

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 woman director, one non-executive promoter director and four independent directors inclusive of woman director.

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

The attendance of the Board of Directors and related information as on March 31, 2018 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 5 meetings) | Attendance at the last AGM on July 12, 2017 | 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 | 5 | 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 | 5 | Present | Nil | None | Non Executive & Independent | None |

| Name of the Director & Designation | No. of Board Meetings attended (out of total 5 meetings) | Attendance at the last AGM on July 12, 2017 | 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. Kavas N. Warden | 5 | Present | Nil | None | Non Executive & Independent | None |
| Mr. Jayesh M. Gandhi | 5 | Present | 1 | None | Non Executive (Promoter Group) | Son of Mr. Manhar G. Gandhi, Chairman & Managing Director |
| Mr. Dharmen B. Shah | 5 | Present | 1 | None | Non Executive & Independent | None |
| Mrs. Bhavi Jatin Koradia | 5 | 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.

Five Board Meetings were held during the year on May 16, 2017, September 4, 2017, November 8, 2017, December 18, 2017 and February 6, 2018 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, 2018 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, 2018.

| 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 | 26921 |
| 5 | Mrs. Bhavi Jatin 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

COMMITTEES OF THE BOARD**3. Audit Committee****a) Brief description of terms of reference**

The terms of reference of the Audit Committee were modified in 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 Jatin 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 16, 2017, September 4, 2017, November 8, 2017, and February 6, 2018 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 | 4 |
| Mrs. Bhavi J Koradia | 4 |

Managing Director is the permanent invitee to the Audit Committee. The Statutory Auditor, Internal Auditor and Secretarial Auditor also attend the meetings regularly and participate in the discussion and make valuable suggestions. 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 including pension rights and any compensation payment 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 Jatin Koradia | - | Independent Director |

(c) Meetings and Attendance during the year

The Nomination and Remuneration Committee met twice during the year on May 16, 2017 and November 8, 2017 respectively. 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.

(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, the Non-Independent Directors, individually, and the Chairperson.

5. Meeting of Independent Directors

A Separate meeting of the Independent Directors was held on February 6, 2018, 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 timeline 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, 2018.**(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 2017 - 18 was as under:

| Name | Salary (₹In Lakhs) | Commission (₹In Lakhs) | Total (₹In Lakhs) |
|--|---------------------------|-------------------------------|--------------------------|
| Mr. Manhar G. Gandhi Mg. Director | 120.00 | 91.00 | 211.00 |
| Mr. Bhupatrai G. Gandhi Jt. Mg. Director. | 120.00 | 91.00 | 211.00 |

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.

- (d) The Managing Director and Jt. Managing Director are entitled to commission within the overall limit prescribed under sections 197 of the Companies Act, 2013.
- (e) The Non-Executive Directors are not entitled to any remuneration except payment of sitting fees for attending the meetings of Board of Directors and Committees thereof. During the year 2017-18, the Company has paid total sitting fee of ₹ 6,47,000/- to non-executive directors as under:

| | |
|--------------------------|-------------|
| Mr. Dhirajlal S. Shah: | ₹1,28,000/- |
| Mr. Kavas N. Warden: | ₹1,10,000/- |
| Mr. Jayesh M. Gandhi: | ₹1,53,000/- |
| Mr. Dharmen B. Shah: | ₹1,28,000/- |
| Mr. Bhavi Jatin Koradia: | ₹1,28,000/- |

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, 2018. All the members of the Committee attended the meeting. The Company Secretary is the secretary of the said Committee. The Minutes of the Stakeholders' Relationship Committee Meeting are being noted at the Board Meeting.

(b) Name & Designation of Compliance Officer:

Ms. Jeegeesha Shroff, was appointed as a Company Secretary and Compliance Officer on May 16, 2017.

