PRIME

February 28, 2018

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

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

Dear Sir / Madam,

Sub: Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

Re: Buyback Offer of up to 8,80,000 fully paid-up Equity Shares of Face Value of Rs. 5/- each of Gandhi Special Tubes Limited ("the Company") at a price of Rs. 500/- per Equity Share ("Buyback Offer")

In continuation of our earlier letter dated January 30, 2018, we, Prime Securities Limited, Manager to the Buyback Offer, enclose herewith the copy of the Letter of Offer (along with the Form of Acceptance-cum-Acknowledgement) in relation to the Buyback Offer.

The Letter of Offer will also be available on the website of the Company www.sebi.gov.in

The dispatch of the Letter of Offer (along with the Form of Acceptance-cum-Acknowledgement) to the eligible shareholders as on the Record Date (i.e. Friday, February 9, 2018) shall be completed on Wednesday, February 28, 2018.

Kindly find the above documents in order and acknowledge the receipt.

In case you need any further information / document, please feel free to contact the undersigned.

Thanking you,

Yours faithfully,
For **Prime Securities Limited**

Apurva Doshi
VP - Corporate Finance

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

Tel : +91-22-6184 2525
Fax: +91-22-2497 0777

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a registered Equity Shareholders of Gandhi Special Tubes Limited ("**the Company**") as on Record Date in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended from time to time ("**Buyback Regulations**"). If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or the Managers to the Buyback, namely Prime Securities Limited, or the Registrar to the Buyback. Please refer to the section on "Key Definitions" for the definition of the capitalized terms used herein.

Gandhi Special Tubes Limited

Regd. Office: 201-204, 2nd Floor, Plaza, 55, Hughes Road, Next to Dharam Palace, Mumbai 400007, Maharashtra, India, **CIN**: L27104MH1985PLC036004
Tel: +91-22-23634179; **Fax**: +91-22-23634392
Website: www.gandhitubes.com; **Email**: complianceofficer@gandhitubes.com
Contact Person: Jeegeesha Shroff, Company Secretary

CASH OFFER TO BUYBACK UP TO 8,80,000 (EIGHT LAKHS EIGHTY THOUSAND) FULLY PAID-UP EQUITY SHARES OF FACE VALUE Rs. 5/- EACH, REPRESENTING 5.99% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EXISTING SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE, BEING FRIDAY, FEBRUARY 9, 2018, ON A PROPORTIONATE BASIS THROUGH THE "TENDER OFFER ROUTE", AT A PRICE OF Rs. 500/- (RUPEES FIVE HUNDRED ONLY) PER EQUITY SHARE FOR AN AGGREGATE MAXIMUM AMOUNT OF Rs. 44,00,00,000/- (RUPEES FORTY FOUR CRORES ONLY).

1) The Buyback is in accordance with Article 24A and 24B of the Articles of Association of the Company and provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**"), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, each as amended and in compliance with the Buyback Regulations including any amendments, statutory modifications or re-enactments thereof, for the time being in force and is subject to such other approvals, permissions and sanctions as may be necessary, from time to time, from any statutory and / or regulatory authorities, including but not limited to Securities and Exchange Board of India ("**SEBI"**) , stock exchanges where the Equity Shares of the Company are listed i.e. the BSE Limited ("**BSE"**) and National Stock Exchange of India Limited ("**NSE**") (collectively, "**Stock Exchanges"**), Reserve Bank of India (**"RBI"**), etc
2) The Buyback Size represents 24.89% of the total paid-up equity share capital and free reserves as per the audited financial statements of the Company as on March 31, 2017 (last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited financial statements of the Company.
3) This Letter of Offer will be sent to the Eligible Shareholders as on the Record Date i.e. Friday, February 9, 2018.
4) The procedure for tender and settlement is set out in Section 24 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement ("**Tender Form**") is enclosed together with this Letter of Offer.
5) For mode of payment of consideration to the Eligible Shareholders, please refer paragraph 24.26 to 24.29 of this Letter of Offer.
6) A copy of the Public Announcement published on Tuesday, January 30, 2018, Draft Letter of Offer and this Letter of Offer (including Tender Form) shall be available on the website of the SEBI – http://www.sebi.gov.in.
7) Equity Shareholders are advised to refer to Section 20 (Details of Statutory Approvals) and Section 25 (Note on Taxation) before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: TUESDAY, MARCH 6, 2018	BUYBACK CLOSES ON: MONDAY, MARCH 19, 2018

LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR TO THE BUYBACK: WEDNESDAY, MARCH 21, 2018 BY 5:00 P.M.

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

MANAGER TO THE BUYBACK	REGISTRAR TO THE BUYBACK
PRIME	KARVY Computershare
Prime Securities Limited **CIN**: L67120MH1982PLC026724 1109/1110, Maker Chambers V, Nariman Point, Mumbai 400021, Maharashtra, India **Tel**: +91-22-61842525 / **Fax**: +91-22-24970777 **Email**: gstl_buyback@primesec.com **SEBI Registration Number**: MB/INM000000750 **Validity Period**: Permanent Registration **Website**: www.primesec.com **Contact Person**: Apurva Doshi / Rachit Goel	**Karvy Computershare Private Limited** **CIN**: U72400TG2003PTC041636 Karvy Selenium, Tower-B, Plot No 31 – 32, Gachibowli Financial District, Nanakramguda Hyderabad 500032, India **Tel**: +91-40-67162222 / **Fax**: +91-40-23431551 **E-mail**: gstl.buybackoffer@karvy.com **SEBI Registration Number**: INR000000221 **Validity Period**: Permanent Registration **Website**: http://karisma.karvy.com **Contact Person**: Mr. Murali Krishna

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1. SCHEDULE OF ACTIVITIES

Activity	Date	Day
Date of Board Meeting approving the proposal for the Buyback	December 18, 2017	Monday
Date on which the result of the postal ballot through which the Shareholders approved the Buyback was declared	January 29, 2018	Monday
Date of Public Announcement for the Buyback	January 29, 2018	Monday
Date of publication of the Public Announcement for Buyback in newspapers	January 30, 2018	Tuesday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	February 9, 2018	Friday
Buyback Opens on	March 6, 2018	Tuesday
Buyback Closes on	March 19, 2018	Monday
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar to the Buyback	March 21, 2018	Wednesday
Last date of verification of Tender Forms by Registrar to the Buyback	March 22, 2018	Thursday
Last date of providing Acceptance / Non-acceptance of tendered Equity Shares to the Stock Exchanges by the Registrar to the Buyback	March 26, 2018	Monday
Last date of settlement of bids / payment of consideration by the clearing corporations	March 27, 2018	Tuesday
Last date of dispatch of share certificate(s) by Registrar to the Buyback / return of unaccepted demat shares by Stock Exchanges to Seller Member / Eligible Shareholder	March 28, 2018	Wednesday
Last date of extinguishment of Equity Shares	April 4, 2018	Wednesday

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

2. KEY DEFINITIONS

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

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

Term	Description
Acceptance	Acceptance of Equity Shares tendered by Eligible Shareholders in the Buyback Offer
Acquisition Window	The separate window made available by the Stock Exchanges to facilitate acquisition of Equity Shares through the stock exchange mechanism pursuant to an offer in accordance with the SEBI Circulars
Act	The Companies Act, 2013, as may be amended from time to time, along with all rules and regulations issued thereunder
Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder not exceeding the Equity Shares held by such Eligible Shareholder as on the Record Date
Articles / Articles of Association of Company	Articles of Association of the Company
Bank	HDFC Bank Limited
Board or Board of Directors	Board of directors of the Company, which shall include Buyback Committee constituted by the Board to exercise its powers
Board Meeting	Meeting of the Board of Directors of the Company held on Monday, December 18, 2017, wherein among other things, the proposal of Buyback was approved.
BSE	BSE Limited
Buyback Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended from time to time.

Buyback Committee	A Committee constituted by the Board (comprising of Shri Manhar Gandhi, Managing Director; Shri Bhupatrai Gandhi, Joint Managing Director and Shri Jayesh Gandhi, Director) pursuant to a resolution passed by the Board of Directors in their meeting held on Monday, December 18, 2017, to exercise certain powers in relation to Buyback.
Buyback Entitlement or Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback, based on the number of Equity Shares held by such Eligible Shareholder on the Record Date and the ratio / percentage of Buyback applicable to such Eligible Shareholder
Buyback or Buyback Offer or Offer	Offer to buy back up to 8,80,000 Equity Shares of face value Rs. 5/- (Rupees Five only) each of Gandhi Special Tubes Limited at a price of Rs. 500/- (Rupees Five Hundred only) per Equity Share in accordance with the Buyback Regulations and relevant provisions of the Act via the Tender Offer route
Buyback Price or Offer Price	Price at which Equity Shares will be bought back from the Eligible Shareholders, i.e., Rs. 500/- (Rupees Five Hundred only) per Equity Share
Buyback Size or Offer Size	Number of Equity Shares proposed to be bought back multiplied by the Buyback Price, i.e., up to Rs. 44,00,00,000/- (Rupees Forty Four Crore only)
CDSL	Central Depository Services (India) Limited
Clearing Corporation	Indian Clearing Corporation Limited or the National Securities Clearing Corporation Limited, as applicable
Closing Date	Monday, March 19, 2018
Company	Gandhi Special Tubes Limited
Company's Brokers	Dalal and Broacha Stock Broking Private Limited
Depositories	Collectively, The National Securities Depository Limited and the Central Depository Services (India) Limited
Designated Stock Exchange	The designated stock exchange for the Buyback, being, BSE Limited
DLOF or Draft Letter of Offer	The Draft Letter of Offer dated Friday, February 2, 2018 filed with the SEBI through the Manager to the Buyback Offer, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations
DIN	Director Identification Number
DP	Depository Participant
Eligible Person(s) or Eligible Shareholder(s)	Person(s) eligible to participate in the Buyback Offer, i.e., all equity shareholders/ beneficial owner(s) of Equity Shares of the Company as on Record Date, i.e., Friday, February 9, 2018
Equity Share(s) or Share(s)	The Company's fully paid-up equity share(s) of face value of Rs. 5/- (Rupees Five only) each
Equity Shareholder(s) or Shareholder(s)	Holders of the Equity Shares of the Company
Escrow Account	Escrow Account opened with Escrow Agent in terms of the Escrow Agreement
Escrow Agent	HDFC Bank Limited
Escrow Agreement	The Escrow Agreement dated Thursday, January 18, 2018 entered into between the Company, the Managers to the Buyback and HDFC Bank Limited
ESOP	Employee Stock Option Plan
FEMA	Foreign Exchange and Management Act, 1999, as amended
FIIs	Foreign institutional investors
FPIs	Foreign portfolio investors
General Category	Eligible Shareholders other than the Small Shareholders
HUF	Hindu Undivided Family
IT Act / Income Tax Act	Income-tax Act, 1961, as amended
Listing Regulations / LODR	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
LOF or Letter of Offer	This Letter of Offer dated Monday, February, 26, 2018 containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations, including comments that were received from SEBI on the Letter of Offer

Managers to the Buyback or Managers to the Offer	Prime Securities Limited
Management Rules	The Companies (Management and Administration) Rules, 2014
Non-Resident Shareholders	Includes foreign corporate bodies (including erstwhile overseas corporate bodies), foreign institutional investors / foreign portfolio investors, non-resident Indians, shareholders of foreign nationality.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas corporate bodies
Offer Period or Tendering Period	Period of ten working days from the date of opening of the Buyback Offer, i.e., Tuesday, March 6, 2018 at 9:15 a.m. IST till its closure, i.e., Monday, March 19, 2018 at 3:30 p.m. IST (both days inclusive)
Opening Date	Tuesday, March 6, 2018
PA or Public Announcement	The Public Announcement of the Buyback dated Monday, January 29, 2018, which was published on Tuesday, January 30, 2018
PAN	Permanent Account Number
Postal Ballot Notice	The postal ballot notice dated Monday, December 18, 2017 sent by the Company to its shareholders for the purpose of seeking their approval for the Buyback by way of a special resolution
Promoters / Promoter Companies	Promoters as have been disclosed under the filings made by the Company under the Listing Regulations, and the Takeover Regulations
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Eligible Shareholders, to whom the LOF (including the Tender Form) will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Friday, February 9, 2018
Registrar to the Buyback or Registrar to the Offer	Karvy Computershare Private Limited
Reserved Category	The Small Shareholders eligible to tender Equity Shares in the Buyback
ROC	Registrar of Companies
SEBI	The Securities and Exchange Board of India
SEBI Circulars	Circular issued by SEBI bearing number CIRCFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereof
Seller Member or Seller Broker	A stock broker (who is a member of the BSE and/or NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Share Capital Rules	The Companies (Share Capital and Debenture) Rules, 2014
Shareholders	Holders of Equity Shares and includes beneficial owners thereof
Small Shareholder	An Eligible Shareholder who holds Equity Shares of market value not more than Rs. 200,000/- (Rupees Two Lakhs only), on the basis of the closing price on the Recognized Stock Exchange registering the highest trading volume as on the Record Date, i.e., Friday, February 9, 2018
Statutory Auditor	M/s Shashikant J. Shah & Co.
Stock Exchanges or Recognised Stock Exchanges	Together, BSE Limited and the National Stock Exchange of India Limited, being the stock exchanges where the Equity Shares of the Company are listed.
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Tender Form	Form of Acceptance-cum-Acknowledgement
Tender Offer	Method of buyback as defined in Regulation 2(1)(o) of the Buyback Regulations
Tendering Period	Period of 10 (Ten) Working Days from the Buyback Opening Date till the Buyback Closing Date (both days inclusive)
TRS	Transaction Registration Slip
Working Day	Unless otherwise specified, working day shall have the meaning ascribed to it under the Buyback Regulations

3. DISCLAIMER CLAUSE

3.1 As required, a copy of this Letter of Offer has been submitted to SEBI.

3.2 It is to be distinctly understood that submission of the Letter of Offer to SEBI should not in any way be deemed or construed to evidence that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the offer document. The Managers to the Buyback, Prime Securities Limited, have certified that the disclosures made in the offer document are generally adequate and are in conformity with the provisions of the Act and the Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buyback.

3.3 It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Managers to the Buyback are expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Managers to the Buyback, Prime Securities Limited, have furnished to SEBI a due diligence certificate dated Friday, February 2, 2018 in accordance with Buyback Regulations, which reads as follows:

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

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

3.4 The filing of the Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

3.5 The Promoters / Board of Directors of the Company declare and confirm that no information or material likely to have a bearing on the decision of the Eligible Shareholders has been suppressed/withheld and / or incorporated in the manner that would amount to misstatement / misrepresentation and in the event of it transpiring at any point of time that any information/material has been suppressed / withheld and / or amounts to a misstatement / misrepresentation, the directors and the Company shall be liable for penalties pursuant to the terms of the provisions of the Act and the Buyback Regulations.

3.6 The Promoters / Board of Directors also declare and confirm that funds borrowed from banks and financial institutions, if any, will not be used for the Buyback.

3.7 **Disclaimer for U.S. Persons**

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

3.8 **Disclaimer for Persons in other foreign countries**

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

3.9 **Important Notice to All Shareholders**

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

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

3.10 **Forward Looking Statements**

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

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

4. DETAILS OF BUYBACK RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on Monday, December 18, 2017. The extracts of the minutes of the Board Meeting are as follows:

The Chairman and Managing Director informed the Board that with a view to achieve an overall improvement in financial ratios and maximization of overall shareholders value, it is proposed to opt for Buyback of Shares by the Company as permitted by clause 24A and 24B of the Articles of the Company, through Tender Offer Route. The Board noted the followings before considering the proposal for Buyback:

1. Provisions of Section 68 of the Companies Act,2013 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 are applicable for the proposed consideration of buy back.
2. Shares are fully paid up and hence the Company can opt for buy back.
3. Article No. 24A and 24B of the Articles of Association allows the Company to buy back its own shares.
4. Board has authority to approve buy back upto 10% of the paid up equity share capital without approval of the shareholders.
5. Approval of the shareholders is also required if buy back exceeds 10% of the paid up equity share capital of the Company. This approval is required through Postal Ballot as per Sections 68 and 110 of the Act and Rule 22 of the Companies (Management and Administration) Rules, 2014.
6. Shares can be bought back from the open market or through tender offer directly to the shareholders of the Company upto 25% of the paid up equity share capital of the Company.
7. Number of shares to be bought back in a financial year is within the limit of 25% of the existing paid up capital of the Company. The maximum number of shares that can be bought back is 36,74,654.
8. Price at which the equity shares of Rs .5/- each to be bought back. It is to be noted that the total buy back consideration should not exceed 25% of the paid up capital and free reserves. The total paid up capital and free reserves of the company as on 31st March, 2017 was Rs. 1,76,78,26,222 /- and accordingly the maximum consideration payable for the buy-back is Rs. 44,19,56,555 /-
9. Paid up Share Capital is Rs. 7,34,93,080/- divided into 1,46,98,616 equity shares of Rs. 5/- each. Free Reserve of Rs. 30,00,00,000 and Surplus in Profit and Loss Account is Rs. 1,39,43,33,142 as on 31-3-2017.
10. Buyback is to be completed within 12 months from the date of passing board resolution or approval of the shareholders, as the case may be.

11. No fresh offer of buy back of shares can be made within a period of one year from the date of closure of the preceding offer.
12. Fresh issue of shares except bonus shares is not permissible up to six months from the date of closure of the issue.
13. Buy back will not have any effect on the limit for acceptance of deposits as the Company does not accept any deposits from its members or public.
14. Buy-back will also not have any effect on the limit under Section 186 for inter-corporate investments, loans, guarantees and securities as at present the inter-corporate investment is not exceeding the limit and moreover, the amount invested in mutual funds will be realized to generate liquidity for buy back.

The Board noted and approved the following confirmations made by the Management of the Company:-

1) The ratio of the aggregate of secured and unsecured debts owed by the Company after buy-back will not be more than twice the paid up equity share capital and its free reserves. {Section 68(2)(d)}.
2) The Company will not be rendered insolvent within a period of one year from the date of declaration of result of Postal Ballot by which the buy-back proposal will be approved by the shareholders of the company.
3) The Company shall not buy back its equity shares from any person through negotiated deal whether on or of the stock exchange or through spot transactions or through any private arrangement. {Regulation 4(2) of SEBI Buy Back Regulations}.

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

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

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

i. That immediately following the date on which the General Meeting is convened there shall be no ground on which the Company could be found unable to pay its debts;
ii. As regards its prospects for the year immediately following that date, that having regard to their intentions with respect to the management of the Company's business during the year and to the amount and character of the financial resources which will in their view be a available to the Company during that year, the Company shall be able to meet the liabilities as and when they fall due and shall not be tendered insolvent within a period of one year from that date; and
iii. The Directors have taken into account the liabilities (including prospective and contingent liabilities)

After giving the above mentioned necessary confirmations, the Board proceeded to decide the method to be adopted for buy back, maximum number of shares to be bought back, maximum price per share for buy back and total consideration to be paid for buy back and thereafter the Board passed the following resolution unanimously:-

4.1 Approval for Buyback of Equity Shares

"RESOLVED THAT pursuant to Article 24A and 24B of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**"), the Companies (Share Capital and Debentures) Rules, 2014 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, 1998 ("**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 8,80,000 (Eight Lakhs Eighty Thousand) Equity Shares (representing 5.99% of the total issued and paid-up equity share capital of the Company) at a price of Rs.500/- (Rupees Five Hundred only) per Equity Share, payable in cash for an aggregate consideration not exceeding Rs. 44,00,00,000/- (Rupees Forty Four Crores only) (hereinafter referred to as the "**Buyback Size**" or "**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., 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, 2017, 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 ("**Buyback**").

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

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

RESOLVED FURTHER THAT the Buyback of Equity Shares from non-resident Members of the Company, including Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs), Members of foreign nationality, etc., shall be subject to Foreign Exchange Management Act, 1999 and rules and regulations framed there under, 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 including approvals from the Reserve Bank of India or authorized dealers under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein above 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 of dematerialized shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company, and such other undertakings, agreements, papers, documents and correspondence, under the Common Seal of the Company, 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."

4.2 Approval for Constitution of the Buyback Committee

"**RESOLVED THAT** Buy Back Committee of Directors namely, Shri Manhar Gandhi, Managing Director, Shri Bhupatrai Gandhi, Joint Managing Director and Shri Jayesh Gandhi, Non-Executive Director be and is hereby constituted to exercise powers relating to all the administrative and procedural matters of the Buy Back and that any two Directors shall constitute the quorum and that sitting fees payable to Non-Executive Director shall be Rs. 5000/- per meeting. Further the Buyback Committee is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to:

a) finalizing the terms of the Buyback like record date, entitlement ratio, the timeframe for completion of Buyback;

b) the appointment and finalization of the merchant banker, bankers, advisors, registrars, scrutinizers, consultants, representatives, intermediaries, agencies, printers, advertising agency, compliance officer, as may be required, for the implementation of the Buyback;

c) Decide and settle the remuneration for all such intermediaries/agencies/persons, including by the payment of commission, brokerage, fee, charges etc. and enter into agreements/letters in respect thereof;

d) Preparation, signing and filing of the public announcement, the Draft Letter of Offer / Letter of Offer and filing of declaration of solvency with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities;

e) making all applications to the appropriate authorities for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the applicable rules, regulations framed thereunder;

f) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereto, and BSE notice no. 20170210-16 dated February 10, 2017;

g) enter into escrow arrangements as required in terms of the Buyback Regulations;

h) opening, operation and closure of all necessary accounts including escrow account, special payment account, demat escrow account as required in terms of the Buyback Regulations;

i) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;

j) extinguishment of dematerialized shares and physical destruction of share certificates in respect of the equity shares bought back by the Company and filing of certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/or the Board, as required under applicable law;

k) do all such acts, matters and things incidental and in connection with the Buyback and sign, execute and deliver such documents as may be necessary or desirable and execution of documents under the Common Seal of the Company as may be required;

l) to settle and resolve any queries or difficulties raised by SEBI, stock exchanges, Registrar of Companies and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback;

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

5. DETAILS OF PUBLIC ANNOUNCEMENT

The Public Announcement dated Monday, January 29, 2018 was made in the following newspapers on Tuesday, January 30, 2018, in accordance with Regulation 8(1) of the Buyback Regulations, within two working days from the date of passing the special resolution by the shareholders of the Company, on Saturday, January 27, 2018, i.e. last date of voting:

Publication	Language	Editions
Business Standard	English	All
Business Standard	Hindi	All
Navshakti	Marathi	Marathi

A copy of the Public Announcement is available on the SEBI website at www.sebi.gov.in.

6. DETAILS OF THE BUYBACK OFFER

6.1 The Board of Directors, at their meeting held on Monday, December 18, 2017 has, in accordance with Article 24A and 24B of Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions of the Act, the Share Capital Rules, the Management Rules, including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance with the Buyback Regulations, approved the proposal to buy back the Company's Equity Shares, subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the appropriate authorities which may be agreed by the Board of Directors, and subject to such conditions and modifications as may be prescribed or imposed by such government, regulatory, statutory or appropriate authorities. The Company sought approval of its shareholders for the said Buyback, by a special resolution, through the Postal Ballot Notice dated Monday, December 18, 2017. The shareholders approved the said proposal of Buyback of Equity Shares and the results of the postal ballot were announced on Monday, January 29, 2018, which are available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The Company has been authorized to buy back a number of Equity Shares not exceeding 8,80,000 (Eight Lakhs Eighty Thousand) Equity Shares from the holders of Equity Shares as on the Record Date, for an amount not exceeding Rs. 44,00,00,000/- (Rupees Forty Four crores only). The Offer Size does not include transaction costs, namely applicable taxes such as securities transaction tax, GST, stamp duty, filing fees, advisors' fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses. The Offer Size is 24.89% of the total paid-up equity share capital and free reserves of the Company as per the audited financial statements as on March 31, 2017. The Buyback offer will comprise a purchase of up to 8,80,000 Equity Shares, aggregating up to 5.99% of the paid-up equity shares of the Company as on March 31, 2017 at a price of Rs. 500/- (Rupees Five Hundred only) per Equity Share on a proportionate basis by way of a Tender Offer route through Stock Exchange Mechanism, in accordance and consonance with the provisions contained in the Buyback Regulations, the Act, Share Capital Rules and Management Rules, as amended.

6.2 The Buyback is subject to such other undertakings, representations, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, Government of India, ROC, Depositories, the Stock Exchanges and any other regulatory or governmental authorities as may be required.

6.3 The Buyback shall be undertaken on a proportionate basis from the Eligible Shareholders of the Company as on the Record Date being Friday, February 9, 2018, through the Tender Offer process prescribed under Regulation 4(1)(a) of the Buyback Regulations. Additionally, the Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through stock exchange" as specified by the SEBI Circulars. Once the Buyback is concluded, all Equity Shares purchased by the Company in the Buyback will be extinguished.

6.4 The aggregate paid-up share capital and free reserves of the Company as per the audited financial statements as on March 31, 2017 is Rs. 176,78,26,222/- (Rupees One Hundred Seventy Six Crores Seventy Eight Lakhs Twenty Six Thousand Two Hundred and Twenty Two only).Under the provisions of the Act, the maximum amount utilized for the Buyback shall not exceed 25% of the total paid-up capital and free reserves of the Company, as per the audited financial statements of the Company as on March 31, 2017, i.e., Rs. 44,19,56,556/- (Rupees Forty Four Crores Nineteen Lakhs Fifty Six Thousand Five Hundred and Fifty Six only). The maximum amount proposed to be utilized for the Buyback offer is Rs. 44,00,00,000/-(Rupees Forty Four Crore only), excluding brokerage and other costs and is therefore within the limit of 25% of the Company's total paid-up equity capital and free reserves, as per the audited financial statements as on March 31, 2017.

6.5 Further, under the Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the fully paid-up Equity Shares of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 36,74,654 (Thirty Six Lakhs Seventy Four Thousand Six Hundred Fifty Four) Equity Shares (calculated on the basis of the total paid-up equity capital of the Company as on March 31,2017). As the Company proposes to buy back up to 8,80,000 (Eight Lakhs Eighty Thousand) Equity Shares, which aggregates up to 5.99% of the paid-up Equity Shares of the Company as on March 31, 2017, the same is within the aforesaid 25% limit.

6.6 In terms of the Buyback Regulations, under Tender Offer route, the promoter and the promoter group of the Company have an option to participate in the Buyback. In this regard, select members of the promoters and the promoter group of the Company have expressed their intention, via their letters dated Monday, December 18, 2017, to participate in the Buyback and may tender up to a maximum of 33,37,200 (Thirty Three Lakhs Thirty Seven Thousand Two Hundred) Equity Shares or such lower number of Equity Shares incompliance with the Buyback Regulations / terms of the Buyback. The extent of their participation in the Buyback has been detailed in paragraph 11.5 of this Letter of Offer.

6.7 The promoter and promoter group of the Company are already in control over the Company and therefore such change in voting rights of the promoter and promoter group will not result in any change in control over the Company. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the promoters, which constitute 73.27% of the total equity capital and voting rights of the Company as on the date of this Public Announcement, may change. Company and the promoter and promoter group of the Company have undertaken that in case there is

an increase in shareholding/voting rights of the promoter and promoter group beyond 75% in the Company, necessary steps will be taken to reduce shareholding / voting rights of the promoter and promoter group in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended, so that the Company is in due compliance of the minimum public shareholding requirement. The Company and the promoter and promoter group of the Company have undertaken vide their letters dated Monday, December 18, 2017 to comply with the minimum public shareholding requirements even after the Buyback.

7. AUTHORITY FOR THE BUYBACK

7.1 The Buyback is being undertaken by the Company in accordance with Article 24A and 24B of its Articles of Association, the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions of the Act, the rules hereunder and the Buyback Regulations. The Buyback is further subject to approvals, permissions and sanctions as may be necessary, from time to time from statutory, regulatory or governmental authorities as required under applicable laws, including but not limited to SEBI and the Stock Exchanges.

7.2 The Board at its meeting dated Monday, December 18, 2017 has passed a resolution approving the Buyback of Equity Shares of the Company and sought approval of its Shareholders, by a special resolution, through a Postal Ballot Notice dated Monday, December 18, 2017. The Shareholders of the Company have approved the Buyback by way of a special resolution, through the postal ballot (including e-voting) concluded on Saturday, January 27, 2018, the results of which were declared on Monday, January 29, 2018.

8. NECESSITY AND BASIS FOR THE BUYBACK

8.1 Share buyback is the acquisition by a Company of its own Equity Shares. The objective is to return surplus cash to the Members holding Equity Shares of the Company. The Board, at its meeting held on Monday, December 18, 2017, considered the accumulated free reserves as well as the cash liquidity reflected in the audited financial statements as on March 31, 2017 and considering these, the Board decided to allocate a sum of Rs. 44,00,00,000/- (Rupees Forty Four Crores only) for distributing to the Members holding Equity Shares of the Company, through the Buyback. After considering several factors and benefits to the Members holding Equity Shares of the Company, the Board decided to recommend the Buyback of maximum of 8,80,000 (Eight Lakhs Eighty Thousand) Equity Shares (representing 5.99% of the total number of Equity Shares in the paid-up equity share capital of the Company) at a price of Rs. 500/- (Rupees Five Hundred only) per Equity Share for an aggregate consideration of Rs. 44,00,00,000 (Rupees Forty Four Crores only).

8.2 As the Buyback is more than 10% of the total paid-up equity capital and free reserves of the Company, in terms of Section 68(2)(b) of the Act, it was necessary to obtain the consent of the shareholders of the Company to the Buyback by way of a special resolution. Accordingly, as per Section 110 of the Act read with Rule 22(16)(g) of the Management Rules, the consent of the shareholders of the Company to the Buyback was obtained by means of postal ballot, the results of the same were declared on Monday, January 29, 2018.

8.3 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 in an effective and efficient manner. 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 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 per their shareholding; or (b) 15% of the number of shares to be bought back, as per Regulation 6 of the Buyback Regulations. The Company believes that this reservation for small shareholders would benefit a large number of the Company's public shareholders, who would be classified as "Small Shareholders";

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

9. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUY BACK

The Company proposes to buy back up to 8,80,000 (Eight Lakhs Eighty Thousand) Fully Paid-up Equity Shares of face value of Rs. 5/- each of the Company.

10. MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK

10.1 The maximum amount of funds required for the Buyback will be Rs. 44,00,00,000/- (Rupees Forty Four Crore only), excluding transaction costs, namely applicable taxes such as securities transaction tax, GST, stamp duty, filing fees, advisors fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and

related expenses. The Offer Size is 24.89% of total fully paid-up share capital and free reserves of the Company, which is within the stipulated limit of 25% of the aggregate of the fully paid-up share capital and free reserves of the Company as on March 31, 2017.

10.2 The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company (including securities premium account) or such other source as may be permitted by the Buyback Regulations or the Act. Borrowings from banks and financial institutions, if any, will not be used for the Buyback.

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

11.1 The Buyback is not likely to cause any material impact on the profitability / earnings of the Company, except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. In the event that there is 100% acceptance of the Equity Shares tendered in the Buyback from Shareholders on a proportionate basis, the funds deployed by the Company towards the Buyback would be up to Rs. 44,00,00,000/- (Rupees Forty Four Crore only) excluding transaction costs, namely applicable taxes such as securities transaction tax, GST, stamp duty, filing fees, advisors fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses. This shall impact the investment income earned by the Company, on account of the reduced amount of funds available for investments.

11.2 The Buyback is not expected to impact, in any manner, either the growth opportunities for the business of Company or its cash requirement for business operations.

11.3 The Buyback is generally expected to contribute to the overall enhancement of shareholder value.

11.4 The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.

11.5 In terms of the Buyback Regulations, under the Tender Offer route, the Promoters of the Company have the option to participate in the Buyback. In this regard, select members of the promoters and the promoter group of the Company have informed the Company via their letter(s) dated Monday, December 18, 2017 regarding their intention to participate in the Buyback and accordingly may tender up to a maximum of 33,37,200 (Thirty Three Lakhs Thirty Seven Thousand Two Hundred) Equity Shares as mentioned in the table below or such lower number of Equity Shares in compliance with the Buyback Regulations / terms of the Buyback. Please see below the maximum number of Equity Shares intended to be tendered by each of the Promoters in the Buyback:

Sr. No.	Name	Number of Shares held	Maximum Number of Shares intended to Tender
1	Manhar G. Gandhi (HUF)	90,140	24,400
2	Manhar G. Gandhi (Small HUF)	1,34,060	79,000
3	Manhar G. Gandhi	21,15,670	5,42,400
4	Bhupatrai G. Gandhi (HUF)	1,20,360	24,400
5	Bhupatrai G. Gandhi (Small HUF)	1,27,720	78,800
6	Bhupatrai G. Gandhi	19,40,571	5,80,000
7	Jayesh M. Gandhi	11,67,466	2,11,000
8	Manoj B. Gandhi	10,97,168	2,12,000
9	Bharti M. Gandhi	7,83,776	1,12,200
10	Chandra B. Gandhi	4,70,520	62,600
11	Gopi J. Gandhi	4,58,273	1,97,800
12	Jigna M. Gandhi	4,49,443	83,600
13	Karishma J. Gandhi	2,44,300	28,000
14	Karan Manoj Gandhi	2,43,000	24,000
15	Kavita B. Gandhi	99,600	Nil
16	Rahul Jayesh Gandhi	69,000	7,300
17	Jigna Nilesh Mehta	47,200	Nil
18	Bina Tushar Shah	32,800	Nil
19	Nilesh Vinodrai Mehta	8,800	Nil
20	B. M. Gandhi Investment Co. LLP	5,59,300	5,59,300
21.	Gandhi Finance Co. LLP	5,10,400	5,10,400
Total		**1,07,69,567**	**33,37,200**

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

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

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
25/01/1988	Rights Issue *	12,200	10.00	10.00
Sub-Total		**12,200**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**24,400**		

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

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
25/01/1988	Rights Issue *	39,500	10.00	10.00
Sub-Total		**39,500**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**79,000**		

3) **Manhar G. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
30/12/1992	Rights Issue *	1,01,700	10.00	10.00
30/04/1998	Purchase	90,000	6.52	10.00
07/04/2001	Purchase	69,500	12.65	10.00
Sub-Total		**2,61,200**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Sub-Total		**5,22,400**		
30/01/2009	Purchase	20,000	39.51	5.00
Total		**5,42,400**		

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

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
25/01/1988	Rights Issue *	12,200	10.00	10.00
Sub-Total		**12,200**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**24,400**		

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

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
25/01/1988	Rights Issue *	39,400	10.00	10.00
Sub-Total		**39,400**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**78,800**		

6) **Bhupatrai G. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
07/12/1995	Purchase	20,000	17.10	10.00
20/04/1998	Purchase	90,000	6.52	10.00
16/10/2000	Purchase	95,300	17.30	10.00
17/10/2000	Purchase	29,700	17.50	10.00
02/04/2001	Purchase	55,000	12.65	10.00
Sub-Total		**2,90,000**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**5,80,000**		

7) **Jayesh M. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
02/01/1996	Purchase	11,000	18.71	10.00
08/01/1996	Purchase	44,000	18.62	10.00
09/01/1996	Purchase	500	17.65	10.00
17/10/2000	Purchase	35,100	17.50	10.00
20/10/2000	Purchase	14,900	17.22	10.00
Sub-Total		**1,05,500**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**2,11,000**		

8) **Manoj B. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
02/01/1996	Purchase	11,000	18.71	10.00
08/01/1996	Purchase	44,000	18.62	10.00
09/01/1996	Purchase	1,000	17.65	10.00
20/10/2000	Purchase	50,000	17.22	10.00
Sub-Total		**1,06,000**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**2,12,000**		

9) **Bharti M. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
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 Rs. 10/- each to Rs. 5/- each			
Total		**1,12,200**		

10) **Chandra B. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
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 Rs. 10/- each to Rs. 5/- each			
Total		**62,600**		

11) **Gopi J. Gandhi**

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

12) **Jigna M. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
09/07/2001	Purchase	7,000	12.60	10.00
12/08/2003	Purchase	10,000	22.60	10.00
26/02/2004	Purchase	12,800	30.89	10.00
15/09/2006	Purchase	12,000	137.68	10.00
Sub-Total		**41,800**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**83,600**		

13) **Karishma J. Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
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
Sub-Total		**14,000**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**28,000**		

14) **Karan Manoj Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
29/09/1997	Purchase	4,000	10.35	10.00
12/11/1998	Purchase	8,000	8.85	10.00
Sub-Total		**12,000**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**24,000**		

15) **Rahul Jayesh Gandhi**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
30/01/2009	Purchase	4,300	38.52	5.00
02/02/2009	Purchase	3,000	38.19	5.00
Total		**7,300**		

16) **B. M. Gandhi Investment Co. LLP**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
23/05/1986	IPO *	1,32,150	10.00	10.00
30/12/1992	Rights Issue *	1,59,500	10.00	10.00
Sub-Total		**2,91,650**		
15/09/2006	Sale	12,000	136.32	10.00
Sub-Total		**2,79,650**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**5,59,300**		

17) **Gandhi Finance Co. LLP**

Date of Transaction / Allotment	Nature of Transaction	Number of Equity Shares	Issue / Acquisition Price (Rs.)	Face Value (Rs.)
23/05/1986	IPO *	13,780	10.00	10.00
25/01/1988	Rights Issue *	5,920	10.00	10.00
30/12/1992	Rights Issue *	2,47,500	10.00	10.00
Sub-Total		**2,67,200**		
15/09/2006	Sale	12,000	136.32	10.00
Sub-Total		**2,55,200**		
26/03/2008	Sub division of Face Value of Equity Shares from Rs. 10/- each to Rs. 5/- each			
Total		**5,10,400**		

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

11.7 Consequent to the Buyback and based on the number of Equity Shares bought back within each category of shareholders, the shareholding pattern of the Company would undergo a change.

11.8 All of the directors and Key Managerial Personnel of the Company are eligible to participate in the Buyback on the same terms as all other Eligible Shareholders. Except as otherwise provided herein, the directors and Key Managerial Personnel have not indicated whether they intend to participate in the Buyback or the number of Equity Shares that they intend to tender in the Buyback.

11.9 Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoters of the Company may increase or decrease from the existing 73.27% of the total equity capital and voting rights of the Company.

11.10 Assuming 100% of the Eligible Shareholders elect to fully participate in the Buyback up to their Buyback Entitlement, the aggregate shareholding of the Promoters following the Buyback may increase from 73.27% pre Buyback to 73.72% post Buyback, and the aggregate shareholding of the public in the Company shall decrease from 26.73% pre Buyback to 26.28% post Buyback.

11.11 Consequent to the Buyback and based on the number of Equity Shares bought back from the non-resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, their shareholding may undergo a change.

11.12 The debt-equity ratio post Buyback will not exceed the permissible limit of 2:1 as prescribed by the Act, even if 100% of the Eligible Shareholders elect to fully participate in the Buyback up to their Buyback Entitlement.

11.13 The Company shall not issue any Equity Shares or other specified securities (including by way of bonus) till the date of closure of the Buyback.

11.14 The Promoters of the Company have not and shall not deal in Equity Shares of the Company on the Stock Exchanges or off market, including by way of inter-se transfer(s) of Equity Shares among the Promoters during the period from the date of passing the Board Resolution, i.e. Monday, December 18, 2017, till the closing of the Offer, i.e., Tuesday, March 27, 2018.

11.15 The Company shall not raise further capital for a period of one year from the closure of Buyback offer except in discharge of its subsisting obligations.

11.16 Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2017 are as follows:

Particulars	Pre Buyback	Post Buyback
Net Worth (Rs. Lakhs)	17,918.65	13,518.65
Return on Net Worth / Return on Equity (%)	16.60	22.00
Basic Earnings per Share (Rs.)	20.23	21.52
Book value per Share (Rs.)	121.91	97.83
Price / Earnings	20.95	19.70
Total Debt / Equity Ratio	NA	NA

Notes:

(a) Pre and Post buyback calculations are based on audited financial numbers as on March 31, 2017

(b) Post buyback numbers are calculated by reducing the pre buyback net worth by the proposed buyback amount (assuming full acceptance) without factoring any impact of reduction in the investment income (due to reduced amount available for investment post buyback) on the profit and loss account

(c) **Net worth** = Equity shares + Reserves & Surplus

(d) **Return on Net worth** = Annualized Profit after Tax divided by closing Net worth

(e) **Earnings per Share** = Profit after Tax divided by total number of Equity Shares, adjusted for the Buyback amount [assuming full acceptance]

(f) **Book Value per Equity Share** = Net worth divided by total number of Equity Shares, adjusted for the Buyback amount [assuming full acceptance]

(g) **Price / Earnings** = Closing market price of the Equity Shares on BSE on January 30, 2018, i.e. Rs. 424.00, divided by annualized Earnings per Equity Share

(h) **Total Debt / Equity Ratio** = Total debt divided by Net worth. Total Debt/Equity Ratio is not applicable as the Company has no borrowings

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

12.1 The Equity Shares of the Company are proposed to be bought back at a price of Rs. 500/- (Rupees Five Hundred only) per Equity Share in cash. The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average market price and closing price of the Equity Shares on the Stock Exchanges where the Equity Shares are listed, the net worth of the Company, price earnings ratio, potential impact on other financial parameters such as earnings per share and return on equity

12.2 The Buyback Price represents:

(a) A premium of 56.48% and 56.64% to the volume weighted average market price of the Equity Shares on BSE and NSE respectively, during the three months preceding Monday, December 11, 2017, being the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback; and

(b) A premium of 35.85% and 37.55% over the closing price of the Equity Shares on BSE and NSE respectively, as on Monday, December 11, 2017, being the date on which the Company intimated the Stock Exchanges of the date of the Meeting of the Board of Directors wherein proposal of the Buyback was considered

12.3 The closing market price of the Equity Shares as on the date of intimation to the Stock Exchanges for the Board Meeting for considering the Buyback, i.e., Monday, December 11, 2017, was Rs. 368.05 and. Rs. 363.50 on the BSE and the NSE respectively.

12.4 The Buyback Price is more than four times the book value per Equity Share as on March 31, 2017 of the Company on a basis, which was Rs. 121.91 per Equity Share.

12.5 The basic Earnings per Share ("EPS") of the Company as on March 31, 2017 was Rs. 20.23. Assuming full acceptance under the Buyback, the Company's EPS would be Rs. 21.52 after the Buyback. The post-Buyback EPS is calculated by reducing the number of shares of the Company proposed to be bought back, assuming full acceptance under the Buyback, without factoring in any impact in the Statement of Profit & Loss due to reduction in cash.

12.6 The annualized return on Net Worth of the Company as on March 31, 2017 was 16.60%. Assuming full acceptance under the Buyback, the Company's annualized return on net-worth would be 22.00% after the Buyback. The post Buyback numbers are calculated by reducing the net worth of the Company by the proposed Buyback amount, assuming full acceptance under the Buyback, without factoring in any impact in the Statement of Profit & Loss due to the reduction in cash.

13. SOURCES OF FUNDS FOR THE BUYBACK

13.1 Assuming full acceptance, the funds that would be deployed by the Company for the purposes of the Buyback would be up to Rs. 44,00,00,000/- (Rupees Forty Four Crore only) excluding transaction costs, namely applicable taxes such as securities transaction tax, GST, stamp duty, filing fees, advisors fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses.

13.2 The Company will be funding the Buyback with cash on hand that has been generated through internal accruals and / or by liquidating financial instruments held by the Company. The Company does not intend to raise additional debt for the purpose of the Buyback. Thus, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.

13.3 The Company shall transfer from its free reserves or securities premium account, a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the capital redemption reserve account, and the details of such transfer shall be disclosed in its subsequent audited financial statements.

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

14.1 In accordance with Regulation 10 of the Buyback Regulations, the Company has appointed HDFC Bank Limited as the escrow agent for the Buyback. The Company, the Managers to the Buyback and the Escrow Agent have entered into an Escrow Agreement dated Thursday, January 18, 2018. The Escrow Agent has its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

14.2 In terms of the Escrow Agreement dated Thursday, January 18, 2018, the Company has opened an escrow account in the name and style "Gandhi Special Tubes Ltd - Buyback Escrow Account" bearing the account number 57500000130014 with the Escrow Agent. In accordance with Regulation 10 of the Buyback Regulations, the Company has deposited an amount of Rs. 11,00,00,000/- (Rupees Eleven Crores Only) in the Escrow Account. This amount deposited is equal to the amount required to be deposited in terms of the Buyback Regulations. In terms of the Escrow Agreement the amount deposited would form part of the Escrow Account. In accordance with the Buyback Regulations, the Managers to the Buyback will be empowered to operate the Escrow Account and realise the value of the Escrow Account.

15. FIRM FINANCING ARRANGEMENTS

15.1 The Company, duly authorized by its Buyback Committee, has identified and earmarked funds for the purpose of fulfilment of the obligations of the Company under the Buyback. Such earmarked funds, together with funds provided for escrow arrangements, are in excess of the Buyback Size.

15.2 M/s Shashikant J. Shah & Co., Statutory auditors of the Company (Firm Registration number 109996W), Chartered Accountants, having its office at 1056, Hubtown Solaris, N. S. Phadke Marg, Andheri (East), Mumbai - 400069, Tel: +91-22-6236255, signing through their Partner, Mr. Nikuj Shah (Membership No.: 112867) have certified, vide its certificate dated Monday, January 29, 2018, that the Company has adequate funds for the purposes of the Buyback of maximum of 8,80,000 (Eight Lakhs Eighty Thousand) Equity Shares at a price of Rs. 500/- (Rupees Five Hundred only) per Equity Share and has adequate financial resources for fulfilling the obligations under the Buyback.

15.3 Based on the aforementioned certificate, the Managers to the Buyback confirm that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Act and the Buyback Regulations.

16. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

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

Particulars	**Pre Buyback (**Rs.**)**
Authorised Share Capital 2,40,00,000 Equity Shares of face value Rs. 5/- each	12,00,00,000
Issued, Subscribed and Paid-up Share Capital 1,46,98,616 Equity Shares of face value Rs. 5/- each	7,34,93,080

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

Particulars	Post Buyback (Rs.)
Authorised Share Capital 2,40,00,000 Equity Shares of face value Rs. 5/- each	12,00,00,000
Issued, Subscribed and Paid-up Share Capital 1,38,18,616 Equity Shares of face value Rs. 5/- each	6,90,93,080*

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

16.3 As on the date of Public Announcement, the Company confirms that there are no outstanding preference shares, partly paid-up Equity Shares, outstanding convertible instruments or calls in arrears.

16.4 As on the date of Public Announcement, there is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

16.5 The Company shall not issue and allot any new Equity Shares including by way of bonus from the date of Public Announcement till the date of closure of this Buyback.

16.6 The Company has not undertaken any other buyback programme in the 3 years preceding the date of the Letter of Offer.

16.7 The shareholding pattern of the Company as on the Record Date, i.e. Friday, February 9, 2018 as well as post completion of the Buyback is as shown below:

Particulars	Number of Equity Shares	% of existing share capital	No. of Equity Shares post Buyback *	% of share capital post Buyback *
Promoters (including Promoter Group)	1,07,69,567	73.27	1,01,86,707	73.72
Foreign Investors (OCBs / FIIs / NRIs / Non-residents / Non-domestic companies / ADRs)	4,78,577	3.25	36,31,909	26.28
Indian Financial Institutions / Banks / Mutual Funds / Govt. Companies	2,600	0.02		
Public including other Bodies Corporate	34,47,872	23.46		
Total	**1,46,98,616**	**100.00**	**1,38,18,616**	**100.00**

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

16.8 The aggregate shareholding of the Promoters of the Company as on the date of the Public Announcement, i.e., Monday, January 29, 2018:

Sr. No.	Name	Number of Shares held	% Shareholding
1.	Manhar G. Gandhi (HUF)	90,140	0.61
2.	Manhar G. Gandhi (Small HUF)	1,34,060	0.91
3.	Manhar G. Gandhi	21,15,670	14.39
4.	Bhupatrai G. Gandhi (HUF)	1,20,360	0.82
5.	Bhupatrai G. Gandhi (Small HUF)	1,27,720	0.87
6.	Bhupatrai G. Gandhi	19,40,571	13.20
7.	Jayesh M. Gandhi	11,67,466	7.94
8.	Manoj B. Gandhi	10,97,168	7.46
9.	Bharti M. Gandhi	7,83,776	5.33
10.	Chandra B. Gandhi	4,70,520	3.20
11.	Gopi J. Gandhi	4,58,273	3.12
12.	Jigna M. Gandhi	4,49,443	3.06
13.	Karishma J. Gandhi	2,44,300	1.66
14.	Karan Manoj Gandhi	2,43,000	1.65
15.	Kavita B. Gandhi	99,600	0.68
16.	Rahul Jayesh Gandhi	69,000	0.47

Sr. No.	Name	Number of Shares held	% Shareholding
17.	Jigna Nilesh Mehta	47,200	0.32
18.	Bina Tushar Shah	32,800	0.22
19.	Nilesh Vinodrai Mehta	8,800	0.06
20.	B. M. Gandhi Investment Co. LLP	5,59,300	3.81
21.	Gandhi Finance Co. LLP	5,10,400	3.47
Total		**1,07,69,567**	**73.27**

16.9 The aggregate shareholding of the Directors / Partners of the promoter, where the promoter is a Company / Entity as on the date of the Public Announcement, i.e., Monday, January 29, 2018:

B. M. Gandhi Investment Co. LLP			
Sr. No.	**Name of Partners**	**Number of Shares held**	**% Shareholding**
1.	Jayesh M. Gandhi (Designated Partner)	11,67,466	7.94
2.	Manoj B. Gandhi (Designated Partner)	10,97,168	7.46

Gandhi Finance Co. LLP			
Sr. No.	**Name of Partners**	**Number of Shares held**	**% Shareholding**
1.	Manhar G. Gandhi (Designated Partner)	21,15,670	14.39
2.	Bhupatrai G. Gandhi (Designated Partner)	19,40,571	13.20
3.	Bharti M. Gandhi	7,83,776	5.33
4.	Chandra B. Gandhi	4,70,520	3.20
5.	Manoj B. Gandhi	10,97,168	7.46
6.	Jayesh M. Gandhi	11,67,466	7.94

16.10 Aggregate Shareholding of the Directors and Key Managerial Personnel of the Company as on the date of the Public Announcement, i.e., Monday, January 29, 2018:

Sr. No.	Name	Designation	Number of Shares held	% Shareholding
1.	Manhar G. Gandhi	Managing Director	21,15,670	14.39
2.	Bhupatrai G. Gandhi	Joint Managing Director	19,40,571	13.20
3.	Jayesh M. Gandhi	Non-executive Promoter Director	11,67,466	7.94
4.	Dharmen B. Shah	Independent Director	Nil	Nil
5.	Dhirajlal S. Shah	Independent Director	4,250	0.03
6.	Kavas N. Warden	Independent Director	28,500	0.19
7.	Bhavi Jatin Koradia	Independent Director	Nil	Nil
8.	Shobhana Rajan Vartak	Chief Financial Officer	Nil	Nil
9.	Jeegeesha Shroff (CS)	Company Secretary	Nil	Nil

16.11 No Equity Shares of the Company have been purchased / sold by the Promoter, Promoter Companies / Entities, Directors of the Promoter Companies / Entities, Persons in Control of the Company and Directors and Key Managerial Personnel of the Company during the period from 6 months preceding the date of the Board Meeting at which the Buyback was proposed and the date of the Postal Ballot Notice i.e., Monday, December 18, 2017 and during the period of 12 months preceding the date of the Public Announcement i.e., Monday, January 29, 2018.

17. BRIEF INFORMATION ABOUT THE COMPANY

17.1 GSTL is a leading manufacturer of automobile components since 1985.

17.2 The Company was incorporated on April 22, 1985 in Maharashtra, India, as “Gandhi Special 07 Tubes Limited”, a public limited company under the Indian Companies Act, 1956. The Company name was changed to “Gandhi Special Tubes Limited” on November 6, 1995 following approval of the name change by the Board, Shareholders and other regulatory authorities. The Company started its manufacturing activities with the tubes of 0.7 mm wall thickness and at that time it was intended that the Company’s main product would be tubes with 0.7 mm wall thickness. Over a period of time, the Company gauged the marketing needs and started producing the tubes of various sizes and diameters. Therefore it was decided to drop “07” from the name of the Company to reflect that the Company is not a one product Company. The Company made an initial public offering of equity shares in India, which were listed on Bombay Stock Exchange on August 8, 1986.

17.3 The registered office of the Company is at 201-204, 2nd Floor, Plaza, 55, Hughes Road, Next to Dharam Palace, Mumbai 400007, Maharashtra, India.

17.4 Gandhi Special Tubes Ltd was a project set up by Gandhi Group. The project was for manufacturing small diameter welded and cold drawn seamless steel tubes. All the critical equipment was imported from Germany. Gandhi Special Tubes Ltd. is also manufacturing Cold Formed Tube Nuts for Fuel Injection Tube Assemblies and other Tube Assemblies. This was a pioneering effort in India as hitherto tube nuts were being manufactured by machining. The products are marketed all over India and are also exported all over the world including Germany, UK, South East Asian countries, etc.

17.5 The manufacturing plants (3 units) of the Company are located at Halol (near Vadodara) in Gujarat, with an approximate area of 20 acres and construction shed of approximately 2.5 lakh sq.ft. The manufacturing capacity is as follows:

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

17.6 The organization has given due importance to developing reliable quality systems. The Company's quality system has been certified as per ISO/TS 16949 : 2009 as well as ISO 9001: 2008 by M/S TUV. The organization's philosophy is to aim at continuous growth by giving priority to customer satisfaction through assured product quality and use of state of art technology.

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

17.8 For the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015, the Company recorded revenue of Rs. 9,757.23 Lakhs, Rs. 9,117.36 Lakhs and Rs. 9,189.76 Lakhs, respectively, and profit after tax of Rs. 2,974.10 Lakhs, Rs. 1,855.00 Lakhs and Rs. 1,579.63 Lakhs, respectively.

17.9 For the six months ended September 30, 2017, the company recorded revenue of Rs. 5,782.12 Lakhs and profit after tax of Rs. 1,753.27 Lakhs. The year-on-year growth of revenue and profit after tax for the six months ended September 30, 2017 as compared to same period in the previous year was 7.75% and 7.18%, respectively.

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

17.11 Details of the changes in share capital of the Company since incorporation are as follows:

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

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

17.12 The Board of Directors of the Company as on the date of the Public Announcement, i.e. Monday, January 29, 2018, comprises the following:

Name, Age and DIN	Designation	Qualifications	Date of Appointment / Reappointment	Other Directorships**
Manharlal Gordhandas Gandhi DIN: 00041190 Age: 76 years	Chairman & Managing Director	Inter Arts	January 1, 2010	Nil
Bhupatrai Gordhandas Gandhi DIN: 00041273 Age: 78 years	Joint Managing Director	B.COM	January 1, 2010	Nil
Jayesh Manharlal Gandhi DIN: 00041330 Age: 52 years	Non Executive Director (Promoter Group)	B.COM., M.B.A.	May 7, 1998	Jaishri Engineering Company Pvt. Ltd.- Managing Director
Dhiraj Shantilal Shah DIN: 00044163 Age: 76 years	Non Executive & Independent Director	B.COM, F.C.A	June 28, 1985	Nil
Kavas Nariman Warden DIN: 00045840 Age: 82 years	Non Executive & Independent Director	B.E. (Mechanical)	June 3, 1988	Nil
Dharmen B. Shah DIN: 01834884 Age: 57 years	Non Executive & Independent Director	B.COM, F.C.A	October 11, 2007	Sagron Properties Private Ltd.- Director
Bhavi Jatin Koradia DIN: 07004836 Age: 34 years	Non Executive & Independent (Woman) Director	Chartered Accountant	October 30, 2014	Nil

17.13 The details of any change in the Board of Directors during the last 3 years ending on the date of the Public Announcement are as follows:

Name	Appointment / Resignation / Retirement	Effective Date	Reasons
Bhavi Jatin Koradia	Appointment	October 30, 2014	Non Executive & Independent Director

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

18. FINANCIAL INFORMATION OF THE COMPANY

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

18.2 The brief audited financial information of the Company, as extracted from the audited financial statements for the last three financial years and from unaudited financial statement for the six months ended September 30, 2017 is provided below:

(a) **Based on unaudited financial statements under Ind-AS for the six months ended September 30, 2017 and audited financial statements for the years ended March 31, 2017, March 31, 2016 and March 31, 2015 under Indian GAAP**

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

Particulars	Period ended September 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from Operations	5,782.12	9,757.23	9,117.36	9,189.76
Other Income	492.80	866.37	300.10	442.77
Total Income	**6,274.92**	**10,623.60**	**9,417.46**	**9,632.54**
Total Expenses excluding Interest, Depreciation, Tax & Extraordinary items	3,590.61	6,462.29	6,426.20	6,857.76
Interest	-	-	-	-
Depreciation	194.25	445.64	470.58	495.02
Profit before exceptional item and tax	2,490.06	3,715.68	2,520.68	2,279.75
Exceptional item	-	-	-	-
Profit before Tax	2,490.06	3,715.68	2,520.68	2,279.75
Provision for tax (incl. deferred tax)	736.79	741.58	665.68	700.13
Profit after tax	**1,753.27**	**2,974.09**	**1,854.99**	**1,579.62**
Other Comprehensive income net of tax	0.03	NA	NA	NA
Total Comprehensive income	1,753.30	NA	NA	NA

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

Particulars	Period ended September 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Equity Share Capital	734.93	734.93	734.93	734.93
Reserves & Surplus	19,700.57	17,183.71	15,801.79	15,273.61
Net Worth / Shareholders Equity	20,435.50	17,918.64	16,536.72	16,008.54
Total Debt	-	-	-	-
Key Financial Ratios				
Earnings per Share (Rs.) (Basic)	11.93	20.23	12.62	10.75
Book value per Share (Rs.)	139.03	121.91	112.51	108.91
Debt-Equity Ratio	-	-	-	-
Return on Net Worth (%)	8.58	16.60	11.22	9.86

Notes:

(a) **Net worth** = Equity shares + Reserves & Surplus

(b) **Earnings per Share** = Profit after Tax divided by total number of Equity Shares

(c) **Book Value per Equity Share** = Net worth divided by total number of Equity Shares

(d) **Total Debt / Equity Ratio** = Total debt divided by Net worth. Total Debt / Equity Ratio is not applicable as the Company has no borrowings

(e) **Return on Net worth** = Annualized Profit after Tax divided by closing Net worth

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

19. STOCK MARKET DATA

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

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

Period	High (Rs.)	Date of High	Number of Equity Shares traded on that date	Low (Rs.)	Date of Low	Number of Equity Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
3 Years								
01-Apr-16 to 31-Mar-17	353.30	23-Feb-17	39,747	202.55	20-Apr-16	4,589	286.33	1,432,717
01-Apr-15 to 31-Mar-16	308.00	09-Apr-15	9,005	197.50	14-Mar-16	5,509	199.40	841,271
01-Apr-14 to 31-Mar-15	309.00	21-Jan-15	65,084	138.00	02-Apr-14	4,162	199.14	1,110,433
6 Months								
01-Jan-18 to 31-Jan-18	443.95	5-Jan-18	24,328	420.00	19-Jan-18	10,240	426.91	401,641
01-Dec-17 to 31-Dec-17	436.85	27-Dec-17	71,903	298.20	06-Dec-17	8,640	364.24	2,093,135
01-Nov-17 to 30-Nov-17	348.00	07-Nov-17	5,839	296.20	14-Nov-17	8,066	317.17	116,156
01-Oct-17 to 31-Oct-17	375.35	13-Oct-17	171,040	308.55	03-Oct-17	653	322.65	264,726
01-Sep-17 to 30-Sep-17	370.00	04-Sep-17	4,843	297.05	28-Sep-17	1,948	321.99	67,488
01-Aug-17 to 31-Aug-17	338.00	09-Aug-17	6,075	280.00	11-Aug-17	13,127	307.14	70,225
01-Jul-17 to 31-Jul-17	355.40	10-Jul-17	383	316.50	31-Jul-17	918	332.07	31,313

Source: www.nseindia.com

* Average of the daily closing price

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

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

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

Period	High (Rs.)	Date of High	Number of Equity Shares traded on that date	Low (Rs.)	Date of Low	Number of Equity Shares traded on that date	Average Price* (Rs.)	Total volume traded in period
3 Years								
01-Apr-16 to 31-Mar-17	352.75	23-Feb-17	9,815	201.30	1-Apr-16	295	287.74	535,812
01-Apr-15 to 31-Mar-16	306.00	9-Apr-15	13,841	200.00	14-Mar-16	1,160	248.55	294,812
01-Apr-14 to 31-Mar-15	311.00	21-Jan-15	40,824	133.00	1-Apr-14	1,151	199.90	662,592
6 Months								
01-Jan-18 to 31-Jan-18	444.95	5-Jan-18	8,177	420.00	18-Jan-18	2,200	427.17	91,261
01-Dec-17 to 31-Dec-17	437.00	27-Dec-17	21,317	301.55	8-Dec-17	1,277	364.93	501,519
01-Nov-17 to 30-Nov-17	348.00	7-Nov-17	4,200	298.00	14-Nov-17	883	318.01	31,424
01-Oct-17 to 31-Oct-17	373.90	13-Oct-17	31,928	306.15	6-Oct-17	1,151	322.67	60,687
01-Sep-17 to 30-Sep-17	344.00	7-Sep-17	825	301.10	28-Sep-17	437	322.24	26,954
01-Aug-17 to 31-Aug-17	335.10	9-Aug-17	1,145	280.00	11-Aug-17	6,411	307.72	23,406
01-Jul-17 to 31-Jul-17	348.00	10-Jul-17	1,015	316.05	31-Jul-17	782	332.53	22,245

Source: www.bseindia.com

* Average of the daily closing price

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

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

19.4 Notice of the Board Meeting convened to consider the proposal of the Buyback was given to the BSE and NSE on Monday, December 11, 2017. The closing price of the Company's equity share on Monday, December 11, 2017 was Rs. 368.05 on BSE and Rs. 363.50 on NSE. The Board, at its meeting held on Monday, December 18, 2017, approved the proposal for the Buyback at a price not exceeding Rs. 500 per share and the intimation was sent to BSE and NSE on the same day. The high and low market prices on Monday, December 18, 2017 (being the trading day previous to the day on which the Board Meeting was held to approve the Buyback) were Rs. 352.00 and Rs. 327.00, respectively on BSE, and were Rs. 353.80 and Rs. 316.00, respectively on NSE. The closing price of the Company's Equity Shares on Tuesday, December 19, 2017 (being the next working day post the Board Meeting approving the Buyback) was Rs. 402.55 per Equity Share on the BSE and Rs. 403.25 per Equity Share on the NSE.

20. DETAILS OF THE STATUTORY APPROVALS

20.1 The Buyback offer is subject to approvals, if any required, under the provisions of the Act, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.

20.2 The Board at its meeting held on Monday, December 18, 2017 approved the proposal for the Buyback.

20.3 The Buyback from the Eligible Shareholders who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies), foreign institutional investors / foreign portfolio investors, non-resident Indians, shareholders of foreign nationality shall be subject to Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder, and also subject to such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the RBI under Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.

20.4 As mentioned above, the Buyback of Equity Shares from non-residents ("**NR**") and non resident Indian ("**NRI**") shareholders will be subject to approvals, if any, of the appropriate authorities, including RBI, as applicable. NRIs and erstwhile OCBs must obtain all specific approvals required to tender the Equity Shares held by them in this Buyback (including without limitation, approval from RBI, as applicable). It is the obligation of such NRI to obtain such approvals along with the Tender Form, so as to enable them to tender Equity Shares in the Buyback. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted. Non-Resident Shareholders (excluding OCBs) permitted under general permission under the consolidated Foreign Direct Investment policy issued by the Government of India read with applicable regulations issued under FEMA, are not required to obtain approvals from RBI.

20.5 By agreeing to participate in the Buyback, the NR and NRI shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.

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

21. REGISTRAR TO THE BUYBACK

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

Karvy Computershare Private Limited
Karvy Selenium, Tower-B, Plot No 31 – 32,
Gachibowli Financial District, Nanakramguda
Hyderabad 500032, India
Tel: +91-40-67162222
Fax: +91-40-23431551
Contact Person: Mr. Murali Krishna
E-mail: gstl.buybackoffer@karvy.com
SEBI Registration Number: INR000000221
Validity Period: Permanent Registration

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

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

22. PROCEDURE FOR SUBMISSION

Eligible Shareholders who wish to tender their Equity Shares in the Buyback are required to submit their form(s) with their broker for bidding. After entering a valid bid, the seller member should send, either by registered post / courier to the Registrar to the Buyback, Tender Forms, TRS generated by the exchange bidding system along with the requisite documents including physical share certificates, super scribing the envelope as "GSTL - Buyback Offer", or hand deliver the same to the Registrar to the Buyback at the address mentioned on the cover page and in paragraph 21.1. Eligible Shareholders holding Equity Shares in the dematerialized form are requested to refer to paragraph 24.19.

23. PROCESS AND METHODOLOGY FOR THE BUYBACK

23.1 The Company proposes to buy back up to 8,80,000 (Eight Lakhs Eighty Thousand) Equity Shares from all the Eligible Shareholders, on a proportionate basis (subject to the reservation for Small Shareholders), through the Tender Offer route at a price of Rs. 500/- (Rupees Five Hundred only) per Equity Share, payable in cash for an aggregate amount of up to Rs. 44,00,00,000/- (Rupees Forty Four Crores only) (being less than 25% of the total paid-up equity capital and free reserves of the Company as per the audited financial statements of the Company as on March 31, 2017). The maximum number of Equity Shares proposed to be bought back represents 5.99% of the total paid-up equity share capital of the Company. The Buyback is in accordance with Article 24A and 24B of the Articles of Association of the Company and subject to the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Act read with the rules made thereunder and in compliance with the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, the Stock Exchanges, RBI, etc. The Equity Shareholders approved the Buyback by way of a special resolution through postal ballot, the results of which were announced on Monday, January 29, 2018.

23.2 As on the Record Date, the aggregate shareholding of the Promoters / Persons in Control was 1,07,69,567 (One Crore Seven Lakhs, Sixty Nine Thousand Five Hundred Sixty Seven) Equity Shares, which represents 73.27% of the existing equity share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the Promoters of the Company have the option to participate in the Buyback. In this regard, select member of the Promoter and Promoter Group as listed in paragraph 11.5 of this Letter of Offer have expressed their intention, vide their letters dated Monday, December 18, 2017, to participate in the Buyback and offer up to an aggregate maximum of 33,37,200 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations.

23.3 Assuming acceptance of all Equity Shares tendered in the Buyback from the Eligible Shareholders up to their respective Buyback Entitlement, the shareholding of the Promoter after the completion of the Buyback will increase to 73.72% of the post Buyback total paid-up equity share capital of the Company. Also, if none of the public shareholders participate and only the Promoter participates to the extent of its Buyback Entitlement, the shareholding of the promoter will reduce to 72.17% of the total equity share capital of the Company.

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

23.4.1 As required under the Buyback Regulations, the company has announced Friday, February 9, 2018 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders holding Equity Shares, who are eligible to participate in the Buyback Offer.

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

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

23.4.3 As defined in Regulation 2(1)(la) of the Buyback Regulations, a "Small Shareholder" is a Shareholder who holds Equity Shares having market value, on the basis of the closing price on Friday, February 9, 2018, i.e., the Record Date, of not more than Rs. 200,000/- (Rupees Two Lakhs only). As on the Record Date, the closing price on NSE being the Recognized Stock Exchange having the highest trading volume was Rs. 417.25 per Equity Share. Accordingly, all Eligible Shareholders holding not more than 479 Equity Shares as on the Record Date are classified as Small Shareholders for the purpose of the Buyback Offer.

23.4.4 Based on the above definition, there are 8,125 Small Shareholders, with an aggregate shareholding of 11,19,805 Equity Shares, as on the Record Date, which constitutes 7.62% of the outstanding paid up equity share capital of the Company and 14.57% of the maximum number of Equity Shares which are proposed to be bought back as part of this Buyback Offer.

23.4.5 In accordance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders will be 1,32,000 Equity Shares, which is the higher of:

(a) Fifteen percent of the number of Equity Shares which the Company proposes to buy back, i.e., 15% of 8,80,000 (Eight Lakhs Eighty Thousand) Equity Shares, which works out to 1,32,000 (One Lakh Thirty Two Thousand) Equity Shares; or

(b) The number of Equity Shares to which the Small Shareholders are entitled, as per their shareholding as on Record Date, (i.e., (11,19,805 / 1,46,98,616) X 8,80,000), which works out to 67,043 Equity Shares. All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since some of the Promoters also intend to offer Equity Shares held by them in the Buyback.

23.4.6 Accordingly, the General Category shall consist of 7,48,000 Equity Shares.

23.4.7 Based on the above analysis and in accordance with Regulation 6 of the Buyback Regulations, 1,32,000 Equity Shares have been reserved for the Small Shareholders ("Reserved Portion") and accordingly, the General Category for all other Eligible Shareholders shall consist of 7,48,000 Equity Shares ("General Portion")

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

Category Entitlement Ratio of Buyback

Category	Entitlement Ratio of Buyback*
Reserved Category	60 Equity Shares out of every 509 fully paid-up Equity Shares held on the Record Date
General Category	13 Equity Shares out of every 236 fully paid-up Equity Shares held on the Record Date

*The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved category for Small Shareholders is 11.79% and General category for all other Eligible Sellers is 5.51%.

23.5 **Fractional Entitlements**

23.5.1 If the Buyback Entitlement, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e., not a multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback Offer, for both categories of Shareholders.

23.5.2 On account of ignoring the fractional entitlement, those Small Shareholders who hold 8 or less Equity Shares as on the Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

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

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

(a) Full acceptance of Equity Shares from Small Shareholders in the Reserved Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.

(b) After the acceptance as described in paragraph 23.6(a), if there are any Equity Shares left to be bought back in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered additional Equity Shares, shall be given preference and one Equity Share each from the additional Equity Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.

(c) After the acceptance as described in paragraph 23.6(a) and (b), in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptance per Small Shareholder shall be made in accordance with the Buyback Regulations., i.e., valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Equity Shares remaining to be bought back in the Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders from whom one Equity Share has been accepted in accordance with paragraph 23.6(b) shall be reduced by one.

(d) In case of proportionate acceptance, as described in paragraph 23.6(c), adjustment for fractional entitlements will be made as follows:

- For any Small Shareholder, if the number of additional Equity Shares to be accepted, calculated on a proportionate basis is not a multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- For any Small Shareholder, if the number of additional Equity Shares to be accepted, calculated on a proportionate basis is not a multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

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

23.7.1 Subject to the provisions contained in this Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

(a) Full Acceptance of Equity Shares from Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.

(b) After the acceptance as described in paragraph 23.7.1(a), in case there are any Equity Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the other Eligible Shareholders over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Buyback Regulations, i.e., valid acceptances per Shareholder shall be equal to the General Category Additional Shares by the Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Equity Shares remaining to be bought back in General Category.

(c) In case of proportionate acceptance described in paragraph 23.7.1(b), adjustment for fractional entitlements, will be made as follows:

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

23.8 Basis of Acceptance of Equity Shares between the two categories

23.8.1 In the event the Equity Shares tendered by the Small Shareholders in accordance with the process set out under Paragraph 23.6 (Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders) of the Letter of Offer is less than the Reserved Portion, Additional Equity Shares tendered by the Eligible Shareholders in the General Category over and above their Buyback Entitlement shall, in accordance with the Buyback Regulations, be Accepted in proportion of the Additional Equity Shares tendered by them i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by an Eligible Shareholder in the General Category divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the Additional Equity Shares that can be accepted due to shortfall in the Reserved Category.

23.8.2 In the event the Equity Shares tendered by the Eligible Shareholders in the General Category in accordance with the process set out under Paragraph 23.7 (Basis of Acceptance of Equity Shares validly tendered in the General Category) of the Letter of Offer is less than the General Portion, Additional Equity Shares tendered by the Eligible Shareholders in the Reserved Category over and above their Buyback Entitlement shall, in accordance with the Buyback Regulations, be Accepted in proportion of the Additional Equity Shares tendered by them i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by an Eligible Shareholder in the Reserved Category divided by the total Additional Equity Shares validly tendered in the Reserved Category and multiplied by the Additional Equity Shares that can be accepted due to shortfall in the General Category.

23.8.3 A Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority Acceptance of one Equity Share before Acceptance, as mentioned above, out of the Equity Shares left to be bought back in the General Category, provided no Acceptance could take place from such Small Shareholder in accordance with the section entitled “Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders”.

23.8.4 In case of proportionate acceptance described in paragraph 23.8.1, 23.8.2 and 23.8.3, adjustment for fractional entitlements will be made as follows:

- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

23.8.5 In case of any practical issues resulting out of rounding-off of Equity Shares or otherwise, the Buyback Committee or any person(s) authorized by the Buyback Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in this Section 23.

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

23.9.1 Equity Shares accepted under the Buyback from each Eligible Shareholder, shall be lower of the following:

- the number of Equity Shares tendered by the respective Shareholder; and
- the number of Equity Shares held by the respective Shareholder, as on the Record Date.

23.9.2 Equity Shares tendered by any Shareholder over and above the number of Equity Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

23.9.3 Post allocation, up to the Entitlement of each Eligible Shareholder or the number of Equity Shares tendered by each Eligible Shareholder, whichever is lower, all over-tendered Equity Shares will be accepted by the Company on a proportionate basis. The ratio computed for over-tendered Equity Shares will be computed separately for the Reserved Category and the General Category.

23.10 **Clubbing of Entitlement**

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

24. PROCEDURE FOR TENDERING EQUITY SHARES AND SETTLEMENT FOR BOTH THE CATEGORIES

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

24.2 The Company proposes to effect the Buyback through the Tender Offer route, on a proportionate basis. This Letter of Offer, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Equity Shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.

24.3 The Eligible Shareholder(s) who have registered their Email IDs with the Depositories / the Company shall be dispatched the Letter of Offer through electronic means. If Eligible Shareholder(s) who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar to the Buyback at the address or email id mentioned on the cover page of the Letter of Offer by stating such Eligible Shareholder's name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. The Eligible Shareholder(s) who have not registered their email ids with the Depositories / the Company shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. For U.S. shareholders who have not registered their e-mail addresses with the Depositories, physical copies of the Letter of Offer, in addition to being sent by registered post to their address registered with the Depositories in accordance with Indian law, will also be sent by expedited commercial courier.

24.4 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court / any other competent authority for transfer / disposal / sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

24.5 The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buy back locked-in Equity Shares and non-transferrable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.

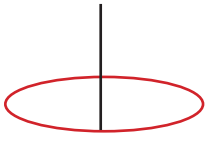
24.6 Eligible Shareholders will have to transfer their Equity Shares from the same demat account in which they were holding such Equity Shares as on the Record Date, and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account to the special account of the Indian Clearing Corporation Limited and the National Securities Clearing Corporation Limited ("**Clearing Corporation**"). In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Equity Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback.

24.7 Shareholders' participation in the Buyback will be voluntary. The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Equity Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their shareholding percentage, post Buyback, as a result of the decrease in the paid-up Equity Share Capital, without additional investment. Shareholders may also accept a part of their Buyback entitlement. Shareholders also have the option of tendering additional Equity Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Shareholder shall be in terms of procedure outlined in Section 24 of this Letter of Offer.

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

24.9 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" in accordance with the SEBI Circulars and following the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

24.10 For implementation of the Buyback, the Company has appointed M/s.Dalal and Broacha Stock Broking Private Limited as the registered broker to the Company (the "**Company's Broker**") to facilitate the process of tendering of Equity Shares through stock exchange mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company, as described in this Section 24. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders. The contact details of the Company's Broker are as follows:



Dalal and Broacha Stock Broking Private Limited
506, Maker Chambers V, Nariman Point, Mumbai 400021
Contact Person: Khushbu Shah
Tel: +91-22-67141414
Email: khushbu.shah@dalal-broacha.com
Website: www.dalal-broacha.com
SEBI Registration No: NSE INB 230980634 / BSE INB 010980633
Validity Period: Permanent Registration
CIN: U67120MH1997PTC111186

24.11 The Company will request the Stock Exchanges i.e. the BSE and the NSE to provide the Acquisition Window to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buyback. Accordingly, Equity Shares may be tendered in the Buyback through either the BSE or the NSE. The BSE would be the Designated Stock Exchange for the Buyback. The details of the Acquisition Window will be specified by the Stock Exchanges from time to time.

24.12 All Eligible Shareholders, through their respective stock brokers ("**Seller Member(s)**") will be eligible and responsible to place orders in the Acquisition Window.

24.13 At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker. During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Seller Members during normal trading hours of the secondary market.

24.14 Seller Members can enter orders for dematerialized Equity Shares as well as physical Equity Shares.

24.15 In the event Selling Member of any Eligible Shareholder is not registered with BSE / NSE as trading member / stock broker, then that Eligible Shareholder can approach any BSE / NSE registered stock broker and can register himself by using quick unique client code (UCC) facility through that BSE / NSE registered stock broker (after submitting all details as may be required by such BSE / NSE registered stock broker in compliance with applicable law). In case the Eligible Shareholder is unable to register himself by using quick UCC facility through any other BSE / NSE registered stock broker, then that Eligible Shareholder may approach the Company's Broker, viz. M/s. Dalal and Broacha Stock Broking Private Limited, to register himself by using quick UCC facility.

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

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

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

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

24.19.1 Eligible Shareholders who desire to tender their Equity Shares in the dematerialised form under the Buyback will have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.

24.19.2 The Seller Member will be required to place a bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the Stock Exchanges. Before placing the bid, the Eligible Shareholder will need to transfer the tendered Equity Shares to the Clearing Corporation by using the settlement number through the early pay-in mechanism as prescribed by the Depositories. This shall be validated at the time of order / bid entry. The details of the settlement number under which the Equity Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular which shall be issued at the time of issue opening by Clearing Corporation. For further details, Eligible Shareholders may refer to the circulars issued by Clearing Corporation.

24.19.3 For Custodian Participant orders for dematerialized Equity Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian will confirm the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders will be deemed to be rejected. For all confirmed Custodian Participant orders, order modification by the Seller Member will revoke the custodian confirmation and the revised order will be sent to the custodian again for confirmation.

24.19.4 Upon placing the bid, the Seller Member will provide a Transaction Registration Slip ("**TRS**") generated by the Exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered, etc.

24.19.5 Eligible Shareholders shall also provide all relevant documents, that are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

(a) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;

(b) Duly attested death certificate and succession certificate / legal heirship certificate / court approved scheme of merger / amalgamation for a company, in case any Eligible Shareholder has expired or dissolved or merged; and

(c) In case of companies, the necessary certified corporate authorizations (including board and / or general meeting resolutions).

24.19.6 In case of demat Equity Shares, submission of Tender Form and TRS is not required. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for Eligible Shareholders holding Equity Shares in demat form.

24.19.7 The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buyback decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the saving account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company.

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

a) Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback are required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the:

i) Tender Form duly signed (by all Eligible Shareholders in case Equity Shares are in joint names) in the same order in which they hold the Equity Shares.

ii) Original share certificates

iii) Valid share transfer form(s) (SH-4) duly filled and signed by the transferors (i.e., by all registered Eligible Shareholders in the same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company

iv) Self-attested copy of the Eligible Shareholder's PAN Card

v) Any other relevant documents such as (but not limited to):

- Duly attested Power of Attorney if any person other than the Eligible Shareholder has signed the relevant Tender Form
- Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
- Necessary corporate authorisations, such as Board Resolutions, specimen signatures, etc., in case of companies

vi) In addition to the above, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of anyone of the documents namely: valid Aadhar Card, Voter Identity Card or Passport.

b) Based on these documents, the Seller Member shall place the bid on behalf of the Eligible Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchanges. Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ("**TRS**") generated by the Stock Exchanges' bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered, etc.

c) After placement of bid, as mentioned in paragraph 24.20(b), the Seller Member / Eligible Shareholder must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in paragraph 24.20(a), either by registered post or courier or hand delivery to the Registrar to the Buyback (at the address mentioned on the cover page and mentioned in Section 21 of this Letter of Offer) within 2 (two) days of bidding by the Seller Member. The envelope should be super scribed as "GSTL - Buyback Offer". One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member / Eligible Shareholder.

d) Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'Unconfirmed Physical Bids'. Once, Registrar to the Buyback confirms the bids they will be treated as 'confirmed bids'.

e) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Tender Form instead of the Equity Share certificate(s) of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar to the Buyback does not receive the Equity Share certificate(s); (iv) In case the signature on the Tender Form and Form SH-4 does not match as per the specimen signature recorded with Company / Registrar of the Company.

f) In case any person has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback Offer before the Closing Date.

24.21 **For Equity Shares held by Eligible Shareholders who are Non-Resident Shareholders of Equity Shares (Read with Section 20 "DETAILS OF STATUTORY APPROVALS"):**

a) Eligible Shareholders who are non-resident shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them in the Company.

b) In case the Equity Shares are held on repatriation basis, the Non-Resident Eligible Shareholders shall obtain and enclose a letter from its authorised dealer / bank confirming that at the time of acquiring such Equity Shares, payment for the same was made by the non-resident Eligible Shareholders from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Non-Resident Seller is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Seller shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buyback.

c) If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered by Eligible Shareholders, being Non-Resident Shareholders, under the Buyback are liable to be rejected.

24.22 **In case of non-receipt of this Letter of Offer:**

a) **In case the Equity Shares are in dematerialised form**

If Eligible Shareholder(s) who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may participate in the Buyback Offer by downloading the Tender Form from the website of the Company, i.e., www.gandhitubes.com or from the website of the Registrar to the Buyback i.e. http://karisma.karvy.com or by providing its application in writing on plain paper, signed by Eligible Shareholders, stating name & address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback.

b) **In case the Equity Shares are in physical form**

An Eligible Shareholder may participate in the Offer by providing its application in writing on plain paper signed by such Eligible Shareholder stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of such Eligible Shareholder's PAN card(s) and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website www.gandhitubes.com. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 24.20(a), reach the collection centres not later than 2 (two) days from the Closing Date, i.e., Wednesday, March 21, 2018 (by 5:00 p.m. Indian Standard Time). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order(although attested), such applications are liable to be rejected under this Buyback Offer.

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

24.24 The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this Section are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

(a) The Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Shareholder, shall not invalidate the offer to any person who is eligible to receive this offer under the Buyback.

(b) The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

(c) Depositories are required to provide information to the Clearing Corporation about the shareholder on whose behalf the Seller Member has placed a sell order. This information shall include investor PAN, beneficiary account details and bank details including IFSC code.

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

24.26 **Method of Settlement**

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

(a) The settlement of trades will be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.

(b) The Company will transfer the consideration pertaining to the offer through the Company's Broker who in turn will make the funds pay-in to the Clearing Corporation's bank account on or before the pay-in date for settlement as per the secondary market mechanism. For Equity Shares accepted under the Buyback, the Eligible Shareholders will receive funds payout in their bank account attached with Depository Account from the Clearing Corporation. If bank account details of any Eligible Shareholder are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Members for onward transfer to such Eligible Shareholder. In case of physical shares, the Clearing Corporation will release the funds to the Seller Member as per the secondary market pay out mechanism. The payment of consideration to all Eligible Shareholders validly participating in the Buyback will be made in Indian National Rupees.

(c) The Equity Shares bought back in the demat form will be transferred directly to the escrow account of the Company ("Demat Escrow Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Designated Stock Exchange.

(d) Excess demat shares or unaccepted demat shares, if any, tendered by the Eligible Shareholders will be transferred by the Clearing Corporation directly to the Eligible Shareholders' Depository account. If the securities transfer instruction is rejected in the depository system, due to any issue, then such securities will be transferred to the Seller Members depository pool account for onward transfer to the Eligible Shareholder. In case of Custodian Participant orders, excess demat shares or unaccepted demat shares, if any, will be returned to the respective Custodian depository pool account. The Custodian Participants will return these unaccepted shares to their respective clients on whose behalf the bids have been placed.

(e) The Eligible Shareholders will have to ensure that they keep the depository participant account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non–acceptance of shares under the Buyback.

(f) Physical Equity Shares, to the extent tendered but not accepted, will be returned back to the concerned Eligible Shareholders directly by Registrar to the Buyback. The Company will issue a new single share certificate for all the unaccepted physical Equity Shares and return the same to the sole / first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted / rejected Equity Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Eligible Shareholders' sole risk to the sole / first Shareholder (in case of joint Shareholders), at the address recorded with the Company, not later than Wednesday, March 21, 2018.

(g) Every Seller Member who puts in a valid bid on behalf of an Eligible Shareholder, must issue a contract note for the Equity Shares accepted in the offer. The Company's Broker must also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

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

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

24.29 **Settlement of Funds / Payment of Consideration**

(a) The settlements of fund obligation for dematerialised and physical Equity Shares shall be effected as per the SEBI Circulars and as prescribed by Exchange and Clearing Corporation from time to time.

(b) Clearing Corporation shall settle the trades by making direct funds payout to the Eligible Shareholders and the Seller Members must issue a contract note. The Buyer's Broker must also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If the Eligible Shareholder's bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank due to any reasons, then the amount payable to Eligible Shareholders will be transferred to the Seller Member for onward transfer to the Eligible Shareholder.

(c) In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out will be given to their respective Shareholder Broker's settlement accounts for releasing the same to their respective Shareholder's account onward. For this purpose, the client type details will be collected from the Depositories.

24.30 **Rejection Criteria**

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

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

a) The Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or

b) If there is a name mismatch in the dematerialised account of the Shareholder.

c) Shares tendered over and above the holding as on the Record Date.

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

a) The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar to the Buyback within 2 (two) days from the Closing Date i.e. Wednesday, March 21, 2018 by 5:00 p.m. Indian Standard Time;

b) If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;

c) If the transfer / transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;

d) If the Eligible Shareholders bid the Equity Shares but the Registrar to the Buyback does not receive the physical Equity Share certificate;

e) In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar to the Buyback;

f) In case the Form SH-4 is not witnessed; or

g) Shares tendered over and above the holding as on the Record Date.

25. NOTE ON TAXATION

Set forth below are certain tax considerations related to tendering Equity Shares the Company in the Buyback. Disclosures in this paragraph are based on expert opinion sought by the Company.

Indian Taxation

THE SUMMARY OF THE INCOME-TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS.

IN VIEW OF THE COMPLEXITY AND THE SUBJECTIVITY INVOVED AND THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES OF A BUYBACK TRANSACTION, ELIGIBLE SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE AND EXPLICILTY DISOWNS ANY LIABILITY ARISING OUT OF ANY ACTION INCLUDING A TAX POSITION TAKEN BY THE ELIGIBLE SHAREHOLDER BY RELYING ON THIS SUMMARY.

THE SUMMARY TAX CONSIDERATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OFBUYBACK OF LISTED EQUITY SHARES ON THE RECOGNISED STOCK EXCHANGE IN INDIA SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

General: The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income-tax Act, 1961 (the "**IT Act**").

A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "status" of such shares. As per judicial precedents, generally the "status" of the shares is where a company is "incorporated" and where its shares can be transferred.

Accordingly, since the Company is incorporated in India, the Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.

Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement("**DTAA**") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including non-applicability of General Anti-Avoidance Rule ("**GAAR**") and providing and maintaining necessary information and documents as prescribed under the IT Act.

The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the buyback of shares, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. The summary of income-tax implications on buyback of listed equity shares on the Recognised Stock Exchange in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

Classification of Shareholders: Shareholders can be classified under the following categories:

Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals(BOI)
- Others

Non Resident Shareholders being:

- Non Resident Indians (NRIs)
- Foreign Portfolio Investors (FPIs)
- Others:
- Company
- Other than company

Classification of Income: Shares can be classified under the following two categories:

- Shares held as investment (Income from transfer taxable under the heading "**Capital Gains**")
- Shares held as stock-in-trade (Income from transfer taxable under the heading "**Profits and Gains from Business or Profession**")

Gains arising from the transfer of shares may be treated either as "capital gains" or as "business income" for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade).

Traditionally, the issue of characterization of income arising from sale of shares has been a subject matter of litigation with the income-tax authorities. There have been various judicial pronouncements on whether gains from transactions in securities should be taxed as "business profits" or as "capital gains".

However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. The apex body of Income-tax has issued Circular No. 6 of 2016, as per which, if the taxpayer opts to consider the shares as stock-in-trade, the income arising from the transfer of such shares would be treated as its business income. Also, if such shares are held for a period of more than12 months and if the taxpayer desires to treat the income arising from the transfer thereof as "capital gains", the same should not be put to dispute by the income-tax officers provided such stand is consistently followed by the taxpayer in subsequent years.

Further, investments by FPIs in any securities in accordance with the regulations made under the Securities Exchange Board of India Act, 1992 would be treated as capital asset under the provisions of the IT Act.

Shares held as investment: As per the provisions of the IT Act, where the shares are held as investments (i.e. capital asset), income arising from the transfer of such shares is taxable under the head "Capital Gains". Capital gains on buyback of shares are governed by the provisions of section 46A of the IT Act and such capital gains in the hands of shareholders

would be computed as per provisions of section 48 of the IT Act. The provisions of buyback tax under section 115QA in Chapter XII-DA of the IT Act do not apply for shares listed on the Recognised Stock Exchange in India and hence exemption under section 10(34A) is not available to the eligible shareholder.

Period of holding: Depending on the period for which the shares are held, the gains would be taxable as "short-term capital gain" or "long-term capital gain":

In respect of equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same should be treated as a "short-term capital asset", and accordingly the gains arising therefrom should be taxable as "short term capital gains" ("**STCG**").

Similarly, where equity shares are held for a period more than 12 months prior to the date of transfer, the same should be treated as a "long-term capital asset", and accordingly the gains arising therefrom should be taxable as "long-term capital gains" ("**LTCG**").

Buyback of shares through a Recognized Stock Exchange in India: Where a transaction for transfer of such equity shares (i.e. buyback) is transacted through a Recognized Stock Exchange and is chargeable to Securities Transaction Tax ("**STT**"), then the taxability will be as under (for all categories of shareholders):

LTCG arising from such transaction would typically be exempt from tax under section 10(38) of the IT Act for the Financial Year 2017-18. However, in certain specified cases, the said exemption is available only if purchase of such shares is chargeable to STT. With effect from April 1, 2018, LTCG would be as per the provisions of Section 112A, as summarised below:

- Long Term Capital Gains arising from transfer of equity share of a company or unit of an equity-oriented fund as defined or unit of a business trust shall be taxed at 10% of such capital gains exceeding Rs. 1 Lakhs.
- The Long Term Capital gains will be calculated without giving effect of Indexation.
- The concessional rate of 10% will be applicable if:
    a. In case of equity share in a company, if security transaction tax has been paid on both acquisition and transfer of such capital asset; and
    b. In case of unit of an equity-oriented fund or unit of a business trust, if security transaction tax has been paid on transfer of such capital asset
- The cost of acquisition in respect of Long term capital asset acquired before 01/02/18 shall be deemed to be higher of:
    a. Actual cost of acquisition of such asset; and
    b. Lower of:
        (i) Fair market value as defined of such asset as on 31/01/18
        (ii) Full value of consideration received or accruing as a result of transfer of the capital asset
- The benefit of Chapter VI-A deductions and rebate u/s 87A shall not be available against such Capital gains and tax thereon
- CBDT issued a FAQ on 04/02/18 explaining the new provisions;

STCG arising from such transaction would be subject to tax at 15% under section 111A of the IT Act. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the income-tax on such STCG taxable under section 111A of the IT Act.

In addition to the above STCG tax, surcharge, education cess and secondary and higher education cess are leviable (Please see this document for rate of surcharge and cess).

Non-resident shareholders can avail benefits of the DTAA between India and the respective country of which the said shareholder is a tax resident subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.

As an overall point, since the Buyback is to be undertaken on the NSE / BSE, such transaction is chargeable to the STT. STT is a tax payable in India on the value of securities on every purchase or sale of specified securities that are listed on the Recognised Stock Exchanges in India. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of the security.

MAT implications would get triggered in the hands of the resident corporate shareholder.

Non-resident shareholders can avail beneficial provisions of the applicable DTAA entered into by India subject to fulfilling of the relevant conditions and the documentary compliance prescribed under the ITA.

Shareholders should consult their own tax advisors in relation to the foregoing. Shareholders should also consult their respective Seller Members regarding whether such Seller Members intend to withhold taxes in respect of the foregoing.

Shares held as stock-in trade: If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the heading "Profits and Gains from Business or Profession." In such a case, the provisions of section 46A of the IT Act would not apply.

Resident Shareholders:

1. For individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.

2. Domestic company having turnover or gross receipts not exceeding Rs. 50 crores in the previous year i.e. 2015-16 would be taxable @ 25%
3. For persons other than stated in (1) and (2) above, profits would be taxable at 30%.
4. No benefit of indexation (inflation adjustment on cost base) by virtue of the period of holding would be available in any case.

Non Resident Shareholders:

Non-resident shareholders can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.

Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.
- For foreign companies, profits would be taxed in India at 40%.
- For other non-resident shareholders, such as foreign firms, profits would be taxed in India at 30%.

  In addition to the above, surcharge, education cess and secondary and higher education cess are leviable.

  (Please see below for rate of surcharge and cess).

Tax Deduction at Source:

In case of Resident Shareholders:

In absence of any specific provision under the IT Act, the Company is not required to deduct tax on the consideration payable to resident shareholders pursuant to the Buyback.

In case of Non-resident Shareholders:

In case of FPIs: Section 196D of the IT Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FPIs. Thus, no withholding of tax is required in case of consideration payable to FPIs.

In case other than FPIs: Section 195(1) of the IT Act provides that any person responsible for paying to anon-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and education cess) shall be deducted at appropriate rates as per the IT Act. In doing this, the Company will be guided by generally followed practices and make use of data available in its records except in cases where the non-resident shareholders provide a specific mandate in this regard.

Since the Buyback is through the Recognised Stock Exchanges in India, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder given that practically it is very difficult to withhold taxes. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians, authorized dealers and/or tax advisors, as appropriate. The non-resident shareholders must file their tax return in India inter-alia considering gains arising on this buyback of shares in consultation with their tax advisors.

The non-resident shareholders undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to the non-resident shareholders on buyback of shares by the Company. The non-resident shareholders also undertake to provide the Company, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.

Rate of Surcharge and Cess: In addition to the basic tax rate, surcharge, education cess and secondary and higher education cess are leviable as follows:

Surcharge:

In case of individuals, HUF, AOP and BOI: Surcharge at 15% is leviable where the total income exceeds Rs. 1 crore and at 10% where the total income exceeds Rs. 50 lakhs but less than Rs. 1 crore.

In case of domestic companies: Surcharge at 12% is leviable where the total income exceeds Rs. 10 crores and at 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crores.

In case of foreign companies: Surcharge at 5% is leviable where the total income exceeds Rs. 10 crores and at 2% where the total income exceeds Rs. 1 crore but less than Rs. 10 crores.

In case of Firm, Local Authority: Surcharge @12% is leviable where the total income exceeds Rs.1 crore.

Cess:

Education Cess at 2% and Secondary and Higher Education Cess at 1% is leviable in all cases.

THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

26. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II under the Buyback Regulations:

26.1 The Board of Directors has made full enquiry into the affairs and prospects of the Company and confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

26.2 The Board of Directors confirms that based on a full enquiry conducted into the affairs and prospects of the Company, the Board of Directors has formed an opinion that:

a) Immediately following the date of the Board meeting i.e. Monday, December 18, 2017 and the date of passing of the shareholders resolution i.e. Saturday, January 27, 2018 approving the Buyback, there are no grounds on which the Company could be found unable to pay its debts.

b) As regards the Company's prospects for the year immediately following the date of the Board meeting i.e. Monday, December 18, 2017 and the date of passing of the shareholders resolution i.e. Saturday, January 27, 2018 approving the Buyback, having regard to their intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting as also from the date of passing of the shareholders resolution approving the Buyback.

c) In forming its opinion as aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities payable) as if the Company were being wound up under the provisions of the Act and the Insolvency and Bankruptcy Code, 2016.

This declaration is made and issued by the Board of Directors in terms of the resolution passed at the meeting held on Tuesday, February 6, 2018.

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

Sd/-	Sd/-
Mr. Manhar G. Gandhi	**Mr. Bhupatrai G. Gandhi**
Managing Director	**Joint Managing Director**
DIN: 00041190	DIN: 00041273

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

27. AUDITOR'S CERTIFICATE

The text of the Report dated Monday, December 18, 2017 received from M/s Shashikant J. Shah & Co., Statutory Auditors, addressed to the Board of Directors of the Company is reproduced below:

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 Part A of Schedule II of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (as amended) ("Buyback Regulations")

1. This Report is issued in accordance with the terms of our engagement letter dated Monday, December 18, 2017

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 December 18, 2017 in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013(the "Act") and the Buyback Regulations. We have been requested by the Management of the Company to provide a report on the accompanying statement of permissible capital payment ('Annexure A') as at March 31, 2017(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 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, 2017;

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, 2017 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 December 18, 2017 have formed the opinion as specified in Clause (x) of Part A of Schedule II 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.

The financial statements referred above, have been audited by M/s S. V. Doshi & Co., Chartered Accountants - erstwhile auditor of the company and have issued an unmodified audit opinion in their report dated May 16, 2017.

The erstwhile auditors have confirmed in their report referred to above as follows and we have relied on the same:

"our audit of these financial statements in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement."

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 and information and explanation given to us and the report of erstwhile auditor have been furnished 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, 2017 which has been approved by the Board of Directors of the Company on May 16, 2017;

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, 2017.

c. The Board of Directors of the Company, in their meeting held on December 18, 2017 have formed their opinion as specified in clause (x) of Part A of Schedule II to the 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 December 18, 2017, and from the date on which the results of the shareholders' resolution with regard to the proposed buyback are declared.

Restriction on Use:

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

(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 Buyback Regulations,

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

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

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

Sd/-
Nikunj Shah
[Partner]
(Membership No: 112867)

December 18, 2017
Mumbai

Annexure A

Statement of permissible capital payment (including premium) as at March 31, 2017

The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the table below is properly determined in our view in accordance with Section 68(2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited financial statements of the Company for the period ended March 31, 2017:-

Particulars as on March 31, 2017		**Amount (Rs.)**
Paid up capital (1,46,98,616 shares of Rs.5/- each)	**A**	7,34,93,080
Free Reserves		
- Profit and loss account balance		139,43,33,142
- Securities Premium		-
- General Reserve		30,00,00,000
Total Free Reserves	**B**	**169,43,33,142**
Total paid up capital and free reserves	**A + B**	**176,78,26,222**
Maximum amount permissible for buyback under Section 68 of the Companies Act, 2013 (25% of the total paid up capital and free reserves)		44,19,56,556

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

Sd/-
Nikunj Shah
[Partner]
(Membership No: 112867)

December 18, 2017
Mumbai

28. MATERIAL DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Managers to the Buyback at 1109/1110, Maker Chambers V, Nariman Point, Mumbai, Maharashtra, India on any working day (i.e., Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. Indian Standard Time up to the date of closure of the Buyback:

a) Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Gandhi Special Tubes Limited;

b) Copy of the Annual Reports of the Company for the Year ended March 31, 2015, March 31, 2016 and March 31, 2017;

c) Copy of the Unaudited Financial Statements of the Company as on September 30, 2017;

d) Copy of the Resolution passed by the Board of Directors at their Meeting held on Monday, December 18, 2017 approving proposal for Buyback and the Resolution passed by the Board of Directors at their Meeting held on Monday, December 18, 2017 reconstituting the Buyback Committee;

e) Copy of the Postal Ballot Notice dated Monday, December 18, 2017 along with Explanatory Statement;

f) Copy of the Resolution of the Shareholders passed by way of Postal Ballot on Saturday, January 27, 2018;

g) Copy of Public Announcement dated Monday, January 29, 2018 published in the newspapers on Tuesday, January 30, 2018 regarding Buyback of Equity Shares; and

h) Copy of Certificate dated Monday, December 18, 2017 received from M/s. Shashikant J. Shah & Co., in terms of clause(xi) of Part A to Schedule II of the Buyback Regulations;

i) Copy of Declaration of Solvency and an Affidavit in Form SH-9 as prescribed under Section 68(6) of the Act;

j) Copy of the Escrow Agreement dated Thursday, January 18, 2018 between Gandhi Special Tubes Limited, HDFC Bank, Mumbai and Prime Securities Limited and a Certificate dated Monday, January 29, 2018 from HDFC Bank, Mumbai confirming the balance of Rs. 11,00,00,000/- (Rupees Eleven Crores Only) to the credit of Escrow Account;

k) Copy of the Certificate from M/s. Shashikant J. Shah & Co., dated Monday, January 29, 2018 certifying that the Company has made firm arrangement of funds for the purposes of Buyback of 8,80,000 Equity Shares at the price of Rs. 500/- per Equity Share;

l) Copy of the SEBI Observation Letter No. SEBI/HO/CFD/DCR1/OW/P/2018/05544/1 dated February 22, 2018.

29. REMEDIES AVAILABLE TO SHAREHOLDERS/ BENEFICIAL OWNERS

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

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

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

Registrar of Companies
100, Everest, Marine Drive
Mumbai 400002
Tel: +91-22-22812627 / +91-22-22020295 / +91-22-22846954
Fax: +91-22-22811977
Email: roc.mumbai@mca.gov.in

30. INVESTOR SERVICE CENTRE AND COMPLIANCE OFFICER

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

Karvy Computershare Private Limited
Karvy Selenium, Tower-B, Plot No 31 – 32,
Gachibowli Financial District, Nanakramguda
Hyderabad 500032, India
Tel: +91-40-67162222
Fax: +91-40-23431551
Contact Person: Mr. Murali Krishna
E-mail: gstl.buybackoffer@karvy.com
SEBI Registration Number: INR000000221
Validity Period: Permanent Registration

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

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

Name:	Jeegeesha Shroff
Designation:	Company Secretary
Address:	Gandhi Special Tubes Limited 201-204, 2nd Floor, Plaza, 55, Hughes Road, Next to Dharam Palace, Mumbai 400007, Maharashtra, India
Tel:	+91-22-23634179
Fax:	+91-22-23634392
Email ID:	complianceofficer@gandhitubes.com

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

31. MANAGERS TO THE BUYBACK

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

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

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

32. DIRECTORS' RESPONSIBILITY STATEMENT

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company, in their capacity as directors, accept full and final responsibility for all the information contained in this Letter of Offer and confirm that this Letter of Offer contains true, factual and material information and does not contain any misleading information. This Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through resolution passed by the Buyback Committee meeting held on Monday, February 26, 2018.

***

For and on behalf of the Board of Directors of

GANDHI SPECIAL TUBES LIMITED

Sd/-	Sd/-	Sd/-
Mr. Manhar G. Gandhi	**Mr. Jayesh M. Gandhi**	**Jeegeesha Shroff**
Managing Director	**Director**	**Company Secretary & Compliance Officer**
DIN: 00041190	DIN: 00041330	Membership No: A48091

Place: Mumbai
Date: February 26, 2018

33. OFFER FORM

33.1 Tender Form (for Eligible Shareholders holding Equity Shares in dematerialised form).

33.2 Tender Form (for Eligible Shareholders holding Equity Shares in physical form).

33.3 Form No. SH-4 – Securities Transfer Form.

www.westernpress.in

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

Bid Number:
Date:

BUYBACK OPENS ON	Tuesday, March 6, 2018
BUYBACK CLOSES ON	Monday, March 19, 2018

For Registrar / Collection Centre use		
Inward No.	Date	Stamp

India Tax Residency Status: Please tick appropriate box

☐ Resident in India ☐ Non-Resident in India ☐ Resident of _____(shareholder to fill in country of residence)

Status: Please tick appropriate box					
☐	Individual	☐	FII/FPI	☐	Insurance Co.
☐	Foreign Co.	☐	NRI/OCB	☐	FVCI
☐	Body Corporate	☐	Bank/FI	☐	Pension/ PF
☐	VCF	☐	Partnership/LLP	☐	Others

To,

The Board of Directors
Gandhi Special Tubes Limited
201-204, 2nd Floor, Plaza, 55, Hughes Road,
Mumbai – 400 007, Maharashtra, India

Dear Sirs,

Subject: Buyback upto 8,80,000 (Eight Lacs Eighty Thousand) Equity Shares of Gandhi Special Tubes Limited ("Company") at a price of Rs. 500/- (Rupees Five Hundred Only) per Equity Share ("Buyback Price"), payable in cash.

1. I / We (having read and understood the Letter of Offer) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorise the Company to buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
3. I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered in the Buyback by me / us and are free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares in the Buyback and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
5. I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder, in case of joint holders.
6. In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for Eligible Sellers.
7. I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Seller as per the provisions of Buyback Regulations, circulars issued by the SEBI and notices issued by Stock Exchange.
8. I/We agree that the excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered would be returned as per the provisions of Buyback Regulations and circulars issued by the SEBI.
9. I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
10. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Buyback Regulations.
11. Applicable for all Non-resident shareholders - I/ We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India for the Equity Shares bought back by the Company. I/ We also undertake to indemnify the Company against any income tax liability on any income earned by me/ us on such Buyback of Equity Shares.
12. Details of Equity Shares held and tendered / offered for Buyback:

Particulars	**In Figures**	**In Words**
Number of Equity Shares held as on Record Date (Friday, February 9, 2018)		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (Including Additional Shares)		

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

---------- **Tear along this line** ----------

Acknowledgement Slip: GANDHI SPECIAL TUBES LIMITED - BUYBACK OFFER
(to be filled by the Equity Shareholder) (subject to verification)

DP ID: **Client ID:**

Received from Mr./Ms./Mrs. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) _____

(In Words) _____

Please quote Client ID No. and DP No. for all future correspondence

STAMP OF BROKER

13. Details of Account with Depository Participant (DP):

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

14. Eligible Shareholders' Details:

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

* Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application form submitted.

1. This Buyback will open on Tuesday, March 6, 2018 and close on Monday, March 19, 2018.
2. This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
3. Eligible Sellers who desire to tender their Equity Shares in the dematerialized form under the Buyback would have to do so through their respective Seller Member by indicating the details of Equity Shares they intend to tender in the Buyback.
4. The Equity Shares tendered in the Buyback shall be liable to be rejected if the Equity Shareholder is not an Equity Shareholder of the Company as on the Record Date
5. The Eligible Sellers will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
6. Eligible Sellers to whom the Buyback is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
7. For the procedure to be followed by Eligible Sellers for tendering in the Buyback, please refer to paragraph 24 of the Letter of Offer.
8. All documents sent by Eligible Sellers will be at their own risk. Eligible Sellers are advised to safeguard adequately their interests in this regard.
9. The buyback shall be rejected for demat shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of shares in the special account of the Clearing Corporation and/or a non-receipt of valid bid in the exchange bidding system.
10. Non-Resident Equity Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).

All capitalized terms shall have the meaning ascribed to them in the Letter of Offer.

---------- **Tear along this line** ----------

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

Investor Service Centre, GANDHI SPECIAL TUBES LIMITED - BUYBACK OFFER
Karvy Computershare Private Limited
Karvy Selenium, Tower-B, Plot No 31 – 32, