIVITY



“GANDHI SPECIAL DEAF AND MUTE SCHOOL” - OUR CSR ACTIVITY



BOARD OF DIRECTORS	:	MR. MANHAR G. GANDHI Chairman & Managing Director
		MR. BHUPATRAI G. GANDHI Joint Managing Director
		MR. DHIRAJLAL S. SHAH Director
		MR. KAVAS N. WARDEN Director
		MR. DHARMEN B. SHAH Director
		MR. JAYESH M. GANDHI Director
		MS. BHAVI JATIN KORADIA Director
AUDIT COMMITTEE	:	MR. DHIRAJLAL S. SHAH Chairman
		MR. DHARMEN B. SHAH Director
		MR. JAYESH M. GANDHI Director
		MS. BHAVI JATIN KORADIA Director
COMPANY SECRETARY	:	MS. JEEGEESHA G. SHROFF
CHIEF FINANCIAL OFFICER	:	MS. SHOBHANA RAJAN VARTAK
REGISTERED OFFICE	:	201-204 PLAZA, 2 ND FLOOR 55 HUGHES ROAD, NEXT TO DHARAM PALACE MUMBAI 400007 Tel No: 23634179, 23634183, 23634789 complianceofficer@gandhitubes.com
WORKS	:	VILLAGE NURPURA TALUKA- HALOL, DIST: PANCHMAHAL GUJARAT – 389350
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

10-YEARS FINANCIAL HIGHLIGHTS

Particulars	(₹ Lakhs)											IND AS		
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18	2018-19				
Net Sales	7,549.17	9,017.40	10,652.93	9,593.96	8,352.55	9,189.77	9,117.37	9,757.23	11,393.17	12,290.68				
Total Income	8,750.36	9,425.27	11,065.90	9,862.19	9,144.02	9,632.55	9,417.47	10,712.94	12,217.66	13,061.55				
EBIDTA (Earning Before Dep. Interest & Tax)	4,147.43	4,214.87	4,620.26	3,509.83	3,407.02	2,774.79	2,991.27	4,252.79	4,934.73	5,344.39				
Depreciation	508.26	471.27	452.69	433.68	493.66	495.03	470.58	445.65	387.31	369.05				
Profit After Taxation	2,533.31	2,629.15	2,981.74	2,206.28	1,730.84	1,579.63	1,855.00	3,080.63	3,356.51	3,863.13				
Equity Dividend (%)	100.00	100.00	120.00	120.00	120.00	150.00	150.00	180.00	0.00	180.00				
Dividend Payout	734.92	734.93	881.92	881.92	881.92	1,102.40	1,102.40	1,322.88	0.00	1,243.67				
Equity Share Capital	734.93	734.93	734.93	734.93	734.93	734.93	734.93	734.93	690.93	690.93				
Reserves & Surplus	9,416.50	11,188.66	13,145.42	14,326.72	15,025.76	15,273.62	15,801.80	18,029.08	17,032.43	19,413.90				
Net Worth	10,151.43	11,923.59	13,880.35	15,061.65	15,760.69	16,008.55	16,536.73	18,764.01	17,723.36	20,104.83				
Gross Fixed Assets	8,692.18	8,741.90	8,915.72	10,957.77	12,670.83	12,897.51	13,014.98	12,998.16	12,980.58	13,290.19				
Net Fixed Assets	4,210.81	3,789.25	3,553.49	5,195.71	6,415.11	6,274.00	5,901.42	5,520.49	5,139.14	5,128.33				

Key Indicators

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 *	2017-18	2018-19
Earning per share	17.24	17.89	20.29	15.01	11.78	10.75	12.62	20.96	22.85	27.96
Turnover per share - Rs.	51.36	61.35	72.48	65.27	56.83	62.52	62.03	66.38	82.45	88.94
Book Value per share	69.06	81.12	94.43	102.47	107.23	108.91	112.51	127.66	128.26	145.49
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 %	33.56	29.16	27.99	23.00	20.72	17.19	20.35	31.57	29.46	31.43
EBDIT/ Net Sales %	54.94	46.74	43.37	36.58	40.79	30.19	32.81	43.59	43.31	43.48

* 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 Karvy Fintech Private Limited at kishore.bv@karvy.com or at 040 67161585.

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 Registrars and Transfer Agents of the Company or with the Secretarial department of the Company at complianceofficer@gandhitubes.com. Your initiative will save forest wealth of our Country.

NOTICE OF THIRTY FOURTH ANNUAL GENERAL MEETING

NOTICE is hereby given that Thirty Fourth Annual General Meeting of the Members of **GANDHI SPECIAL TUBES LIMITED** will be held on Wednesday, July 31, 2019 at 11.00 a.m. at Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai - 400 007, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements and the reports of the Board of Directors and Auditors thereon for the Financial Year ended March 31, 2019.
2. To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2019.
3. To appoint a Director in place of Shri Jayesh Gandhi (DIN 00041330), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To approve Buyback of shares through Tender Offer Route

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

“RESOLVED THAT pursuant to Article 24A and 24B of the Articles of Association of the Company and the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013 (**“the Act”**), the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable, the Companies (Management and Administration) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (**“Buyback Regulations”**), as amended from time to time, and subject to such other approvals, permissions, sanctions and exemptions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the Board of Directors of the Company (**“Board”**), which expression shall include any Committee constituted/ to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution), consent of the Members be and is hereby accorded for the buyback by the Company of its fully paid-up equity shares of face value of Rs. 5/- (Rupees Five) each (**“Equity Shares”**) up to 9,00,000 (Nine Lakh) Equity Shares (representing **6.51%** of the total issued and paid-up equity share capital of the Company) at a maximum price of **Rs.550/- (Rupees Five Hundred Fifty only)** per Equity Share, payable in cash for an aggregate consideration not exceeding **Rs. 49,50,00,000/- (Rupees Forty Nine Crore Fifty Lakh only)** excluding transaction costs viz. filing fees, advisors’ fees, brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, public announcement expenses, printing and dispatch expenses and other incidental and related expenses.etc., being within the limit of 25% of the aggregate of the paid-up share capital and free reserves as per the audited accounts of the Company as on March 31, 2019, out of the free reserves of the Company (including securities premium account) and or such other source as may be permitted by the Buyback Regulations or the Act, from the Members of the Company, as on the record date, on a proportionate basis, through the **“Tender Offer”** route as prescribed under the Buyback Regulations.

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

RESOLVED FURTHER THAT the Company may buyback Equity Shares from all the existing Members holding Equity

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

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

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

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs 50,000/- (Rupees Fifty Thousand) for the Financial Year ending March 31, 2020 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

**JEEGEESHA G. SHROFF
COMPANY SECRETARY**

Place : Mumbai

Date : May 28, 2019

Regd. Office:

201-204 Plaza, 2nd Floor,

55 Hughes Road,

Next to Dharam Palace,

Mumbai - 400007

Tel : 022 – 23634179

Fax : 91-22-2363 4392

CIN : L27104MH1985PLC036004

Email : complianceofficer@gandhitubes.com

Website : www.gandhitubes.com

NOTES:

1 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.

MEMBER’S ENTITLEMENT TO ATTEND MEETING AND APPOINT PROXY

3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
 - (a) Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of a member or number of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total paid up share capital of the Company. Member holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member

- (b) The instrument appointing Proxy as per the format included in the Annual Report should be lodged with the Company at its Registered Office not less than 48 hours before the commencement of the meeting i.e by 11.00 a.m. on Monday, July 29, 2019.
- (c) During the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged with the Company during normal business hours (9.30 a.m. IST to 6.00 p.m. IST) at the registered office of the Company, provided that a requisition for the same from a Member is received in writing not less than 3 days before the commencement of the Meeting.

CORPORATE MEMBER

- 4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative along with their specimen signature to attend and vote on their behalf at the Meeting.

JOINT HOLDERS

- 5. 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.

BOOK CLOSURE

- 6. The Register of Members and the Share Transfer books of the Company will remain closed from **Saturday, July 13, 2019 to Monday, July 15, 2019** (both days inclusive).

DIVIDEND AND ITS PAYMENT

- 7. Subject to the provisions of the Act, dividend as recommended by the Board, if declared at the meeting, 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 12, 2019**.
- 8. 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.
- 9. 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.

10. Members who have not encashed their dividends warrants for Financial Year 2012-2013 or any subsequent years are requested to write to the Company immediately but not later than February, 2020 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.gandhitubes.com).
11. Members are requested to note that the Dividend for the year ended March 31, 2013 declared on January 28, 2013 and which remained unpaid or unclaimed is due to be transferred to IEPF in March 2020 pursuant to Section 125 of the Companies Act, 2013 and the rules made thereunder.

INVESTOR EDUCATION AND PROTECTION MATTER—UNCLAIMED DIVIDEND AND SHARES

12. 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 Rs. 17,34,822/- (Seventeen Lakh Thirty Four Thousand Eight Hundred Twenty Two Only) of the Company for the financial year ended March 31, 2012 has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government on March 19, 2019 pursuant to Section 125 of the Companies Act, 2013..
13. 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 2011-2012 to 2016-2017 on the website of the IEPF viz. www.iepf.gov.in and under "Investor Section" on the website of the Company viz. www.gandhitubes.com The objective of the IEPF Rules is to help the shareholders ascertain Status of the unclaimed amounts and thus overcome their problem.
14. 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 11002 shares to the IEPF Account maintained with NSDL on March 25, 2019 taking the year 2011-2012 as base. The details of the shares transferred to IEPF Authority are uploaded under "Investor Section" on the website of the Company viz. www.gandhitubes.com).

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

HOLDING IN PHYSICAL FORM

15. 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.gandhitubes.com;
16. As per Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form so as to be able to freely transfer them and participate in corporate actions such as buyback. Members can contact the Company or Company's Registrars and Transfer Agents, Karvy Fintech Private Limited for assistance in this regard.

BUYBACK FOR PHYSICAL SHAREHOLDERS

17. In view of the restriction on transfer of shares in physical form, the Company will not be able to accept Equity Shares tendered in physical form in the Buyback, subject to any future regulatory clarifications / amendment to the applicable Act, Rules or Regulations. Accordingly, Shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialized before tendering their Equity Shares in the Buyback.

SERVICE OF ANNUAL REPORTS

18. The Annual Report duly circulated to the Members of the Company, is available on the Company's Website at www.gandhitubes.com and on the website of Karvy Fintech Pvt. Ltd. at <https://evoting.karvy.com>.
19. 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 there under, 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.
20. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

a. Members are requested to bring their copies of the Annual Report at the Meeting.

ATTENDANCE AT AGM

21. A route map showing directions to reach the venue of the 34th Annual General Meeting is given at the end of the notice as per the requirement of Secretarial Standard 2 on "General Meeting".
22. Members/Proxies and authorized signatories should bring the attendance slip duly filled in for attending the meeting. The identity/signature of the Members holding shares in electronic/demat form is liable for verification with specimen signatures as may be furnished by NSDL/CDSL to the Company. Such Members are advised to bring the relevant identity card, issued by the Depository Participant, to attend the Annual General Meeting.

MEMBERS TO KNOW OR DO

23. The Company's Equity Shares are listed at (i) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001; and (ii) National Stock Exchange of India Limited, Exchange Plaza, Floor 5, Plot No. C/1, Bandra (East), Mumbai- 400051.
24. 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. Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana State, India.
25. 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.

26. Shareholders can register their complaints, if any, on an exclusive e-mail id complianceofficer@gandhitubes.com which has been designated for the said purpose.
27. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
28. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
29. 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.
30. 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.

30. 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 Karvy Fintech Private Limited.

Procedure / Instructions for remote e-voting are as under

- i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii) Enter your Login Credentials (i.e., User-ID & Password) which will be sent to you separately.
Your Folio No. / DP-ID & Client-ID will be your User-ID. (Please refer below table for specifications & instructions).

User – ID	For Members holding shares in Demat Form: a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID. b) For CDSL: 16 digits beneficiary ID. For Members holding shares in Physical Form: Event Number followed by Folio Number registered with the Company.
Password	Your Unique password will be sent to you separately by courier / via email forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Please contact our toll free No. **1-800-34-54-001** for any further clarifications.
- iv) Members can cast their vote online as mentioned below period & time:

E-Voting Starts	Saturday, July 27, 2019	9:00 A.M.
E-Voting Ends	Tuesday, July 30, 2019	5:00 P.M.

- v) After entering these details appropriately, click on “LOGIN”.

Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Fintech Private Limited e-voting platform**. System will prompt you to change your password and update any contact details like mobile number, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi) You need to login again with the new credentials.

- vii) On successful login, system will prompt to select the 'Event' i.e., '**Company Name**'.

- viii) If you are holding shares in Demat form and had logged on to “https://evoting.karvy.com” to cast your vote earlier for any company, then your exiting login id and password are to be used.

- ix) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder does not want to cast his/her vote may select 'ABSTAIN'.

- x) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- xi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

Corporate/Institutional Members (corporate /FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to gstlagm2019@dholakia-associates.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format “Corporate Name_ Event no.”

A. In case a Member receives physical copy of the Notice of AGM and Attendance Slip [for members whose email IDs are not registered with the Company / Depository Participants(s)] or requesting physical copy:

- (i) Initial password will be sent separately
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) Above, to cast vote.

B. Voting at AGM: The members who have not cast their vote by remote e-voting can exercise their voting rights at the AGM.

The Company will make arrangements of poll papers in this regards at the AGM Venue.

OTHER INSTRUCTIONS

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of “<https://evoting.karvy.com>”. If you are already registered with Karvy for e-voting then you can use your existing USER ID AND PASSWORD/PIN for casting your vote.

-
- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. **The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, July 24, 2019 are entitled to vote on the Resolutions set forth in this Notice by way of remote e-voting and poll.**
- IV. The remote e-voting period will commence at from 9.00 a.m. on **Saturday, July 27, 2019** and will end at 5.00 p.m. on **Tuesday, July 30, 2019**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Wednesday, July 24, 2019**, may cast their vote electronically. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date for both remote e-voting and poll.
- VI. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date may obtain the login ID and password by sending an email to complianceofficer@gandhitubes.com or evoting@karvy.com by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on <https://evoting.karvy.com>.
- VII. Pursuant to Section 107 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (amended from time to time), voting through polling paper shall also be made available to those Members who attends the Annual General Meeting and have not already cast their vote by e-voting.
- VIII. A member may participate at the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
- X. Mr. Bhumitra V. Dholakia or in his absence Mr. Nrupang B. Dholakia, Practicing Company Secretary of Dholakia & Associates LLP has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XI. The Scrutinizer shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall not later than 48 hours of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.
- XII. The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of Karvy and shall be communicated to BSE Limited and National Stock Exchange of India.

ANNEXURE

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

SHRI JAYESH GANDHI

Name of the Director	Mr. Jayesh M. Gandhi
Date of Birth	28.11.1965
Date of Appointment	07.05.1998
Qualification	B.COM, M.B.A
Experience in specific functional areas	Mr. Jayesh M. Gandhi has a rich and extensive experience for more than 29 years in manufacturing, administration and marketing automobile and diesel engine, oil engine parts including exports. He has achieved good export orders visiting various countries. He is also a key person in developing the ERP system for your Company.
Directorships in other Companies	Jaishri Engineering Company Private Limited.
Chairman/ Member of the Committees of the Board of Directors of the Company	Member- of Audit Committee and Corporate Social Responsibility 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	1099796 Equity Shares of Rs. 5/- each.
Inter-se Relationship between Directors	Son of Mr. Manhar G. Gandhi, Chairman & Managing Director.
Director Identification Number	00041330

By Order of the Board of Directors

Place : Mumbai
Date : May 28, 2019

JEEGEESHA G. SHROFF
COMPANY SECRETARY

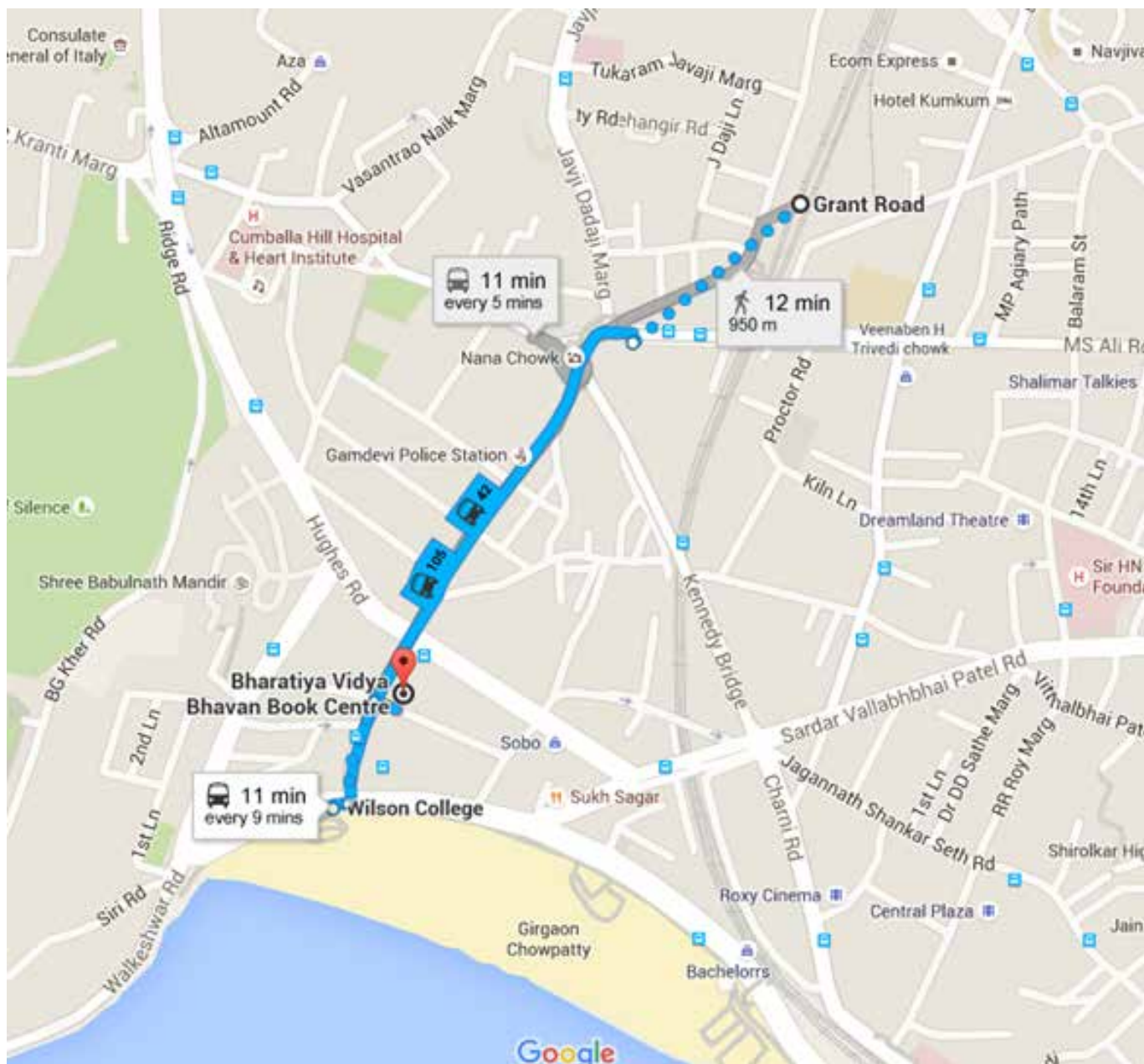
Regd. Office:

201-204 Plaza, 2nd Floor,
55 Hughes Road,
Next to Dharam Palace,
Mumbai - 400007

Tel : 022 – 23634179
Fax : 91-22-2363 4392
CIN : L27104MH1985PLC036004
Email : complianceofficer@gandhitubes.com
Website : www.gandhitubes.com

ROUTE MAP OF AGM VENUE:

Kanji Khetsey Sabhagriha,
Bharatiya Vidya Bhavan,
K. M. Munshi Marg, Mumbai - 400 007



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

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

Item No. 4

The earlier Buyback activity was successfully completed in the month of April 2018, wherein 8,80,000 shares were bought back at a price of ₹500/-

The Board of Directors of the Company at its meeting held on Tuesday, May 28, 2019 ("**Board Meeting**") has, subject to the approval of the Members of the Company by way of Special Resolution ("**Special Resolution**") and subject to such approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved buyback of fully paid-up Equity Shares of the Company of face value of ₹5/- (Rupees Five) each ("**Equity Shares**") up to **9,00,000 (Nine Lakh)** Equity Shares, on a proportionate basis through the "**Tender Offer**" route under Stock Exchange mechanism in accordance with the Act, the Companies (Share Capital and Debentures) Rules, 2014 ("Rules"), to the extent applicable, the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, (the "**Buyback Regulations**"), as amended from time to time, read with Securities and Exchange Board of India Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 ("**SEBI Circular**") at a **maximum price of ₹550/- (Rupees Five Hundred Fifty only)** per Equity Share payable in cash for an aggregate consideration not exceeding **₹49,50,00,000/- (Rupees Forty Nine Crore Fifty Lakh only)** ("**Offer Size**") excluding transaction costs viz. filing fees, advisors' fees, brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, public announcement expenses, printing and dispatch expenses and other incidental and related expenses, etc. ("**Buyback**"). The Buyback shall be within 25% of the aggregate of paid-up share capital and free reserves of the Company as per audited accounts of the Company as on March 31, 2019 (the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). The Offer Size of the Buyback constitutes **24.94%** of the aggregate paid-up share capital and free reserves of the Company, and represents **6.51%** of the total issued and paid-up equity share capital of the Company.

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

Requisite details relating to the Buyback are given below:

(a) Necessity for the Buyback:

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

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

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

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

The maximum amount required for Buyback will not exceed Rs. 49,50,00,000/- (Rupees Forty Nine Crore Fifty Lakh only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, etc. The said amount works out to 24.94% of the aggregate of the fully paid-up share capital and free reserves as per the audited accounts of the Company as on March 31, 2019 which is within the prescribed limit of 25%.

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

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

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

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

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

The MaximumBuyback Price represents:

- (i) Premium of 57.45% and 57.58% to the volume weighted average market price of the Equity Share on BSE and NSE, respectively, during the three months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.
- (ii) Premium of 45.00% and 45.46% over the closing price of the Equity Share on BSE and on NSE, respectively, as on Monday, May 20, 2019, being the date on which the Company intimated the Stock Exchanges of the date of the Meeting of the Board of Directors wherein proposal of the Buyback was considered.

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

The Company proposes to buyback up to 9,00,000 (Nine Lakh) Equity Shares of face value of Rs. 5/- (Rupees Five) each of the Company, which represents 6.51% of the total number of Equity Shares of the Company.

(e) Method to be adopted for the Buyback:

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

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

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

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

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

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

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

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

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

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

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

(f) Time limit for completing the Buyback:

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

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

The aggregate paid-up share capital and free reserves as on March 31, 2019 is Rs.1,98,45,45,058/- Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate of the fully paid-up share capital and free reserves of the Company i.e. is Rs.49,61,36,265/- (Rupees Forty Nine Crore Sixty one Lakh Thirty Six Thousand Two Hundred Sixty Five only). The maximum amount proposed to be utilized for the Buyback, is not exceeding Rs. 49,50,00,000/- (Rupees Forty Nine Crore Fifty Lakh only) and is therefore within the limit of 25% of the Company's fully paid-up share capital and free reserves as per the audited accounts of the Company as on March 31, 2019 (the last audited financial statements available as on the date of Board meeting recommending the proposal for the Buyback). Further, under the Act, the number of Equity Shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 34,54,654 Equity Shares. Since the Company proposes to buyback up to 9,00,000 Equity Shares, the same is within the aforesaid 25% limit.

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

(i) Aggregate shareholding of the Promoter, Promoter Companies / Entities and Persons in Control of the Company as on the date of Notice convening of General Meeting, i.e. Tuesday, May 28, 2019 is as follows:

Sr. No.	Name	Number of Shares held	% Shareholding
1	Manhar G. Gandhi (HUF)	84,730	0.61
2	Manhar G. Gandhi (Small HUF)	1,25,036	0.90
3	Manhar G. Gandhi	19,39,375	14.03
4	Bhupatrai G. Gandhi (HUF)	1,13,323	0.82
5	Bhupatrai G. Gandhi(Small HUF)	1,19,042	0.86
6	Bhupatrai G. Gandhi	18,22,840	13.19
7	Jayesh M. Gandhi	10,99,796	7.96
8	Manoj B. Gandhi	10,33,260	7.48
9	Bharti M. Gandhi	7,39,022	5.35
10	Chandra B. Gandhi	4,43,762	3.21
11	Gopi J. Gandhi	4,29,077	3.11
12	Jigna M. Gandhi	4,23,338	3.06
13	Karishma J. Gandhi	2,30,510	1.67
14	Karan M. Gandhi	3,28,972	2.38

Sr. No.	Name	Number of Shares held	% Shareholding
15	Rahul J. Gandhi	1,15,120	0.83
16	Jigna N. Mehta	47,180	0.34
17	Bina T. Shah	32,800	0.24
18	Nilesh V. Mehta	8,800	0.06
19	B. M. Gandhi Investment Co. LLP	5,16,388	3.74
20	Gandhi Finance Co. LLP	4,71,241	3.41
	Total	1,01,23,612	73.26

- (ii) **Aggregate shareholding of the Directors / Partners of Promoter Companies / Entities, as on the date of Notice convening of General Meeting, i.e. Tuesday, May 28, 2019 is as follows:**

B. M. Gandhi Investment Co. LLP			
Sr. No.	Name of Partners	Number of Shares held	% Shareholding
1.	Jayesh M. Gandhi (Designated Partner)	10,99,796	7.96
2.	Manoj B. Gandhi (Designated Partner)	10,33,260	7.48

Gandhi Finance Co. LLP			
Sr. No.	Name of Partners	Number of Shares held	% Shareholding
1.	Manhar G. Gandhi (Designated Partner)	19,39,375	14.03
2.	Bhupatrai G. Gandhi (Designated Partner)	18,22,840	13.19
3.	Bharti M. Gandhi	7,39,022	5.35
4.	Chandra B. Gandhi	4,43,762	3.21
5.	Manoj B. Gandhi	10,33,260	7.48
6.	Jayesh M. Gandhi	10,99,796	7.96

- (iii) **Aggregate shareholding of the Directors and Key Managerial Personnel of the Company, as on the date of Notice convening of General Meeting, i.e. Tuesday, May 28, 2019 is as follows:**

Sr. No.	Name	Designation	Number of Shares held	% Shareholding
1.	Manhar G. Gandhi	Managing Director	19,39,375	14.03
2.	Bhupatrai G. Gandhi	Joint Managing Director	18,22,840	13.19
3.	Jayesh M. Gandhi	Non-executive Promoter Director	10,99,796	7.96
4.	Dharmen B. Shah	Independent Director	Nil	Nil
5.	Dhirajlal S. Shah	Independent Director	3,998	0.03
6.	Kavas N. Warden	Independent Director	27,000	0.20
7.	Bhavi J. Koradia	Independent Director	Nil	Nil
8.	Shobhana R.Vartak	Chief Financial Officer	Nil	Nil
9.	Jeegeesha G. Shroff	Company Secretary	Nil	Nil

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

Other than as mentioned below, none of the Promoter, Promoter Companies / Entities, Persons in Control of the Company, Directors of Promoter Companies / Entities and Directors & Key Managerial Personnel of the Company have purchased / sold shares and other specified securities in the Company during a period of 6 months preceding the date of the Board meeting at which the Buyback was approved till the date of Notice convening General Meeting for Buyback, i.e. Tuesday, May 28, 2019.

Name	Aggregate No. of shares purchased / (sold)	Nature of transactions	Maximum price per share (₹)	Date of Maximum Price	Minimum price per share (₹)	Date of Minimum Price
Karan M. Gandhi	99,600	Promoter Inter-se Transfer – Gift	N.A.	N.A.	N.A.	N.A.
Kavita B. Gandhi	(99,600)	Promoter Inter-se Transfer – Gift	N.A.	N.A.	N.A.	N.A.
Rahul J. Gandhi	50,000	Promoter Inter-se Transfer – Gift	N.A.	N.A.	N.A.	N.A.
Manhar G. Gandhi	(50,000)	Promoter Inter-se Transfer – Gift	N.A.	N.A.	N.A.	N.A.
Jigna N. Mehta	(20)	Market Sale	354.25	February 12, 2019	354.10	February 12, 2019

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

In terms of the Buyback Regulations, under the Tender Offer route, the Promoters of the Company have an option to participate in the Buyback. In this regard, the Promoters of the Company have expressed their intention via their letters dated Tuesday, May 28, 2019 to participate in the Buyback and it may tender up to an aggregate maximum of 28,98,145 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations. Please see below the maximum number of Equity Shares intended to be tendered by each of the Promoter:

Sr. No.	Promoter Name	Number of Shares held	Maximum Number of Shares intended to Tender
1.	Manhar G. Gandhi (HUF)	84,730	18,990
2.	Manhar G. Gandhi (Small HUF)	1,25,036	69,976
3.	Manhar G. Gandhi	19,39,375	4,16,105
4.	Bhupatrai G. Gandhi (HUF)	1,13,323	17,363
5.	Bhupatrai G. Gandhi(Small HUF)	1,19,042	70,122
6.	Bhupatrai G. Gandhi	18,22,840	4,62,269
7.	Jayesh M. Gandhi	10,99,796	1,43,330
8.	Manoj B. Gandhi	10,33,260	1,48,092
9.	Bharti M. Gandhi	7,39,022	67,446

Sr. No.	Promoter Name	Number of Shares held	Maximum Number of Shares intended to Tender
10.	Chandra B. Gandhi	4,43,762	35,842
11.	Gopi J. Gandhi	4,29,077	1,68,604
12.	Jigna M. Gandhi	4,23,338	57,495
13.	Karishma J. Gandhi	2,30,510	15,510
14.	Karan M. Gandhi	3,28,972	1,09,972
15.	Rahul J. Gandhi	1,15,120	53,420
16.	Jigna N. Mehta	47,180	47,180
17.	Bina T. Shah	32,800	Nil
18.	Nilesh V. Mehta	8,800	8,800
19.	B. M. Gandhi Investment Co. LLP	5,16,388	5,16,388
20.	Gandhi Finance Co. LLP	4,71,241	4,71,241
	Total	1,01,23,612	28,98,145

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

1) Manhar G. Gandhi (HUF)

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
25/01/1988	Rights Issue *	12,200	10.00	10.00
Sub-Total		12,200		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each	24,400	NA	5.00
27/03/2018	Tendered in Buyback Offer	5,410	500.00	5.00
Total		18,990		

2) Manhar G. Gandhi (Small HUF)

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
25/01/1988	Rights Issue *	39,500	10.00	10.00
Sub-Total		39,500		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each	79,000	NA	5.00
27/03/2018	Tendered in Buyback Offer	9,024	500.00	5.00
Total		69,976		

3) Manhar G. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
30/12/1992	Rights Issue *	1,01,700	10.00	10.00
30/04/1998	Purchase	90,000	6.52	10.00
07/04/2001	Purchase	69,500	12.65	10.00
Sub-Total		2,61,200		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	5,22,400	NA	5.00
30/01/2009	Purchase	20,000	39.51	5.00
27/03/2018	Tendered in Buyback Offer	1,26,295	500.00	5.00
Total		4,16,105		

4) Bhupatrai G. Gandhi (HUF)

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
25/01/1988	Rights Issue *	12,200	10.00	10.00
Sub-Total		12,200		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	24,400	NA	5.00
27/03/2018	Tendered in Buyback Offer	7,037	500.00	5.00
Total		17,363		

5) Bhupatrai G. Gandhi (Small HUF)

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
25/01/1988	Rights Issue *	39,400	10.00	10.00
Sub-Total		39,400		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	78,800	NA	5.00
27/03/2018	Tendered in Buyback Offer	8,678	500.00	5.00
Total		70,122		

6) Bhupatrai G. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
07/12/1995	Purchase	20,000	17.10	10.00
20/04/1998	Purchase	90,000	6.52	10.00
16/10/2000	Purchase	95,300	17.30	10.00
17/10/2000	Purchase	29,700	17.50	10.00
02/04/2001	Purchase	55,000	12.65	10.00
Sub-Total		2,90,000		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	5,80,000	NA	5.00
27/03/2018	Tendered in Buyback Offer	1,17,731	500.00	5.00
Total		4,62,269		

7) Jayesh M. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
02/01/1996	Purchase	11,000	18.71	10.00
08/01/1996	Purchase	44,000	18.62	10.00
09/01/1996	Purchase	500	17.65	10.00
17/10/2000	Purchase	35,100	17.50	10.00
20/10/2000	Purchase	14,900	17.22	10.00
Sub-Total		1,05,500		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	2,11,000	NA	5.00
27/03/2018	Tendered in Buyback Offer	67,670	500.00	5.00
Total		1,43,330		

8) Manoj B. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
02/01/1996	Purchase	11,000	18.71	10.00
08/01/1996	Purchase	44,000	18.62	10.00
09/01/1996	Purchase	1,000	17.65	10.00
20/10/2000	Purchase	50,000	17.22	10.00
Sub-Total		1,06,000		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	2,12,000	NA	5.00
27/03/2018	Tendered in Buyback Offer	63,908	500.00	5.00
Total		1,48,092		

9) Bharti M. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
20/06/1996	Purchase	25,000	19.45	10.00
02/08/1996	Purchase	2,500	17.40	10.00
05/08/1996	Purchase	7,300	16.95	10.00
08/03/1999	Purchase	4,000	9.38	10.00
11/03/1999	Purchase	3,000	9.37	10.00
12/03/1999	Purchase	3,400	9.21	10.00
10/08/2001	Purchase	10,900	10.80	10.00
Sub-Total		56,100		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	1,12,200	NA	5.00
27/03/2018	Tendered in Buyback Offer	44,754	500.00	5.00
Total		67,446		

10) Chandra B. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
11/02/1999	Purchase	2,200	9.25	10.00
08/03/1999	Purchase	2,900	9.37	10.00
25/10/1999	Purchase	5,000	14.15	10.00
06/01/2000	Purchase	2,300	13.20	10.00
07/01/2000	Purchase	1,900	13.27	10.00
09/07/2001	Purchase	5,000	12.60	10.00
12/08/2003	Purchase	12,000	22.60	10.00
Sub-Total		31,300		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	62,600	NA	5.00
27/03/2018	Tendered in Buyback Offer	26,758	500.00	5.00
Total		35,842		

11) Gopi J. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
13/02/1997	Purchase	3,000	15.00	10.00
14/02/1997	Purchase	1,000	15.00	10.00
24/02/1997	Purchase	1,100	15.15	10.00
25/02/1997	Purchase	6,000	15.33	10.00
26/02/1997	Purchase	900	15.15	10.00
27/02/1997	Purchase	300	15.15	10.00
14/03/1997	Purchase	16,200	14.43	10.00
17/03/1997	Purchase	5,500	15.00	10.00
18/03/1997	Purchase	3,500	14.80	10.00
29/09/1997	Purchase	4,000	10.35	10.00
31/03/1999	Purchase	500	9.35	10.00
01/04/1999	Purchase	17,000	9.45	10.00
12/08/2003	Purchase	15,000	22.60	10.00
26/02/2004	Purchase	12,900	30.89	10.00
15/09/2006	Purchase	12,000	137.68	10.00
Sub-Total		98,900		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	1,97,800	NA	5.00
27/03/2018	Tendered in Buyback Offer	29,196	500.00	5.00
Total		1,68,604		

12) Jigna M. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
09/07/2001	Purchase	7,000	12.60	10.00
12/08/2003	Purchase	10,000	22.60	10.00
26/02/2004	Purchase	12,800	30.89	10.00
15/09/2006	Purchase	12,000	137.68	10.00
Sub-Total		41,800		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	83,600	NA	5.00
27/03/2018	Tendered in Buyback Offer	26,105	500.00	5.00
Total		57,495		

13) Karishma J. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
16/11/1998	Purchase	8,000	8.86	10.00
11/09/1999	Purchase	1,700	12.77	10.00
20/09/1999	Purchase	4,300	12.86	10.00
09/05/2000	Purchase	100	13.20	10.00
11/05/2000	Purchase	200	13.20	10.00
31/05/2002	Purchase	100	15.65	10.00
03/02/2004	Purchase	250	30.00	10.00
Sub-Total		14,650		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	29,300	NA	5.00
27/03/2018	Tendered in Buyback Offer	13,790	500.00	5.00
Total		15,510		

14) Karan M. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
29/09/1997	Purchase	4,000	10.35	10.00
12/11/1998	Purchase	8,000	8.85	10.00
Sub-Total		12,000		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	24,000	NA	5.00
27/03/2018	Tendered in Buyback Offer	13,628	500.00	5.00
18/06/2018	Promoter Inter-se Transfer – Gift	99,600	Nil	5.00
Total		1,09,972		

15) Rahul J. Gandhi

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
30/01/2009	Purchase	4,300	38.52	5.00
02/02/2009	Purchase	3,000	38.19	5.00
Sub-Total		7,300		
27/03/2018	Tendered in Buyback Offer	3,880	500.00	5.00
08/04/2019	Promoter Inter-se Transfer - Gift	50,000	Nil	5.00
Total		53,420		

16) Jigna N. Mehta#

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
As on 26/03/2008	Sub divided Equity Shares of Face Value of ₹5/- each	47,200	NA	5.00
12/02/2019	Market Sale	20	354.21	5.00
	Total	47,180		

17) Nilesh V. Mehta#

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
As on 26/03/2008	Sub divided Equity Shares of Face Value of ₹5/- each	8,800	NA	5.00
	Total	8,800		

18) B. M. Gandhi Investment Co. LLP

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
23/05/1986	IPO *	1,32,150	10.00	10.00
30/12/1992	Rights Issue *	1,59,500	10.00	10.00
	Sub-Total	2,91,650		
15/09/2006	Sale	12,000	136.32	10.00
	Sub-Total	2,79,650		
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	5,59,300	NA	5.00
27/03/2018	Tendered in Buyback Offer	42,912	500.00	5.00
	Total	5,16,388		

19) Gandhi Finance Co. LLP

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
23/05/1986	IPO *	13,780	10.00	10.00
25/01/1988	Rights Issue *	5,920	10.00	10.00
30/12/1992	Rights Issue *	2,47,500	10.00	10.00
	Sub-Total	2,67,200		
15/09/2006	Sale	12,000	136.32	10.00
	Sub-Total	2,55,200		

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Consideration Price (₹)	Face Value (₹)
26/03/2008	Sub division of Face Value of Equity Shares from ₹10/- each to ₹5/- each	5,10,400	NA	5.00
27/03/2018	Tendered in Buyback Offer	39,159	500.00	5.00
Total		4,71,241		

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

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

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

(j) No Defaults:

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

(k) Confirmations from the Board:

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

- (i) Immediately following the date of the Board meeting and the date on which the result of special resolution passed by the members at 34th Annual General Meeting will be declared, approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts;
- (ii) As regards the Company's prospects for the year immediately following the date of the Board meeting approving the Buyback as well as for the year immediately following the date on which special resolution passed by the members at the general meeting will be declared, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting as also from the date of general meeting Resolution;
- (iii) In forming an opinion as aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities), as if the Company was being wound up under the provisions of the Act (to the extent applicable) and the Insolvency and Bankruptcy Code, 2016.

(l) Members holding Equity Shares in physical form:

All equity shareholders holding the Equity Shares in physical form shall note that in accordance with the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), effective from April 1, 2019, transfers of securities of the Company shall not be processed

unless the securities are held in the dematerialized form with a depository. **Accordingly, subject to any future regulatory clarifications / amendment to the applicable Act, Rules or Regulations, the Company will not be able to accept Equity Shares tendered in physical form in the Buyback. Shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialized before tendering their Equity Shares in the Buyback.**

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

To,
The Board of Directors,
Gandhi Special Tubes Limited
201-204 Plaza, 2nd Floor,
55 Hughes Road,
Next to Dharam Palace,
Mumbai – 400007
Maharashtra, India.

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

1. This Report is issued in accordance with the terms of our engagement letter dated May 28, 2019.
2. The Board of Directors of the Company have approved a proposal for buyback of Equity Shares by the Company at its meeting held on May 28, 2019 in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 (the "Act") and the SEBI Buyback Regulations. We have been requested by the Management of the Company to provide a report on the accompanying statement of permissible capital payment ('Annexure A') as at 31st March, 2019 (hereinafter referred to as the "Statement"). This statement has been prepared by the Management, which we have initialled for the purposes of identification only.

Management's Responsibility:

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

Auditor's Responsibility:

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

- i. whether we have inquired into the state of affairs of the Company in relation to the audited financial statements as at March 31, 2019;
- ii. if the amount of permissible capital payment as stated in Annexure A, has been properly determined considering the audited financial statements as at March 31, 2019 in accordance with Section 68(2) of the Companies Act, 2013; and
- iii. if the Board of Directors of the Company, in their meeting held on May 28, 2019 have formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the shareholders' resolution with regard to the proposed buyback are declared.

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

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

Opinion:

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

- a. We have enquired into the state of affairs of the Company in relation to its audited financial statements as at and for the year ended March 31, 2019 which has been approved by the Board of Directors of the Company on May 28, 2019;
- b. The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the Statement attached herewith, is properly determined in our view in accordance with Section 68(2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited financial statements of the Company as at and for the year ended March 31, 2019.
- c. The Board of Directors of the Company, in their meeting held on May 28, 2019 have formed their opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated May 28, 2019, and from the date on which the results of the shareholders' resolution with regard to the proposed buyback are declared.

Restriction on Use

9. This report has been issued at the request of the Company solely for use of the Company
 - (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations,
 - (ii) to enable the Board of Directors of the Company to include in the explanatory statement to the notice for special resolution, public announcement, draft letter of offer, letter of offer and other documents pertaining to buyback to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and
 - (iii) for providing to the Managers, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

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

Shashikant J. Shah
Partner
Membership number: 015905
UDIN: 19015905AAAAAD8433

May 28, 2019
Mumbai

Annexure A**Statement of permissible capital payment (including premium) as at March 31, 2019**

The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the table below is properly determined in our view in accordance with Section 68(2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company for the period ended March 31, 2019.

Particulars as on March 31, 2019		Amount (Rs.)
Paid up capital (1,38,18,616 shares of Rs.5/- each)	A	6,90,93,080
Free Reserves		
- Profit and loss account balance		191,54,51,978
- Securities Premium		
- General Reserve		
Total Free Reserves	B	191,54,51,978
Total paid up capital and free reserves	A + B	198,45,45,058
Maximum amount permissible for buyback under Section 68 of the Companies Act, 2013 (25% of the total paid up capital and free reserves)		49,61,36,265

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

Shashikant J. Shah
Partner
Membership number: 015905
UDIN: 19015905AAAAAD8433

May 28, 2019
Mumbai

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

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

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

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

Company: Gandhi Special Tubes Limited
Contact Person: Jeegeesha Shroff
Tel: 022-23634179
Email: complianceofficer@gandhitubes.com

All the material documents referred to in the Notice and Explanatory Statement such as the Memorandum and Articles of Association of the Company, relevant Board resolution for the Buyback, the audited accounts for the period from April 1, 2018 to March 31, 2019, and the Auditors Report dated Tuesday, May 28, 2019, are available for inspection without any fee by the shareholders at the Company's registered office during normal business hours on working days from the date of dispatch of the notice up to the date of AGM, i.e. Wednesday, July 31, 2019.

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

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

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration to the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

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, 2020 by passing an Ordinary Resolution as set out at Item No. 5 of the Notice.

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

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

By Order of the Board of Directors

JEEGEESHA G. SHROFF
COMPANY SECRETARY

Place : Mumbai
Date : May 28, 2019

Regd. Office:

201-204 Plaza, 2nd Floor,
55 Hughes Road,
Next to Dharam Palace,
Mumbai - 400007

Tel : 022 – 23634179
Fax : 91-22-2363 4392
CIN : L27104MH1985PLC036004
Email : complianceofficer@gandhitubes.com
Website : www.gandhitubes.com

BOARD'S REPORT

Dear Members,

Directors are pleased to present their Thirty Fourth Annual Report on the business and operations of your Company along with the Audited Financial Statements for the financial year ended on March 31, 2019.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2019 is summarized below:

Particulars	For the year ended 31.03.2019 (₹ in Lakhs)	For the year ended 31.03.2018 (₹ in Lakhs)
Revenue from operations	12290.68	11,726.73
Other Income	770.87	824.49
Total Revenue	13061.55	12,551.22
Profit before Tax	4975.34	4547.42
Less: Tax Expenses		
Current Tax	1068.25	1320.04
Deferred Tax	43.96	(129.13)
Profit for the year	3863.13	3356.51
Dividend Paid	1243.67	-
Corporate Dividend Tax Paid	255.64	-
Earnings Per Share of ₹5/-	27.96	22.85

2. RESERVES

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

3. PERFORMANCE AND AFFAIRS OF THE COMPANY

During the year under review, the gross sales of the Company, are ₹12290.68 lakhs. (Previous Year ₹11393.17 lakhs) registering a growth of 7.88%. The Company recorded profit after tax for ₹3863.13 lakhs (Previous Year ₹3356.51 lakhs) registering a growth of 15.09%.

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

4. DIVIDEND

Your Directors are pleased to recommend a Dividend of 180% i.e. ₹9/- per equity share, out of Free reserves, for the Financial Year ended March 31, 2019 subject to necessary approval by the Shareholders at the ensuing Annual General Meeting of the Company to be held on July 31, 2019. The total dividend recommended(including dividend tax of ₹255.64 lakhs) for the current year 2018-2019 is ₹1499.31 lakhs. Payment of Dividend will be made to the members whose names appear in Register as on July 12, 2019.

5. BUYBACK OF SHARES

The Board in its meeting held on May 28, 2019 has, approved Buyback of up to 9,00,000 fully paid Equity Shares of the Company of face value of ₹5/- each, on a proportionate basis through the Tender Offer route at a maximum price of ₹550/- per equity share for an aggregate amount not exceeding ₹49,50,00,000/-, subject to the approval by members in the ensuing Annual General Meeting.

6. CURRENT BUSINESS STATUS

The demand for our products has lowered in last couple of quarters due to reduction in production by the Automotive and other OEM's on account of low demand and high inventories. However now with new elected government in place in Delhi, we expect that the business sentiment will improve substantially, necessary corrections will be done in policies which will be more industry favourable and as a consequence the demand will pick up. The performance and outlook of the Company has been discussed in the Management Discussion and Analysis Report, which is forming part of the Annual Report.

7. 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.

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

Your Company does not have any subsidiary, associate and joint venture Company.

9. 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.

10. PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and amended rules thereafter. The question of non-compliance of the relevant provisions of the law relating to acceptance of deposit does not arise.

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

Shri Jayesh Gandhi (DIN 00041330), Director will retire by rotation and being eligible and not being disqualified under section 164 of the Companies Act, 2013, offers himself for re-appointment.

Shri Dhiraj Shah, Shri Kavas Warden and Shri Dharmen Shah were re-appointed as Independent Directors for a second term of 5 years at the Board Meeting held on May 28, 2018 which was approved by the Shareholders in the Annual General Meeting held on August 13, 2018.

There is no change in the composition of the Board of Directors.

(ii) Key Managerial Personnel

During the year under review, there was no change in the composition of 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 the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, and that of its Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, and also as per the Guidance Notes issued by SEBI vide its Circular No: SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5th, 2017 covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

12. 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. The details of the Audit Committee, Stakeholder Relationship, Nomination and Remuneration Committee and CSR Committee have been given in the Report on the Corporate Governance. Recommendations made by the Audit Committee have been accepted by the Board without any modification

13. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 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.

14. NOMINATION AND REMUNERATION COMMITTEE

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

15. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES

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

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

16. RISK MANAGEMENT POLICY

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

17. 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.

18. 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.

19. 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.

20. EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) read with S. 134(3)(a) of the Act and Rules framed thereunder, the extract of the annual return for FY 2018-19 in the prescribed Form No. MGT-9, being a part of this report is annexed as Annexure B to this report and the same has been hosted on the website of the Company and can be viewed at www.gandhitubes.com.

21. CORPORATE SOCIAL RESPONSIBILITY

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

The Annual Report on CSR in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, for the year 2018-2019 is annexed as '**Annexure C**' to the Board's Report.

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

The Statutory Auditors of your Company namely, M/s. Shashikant J. Shah & Co., Chartered Accountants were appointed for a period of five years at the annual general meeting held on July 12, 2017. Also the member's approval was obtained for waiving the requirement of the ratification of the appointment of the Auditors for their remaining term, at the Annual General Meeting held on August 13, 2018 in terms of the Companies (Amendment) Act, 2017. Auditors have confirmed their eligibility and submitted the Certificate in writing that they are not disqualified to hold the office of the Statutory Auditor.

The Audit Report does not contain any qualification, reservation or adverse remark. There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

(ii) SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Act and the rules framed there under, the Board has appointed M/S Dholakia & Associates LLP, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2018-2019. The Secretarial Audit Report in Form MR-3 is annexed herewith as "**Annexure D**".

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

(iii) COST AUDITOR

The Board has appointed Shri Dakshesh Zaveri as the Cost Auditor for the year 2019-2020 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 ₹50,000/- (Rupees Fifty Thousand only) which is subject to the ratification by members in the ensuing Annual General Meeting.

23. 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.

24. GREEN INITIATIVES

Pursuant to Sections 101 and 136 of the Companies Act, 2013 the Company has sent Annual Report through electronic mode(email) to all the shareholders who have registered their email addresses with the Company or with the Depository to receive the Annual Report through electronic mode and initiated steps to reduce consumption of paper. For members who have not registered their email addresses, physical copies will be sent through a permitted mode.

25. 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.

26. 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.

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

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

28. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

The Company has not taken any loan during the year. The details of Guarantees, Investments and Securities as covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes No. 4,8 and 30 of the Financial Statements which form part of the Annual Report.

29. 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. 35 to the financial statement.

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

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

30. 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, 2019 is provided in a separate Annexure E forming part of this Report.

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

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

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

32. GENERAL DISCLOSURES

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

1. The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
2. The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
3. The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
4. During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
5. No orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

33. 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

Place : Mumbai
Date : May 28, 2019

Manhar G. Gandhi
Chairman & Managing Director
DIN: 00041190

“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, 2019.

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 0.675 MW at its factory situated in Halol, Gujarat.

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		2018-2019	2017-2018
Electricity Purchased			
Units Purchased	Lakhs		
	KWH	59.80	45.02
Total Amount	₹ Lakhs	459.76	358.31
Average Rate / KWH	Rupees	7.69	7.96
GSPC Gas Consumed			
Quantity Consumed	SCM	1895684	1839814
Total Amount	₹ Lakh	626.02	541.41
Average Rate / SCM	Rupees	33.02	29.43
Liquid Nitrogen Consumed			
Quantity Consumed	CUM	4078440	4289651
Total Amount	₹ Lakhs	189.39	291.06
Average Rate/Cum	Rupees	4.64	6.79

B. CONSUMPTION PER UNIT OF PRODUCTION

Sr. No.	Particulars		2018-2019	2017-18
			Per Tonne	Per Tonne
1.	Electricity*	KWH	1141.49	903.69
2.	GSPC GAS**	Tonne	0.295	0.300
3.	Liquid Nitrogen**	CUM	833.87	919.15

* 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 used and earned are as follows:

Foreign Exchange Earnings	₹3,60,92,790/-
Foreign Exchange Outgo	₹17,92,33,396/-

For and On behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2019

Manhar G.Gandhi
Chairman & Managing Director
DIN: 00041190

FORM NO. MGT – 9**EXTRACT OF ANNUAL RETURN****As on the financial year ended March 31, 2019**[Pursuant to Section 92(3) of the Companies Act, 2013, and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS**

CIN	L27104MH1985PLC036004
Registration Date	22/04/1985
Name of the Company	GANDHI SPECIAL TUBES LIMITED
Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES /INDIAN NON-GOVERNMENT COMPANY
Address of the Registered Office and contact details	201-204, PLAZA, 2ND FLOOR, 55 HUGHES ROAD, MUMBAI, MAHARASHTRA, INDIA, 400007 Email Id: complianceofficer@gandhitubes.com Tel No: 022-23634179
Whether listed Company	YES
Name, address and contact details of Registrar and Transfer Agent, if any	KARVY FINTECH PRIVATE LIMITED 6-FLOOR, KARVY SELENIUM TOWER-B, PLOT NO. 31 & 32, FINANCIAL DIST, GACHIBOWLI, NANAKRAMGUDA, SERI LINGAMPALLY HYDERABAD - 500 032, TELANGANA STATE, INDIA. PHONE NO.: +91 040 6716 1585 FAX NO : + 91 2300 1153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Welded Tubes	24311	12.61
2	Seamless Tubes	24311	79.61

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Not applicable as there is no subsidiary and associate company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	9136003	-	9136003	66.11	9135983	-	9135983	66.11	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	987629	-	987629	7.15	987629	-	987629	7.15	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	10123632	-	10123632	73.26	10123612	-	10123612	73.26	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	10123632	-	10123632	73.26	10123612	-	10123612	73.26	-
B. PUBLIC SHAREHOLDING									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	251	2600	2851	0.02	1865	1200	3065	0.02	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPI	255310	-	255310	1.85	255310	-	255310	1.85	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	255561	2600	258161	1.87	257175	1200	258375	1.87	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	238019	400	238419	1.73	294315	400	294715	2.13	0.40
ii) Overseas	-	-	-	-	-	-	-	-	-

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

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Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹1 Lakh	1903403	462902	2366305	17.12	1869384	411831	2281215	16.51	(0.61)
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	451512	-	451512	3.27	472681	-	472681	3.42	0.15
iii) NBFCs registered with RBI	-	-	-	-	1000	-	1000	0.01	0.01
iv) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
v) Other Foreign Nationals	-	-	-	-	-	-	-	-	-
vi) Foreign Bodies	-	-	-	-	-	-	-	-	-
vii) NRI / OCBs	96578	105350	201928	1.46	110093	90500	200593	1.45	(0.01)
viii) Clearing Members / Clearing House	11559	-	11559	0.08	3759	-	3759	0.03	(0.05)
ix) Trusts	-	-	-	-	-	-	-	-	-
x) Limited Liability Partnership	-	-	-	-	-	-	-	-	-
xi) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	-
xii) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
xiii) Others									
IEPF	124340	-	124340	0.90	149668	-	149668	1.08	0.18
Others	42760	-	42760	0.31	32998	-	32998	0.24	(0.07)
Sub-Total (B)(2):	2868171	568652	3436823	24.87	2933898	502731	3436629	24.87	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	3123732	571252	3694984	26.74	3191073	503931	3695004	26.74	-
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	13247364	571252	13818616	100	13314685	503931	13818616	100	-

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2018			No. of Shares held at the end of the year 31.03.2019			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
MANHAR G. GANDHI	1989375	14.40	-	1989375	14.40	-	-
BHUPATRAI G. GANDHI	1822840	13.19	-	1822840	13.19	-	-
JAYESH M. GANDHI	1099796	7.96	-	1099796	7.96	-	-
MANOJ B. GANDHI	1033260	7.48	-	1033260	7.48	-	-
BHARTI M. GANDHI	739022	5.35	-	739022	5.35	-	-
CHANDRA B. GANDHI	443762	3.21	-	443762	3.21	-	-
GOPI J. GANDHI	429077	3.11	-	429077	3.11	-	-
JIGNA M. GANDHI	423338	3.06	-	423338	3.06	-	-
KARISHMA J. GANDHI	230510	1.67	-	230510	1.67	-	-
KARAN M. GANDHI	229372	1.66	-	328972	2.38	-	0.72
MANHAR G. GANDHI (SMALL HUF)	125036	0.90	-	125036	0.90	-	-
BHUPATRAI G. GANDHI (SMALL HUF)	119042	0.86	-	119042	0.86	-	-
BHUPATRAI G. GANDHI (HUF)	113323	0.82	-	113323	0.82	-	-
KAVITA B. GANDHI	99,600	0.72	-	-	-	-	(0.72)
MANHAR G. GANDHI (HUF)	84730	0.61	-	84730	0.61	-	-
RAHUL J. GANDHI	65120	0.47	-	65120	0.47	-	-
JIGNA N. MEHTA	47,200	0.34	-	47180	0.34	-	-
BINA T. SHAH	32,800	0.24	-	32,800	0.24	-	-
NILESH V. MEHTA	8,800	0.06	-	8,800	0.06	-	-
B. M. GANDHI INVESTMENT CO. LLP	516388	3.74	-	516388	3.74	-	-
GANDHI FINANCE CO. LLP	471241	3.41	-	471241	3.41	-	-
Total	10123632	73.26	-	10123612	73.26	-	-

(iii) Change in Promoters' Shareholding

During the year under review, Ms.Kavita B. Gandhi, part of Promoter group transferred her entire holding of 99600 shares to Mr. Karan M.Gandhi, also a part of the Promoter group, vide Inter- se transfer as a Gift. Also Ms.Jigna N. Mehta, part of the Promoter group, sold 20 shares of the Company.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018		Shareholding at the end of the Year 31.03.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company (calculated on the basis of post buyback paid up capital)
1	PINEBRIDGE INDIA EQUITY FUND	175292	1.27	175292	1.27
2	MANISH JAIN	13006	0.09	124628	0.90
3	RAJESH POPATLAL SHAH	111510	0.81	114210	0.83
4	GOVERNMENT OF SINGAPORE - E	80018	0.58	80018	0.58
5	JEETAY INVESTMENTS PVT LTD	72995	0.53	72995	0.53
6	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	53998	0.39	53998	0.39
7	MAHAVEER PRASAD JAIN	48449	0.35	48449	0.35
8	JITENDRA RASIKLAL SHAH	44261	0.32	44961	0.33
9	CHIRAYUSH PRAVIN VAKIL	34197	0.25	42360	0.31
10	JYOTI KETAN VAKHARIA	35068	0.25	35068	0.25
	Total	668794	4.84	791979	5.74

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	Mr.Manhar G. Gandhi	2199141	15.91	2199141	15.91	-	-
2	Mr.Bhupatrai G. Gandhi	2055205	14.87	2055205	14.87	-	-
3	Mr.Jayesh M. Gandhi	1099796	7.96	1099796	7.96	-	-
4	Mr.Dharmen B. Shah	-	-	-	-	-	-
5	Mr.Dhirajlal S. Shah	3998	0.03	3998	0.03	-	-
6	Mr. Kavas N. Warden	26921	0.19	27000	0.20	02.04.2018	Purchased from market

Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year		Date of change in shareholding	Reason for change
	Directors/KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
7.	Ms. Bhavi J. Koradia.	-	-	-	-	-	-
8.	Ms. Shobhana R. Vartak	-	-	-	-	-	-
9.	Ms. Jeegeesha G. Shroff(CS)	-	-	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

The Company has not borrowed any amount from the Bank or financial institution.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director / Whole Time Director and/or Manager;

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (₹In lakhs p.a)
		Mr. Manhar G. Gandhi (₹In lakhs p.a)	Mr. Bhupatrai G. Gandhi (₹In lakhs p.a)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	120.00	120.00	240.00
	(b) Value of Perquisites u/sec 17 (2) Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	85.00	85.00	170.00
	a. as a % of profit	-	-	-
5	Others, please specify	-	-	-
	Total (A)	205.00	205.00	410.00

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors				Total Amount (₹In lakhs p.a)
	Mr. Dhirajlal S Shah (₹In lakhs p.a)	Mr. Dharmen B. Shah (₹In lakhs p.a)	Mr. Kavas N Warden (₹In lakhs p.a)	Mrs. Bhavi Jatin Koradia (₹In lakhs p.a)	
• Fee for attending board/other committee meeting	1.19	1.09	0.90	1.09	4.27
Total (1)					4.27
Other Non-Executive Directors	Mr Jayesh Gandhi (₹in lakhs)	-	-	-	-
• Fee for attending board /other committee meeting	0.88	-	-	-	0.88
Total (2)					0.88
Total (B) = (1 + 2)					5.15

C. Remuneration to key managerial personnel other than MD/Manager/WTd

Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹ in lakhs)
	Chief Financial Officer	Company Secretary	
	Mrs. Shobhana Rajan Vartak (₹In lakhs p.a)	Ms. Jeegeesha Shroff (₹In lakhs p.a)	
Gross Salary			
(a) Salary as per provisions contained in section 17 (1) of the Income Tax Act, 1961	14.27	4.19	18.46
(b) Value of Perquisites u/sec 17 (2) Income Tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
a. as a % of profit	-	-	-
b. others, specify	-	-	-
Others, Please specify	-	-	-
Total	14.27	4.19	18.46

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act):

There were no instances of any penalties/punishments/compounding of offences for the year ended March 31, 2019

For and On behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2019

Manhar G.Gandhi
Chairman & Managing Director
DIN: 00041190

“ANNEXURE C”**ANNUAL REPORT ON CSR ACTIVITIES**

	Particulars	Details
1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	The detail is available on the Web Site of the Company www.gandhitubes.com
2.	The Composition of the CSR Committee.	Mr.Manhar G. Gandhi- Chairman Mr.Jayesh M. Gandhi- Member Mr.Dhirajlal S. Shah- Member
3.	Average Net Profit of the Company for last three Financial Years	₹35,94,59,374/-
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹71,89,187/-
5.	Details of CSR spent during the Financial Year.	
	(a) Total amount to be spent for the Financial Year;	₹71,89,187/-
	(b) Amount unspent , if any;	₹77,07,142/- (including the unspent amount for the year 2017-2018)
	(c) Manner in which the amount spent during the Financial Year and reasons thereof.	<p>The Company has spent ₹1,40,500 towards HDFC Charity Fund for Cancer Cure during the year. However the Company could not spend remaining amount for the reasons stated below. Any how the entire amount will be carried forward and may be spent in the year 2019-2020.</p> <p>The Company's philosophy from the day one the CSR provisions were introduced was to spend CSR funds on the projects which are mainly located in the Rural Areas and having enduring benefits to the Society at large. It believes in creation of CSR wealth which can be used for longer period and the beneficiaries should derive benefits generation by generation. The factory of the Company being located in Gujarat it is the preferred destination for the Company. The Company is in search of a suitable project so as to fulfill its CSR obligations and will release the funds earmarked for CSR, on finalization of the CSR activity.</p>

Chairman and Managing Director**Chairman of CSR Committee**

FORM NO. MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

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

To,

**The Members,
Gandhi Special Tubes Limited**
201-204, Plaza, 2nd Floor
55 Hughes Road,
Mumbai-400007

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gandhi Special Tubes Limited (CIN L27104MH1985PLC036004)** (hereinafter called 'the Company') for the financial year ended 31st March, 2019. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

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

B. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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 examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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, 1998; (up to 10th September, 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September, 2018) to the extent of extinguishment of Share Certificates and filing of Return in respect of Buyback of securities;
 - 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, 2009 (up to 10th September, 2018 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th September, 2018)
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - VI. And the Company being in the business of manufacturing Automobiles Components, Cold Formed Tube Nuts for Fuel Injection Tube Assemblies, Hydraulic and other tube Assemblies, no specific Special Acts are applicable to the Company as envisaged in the format of Audit Report under the Act.

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

E. We further report that--

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

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

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

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

For DHOLAKIA & ASSOCIATES LLP
(Company Secretaries)

Place : Mumbai
Date : 28th May, 2019

CS Bhumitra V. Dholakia
Designated Partner
FCS-977 CP No. 507

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. Industry Structure and Development**

Our 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.

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

2. Opportunities & Threats**Opportunities:**

Growth in rural income should fuel demand for Farm equipment. Increased rate of infrastructure development should increase demand for construction equipment and consequent higher economic activities will boost demand for other products. Technology change will throw up some new opportunities.

Threats:

Change in technology to meet emission norms as well as introduction of battery operated vehicles will pose some challenges to all industries in automotive sector.

3. Product wise Performance

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

Sr. No.	Product	2018-19 (%)	2017-18 (%)
1.	Welded Tubes	12.61	14.64
2.	Seamless Tubes	79.61	78.64
3.	Cold Formed Nuts	6.21	5.09
4.	Wind Power	1.57	1.63
	Total	100	100

4. Outlook

Currently we are experiencing sluggish demand for companies products because of reduction in production by OEMs on account of low demand and high inventories in automobile sector. However we expect revival in demand in near future.

5. Risk and Concerns

Increase in commodity prices has already resulted in overall increase in cost which is difficult to pass to customers. Reduction in demand in last couple of quarters has resulted in excess inventory with dealers and supply chain of OEM's.

The Company evaluates and monitors all risks associated with various areas of operations such as production, sales, inventory management, debtors management, insurance, legal and other issues like safety and environment with a view to mitigate the adverse impact of the risk factors. Adverse monsoon may affect demand for the company's products.

6. Internal Control Systems

The 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 raised 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

Sales and Profit:

During the year, Net Sales increased by approximately 7.88% and Net Profit increased by 15.09%.

8. Capital Investment:

Capital Investment of ₹374.34 Lakhs were 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

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 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

10. Safety, Health and Environment (SHE) Management

Safety: Your Company continues to adopt best safety practices which have resulted into a reduced 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. This is progressively taking the Company towards achieving the target of Zero Accidents. Regular safety inspection of plant and machinery is carried out to mitigate hazards by terminating the hazard at source by technology up gradation and treating the hazards against exposure to personnel by implementing engineering controls.

11. Cautionary Statement

Statements made in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "forward looking statement" 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 and enduring relations with OEM and commitment of its staff, will continue to sustain its growth and payout by way of dividend to the shareholders in the year 2019-2020.

For GANDHI SPECIAL TUBES LTD.

Manhar G. Gandhi
Chairman and Managing Director
DIN: 00041190

Place : Mumbai
Date : May 28, 2019

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 Obligation and Disclosure Requirement) Regulations, 2015 and the Companies Act, 2013.

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 more than fifty percent independent directors. The Board consists of 7 directors out of which two are executive directors, one non-executive promoter director and four independent directors inclusive of a woman director.

(B) & (C) Attendance and Other Directorships:

The attendance of the Board of Directors and related information as on March 31, 2019 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 13, 2018	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	4	Present	Nil	None	Executive (Promoter Group)	Brother of Mr. Manhar G. Gandhi, Chairman & Managing Director
Mr. Dhirajlal S. Shah	4	Present	Nil	None	Non Executive & Independent	None
Mr. Kavas N. Warden	4	Present	Nil	None	Non Executive & Independent	None

Name of the Director & Designation	No. of Board Meetings attended (out of total 4 meetings)	Attendance at the last AGM on August 13, 2018	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	3	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.

(D) 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.

Four Board Meetings were held during the year on May 28, 2018, August 13, 2018, October 31, 2018, and February 6, 2019 respectively. All the board meetings have been held within the prescribed time gap of 120 days between any two meetings. Separate meeting of the Independent Director was held on February 6, 2019 and the business as envisaged under Listing Regulations, 2015 and the Companies Act, 2013 was transacted. The meeting was held without the presence of management staff of the Company.

(E) Disclosure of Inter se relationship between Directors

Mr. Manhar G. Gandhi, Chairman & Managing Director is father of Mr. Jayesh M. Gandhi, Director and Brother of Mr. Bhuptra G. Gandhi, Jt Managing Director

(F) Number of Shares held by Non Executive Director as on March 31, 2019.

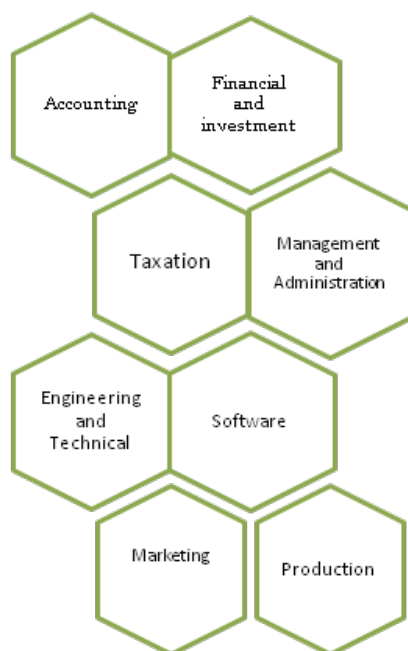
Sr. No	Shareholder's Name	No. of shares
1	Mr. Jayesh M. Gandhi	1099796
2	Mr. Dharmen B. Shah	-
3	Mr. Dhirajlal S. Shah	3998
4	Mr. Kavas N. Warden	27000
5	Mrs. Bhavi J. Koradia	-

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

The web link for details of familiarization program to Independent Directors is at www.gandhitubes.com

(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.

(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 May 16, 2016 and the same are in accordance with Part C of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) 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. Dhirajlal S. Shah, (Chartered Accountant) - Chairman and Independent Director
2. Mr. Dharmen B. Shah (Chartered Accountant) - 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 May 28, 2018, August 13, 2018, October 31, 2018, and February 6, 2019 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. Dhirajlal S. Shah	4
Mr. Dharmen B. Shah	4
Mr. Jayesh M. Gandhi	3
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. 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 Obligation and Disclosure Requirement) 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

The Nomination and Remuneration Committee met once during the year on May 28, 2018. 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.gandhitubes.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 6, 2019, 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, 2019.**(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 1, 2018.

The total remuneration paid to the Managing Director and the Joint Managing Director during the year 2018-2019 was as under:

Name	Salary (₹ In Lakhs)	Commission (₹ In Lakhs)	Total (₹ In Lakhs)
Mr. Manhar G. Gandhi Mg. Director	120.00	85.00	205.00
Mr. Bhupatrai G. Gandhi Jt. Mg. Director	120.00	85.00	205.00

Notes:

- Either party to the agreement is entitled to terminate by giving the other party a notice of 3 months.
- The Managing Director and the Joint Managing Director are entitled to compensation for loss of office in accordance with and subject to restrictions laid down under section 202(2) the Companies Act, 2013.
- Presently, the Company does not have a scheme for grant of stock options either to the Managing Director or to the Joint Managing Director.
- The Managing Director and Jt. Managing Director are entitled to commission within the overall limit prescribed under sections 197 of the Companies Act, 2013.
- 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 2018-2019, the Company has paid total sitting fee of ₹5,15,000/- to non-executive directors as under:

Mr. Dhirajlal S. Shah:	₹119000/-
Mr. Kavas N. Warden:	₹90000/-
Mr. Jayesh M. Gandhi:	₹88000/-
Mr. Dharmen B. Shah:	₹109000/-
Mrs. Bhavi J.Koradia:	₹109000/-

7. Stakeholders Relationship Committee**(a) Composition, Name of Members, Chairperson & Attendance during the year:**

Stakeholders Relationship Committee comprises of:

Mr. Dhirajlal S. Shah	-	Chairman and Independent 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 6, 2019. 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:

Ms. Jeegeesha G. Shroff, 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, 2019 is given below:

Nature of Complaint	Received	Cleared	Pending
Non Receipt of Annual Report	-	-	Nil
Non Receipt of Dividend Warrants	36	36	Nil
Non- receipt of Duplicate/Transmission/Deletion of SCS	2	2	Nil
Non receipt of securities	10	10	Nil
Others	-	-	-
Letters from Stock Exchange/ SEBI/ Department of Company Affairs	-	-	Nil
Total	48	48	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 31st March, 2019.

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

8. Unclaimed Dividend and Transfer of Shares to IEPF

During the year under review, the Company has transferred ₹17,34,822/- (Seventeen Lakh Thirty Four Thousand Eight Hundred Twenty Two Only) being unclaimed dividend declared for the financial year 2011-2012, on March 19, 2019 to IEPF Account established by the Central Government in accordance with provisions of section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The Dividend for the year ended March 31, 2013 declared on January 28, 2013 is due to be transferred to IEPF in March 2020 pursuant to Section 125 of the Companies Act, 2013 and the rules made thereunder

Transfer of Equity Shares

Pursuant to provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit and Transfer and Refund) Rules, 2016, as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more are being transferred to an IEPF Account. The Company has also sent notice to all the members whose Dividends are lying unpaid / unclaimed against their names for seven consecutive years or more. Consequently the Company transferred 11002 shares to the IEPF Account maintained by National Securities Depository Limited (NSDL) on March 25, 2019 based on the data provided by the Registrar, taking the financial year 2011-2012 as a base. The details of the Shares that has been transferred to the said IEPF Account have also been uploaded on website of the Company. The voting rights on these equity shares would remain frozen till the rightful owner claims these shares.

9. Corporate Social Responsibility Committee (CSR Committee)

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

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

The Committee comprises of

1. Mr. Manhar G. Gandhi – Chairman and Managing Director
2. Mr. Jayesh M. Gandhi – Non-Executive Director
3. Mr. Dhirajlal S. Shah – Independent Director

The Committee met twice during the year on May 28, 2018 and August 13, 2018 respectively which discussed and recommended the Board the amount to be spent for the year 2018-2019.

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

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

10. General Body Meetings

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, 2016	28.07.2016	11.00 a.m	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai 400007	None
March 31, 2017	12.07.2017	11.00 a.m.	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai 400007	None
March 31, 2018	13.08.2018	11.00 a.m.	Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai 400007	1) Re-appointment of Shri Dhirajlal S. Shah as an Independent Director for second term of 5 years with effect from April 1, 2019 2) Re-appointment of Shri Kavas N. Warden as an Independent Director for second term of 5 years with effect from April 1, 2019 3) Re-appointment of Shri Dharmen B. Shah as an Independent Director for second term of 5 years with effect from April 1, 2019

None of the items transacted at the said meetings were required to be passed by postal ballot. At the forthcoming Annual General Meeting there is no item on the agenda requiring to be passed mandatorily by 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.gandhitubes.com. The quarterly and annual results along with the Segmental Report are generally published in The Free Press Journal, Navshakti, and Economic Times. 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 transfer agents, 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, 2018	05.07.2018	05.07.2018
September 30, 2018	10.10.2018	10.10.2018
December 31, 2018	10.01.2019	10.01.2019
March 31, 2019	10.04.2019	10.04.2019

(d) Release of official news

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

(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**

34th Annual General Meeting of the shareholders will be held on Wednesday, July 31, 2019 at 11.00 a.m.

Venue: Kanji Khetsey Sabhagriha,
Bharatiya Vidya Bhavan,
K. M. Munshi Marg,
Mumbai: 400007.

Date of Book Closure: - Saturday, July 13, 2019 to Monday, July 15, 2019 (both days inclusive).

(b) **Dividend Payment Date:** The final dividend, if declared shall be paid/credited on or before August 14, 2019

(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:**

Annual listing fee for the financial year 2019-2020 has been paid by the Company to BSE Ltd and NSE.

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

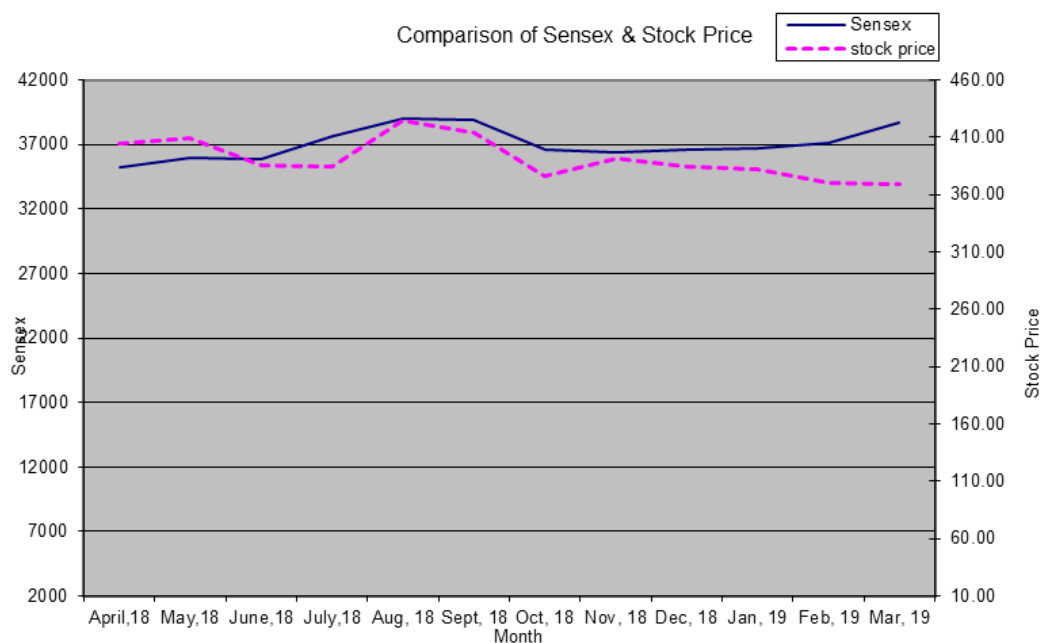
Monthly Share Price Data of the Company's shares on BSE for the year ended March 31, 2019

Month	Highest Rate (₹)	Date	Lowest Rate (₹)	Date
April 2018	404.00	11/04/2018	353.00	03/04/2018
May 2018	409.00	28/05/2018	376.10	03/05/2018
June 2018	386.00	04/06/2018	360.00	06/06/2018
July 2018	385.00	31/07/2018	360.25	20/07/2018
August 2018	424.85	14/08/2018	370.00	07/08/2018
September 2018	414.00	14/09/2018	355.00	28/09/2018
October 2018	376.00	31/10/2018	340.00	08/10/2018
November 2018	391.00	09/11/2018	344.05	26/11/2018
December 2018	384.90	31/12/2018	346.15	11/12/2018
January 2019	382.50	07/01/2019	357.00	28/01/2019
February 2019	369.90	01/02/2019	341.20	15/02/2019
March 2019	368.90	08/03/2019	345.10	26/03/2019

Monthly Share Price Data of the Company's shares on NSE for the year ended March 31, 2019

Month	Highest Rate (₹)	Date	Lowest Rate (₹)	Date
April 2018	409.50	12/04/2018	352.50	03/04/2018
May 2018	408.80	28/05/2018	372.80	22/05/2018
June 2018	389.90	01/06/2018	355.50	06/06/2018
July 2018	386.00	31/07/2018	361.70	20/07/2018
August 2018	414.70	14/08/2018	366.30	07/08/2018
September 2018	410.00	17/09/2018	355.50	28/09/2018
October 2018	389.00	12/10/2018	337.10	08/10/2018
November 2018	385.50	05/11/2018	344.15	22/11/2018
December 2018	389.25	31/12/2018	351.10	10/12/2018
January 2019	389.50	07/01/2019	358.95	28/01/2019
February 2019	369.80	06/02/2019	337.50	11/02/2019
March 2019	370.00	07/03/2019	342.40	26/03/2019

(h) Performance in comparison to BSE Sensex



- (i) In case the securities are suspended from trading, Board's Report shall explain reason**
Not Applicable

(j) Name and Address of the Registrar and Share Transfer Agent**KARVY FINTECH PVT LTD.****Regd. Office**

6-Floor, Karvy Selenium Tower-B,
 Plot No. 31 & 32, Financial Dist, Gachibowli, Nanakramguda,
 Seri Lingampally, Hyderabad – 500 032,
 Telangana State India.
 Tel : +91 040 6716 1585
 Fax : +91 2300 1153

(k) Share Transfer System

Karvy Fintech Pvt Ltd., processes transfer of shares held in physical form. The powers for approval of share transfers are delegated as under:

Up to 2500 Shares : Karvy Fintech Pvt Ltd.,
 2500 to 5000 Shares : Company Secretary
 Above 5000 Shares : Managing Director.

As per regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 if the relevant documents are complete and in order in all respects, the transfer of shares is effected within 12 days and certificates are dispatched to the transferees within 15 days from the date of receipt.

The requests for dematerialization of shares are processed by the Registrar and Share Transfer Agents and within a period of 21 days.

(l) (1) Distribution of Share Holding as on March 31, 2019**DISTRIBUTION SCHEDULE AS ON 31/03/2019**

Sr. no	Category	No. of shareholder	% of Cases	% Amount
1	1-5000	6971	93.50	9.73
2	5001- 10000	268	3.59	3.06
3	10001- 20000	107	1.43	2.21
4	20001- 30000	30	0.40	1.10
5	30001- 40000	15	0.20	0.76
6	40001- 50000	13	0.17	0.85
7	50001- 100000	17	0.23	1.71
8	100001 & Above	36	0.48	80.58
Total:		7457	100.00	100.00

(2) Distribution of shareholding according to categories of shareholders as on March 31, 2019

SHARE HOLDING PATTERN AS ON 31/03/2019				
Sr. no	Description	Cases	Shares	% Equity
1	BANKS	2	1884	0.01
2	CLEARING MEMBERS	10	3759	0.03
3	DIRECTORS AND THEIR RELATIVES	3	31998	0.23
4	FOREIGN NATIONALS	1	1000	0.01
5	FOREIGN PORTFOLIO INVESTORS	2	255310	1.85
6	H U F	311	116049	0.84
7	I E P F	1	149668	1.07
8	INDIAN FINANCIAL INSTITUTIONS	1	1181	0.01
9	INDIAN PROMOTER COMPANIES	2	987629	7.15
10	BODIES CORPORATES	148	294715	2.13
11	NBFC	1	1000	0.01
12	NON RESIDENT INDIANS	221	162559	1.18
13	NRI NON-REPATRIATION	59	38034	0.28
14	COMPANY PROMOTERS	22	9135983	66.11
15	RESIDENT INDIVIDUALS	6673	2637847	19.09
Total:		7457	13818616	100.00

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 31.03.2019
1.	Gandhi Finance Co. LLP	471241
2	B.M. Gandhi Investment Co. LLP	516388

(m) Details of Dematerialization and its liquidity

CONTROL REPORT AS ON 31/03/2019				
Sr. No	Name of Depository	No. of Holders	Shares	% To Equity
1	NSDL	3844	11439837	82.79
2	CDSL	2565	1874848	13.57
	Sub Total	6409	13314685	96.36
3	PHYSICAL	1048	503931	3.65
Total:		7457	13818616	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 & Kuchchh (Gujarat), Sangli (Maharashtra)
- (q) Address for Correspondence:

Shri Ganesh Patro/ Shri. B V Kishore	Ms. Jeegeesha Shroff, Company Secretary & Compliance Officer
Karvy Fintech Pvt. Limited Karvy Selenium Tower-B, Plot No. 31 & 32, Financial Dist, Gachibowli, Nanakramguda, Seri Lingampally, Hyderabad - 500 032, Telangana State India. Tel : +91 040 6716 1585 Fax : +91 2300 1153 Email: kishore.bv@karvy.com URL: www.karvy.com	Gandhi Special Tubes Ltd. 201-204 Plaza, 2nd Floor 55 Hughes Road, Next to Dharam Palace Mumbai 400 007 Tel: 022-23634179 Fax: 022-23634392 Email: complianceofficer@gandhitubes.com URL: www.gandhitubes.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 has not 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 Accounting Standard 18, are disclosed in Note No. 35 to the Accounts in the Annual Report and they are not in conflict with the interest of the Company at large.

(b) Compliances by the Company

There have been no instances of non-compliance on any matter with the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital market during the last three years.

(c) Whistle Blower Policy:

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

(d) Compliance with Mandatory and Non-Mandatory Items

The Company has complied with the 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 requirements of Part E of Schedule II under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

a) The Board

Maintenance of the Non-Executive Chairman's Office: Presently not applicable as the Chairman of the Company is a Managing Director.

b) Shareholder Right

As the quarterly and half yearly financial results along with significant events are published in the news papers 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>

c) 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.

d) 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.**e) Web link where policy for determining material subsidiaries is disclosed**

Not Applicable

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

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

g) Disclosure of commodity price risks and commodity hedging activities

Not Applicable

h) The Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of LODR Regulations.**14. Non Compliance of any requirement of corporate governance report**

The Company has complied with all mandatory requirements of sub paras (2) to (10) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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, 2019, is as follows:

Particulars	Amount (₹)
Statutory Audit Fees	6.00
For other services	0.12
Total fees (₹)	6.12

17. 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.

18. 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.gandhitubes.com.

19. CEO/CFO Certifications

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

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

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

For and On behalf of the Board of Directors

Place : Mumbai
Date : May 28, 2019

Manhar G. Gandhi
Chairman & Managing Director
DIN: 00041190

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 2019, 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 2019.
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

SHASHIKANT J. SHAH

Partner

Membership number: 015905

UDIN: 19015905AAAAAE4064

Mumbai

May 28, 2019

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 28, 2019

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, 2019 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 28, 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of
GANDHI SPECIAL TUBES LIMITED.

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

We have audited the accompanying financial statements of GANDHI SPECIAL TUBES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the 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) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our Report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made 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

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

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

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

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

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

Management's Responsibility for the Financial Statements

The Company's Management 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 are responsible for overseeing the Company's financial Reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 197 (16) of the Act, we Report that the company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Further to our comments in "Annexure 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 purpose 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.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies

(Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No.30 to the Financial Statements.
- ii. The Company has not entered into any long term contracts including derivative contracts for which there were any material foreseeable losses, as required under the applicable law or Indian Accounting Standards.
- iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SHASHIKANT J. SHAH & CO.

Chartered Accountants

Firm Reg. No. 109996W

SHASHIKANT J. SHAH

Partner

Membership No: 015905

Place : Mumbai

Date : 28/05/2019

Annexure “A” to The Independent Auditor’s Report for the year ended 31st March 2019.

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

- i. In respect of the Company’s fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) As explained to us, the fixed assets have been physically verified by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;
 - (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us , the physical verification of inventory has been conducted by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable and no material discrepancies were noticed on such verification
- iii. According the information and explanations given to us, the Company has, during the year, not granted any loans, Secured or unsecured, to Companies, firms, Limited Liability Partnership; or other parties covered in the register maintained under section 189 of the Companies Act,2013,accordingly, the provision of paragraph 3 (iii), 3(iii) (a) to (c) of the said order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the companies Act 2013 in respect of grant of loans to Directors, Loans and investments and giving guarantees and providing securities, etc. as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and Rules framed there under to the extent notified. Accordingly, clause 3(v) not applicable
- vi. We have broadly reviewed the records maintained by the Company in respect of its products, where pursuant to the Company’s Cost record and audit) Rules 2014, the maintenance of cost records have been prescribed under Section148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained, we have not, however, made a detailed examination of records with view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Profession Tax, Investor Education & Protection Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, and other material statutory dues as applicable with the appropriate authorities.

(b) The disputed Statutory dues aggregating ₹195.14 Lakh which have not been deposited on account of disputed matter pending before appropriate authorities are as under :

(₹ in Lakhs)

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	168.66	01-09-2004 to 30-09-2013	Before Customs, Excise & Service tax Appellate tribunal
Service Tax Laws	Service Tax	1.25	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	195.14		

- viii. The Company does not have any loans or borrowings from financial institutions, banks, government or to debenture holders during the year. Accordingly Paragraph 3 (viii) of the Order is not applicable.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly Paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on Company by its officers or employees, noticed or Reported during the year in course of our audit, nor have we been informed of any such case by the management.
- xi. According to the information and explanations given to us, and based on our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and According to information and explanations given to us, the Company is not a Nidhi Company. Accordingly Paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, and the details of such transactions have been disclosed in the Financial Statement as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year under review. Accordingly, Paragraph 3 (xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on examination of the records of the Company, the Company has not entered into any non-cash transactions with its Directors or persons connected with them covered under section 192 of the Companies Act, 2013. Accordingly, Paragraph 3(xv) is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Paragraph 3(xvi) of the Order is not applicable.

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

SHASHIKANT J. SHAH
Partner
Membership No: 015905

Place : Mumbai
Date : 28/05/2019

Annexure “B” to the Independent Auditor’s Report

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

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

We have audited the internal financial controls over financial Reporting of **GANDHI SPECIAL TUBES LIMITED (“the Company”)** as of March 31, 2019 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 safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on company’s internal financial controls over financial Reporting with reference to 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, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent deemed applicable to an audit of internal financial controls, Both applicable to an audit of internal financial controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial Reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial Reporting with reference to these financial statement and such internal financial controls over financial Reporting with reference to these financial statements were operating effectively as at March 31, 2019, 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

SHASHIKANT J. SHAH
Partner
Membership No: 015905

Place : Mumbai
Date : 28/05/2019

GANDHI SPECIAL TUBES LIMITED

(CIN : L27104MH1985PLC036004)

34th Annual Report 2018-19

BALANCE SHEET AS AT 31st MARCH 2019

₹ in Lakhs

	Particulars	Note No.	As at 31 March 2019 ₹	As at 31 March 2018 ₹
A	ASSETS			
1	Non-Current Assets			
	a) Property Plant and Equipment	2	5,125.77	5,138.99
	b) Other Intangible Assets	3	2.56	0.15
	c) Financial Assets			
	i) Investments	4	7,252.67	8,054.35
	ii) Other Financial Assets	5	4.85	2.45
	d) Other Non-current Assets	6	-	3.79
	Total Non-Current Assets		12,385.85	13,199.73
2	Current Assets			
	a) Inventories	7	2,694.20	2,002.97
	b) Financial Assets			
	i) Investments	8	4,736.65	1,832.97
	ii) Trade Receivables	9	1,537.89	1,945.32
	iii) Cash and Cash Equivalents	10	213.90	317.67
	iv) Other Bank Balances	11	137.61	134.84
	v) Loans	12	80.23	65.07
	vi) Other Financial Assets	13	75.24	65.41
	c) Other Current Assets	14	225.39	175.52
	Total Current Assets		9,701.11	6,539.77
	TOTAL ASSETS	TOTAL	22,086.96	19,739.50
B	EQUITY AND LIABILITIES			
1	Equity			
	a) Equity Share Capital	15	690.93	690.93
	b) Other Equity	16	19,413.90	17,032.42
	Total Equity		20,104.83	17,723.35
2	Liabilities			
	Non-Current Liabilities			
	a) Provisions	17	308.90	306.81
	b) Deferred Tax Liabilities (net)	18	857.03	805.82
	Total Non-Current Liabilities		1,165.93	1,112.63
	Current Liabilities			
	a) Financial Liabilities			
	i) Trade Payables	19	172.89	162.36
	ii) Other Financial Liabilities	20	386.12	375.28
	b) Other Current Liabilities	21	150.50	237.03
	c) Provisions	22	40.47	58.01
	d) Current Tax Liabilities (Net)	23	66.22	70.84
	Total Current Liabilities		816.20	903.52
	Total Liabilities		1,982.13	2,016.15
	TOTAL EQUITY AND LIABILITIES	TOTAL	22,086.96	19,739.50
	Significant Accounting Policies	1		
	See accompanying notes to the financial statements	1 to 40		

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)

B. G. GANDHI
(Joint Managing Director)

D. S. SHAH
(Director)

Shashikant J. Shah
Partner

K. N. WARDEN
(Director)

J. M. GANDHI
(Director)

D. B. SHAH
(Director)

Membership No. 015905

BHAVI KORADIA
(Director)

SHOBHANA RAJAN VARTAK
(CFO)

JEEGEESHA G. SHROFF
(Company Secretary)

Mumbai, May 28, 2019

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2019

₹ in Lakhs except Earnings per share

	Particulars	Note No.	31 March 2019 ₹	31 March 2018 ₹
	INCOME			
1	Revenue from Operations	24	12,290.68	11,726.73
2	Other Income	25	770.87	824.49
	Total Income		13,061.55	12,551.22
3	EXPENSES			
	a) Cost of Materials Consumed	-	4,376.21	3,649.68
	b) Changes in Inventories of Finished Goods and Work-in-Progress	26	(122.30)	66.45
	c) Excise Duty on Sales	-	-	333.56
	d) Employee Benefits Expense	27	846.60	834.06
	e) Depreciation and Amortization Expense	2 & 3	369.05	387.31
	f) Other Expenses	28	2,616.65	2,732.74
	Total Expenses		8,086.21	8,003.80
4	Profit before Tax		4,975.34	4,547.42
5	Tax Expense			
	a) Current Tax	29	1,068.25	1,320.04
	b) Deferred Tax	29	43.96	(129.13)
	Total Tax Expenses		1,112.21	1,190.91
6	Profit for the year		3,863.13	3,356.51
7	Other Comprehensive Income			
	Items that will not be reclassified subsequently to profit or loss			
	a) Remeasurement [gain/(loss)] of net Defined Benefit Plan		24.91	4.00
	b) Income tax on above		(7.25)	(1.16)
	Total Other Comprehensive Income		17.66	2.84
8	Total Comprehensive Income for the year		3,880.79	3,359.35
9	Earning per share (of ₹5/- each)			
	Basic and Diluted	34	27.96	22.85
	Significant Accounting Policies	1		
	See accompanying notes to the financial statements	1 to 40		

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)
B. G. GANDHI
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Membership No. 015905

BHAVI KORADIA
(Director)

SHOBHANA RAJAN VARTAK
(CFO)

JEEGEESHA G. SHROFF
(Company Secretary)

Mumbai, May 28, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019
A. EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	Note No.	Number of Shares	₹
Balance as at April 1, 2017		14,698,616	734.93
Add / (Less) : Changes due to Buy back during the year		(880,000)	(44.00)
Balance as at March 31, 2018		13,818,616	690.93
Add: Changes during the year		-	-
Balance as at March 31, 2019	15	13,818,616	690.93

B. OTHER EQUITY

Particulars	Reserves and Surplus				
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Total
	₹	₹	₹	₹	₹
Balance as at April 1, 2017	5.39	209.99	3,000.00	14,813.70	18,029.08
Profit for the year	-	-	-	3,356.51	3,356.51
Other Comprehensive Income for the year					
-Remeasurement gain/(loss) on Defined Benefit Plan (Net of tax)	-	-	-	2.84	2.84
Transfer to Capital Redemption Reserve	-	44.00	(19.00)	(25.00)	-
Premium paid on Buy back of Equity shares	-	-	(2,981.00)	(1,375.00)	(4,356.00)
Balance as at March 31, 2018	5.39	253.99	-	16,773.05	17,032.43
Profit for the year	-	-	-	3,863.13	3,863.13
Other Comprehensive Income for the year					
-Remeasurement gain/(loss) on Defined Benefit Plan (Net of tax)	-	-	-	17.66	17.66
Dividend (including Dividend Distribution Tax)	-	-	-	(1,499.32)	(1,499.32)
Balance as at March 31, 2019	5.39	253.99	-	19,154.52	19,413.90

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)
B. G. GANDHI
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Membership No. 015905

BHAVI KORADIA
(Director)

SHOBHANA RAJAN VARTAK
(CFO)

JEEGEESHA G. SHROFF
(Company Secretary)

Mumbai, May 28, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

	Particulars	31 March 2019 ₹	31 March 2018 ₹
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before Tax	4,975.34	4,547.42
	Add / (Less):- Adjustments for Non-Cash / Non-Operating Items		
	Depreciation and amortisation	369.05	387.31
	Interest income	(170.84)	(144.59)
	Dividend income	(94.72)	(135.56)
	Net Gain on Sale of Non-current Investments	(18.33)	(45.03)
	Gain on Sale of Current Investments	(27.33)	
	Gain on Fair Valuation of Investments	(442.23)	(486.58)
	(Profit)/Loss on Property, Plant and Equipment sold/scrapped/written off (Net)	4.82	1.66
	Operating profit before working capital changes	4,595.76	4,124.63
	Adjusted for :		
	Increase) / Decrease in Trade Receivables	407.44	(317.88)
	(Increase) / Decrease in Inventories	(691.24)	434.11
	(Increase) / Decrease in Other Financial Assets	(27.39)	9.19
	(Increase) / Decrease in Other Current Assets	(46.07)	(105.86)
	Increase/(Decrease) in Trade Payables, Other Current, Financial Liabilities and Short-term Provisions	(82.69)	315.57
	Increase / (Decrease) in Provisions	2.08	20.81
		(437.87)	355.94
	Cash generated from Operations	4,157.89	4,480.57
	Taxes paid	(1,047.96)	(1,293.61)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	3,109.93	3,186.96
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Interest received	170.84	144.59
	Dividend received	94.72	135.56
	Purchase of Property, Plant and Equipment	(378.07)	(12.86)
	Sale of Property, Plant and Equipment	15.00	5.25
	Purchase of investments during the year	(9,232.54)	(8,285.83)
	Sale of investments during the year	7,618.44	9,355.54
	NET CASH (USED IN) INVESTING ACTIVITIES (B)	(1,711.61)	1,342.25

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	Particulars	31 March 2019	31 March 2018
		₹	₹
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Payment for Buy-Back of Equity Shares :		
	against Equity Share Capital	-	(44.00)
	against Security Premium Account	-	(4,356.00)
	Corporate Dividend (including Dividend Distribution Tax)	(1,499.32)	-
	NET CASH (USED IN) FINANCING ACTIVITIES (C)	(1,499.32)	(4,400.00)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(101.00)	129.21
	Opening Balance of Cash and Cash Equivalents and Other Bank Balances	452.51	323.30
	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS AND OTHER BANK BALANCES	351.51	452.51
	Significant Accounting Policies	1	
	See accompanying notes to the financial statements	1 to 40	

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)**B. G. GANDHI**

(Joint Managing Director)

D. S. SHAH

(Director)

Shashikant J. Shah

Partner

K. N. WARDEN

(Director)

J. M. GANDHI

(Director)

D. B. SHAH

(Director)

Membership No. 015905

BHAVI KORADIA

(Director)

SHOBHANA RAJAN VARTAK

(CFO)

JEEGEESHA G. SHROFF

(Company Secretary)

Mumbai, May 28, 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**Notes forming Part of the Financial Statements****Corporate Information**

Gandhi Special Tubes Limited ("the Company") is engaged in manufacture of Seamless and Welded 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 (NSE).

The financial statements for the year ended 31 March 2019 are approved by the Company's Board of Directors on 28 May, 2019.

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 to the nearest lakhs (INR 00,000) up to two decimals, 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 (other than freehold land) is provided on the Straight-Line Method as

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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. Leasehold land is amortised over the period of lease.

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 Intangible Assets

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

1.4 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.

1.5 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

The company classifies all other liabilities as non-current.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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.

1.6 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.

1.7 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.

1.8 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**1.9 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 include excise duty but exclude Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

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

b) Rendering of Services

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

c) Interest Income

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

d) Dividends

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

e) Export incentives

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

1.10 Leases

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease and based on the substance of the lease arrangement, it is classified as a finance lease or an operating lease

a) Finance Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

Assets under finance leases are capitalised at the commencement of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments and a liability is created for an equivalent amount. Minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**b) Operating Leases**

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership.

Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

1.16 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

1.17 Key estimates, assumptions and judgements

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

a) Property, Plant and Equipment/Intangible Assets

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

b) 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.

c) Employee Benefit Plans

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**d) 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.

e) 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.

f) 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. 29

1.18 Ind AS issued but not yet effective

Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new Ind AS with effect from April 1, 2019 :

Ind AS 116 on Leases**Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract**

Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognise right of use of assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of Profit and Loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of Profit and Loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company has evaluated the impact on account of implementation of Ind AS 116 which will not have significant impact on the financial statement of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
2 PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Freehold Land and Site Development	Building - Factory	Building - Others	Plant and Machinery	Furniture and Fixtures	Office Equip- ment's	Vehicles	Wind Mills	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a) Gross Carrying Value									
Balance as at April 1, 2017	71.80	898.48	1,188.11	3,128.99	43.66	12.35	46.02	492.30	5,881.71
Additions during the year	-	0.14	-	1.06	-	0.67	11.00	-	12.87
Deductions/Adjustments during the year	-	-	-	(0.40)	-	-	(30.05)	-	(30.45)
Balance as at March 31, 2018	71.80	898.62	1,188.11	3,129.65	43.66	13.02	26.97	492.30	5,864.13
Additions during the year	-	0.42	-	305.23	-	1.56	67.13	-	374.34
Deductions/Adjustments during the year	-	-	-	(9.16)	-	(0.12)	(51.42)	-	(60.70)
Balance as at March 31, 2019	71.80	899.04	1,188.11	3,425.72	43.66	14.46	42.68	492.30	6,177.77
(b) Accumulated Depreciation									
Balance as at April 1, 2017	-	55.05	27.69	230.88	7.53	4.77	(21.49)	57.48	361.91
Depreciation expense for the year	-	34.62	26.51	249.76	6.77	2.61	15.74	50.75	386.76
Deductions/Adjustments during the year	-	-	-	(0.23)	-	-	(23.31)	-	(23.54)
Balance as at March 31, 2018	-	89.67	54.20	480.41	14.30	7.38	(29.06)	108.23	725.13
Depreciation expense for the year	-	34.30	26.51	238.23	6.04	2.67	15.17	44.82	367.74
Deductions/Adjustments during the year	-	-	-	(4.55)	-	(0.08)	(36.24)	-	(40.87)
Balance as at March 31, 2019	-	123.97	80.71	714.09	20.34	9.97	(50.13)	153.05	1,052.00
(c) Net Carrying Value (I-II)									
Balance as at 31 March 2018	71.80	808.94	1,133.91	2,649.25	29.35	5.64	56.02	384.06	5,138.99
Balance as at 31 March 2019	71.80	775.07	1,107.40	2,711.64	23.31	4.50	92.80	339.25	5,125.77

3 OTHER INTANGIBLE ASSETS

Particulars	Software Licences ₹ in Lakhs	Total ₹ in Lakhs
(I) Gross Carrying Value		
Balance as at April 1, 2017	2.89	2.89
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Balance as at March 31, 2018	2.89	2.89
Additions during the year	3.73	3.73
Deductions/Adjustments during the year	-	-
Balance as at March 31, 2019	6.62	6.62
(II) Accumulated Depreciation		
Balance as at April 1, 2017	2.19	2.19
Depreciation expense for the year	0.55	0.55
Deductions/Adjustments during the year	-	-
Balance as at March 31, 2018	2.74	2.74
Depreciation expense for the year	1.31	1.31
Deductions/Adjustments during the year	-	-
Balance as at March 31, 2019	4.05	4.05
(iii) Net Carrying Value (I-II)		
Balance as at March 31, 2018	0.15	0.15
Balance as at March 31, 2019	2.56	2.56

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
4 NON-CURRENT INVESTMENTS

Particulars			As at 31 March 2019 ₹ in Lakh	As at 31 March 2018 ₹ in Lakh
Investments measured at amortised cost	Number of units			
In bonds (Quoted, fully paid up)				
7.39%-HUDCO Ltd. Tax Free Bonds	8,408 (8,408)		84.08	84.08
8.41%-India Infrastructure Finance Co. Ltd. Tax Free Bonds	30,000 (30,000)		300.00	300.00
6.70%-Indian Railway Finance Corpn. Ltd. Tax Free Bonds	100 (100)		92.50	92.50
7.28%-Indian Railway Finance Corpn. Ltd. Tax Free Bonds	12,080 (12,080)		120.80	120.80
7.35%-Indian Railway Finance Corpn. Ltd. Tax Free Bonds	3,527 (3,527)		35.27	35.27
7.35%-NABARD Tax Free Bonds	2,004 (2,004)		20.04	20.04
8.41%-NTPC Limited Tax Free Bonds	9,499 (9,499)		94.99	94.99
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
8.20%-NHAI Limited Tax Free Bonds	1,236 (1,236)		12.36	12.36
8.30%-NHAI Limited Tax Free Bonds	23,736 (23,736)		245.80	245.80
8.30%-Power Finance Corporation Ltd. Tax Free Bonds	27,500 (27,500)		283.72	283.72
11.40%-Tata Power Ltd. Taxable Bonds	10 (10)		101.25	101.25
11.50%-Tata Steel Ltd. Taxable Bonds	10 (10)		102.65	102.65
			1,697.98	1,697.98
Investments measured at Fair Value through Profit & Loss				
In Mutual Funds (Un quoted)				
Long-term Mutual Funds :	Number of units			
Aditya Birla Sun Life Regular Saving Fund-Regular Plan-Growth option	- (559,947)		-	214.01
HDFC Equity Saving Fund - Direct plan-Growth option	714,584 (714,584)		278.90	258.06
ICICI Prudential MIP 25 Growth option	- (1,272,414)		-	501.16
Reliance Hybrid Bond Fund - Growth option	4,297,915 (5,773,755)		1,874.69	2,364.97
			2,153.59	3,338.20
Fixed Maturity Plans :	Number of units			
Aditya Birla Sun Life Fixed Term Plan (1099D)-Regular Growth-Series QW	1,000,000 (-)		104.28	-
HDFC CFCC-Arbitrage Plan-50% Dividend Donation Option	500,000 (500,000)		50.04	50.14
HDFC FMP (1161D Feb-2016-1)-Regular Plan-Growth Option	- (1,000,000)		-	122.76
HDFC FMP (1161D Feb-2016-1)-Direct Plan-Growth Option	- (2,000,000)		-	248.74
HDFC FMP (1140D Mar-2016-1)-Regular Plan-Growth Option	- (4,000,000)		-	485.04
HDFC FMP (1153D Apr-2016-1)-Direct Plan-Growth Option	- (5,000,000)		-	601.64
HDFC FMP (1178D Feb-2017-1)-Direct Plan-Growth Option-Series-37	4,000,000 (4,000,000)		472.10	438.73
HDFC FMP (1188D Mar-2017-1)-Direct Plan-Growth Option-Series-38	4,000,000 (4,000,000)		465.36	434.14
HDFC FMP (1166D May-2017-1)-Direct Plan-Growth Option-Series-38	2,000,000 (2,000,000)		230.27	214.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Particulars			As at 31 March 2019 ₹ in Lakh	As at 31 March 2018 ₹ in Lakh
HDFC FMP (1141D August-2018-1)-Direct Plan-Growth Option-Series-42	5,000,000	(-)	523.80	-
HDFC FMP (1344D October-2018-1)-Direct Plan-Growth Option-Series-43	3,000,000	(-)	315.17	-
HDFC FMP (1232D November-2018-1)-Direct Plan-Growth Option-Series-43	2,000,000	(-)	209.47	-
HDFC FMP (1190D January-2019-1)-Direct Plan-Growth Option-Series-43	499,990	(-)	51.41	-
Kotak FMP (1063D)-Direct plan-Growth Option-Series 239	2,000,000	(-)	210.30	-
Reliance Fixed Horizon Fund-XXXIII-Growth Option-Series-5	1,000,000	(1,000,000)	116.62	108.20
Reliance Fixed Horizon Fund-XXVI-Growth Option-Series-6	3,000,000	(3,000,000)	337.58	314.57
Reliance Fixed Horizon Fund-XXXVIII-Growth Option-Series-11	3,000,000	(-)	314.70	-
			3,401.10	3,018.17
			5,554.69	6,356.37
		Total	7,252.67	8,054.35
Aggregate amount of quoted investments			1,697.98	1,697.98
Aggregate market value of quoted investments			1,856.71	1,891.60
Aggregate amount of Un quoted investments			5,554.70	6,356.37

5 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Deposits	4.85	2.45
Total	4.85	2.45

6 OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Capital Advances	-	3.79
Total	-	3.79

7 INVENTORIES

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Raw Materials	1,839.36	1,308.27
Work-in-progress	456.24	270.60
Finished goods	44.96	108.30
Stores and spares	353.64	315.80
Total	2,694.20	2,002.97

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
8 CURRENT INVESTMENTS

Particulars		As at 31 March 2019 ₹ in Lakh	As at 31 March 2018 ₹ in Lakh
Investments measured at amortised cost	Number of units		
In Preference Shares (Quoted, fully paid up)			
9 % - L&T Finance Holding Ltd.-CRPS	- (192,790)	-	214.46
		-	214.46
Investments measured at Fair Value through Profit & Loss In mutual funds			
(Un Quoted, fully paid up)			
Short-term Mutual Funds :			
Birla Sun Life MIP II-Wealth 25 - Regular Plan-Growth option	559,947 (-)	217.93	-
		217.93	-
Fixed Maturity Plans :	Number of units		
HDFC FMP (1161D Feb-2016-1) - Regular Plan-Growth option	1,000,000 (-)	132.26	-
HDFC FMP (1161D Feb-2016-1) - Direct plan-Growth option	2,000,000 (-)	269.74	-
HDFC FMP (1140D Mar-2016-1) - Regular Plan-Growth option	4,000,000 (-)	524.72	-
HDFC FMP (1153D Apr-2016-1) - Direct plan-Growth option	5,000,000 (-)	643.59	-
Reliance Fixed Horizon Fund-XXVI - Series-14-Growth Plan	- (1,757,016)	-	248.24
Reliance Fixed Horizon Fund-XXVI - Series-23-Growth Plan	- (2,000,000)	-	278.22
Reliance Fixed Horizon Fund-XXVI - Series-1-Growth Plan	- (3,000,000)	-	431.18
		1,570.31	957.64
Liquid mutual funds :	Number of units		
HDFC Money Market Fund - Daily Dividend Reinvestment	277,200 (62,133)	2,948.41	660.87
		2,948.41	660.87
		4,736.65	1,618.51
Total		4,736.65	1,832.97
Aggregate amount of quoted investments		-	214.46
Aggregate market value of quoted investments		-	193.75
Aggregate amount of Un quoted investments		4,736.65	1,618.51

9 TRADE RECEIVABLES

Particulars	As at 31 March 2019 ₹ In Lakhs	As at 31 March 2018 ₹ In Lakhs
Secured, considered Good	14.90	-
Unsecured, considered Good	1,522.99	1,945.32
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
Total	1,537.89	1,945.32

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**10 CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Balances with Banks		
In Current Accounts	212.88	316.47
Cash on hand	1.02	1.20
Total	213.90	317.67

11 OTHER BANK BALANCES

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Earmarked Balances with Bank		
- In Dividend Accounts	137.61	134.84
Total	137.61	134.84

12 LOANS

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Security Deposits :	-	-
Secured, considered Good	-	-
Unsecured, considered Good	80.23	65.07
Security Deposits which have significant increase in Credit Risk	-	-
Security Deposits - Credit Impaired	-	-
Total	80.23	65.07

13 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Other Short-term advances	12.76	2.71
Interest accrued on deposits	3.52	3.80
Interest accrued on Non-current Investments-Bonds	58.96	58.90
Total	75.24	65.41

14 OTHER CURRENT ASSETS

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Prepaid Expenses	27.17	25.94
Balances with Government authorities	171.72	144.06
Advances to Suppliers	26.50	5.52
Total	225.39	175.52

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**15 SHARE CAPITAL**

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount ₹ In Lakhs	No. of Shares	Amount ₹ In Lakhs
AUTHORISED				
Equity Shares of ₹5/- each	24,000,000	1,200.00	24,000,000	1,200.00
Total	24,000,000	1,200.00	24,000,000	1,200.00
ISSUED, SUBSCRIBED AND PAID UP				
Equity Shares of ₹5/- each fully paid up	13,818,616	690.93	13,818,616	690.93
Total	13,818,616	690.93	13,818,616	690.93

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

Name of Shareholders	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	%	No. of Shares	%
1) Manhar G. Gandhi	2,199,141	15.91	2,199,141	15.91
2) Bhupatrai G. Gandhi	2,055,205	14.87	2,055,205	14.87
3) Jayesh M. Gandhi	1,099,796	7.96	1,099,796	7.96
4) Manoj B. Gandhi	1,033,260	7.48	1,033,260	7.48
5) Bharti M. Gandhi	739,022	5.35	739,022	5.35

b) Reconciliation of number of shares

Particulars	As at 31 March 2019	As at 31 March 2019
	No. of Shares	No. of Shares
Shares at the beginning	13,818,616	14,698,616
Less: Buy back of shares	-	(880,000)
	13,818,616	13,818,616

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**16 OTHER EQUITY**

Particulars	As at 31 March 2019 ₹ In Lakhs	As at 31 March 2018 ₹ In Lakhs
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	253.99	253.99
Add : Additions during the year	-	44.00
Closing balance	253.99	253.99
GENERAL RESERVE		
Balance as per last Balance Sheet	-	3,000.00
Less : Transferred to Capital Redemption Reserve	-	19.00
Premium paid on Buy Back of Shares	-	2,981.00
Closing balance	-	-
RETAINED EARNINGS		
Balances as at the beginning of the Year	16,773.04	14,813.69
Add : Profit for the year	3,863.13	3,356.51
Other Comprehensive Income for the year	17.66	2.84
Less : Dividend on Equity shares	1,243.67	-
Tax on Dividend	255.64	-
Less : Transferred to Capital Redemption Reserve	-	25.00
Premium paid on Buy Back of Shares	-	1,375.00
Closing balance	19,154.52	16,773.04
Total	19,413.90	17,032.42

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

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

b) Capital Redemption Reserve

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

c) General Reserve

The General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

d) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**17 NON-CURRENT PROVISIONS**

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Provision for employee benefits	308.90	306.81
Total	308.90	306.81

18 DEFERRED TAX LIABILITIES (Net)

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
The movement on the Deferred Tax Account as follows :		
At the start of the year	805.82	933.78
Charge/(Credit) to the Statement of Profit and Loss	51.21	(127.97)
At the end of the year	857.03	805.82
Component of Deferred Tax Liabilities / (Assets) :		
Depreciation on Property, Plant and Equipment	769.34	724.77
Fair Valuation of Mutual Funds	185.35	183.07
Provision for Gratuity	(90.82)	(89.34)
Provision for Leave Encashment	(5.01)	(3.69)
Provision for Sales Returns	(1.83)	(8.99)
Total	857.03	805.82

19 TRADE PAYABLES

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Micro, Small and Medium Enterprises	15.83	16.49
Others	157.06	145.87
Total	172.89	162.36

There are amount outstanding to Micro, Small and Medium Enterprises as at 31 March 2019 and no amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act., 2006 are applicable.

20 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Due to Directors	170.00	182.00
Deposits from Customers	5.00	3.00
Payable on purchase of property, plant and equipment	33.83	4.61
Unpaid dividends *	137.61	134.83
Other liabilities	39.68	50.84
Total	386.12	375.28

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**21 OTHER CURRENT LIABILITIES**

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Advances from Customers	13.04	53.81
Statutory Remittances	137.46	183.22
Total	150.50	237.03

22 CURRENT PROVISIONS

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
For Employee Benefits Plan	34.19	27.12
Other Provisions	6.28	30.89
Total	40.47	58.01

23 CURRENT TAX LIABILITIES (Net)

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Current Taxation (Net of payments)	66.22	70.84
Total	66.22	70.84

24 REVENUE FROM OPERATIONS

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Sale of products (Including Excise Duty upto 30-06-2017)		
Manufactured Goods	11,641.28	11,171.84
Wind Power sold	185.85	180.08
	11,827.13	11,351.92
Other Operating Revenue		
Export Benefits	28.48	1.98
Wind Power, captively consumed	265.77	216.86
Job work charges	20.09	19.53
Sale of scrap	149.21	136.44
	463.55	374.81
Total	12,290.68	11,726.73

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
25 OTHER INCOME

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Interest Income		
Non-Current Investments	140.49	140.32
Others	30.35	4.27
	170.84	144.59
Dividend Income	94.72	135.56
Other Non operating Income :		
Exchange gain / (loss) on Foreign Currency	7.49	4.01
Net gain on sale of Non-current Investments	18.33	45.03
Gain on sale of Current Investments	27.33	-
Net gain on measuring investments in Mutual Fund at FVTPL	442.23	486.58
Others	9.93	8.72
Total	770.87	824.49

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

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Inventories at close		
Finished Goods	44.96	108.30
Work-in-progress	456.24	270.60
	501.20	378.90
Inventories at commencement		
Finished Goods	108.30	106.86
Work-in-progress	270.60	338.49
	378.90	445.35
Total	(122.30)	66.45

27 EMPLOYEE BENEFITS EXPENSE

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Salaries and Wages	746.11	745.41
Contributions to Provident and Other Funds	46.85	46.78
Gratuity	39.20	25.51
Staff Welfare Expense	14.44	16.36
Total	846.60	834.06

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**28 OTHER EXPENSES**

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Stores, Spares and Packing Materials consumed	449.78	461.87
Power and Fuel	1,283.62	1,197.96
Labour Charges	433.63	416.27
Factory Expenses	11.33	12.42
Repairs and Maintenance - Plant and Machinery	97.98	131.92
Repairs and Maintenance - Building	14.03	33.33
Repairs and Maintenance - Others	5.49	6.84
Insurance	44.82	27.01
Wind Mill Operating Expenses	94.43	94.32
Inward Freight	1.18	1.29
Rent / Compensation	4.00	-
Rates & Taxes	8.73	10.53
Electricity Charges	2.07	2.05
Printing and Stationery	4.10	5.70
Communication Expenses	7.09	7.75
Travelling Expenses - Directors	4.65	7.34
Travelling Expenses - Others	3.33	6.47
Security Charges	25.23	25.83
Professional Charges	39.03	74.56
Directors' Sitting Fees	6.08	7.42
Advertising and sales Promotion Expenses	3.51	19.38
Outward Freight	5.43	9.45
Commission on Sales	6.09	7.99
Bank charges and commission	3.65	1.88
Increase / (decrease) of excise duty on inventory	-	(15.51)
Donation	9.00	0.15
CSR Expenses	1.40	101.62
Payments to auditors	6.12	5.75
Net Loss on sale of Property Plant and Equipment	0.18	1.66
Assets Discards / written off	4.64	-
Other Expenses	36.03	69.49
Total	2,616.65	2,732.74

28.1 Auditors' Remuneration *

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
As auditors		
(i) Statutory audit fees	6.00	5.50
(ii) For other Services	0.12	0.25
* Excluding Goods and Service Tax		
Total	6.12	5.75

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
29 DISCLOSURE PURSUANT TO IND AS 12 ON "INCOME TAXES"
A Components of Tax Expense/(Income)

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
a) Profit or Loss Section		
i) Current Tax		
Tax Expense for the year	1,250.00	1,350.00
Adjustment recognised of prior periods	(181.75)	(29.96)
ii) Deferred tax	43.96	(129.13)
Income Tax Expense reported in the Statement of Profit or Loss	1,112.21	1,190.91
b) Other Comprehensive Income Section		
Net loss/(gain) on remeasurements of defined benefit plan	7.25	1.16
Income Tax Expense reported in Other Comprehensive Income	7.25	1.16

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

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Profit before tax	4,975.34	4,547.42
Corporate tax rate as per Income Tax Act, 1961	29.120%	34.608%
Tax on Accounting Profit	1,448.82	1,573.77
Tax effect of :		
Exempted income and Chapter VI A Deduction	(391.51)	(447.07)
Expenses disallowed	134.25	187.68
Tax effect which is chargeable at different rate	56.31	10.24
Others	2.13	25.38
Tax expenses relating to prior year	(181.75)	(29.96)
Current Tax Provision (A)	1,068.25	1,320.04
Deferred Tax Liability recognised	54.01	(130.21)
Deferred Tax Asset recognised	(10.05)	1.08
Deferred tax Provision (B)	43.96	(129.13)
Tax expense recognised during the year (A+B)	1,112.21	1,190.91
Effective tax rate	22.35%	26.19%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
30 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars		As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
A	Contingent Liabilities		
a)	Claims against the Company not acknowledged as debt :		
i)	Excise / Service Tax matters under disputes	186.29	183.72
ii)	Sales Tax demand under disputes	25.23	25.23
b)	Counter Guarantees given by the Company to the bankers for Bank Guarantees	100.00	85.00
c)	There are numerous interpretative issues relating to the Supreme Court judgement dated 28 February, 2019 on Provident Fund on the inclusion of allowances for the purpose of Provident Fund contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.		

B Commitments

Particulars		As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
A	Operating Lease commitments :		
	Lease future obligation/rights as at Balance Sheet date for Lease arrangements amount to :		
	Within one year	6.47	-
	After one year but not more than five years	12.30	-
	More than five years	-	-
B	Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for on Tangible assets.	Nil	24.97

31 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	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Provident Fund and Employee's Pension Scheme	46.63	46.52
Employees State Insurance	0.22	0.27

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
b) Defined Benefit Plans

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

On normal retirement / early retirement / withdrawal / resignation :

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

On the death in service :

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

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

c) Disclosers for defined benefit plans based on actuarial reports as on 31 March 2019

Particulars	As at 31 March 2019		As at 31 March 2018	
	Gratuity Funded	Gratuity Non Funded	Gratuity Funded	Gratuity Non Funded
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
I) Changes in Defined Benefit Obligation :				
Opening defined benefit obligation	88.54	298.03	76.01	290.00
Current service cost	5.54	10.69	5.05	9.85
Past service cost	-	-	0.59	-
Interest cost	6.06	22.48	4.46	9.79
Actuarial loss/(gain) arising from changes in financial assumptions	0.27	0.55	7.92	20.54
Actuarial loss/(gain) arising from changes in demographic assumptions	-	-	-	-
Actuarial loss/(gain) arising on account of experience changes	(2.12)	(22.85)	0.81	(32.15)
Benefit (paid)	(3.03)	-	(6.30)	-
Closing defined benefit obligation	95.26	308.90	88.54	298.03
(ii) Changes in Value of Plan Assets :				
Opening value of plan assets	79.76	-	74.14	-
Expenses deducted from fund	-	-	-	-
Adjustment to the opening fund	-	-	-	-
Interest Income	5.58	-	4.50	-
Actual return on plan assets less interest on plan assets	0.75	-	1.13	-
Contributions by employer	9.22	-	6.29	-
Benefits Paid	(3.03)	-	(6.30)	-
Closing value of plan assets	92.28	-	79.76	-
(iii) Amount recognised in the Balance Sheet :				
Present value of funded obligations as at the year end	95.26	308.90	88.54	298.03
Fair value of plan assets as at year end	92.28	-	79.76	-
Net (Asset) /Liability recognised as at the year end	2.98	308.90	8.78	298.03

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
c) Disclosers for defined benefit plans based on actuarial reports as on 31 March 2019

Particulars	As at 31 March 2019		As at 31 March 2018	
	Gratuity Funded ₹ in Lakhs	Gratuity Non Funded ₹ in Lakhs	Gratuity Funded ₹ in Lakhs	Gratuity Non Funded ₹ in Lakhs
(iv) Expenses recognised in the Statement of Profit and Loss :				
Current service cost	5.54	10.69	5.05	9.85
Past service cost	-	-	0.59	-
Interest on net defined benefit liability / (asset)	0.48	22.48	(0.04)	9.79
(Gains) / loss on settlement	-	-	-	-
Total Expenses charged to Profit & Loss	6.02	33.17	5.60	19.64
Expenses recognised in the Statement of Other Comprehensive Income :				
Net actuarial loss/(gain) recognized in the current year				
Changes in financial assumptions	0.27	0.55	7.92	20.54
Changes in demographic assumptions	-	-	-	-
Experience adjustments	(2.12)	(22.85)	0.81	(32.15)
Actual return on plan assets less interest on plan assets	(0.75)	-	(1.13)	-
Total amount recognized in the Statement of Other Comprehensive Income	(2.60)	(22.30)	7.60	(11.61)
(v) Asset information				
Others - Policy of Insurance	100%	-	100%	-
(vi) Principal actuarial assumptions used				
Mortality Table (LIC Administered Trust)	Indian Assured Lives Mortality (2006-08) Ult Table		Indian Assured Lives Mortality (2006-08) Ult Table	
Retirement Age	58 Years		58 Years	
Discount rate (p.a)	7.60%		7.65%	
Salary growth rate (p.a)	7.50%		7.50%	

d) Sensitivity Analysis

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

Particulars	As at 31 March 2019				As at 31 March 2018			
	Gratuity Funded		Gratuity Non Funded		Gratuity Funded		Gratuity Non Funded	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-2.74%	2.89%	-1.76%	1.80%	-2.89%	3.05%	-2.16%	2.22%
Salary growth rate (0.5% movement)	2.88%	-2.76%	1.80%	-1.77%	3.04%	-2.91%	2.22%	-2.18%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 2018-19.

e) Leave Encashment:

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

Accordingly ₹17.22 Lakhs (Previous Year ₹12.66 Lakhs) being liability as at the year end for compensated absences as per actuarial valuation has been provided in the accounts.

32 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.

33 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended dividend of ₹9.00 (180%) (Previous Year ₹9.00 (180%)) for equity share for the financial year ended 31 March 2019. The dividend is subject to the approval by the shareholders in the ensuing Annual General Meeting of the Company and therefore, has not been recognized as a liability as at the Balance Sheet date in line with Ind AS 10 on "Events after reporting period".

The Board of Directors have recommended buy back of 9,00,000 equity shares of ₹5/- each from the shareholders on proportionate basis of a tender offer at a price of ₹550 per equity shares for an aggregate amount of ₹49.50 Crores in accordance with the provisions of the Companies Act, 2013 and the SEBI (Buy Back of Securities) Regulations, 1998. The Buy Back is subject to the approval by the shareholders in the ensuing Annual General Meeting of the Company.

34 EARNING PER SHARE

Particulars	31 March 2019	31 March 2018
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in Lakhs)	3,863.13	3,356.51
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	13,818,616	14,688,972
Add: Weighted Average Potential Equity Shares	-	-
Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	13,818,616	14,688,972
Face Value per Equity Share (₹)	5.00	5.00
Basic & Diluted Earnings per Share (₹)	27.96	22.85

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**35 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

Relative of KMP

Director - Mr. Jayesh M. Gandhi

Entities over which KMP / Relative of KMP have control

Jaishri Engineering Co. Pvt. Ltd.
 Randeep Exports
 Randeep Automobiles

Transactions (In Aggregate) with Related Parties

Particulars	31 March 2019 ₹ in Lakhs	31 March 2018 ₹ in Lakhs
Sales :		
Jaishri Engineering Co. Pvt. Ltd.	-	210.79
Randeep Exports	-	3.35
Randeep Automobiles	302.45	-
Job Work Charges received		
Jaishri Engineering Co. Pvt. Ltd.	-	21.70
Randeep Automobiles	23.71	-
Short-term employee benefits (Remuneration) *		
Manhar G. Gandhi	205.00	211.00
Bhupatrai G. Gandhi	205.00	211.00
* Excluding Provision for Gratuity and Contribution to Provident Fund.		
Sitting Fees :		
Jayesh M. Gandhi	0.88	1.53

Outstanding Balances with Related Parties:

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Remuneration Payable :		
(i) Manhar G. Gandhi	85.00	91.00
(ii) Bhupatrai G. Gandhi	85.00	91.00

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 2019**36 OPERATING LEASE**

- a) The Company has taken land for installing wind mills under cancellable operating lease for 15 years which is renewable for further 15 years Lease Rent of ₹1.93 Lakhs (Previous year of ₹1.42 Lakhs) has been recognised in the statement of Profit and Loss for the year ended 31 March 2019 under the head Windmill operating Expenses under Other Expenses Note No. 28.
- b) The Company has taken two storage godown on Leave & Licence Agreement for the period of 3 years. Licence Fees of ₹4.00 Lakhs (Previous year of ₹ Nil) has been recognised in the statement of Profit and Loss for the year ended 31 March 2019 under the head Rent/Compensation under Other Expenses Note No. 28.

37 CONTRIBUTION TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR)

The particulars of CSR expenditure are as follows :

- a) Gross amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹71.89 Lakhs (Previous year ₹56.77 Lakhs)
- b) Amount spend during the year and debited to Statement of Profit and Loss ₹1.40 Lakhs (Previous year ₹101.62)
The aforesaid amount of ₹1.40 Lakhs is spent through HDFC Charity Fund for Cancer Cure. (Previous Year ₹100 Lakhs was spent through Shri Vinay Vihar kelwani Mandal for Old Age Home and ₹1.62 Lakhs was spent through HDFC Charity Fund for Cancer Cure.)

38 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 in the previous year) 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.

39 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 and Preference Shares which are quoted, are based on the quoted price of those bonds on the measurement date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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)

Particulars	Fair Value		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs		
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	2,153.59	3,338.20		
- Short Term Mutual Funds	217.93	-		
- Fixed Maturity Plans	4,971.41	3,975.81		
- Liquid Mutual Funds	2,948.41	660.87		

ii) Financial Instruments measured at amortised cost :

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

B Financial Risk Management and Policies

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

Company has exposure to following risk arising from financial instruments:

Credit risk

Liquidity risk

Market risk

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**a) Credit Risk**

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

i) Trade Receivable

Customer credit risk managed by Company's established policy, procedure and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and credit policy has been taken from The New India Assurance Co. Limited

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 8.86 times as at 31 March 2019 and 4.00 times as at 31 March 2018.

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 2019		As at 31 March 2018	
	Amount in Foreign currency	Amount ₹	Amount in Foreign currency	Amount ₹
Receivable USD	-	-	8,037	5.23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**Foreign currency sensitivity:**

The following table demonstrates the sensitivity to a 1% increase/decrease in foreign currencies exchange rates, with all other variables held constant 1% increase or decrease in foreign exchange rate will have the following impact on before profit before tax

Particulars	As at 31 March 2019 ₹		As at 31 March 2018 ₹	
	1% increase	1% decrease	1% increase	1% decrease
Impact on Profit and Loss	-	-	0.05	(0.05)
Impact on Equity	-	-	0.03	(0.03)

40 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

M. G. GANDHI
(Chairman & Managing Director)

B. G. GANDHI
(Joint Managing Director)

D. S. SHAH
(Director)

Shashikant J. Shah
Partner

K. N. WARDEN
(Director)

J. M. GANDHI
(Director)

D. B. SHAH
(Director)

Membership No. 015905

BHAVI KORADIA
(Director)

SHOBHANA RAJAN VARTAK
(CFO)

JEEGEESHA G. SHROFF
(Company Secretary)

Mumbai, May 28, 2019

FORM MGT -11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]]

CIN: L27104MH1985PLC036004

Name of the company: Gandhi Special Tubes Limited

Registered Office: 201 -204, Plaza , 2nd Floor, 55 Hughes Road, next to Dharam Palace, Mumbai – 400 007

Tel No: +91-22-23634179; **Email id:** complianceofficer@gandhitubes.com; **Website:** www.gandhitubes.com

Name of the Member:

Registered Address:

E- mail Id:

Folio no./Client Id :

DP ID:

I/We, being the member (s) hold _____ Equity Shares of the above named Company, hereby appoint

1. Name:
Address:
E-mail id:
Signature _____ or failing him/her
2. Name:
Address:
E mail Id:
Signature _____ or failing him/her
3. Name:
Address:
E mail Id:
Signature _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the Thirty Fourth Annual General Meeting of the Company, to be held on **Wednesday, July 31, 2019, at 11.00 a.m.** at Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K.M Munshi Marg, Mumbai – 400 007 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements and the reports of the Board of Directors and Auditors thereon for the Financial Year ended March 31, 2019.
2. To declare a Dividend on Equity Shares for the Financial Year ended March 31, 2019
3. To appoint Director in place of Shri Jayesh Gandhi (DIN 00041330) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. To approve Buyback of shares through Tender Offer Route
5. Ratification of remuneration payable to Shri Dakshesh Zaveri, Cost Accountant, appointed as Cost Auditors of the Company for FY 2019-2020

Signed this _____ day of _____ 2019

Signature of the shareholder: _____

Signature of Proxy Holder(s) : _____

Affix ₹1/-
Revenue
Stamp here

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting i.e. by 11.00 a.m. on Monday, July 29, 2019

GANDHI SPECIAL TUBES LTD.
(CIN : L27104MH1985PLC036004)

Regd. Office: 201-204 Plaza, 2nd Floor, 55 Hughes Road, Next to Dharam Palace, Mumbai – 400007
Tel no:- 022 – 23634179, **E-mail id:** complianceofficer@gandhitubes.com, **Website:** www.gandhitubes.com

ATTENDANCE SLIP

**THIRTY FOURTH ANNUAL GENERAL MEETING HELD ON
WEDNESDAY, JULY 31, 2019**

Regd. Folio No/ DP ID/Client ID

Name of the Member/Authorised

Representative.....

Name of the Proxy holder.....

Number of Shares held

I certify that I am a registered share holder/Authorized Representative / Proxy for the Registered Share holder of the Company.

I hereby record my presence at the THIRTY FOURTH ANNUAL GENERAL MEETING of the Company at Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai – 400007 on **Wednesday, July 31, 2019 at 11.00 a.m.**

.....
Member's /Authorised Representative's/ Proxy's
(Name in Block Letters)

.....
Member's /Authorised Representative's/ Proxy's

Note:

- 1. Only Member/Authorized Representative/Proxy holder can attend the Meeting.**
- 2. Member/Authorized Representative/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting**

OUR ONGOING ACTIVITY UNDER CSR



**THANK YOU FOR PARTNERING WITH US
IN THE FIGHT AGAINST CANCER.**

GANDHI SPECIAL TUBES LTD.

HDFC CHARITY FUND FOR
CANCER *cure*
A close-ended scheme



If undelivered please return to :

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

Registered office

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

Tel.: +91 22 23634179

Fax: +91 22 23634392

Website: www.gandhitubes.com

DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel against the performance of the company are as under:

Sr. No	Name of the Director/KMP	Remuneration of Director/KMP for financial year 2018-19 (Amount in `)	Ratio of remuneration of each director to the median remuneration of employees. {5(1)(i)}	% increase in remuneration in the financial year 2018-19 {5(1)(ii)}	Comparison of the remuneration of the KMP against the performance of the company {5(1)(ix)}
1	Mr. Manhar G. Gandhi Chairman and Managing Director	2,05,00,000/-	56.71	-2.84	Profit before tax increased by 19.45% and profit after tax increased by 8.96% in the financial year 2017-18.
2.	Mr. Bhupatrai G. Gandhi Director	2,05,00,000/-	56.71	-2.84	
3	Mrs. Shobhana Rajan Vartak Chief Financial Officer	14,02,800/-	3.88	9.35	
4.	Ms. Jeegeesha Shroff Company Secretary	4,19,400/-	1.16	*14.33	

Notes:

*1) Ms. Jeegeesha Shroff was the Asst. Company Secretary as on 1st April, 2017 and was appointed as the Company Secretary & Compliance Officer with effect from 16th May, 2017 during the Financial Year 2017-18

2) In the financial year, there was an increase of 1.69% in the median remuneration of employees. {5(1) (iii)}

3) There were 83 permanent employees on the rolls of the Company as on 31st March, 2019. {5(1)(iv)}

4) Relationship between average increase in remuneration and company performance: - The Profit before Tax for the financial year ended March 31, 2019 increased by 9.41 % whereas the increase in median remuneration was 1.69%. {5(1) (v)}

5) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company. {5(1) (vi)}

The total remuneration of Key Managerial Personnel decreased by 2.34% from Rs.4.38 crore in 2017-18 to Rs.4.28 crore in 2018-19 whereas the Profit before Tax increased by 9.41 % to Rs.49.75 crore in 2018-19 (Rs.45.47 crore in 2017-18).

6) {5(1) (vii)} a) Variations in the market capitalization of the Company: The market capitalization as on March 31, 2019 was Rs.480 crore (Rs.503 crore as on March 31, 2018).

b) Price Earnings ratio of the Company was 27.96 as at March 31, 2019 and 22.85 as at March 31, 2018.

c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year – Not Applicable

7) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 4.07 % and the decrease in the managerial remuneration for the same Financial Year was 2.34 %.{5(1)(viii)}

8) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.{5(1) (x)}

9) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable.{5(1) (xi)}

10) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.{5(1) (xii)}