- (c) to (e) A statement of various complaints received, cleared and pending by the Company during the year ended on March 31, 2018 is given below:

| Nature of Complaint | Received | Cleared | Pending |
|--|-----------|-----------|------------|
| Non Receipt of Annual Report | 2 | 2 | Nil |
| Non Receipt of Dividend Warrants | 19 | 19 | Nil |
| Non- receipt of Duplicate/Transmission/Deletion of SCS | 1 | 1 | Nil |
| Non receipt of securities | 10 | 10 | Nil |
| Others | 0 | 0 | --- |
| Letters from Stock Exchange/ SEBI/ Department of Company Affairs | 0 | 0 | Nil |
| Total | 31 | 31 | Nil |

The "SCORES" website of SEBI for redressing of Grievances of the investors is being visited at regular intervals by the Company Secretary and there are no pending complaints registered with SCORES for the Financial Year ended on March 31, 2018.

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

During the year under review, the Company has transferred unclaimed dividend declared for the financial year 2010-2011, on March 26, 2018 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.

a Transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Account

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 124340 shares to the IEPF Account maintained by National Securities Depository Limited (NSDL) on December 4, 2017 based on the data provided by the Registrar, taking the financial year 2009-10 as a base and 14326 shares on April 10, 2018, taking the year 2010-11 as 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 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 once during the year on May 16, 2017 which discussed and recommended the Board the amount to be spent for the year 2017-18.

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

(a) and (b) 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 Business Resolutions |
|----------------------|-------------|-----------|--|--|
| March 31, 2015 | 29.07.2015 | 11.00 a.m | Kanji Khetsey Sabhagriha, Bharatiya Vidya Bhavan, K. M. Munshi Marg, Mumbai 400007 | Appointment of Mrs. Bhavi Jatin Koradia as an Independent woman Director for term of Five years. |

| Financial Year ended | Date of AGM | Time | Venue | Details of Special Business 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 |

(c) Postal Ballot Details:

1. Purpose: Approval for Buyback of Equity Shares through Tender Offer Route

- Scrutinizer: Shri Bhumitra V. Dholakia, (Membership No. FCS 977) ,Designated Partner of M/s. Dholakia & Associates LLP, Company Secretaries in Practice.
- Procedure for Postal Ballot: Proper procedure followed
- Voting results announced on January 29, 2018

2. Purpose: Re-appointment of Shri M.G. Gandhi as Managing Director and payment of remuneration with effect from 01.01.2018

- Scrutinizer: Shri Bhumitra V. Dholakia, (Membership No. FCS 977) ,Designated Partner of M/s. Dholakia & Associates LLP, Company Secretaries in Practice.
- Procedure for Postal Ballot: Proper procedure followed
- Voting results announced on January 29, 2018

3. Purpose: Re-appointment of Shri B.G. Gandhi as Joint Managing Director and payment of remuneration with effect from 01.01.2018

- Scrutinizer: Shri Bhumitra V. Dholakia, (Membership No. FCS 977) ,Designated Partner of M/s. Dholakia & Associates LLP, Company Secretaries in Practice.
- Procedure for Postal Ballot: Proper procedure followed
- Voting results announced on January 29, 2018

VOTING RESULTS OF POSTAL BALLOT ANNOUNCED ON JANUARY 29, 2018:

| Date of AGM/EGM | Postal Ballot |
|---|---------------|
| Total No. of Shareholders as on Record Date | 6880 |
| No of shareholders present in the meeting either in person or through proxy or through video conferencing | NA |

(d) to (f) 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 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 ,and Navshakti. The Company's financial results are sent in time to Stock Exchanges so that they may be posted on the Stock Exchanges' website.

(b) Newspaper where in results are published

The Company usually publishes its financial results in following newspaper

1. The Free Press Journal
2. Navshakti
3. Economic Times

(c) 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 |
|---|------------------------------|--|
| 30 th June, 2017 | 10/07/2017 | 10/07/2017 |
| 30 th September,2017 | 06/10/2017 | 06/10/2017 |
| 31 st December,2017 | 05/01/2018 | 05/01/2018 |
| 31 st March, 2018 | 05/04/2018 | 05/04/2018 |

(d) Release of official news

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

33rd Annual General Meeting of the shareholders will be held on Monday, August 13, 2018 at 11.00 a.m.

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

Date of Book Closure: -Saturday, August 4, 2018 to Monday, August 13, 2018 (both days inclusive).

(b) Financial Calendar *(tentative and subject to change)*

For the year ending March 31, 2019 the Financial Results will be announced on:

| | | |
|---------------|---|---|
| First Quarter | : | Mid of August, 2018 |
| Half year | : | Last week of October/First week of November, 2018 |
| Third Quarter | : | End of January/First week of February, 2019 |
| Yearly | : | End of May, 2019 |

(c) Dividend Payment Date: The final dividend, if declared, shall be paid/credited on or before Wednesday, September 12, 2018

(d) 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.

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

(f) ISIN NO. : INE524B01027

(g) Payment of Listing fees: Annual listing fee for the financial year 2018-19 has been paid by the Company to BSE Ltd and NSE.

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

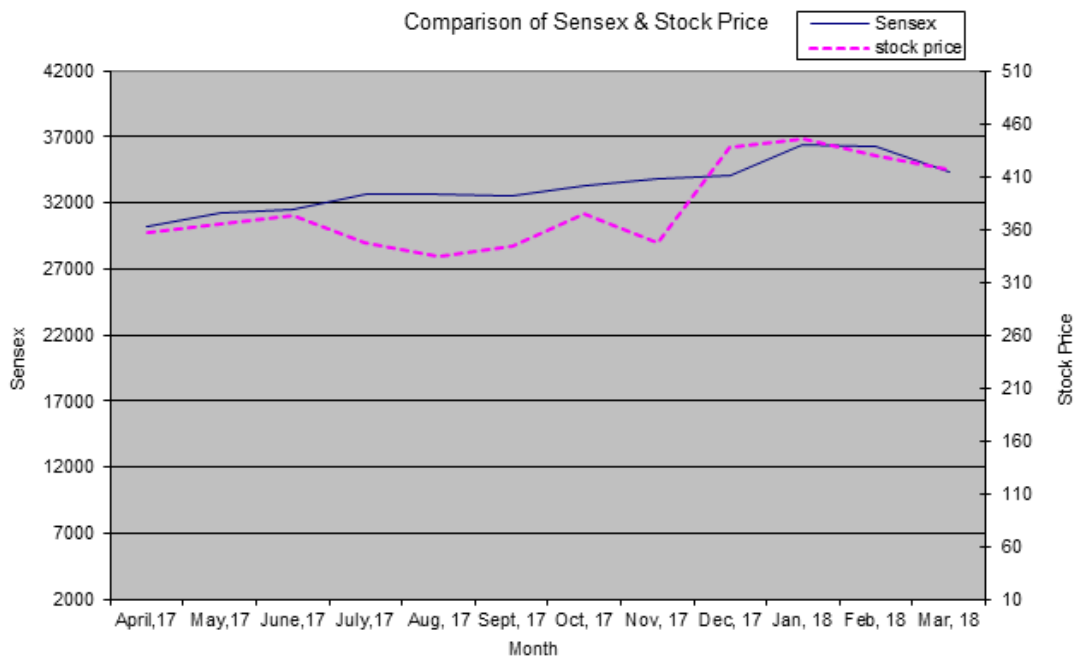
Monthly Share Price Data of the Company's shares on BSE for the year ended March 31, 2018

| Month | Highest Rate (₹) | Date | Lowest Rate (₹) | Date |
|----------------|------------------|------------|-----------------|------------|
| April 2017 | 356.90 | 10/04/2017 | 325.00 | 18/04/2017 |
| May 2017 | 365.25 | 17/05/2017 | 317.00 | 23/05/2017 |
| June 2017 | 372.75 | 14/06/2017 | 320.00 | 30/06/2017 |
| July 2017 | 348.00 | 10/07/2017 | 316.05 | 31/07/2017 |
| August 2017 | 335.10 | 09/08/2017 | 280.00 | 11/08/2017 |
| September 2017 | 344.00 | 07/09/2017 | 301.10 | 28/09/2017 |
| October 2017 | 373.90 | 13/10/2017 | 306.15 | 06/10/2017 |
| November 2017 | 348.00 | 07/11/2017 | 298.00 | 14/11/2017 |
| December 2017 | 437.00 | 27/12/2017 | 301.55 | 08/12/2017 |
| January 2018 | 444.95 | 05/01/2018 | 420.00 | 18/01/2018 |
| February 2018 | 429.95 | 07/02/2018 | 392.00 | 08/02/2018 |
| March 2018 | 415.8 | 15/03/2018 | 355.30 | 28/03/2018 |

Monthly Share Price Data of the Company's shares on NSE for the year ended March 31, 2018

| Month | Highest Rate (₹) | Date | Lowest Rate (₹) | Date |
|----------------|------------------|------------|-----------------|------------|
| April 2017 | 360.00 | 11/04/2017 | 325.00 | 19/04/2017 |
| May 2017 | 374.70 | 17/05/2017 | 317.05 | 23/05/2017 |
| June 2017 | 374.00 | 14/06/2017 | 323.20 | 30/06/2017 |
| July 2017 | 355.40 | 10/07/2017 | 316.50 | 31/07/2017 |
| August 2017 | 338.00 | 09/08/2017 | 280.00 | 11/08/2017 |
| September 2017 | 370.00 | 04/09/2017 | 297.05 | 28/09/2017 |
| October 2017 | 375.35 | 13/10/2017 | 308.55 | 03/10/2017 |
| November 2017 | 348.00 | 07/11/2017 | 296.20 | 14/11/2017 |
| December 2017 | 436.85 | 27/12/2017 | 298.20 | 06/12/2017 |
| January 2018 | 443.95 | 05/01/2018 | 420.00 | 19/01/2018 |
| February 2018 | 430.00 | 07/02/2018 | 395.05 | 08/02/2018 |
| March 2018 | 415.00 | 05/03/2018 | 358.15 | 27/03/2018 |

(i) Performance in comparison to BSE Sensex



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

Not Applicable

(k) Name and Address of the Registrar and Share Transfer Agent**KARVY COMPUTERSHARE 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

(l) Share Transfer System

Karvy Computershare 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 Computershare 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.

(m) (1) Distribution of Share Holding as on March 31, 2018

| DISTRIBUTION SCHEDULE AS ON 31/03/2018 | | | | |
|---|-----------------|---------------------------|-------------------|-----------------|
| Sr. no | Category | No. of shareholder | % of Cases | % Amount |
| 1 | upto 1 - 5000 | 7686 | 94.34 | 10.64 |
| 2 | 5001 – 10000 | 258 | 3.17 | 2.99 |
| 3 | 10001 - 20000 | 94 | 1.15 | 1.91 |
| 4 | 20001 - 30000 | 27 | 0.33 | 0.98 |
| 5 | 30001 - 40000 | 17 | 0.21 | 0.85 |
| 6 | 40001 - 50000 | 13 | 0.16 | 0.88 |
| 7 | 50001 - 100000 | 15 | 0.19 | 1.50 |
| 8 | 100001 & ABOVE | 37 | 0.45 | 80.25 |
| Total: | | 8147 | 100.00 | 100.00 |

Note: 8,80,000 shares were bought back under the Buyback activity on March 27, 2018 and the same were extinguished on April 2, 2018

(2) Distribution of shareholding according to categories of shareholders as on March 31, 2018

| SHARE HOLDING PATTERN AS ON 31/03/2018 | | | | |
|---|-------------------------------|--------------|-----------------|---|
| Sr. no | Description | Cases | Shares | % Equity (calculated on the basis of post buyback paid up capital) |
| 1 | ALTERNATIVE INVESTMENT FUND | 1 | 9841 | 0.07 |
| 2 | BANKS | 2 | 2600 | 0.02 |
| 3 | CLEARING MEMBERS | 46 | 11559 | 0.08 |
| 4 | DIRECTORS AND THEIR RELATIVES | 3 | 31919 | 0.23 |
| 5 | FOREIGN NATIONALS | 1 | 1000 | 0.01 |
| 6 | FOREIGN PORTFOLIO INVESTORS | 2 | 255310 | 1.85 |
| 7 | H U F | 437 | 261536 | 1.89 |
| 8 | I E P F | 1 | 124340 | 0.90 |
| 9 | INDIAN FINANCIAL INSTITUTIONS | 1 | 251 | 0.00 |
| 10 | INDIAN PROMOTER COMPANIES | 2 | 987629 | 7.15 |
| 11 | BODIES CORPORATES | 154 | 238419 | 1.73 |
| 12 | NON RESIDENT INDIANS | 218 | 169632 | 1.23 |
| 13 | NRI NON-REPATRIATION | 54 | 32296 | 0.23 |
| 14 | COMPANY PROMOTERS | 23 | 9136003 | 66.11 |
| 15 | RESIDENT INDIVIDUALS | 7202 | 2556281 | 18.50 |
| Total: | | 8147 | 13818616 | 100.00 |

Note: 8,80,000 shares were bought back under the Buyback activity on March 27, 2018 and the same were extinguished on April 2, 2018

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 31.03.2018 |
|----------------|--------------------------------|--------------------------------------|
| 1. | Gandhi Finance Co. LLP | 471241 |
| 2. | B.M. Gandhi Investment Co. LLP | 516388 |

(n) Details of Dematerialization and its liquidity

| CONTROL REPORT AS ON 31/03/2018 | | | | |
|--|---------------------------|-----------------------|-----------------|--------------------|
| Sr. No | Name of Depository | No. of Holders | Shares | % To Equity |
| 1 | NSDL | 4102 | 11325746 | 81.96 |
| 2 | CDSL | 2839 | 1921618 | 13.91 |
| Sub Total | | 6941 | 13247364 | 95.87 |
| 3 | PHYSICAL | 1206 | 571252 | 4.13 |
| Total: | | 8147 | 13818616 | 100.00 |

Note: 8,80,000 shares were bought back under the Buyback activity on March 27, 2018 and the same were extinguished on April 2, 2018

- (o) The Company has not issued any GDR's/ ADR's, Warrants or any other convertible instruments.
- (p) Commodity Price risk/Foreign exchange risk and hedging activities:Not Applicable
- (q) Plant Location: Halol (Gujarat), Windmills at Bhogat, Navadara & Kuchchh (Gujarat), Sangli(Maharashtra)
- (r) **Address for Correspondence:**

| | |
|---|--|
| Shri K. S. Reddy/ Shri. B V Kishore | Ms. Jeegeesha Shroff, Company Secretary & Compliance Officer |
| Karvy Computershare 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, 2 nd Floor, 55 Hughes Road, Next to Dharam Palace, Mumbai 400 007 Tel: 022-23634179 Fax: 022-23634392 Email: complianceofficer@gandhitubes.com info@gandhitubes.com URL: www.gandhitubes.com |

SEBI toll-free helpline service for investors: 1800227575/18002667575 (available on all days from 9.30 a.m. to 5.30 p.m.)

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. 36 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 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. In view of new portal viz. 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) Separate posts of Chairman and CEO - The Article No. 143 of the Articles of Association permits the Managing Director to hold the office of the Chairman.

(e) 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.

(f) Web link where policy for determining material subsidiaries is disclosed

Not Applicable

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

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

(h) Disclosure of commodity price risks and commodity hedging activities

Not Applicable

14. Non Compliance of any requirement of corporate governance report of sub-paras (2) to (10) above

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. 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.

16. 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.**17. 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.

18. 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, 2018

Manhar G.Gandhi
Chairman & Managing Director
DIN: 00041190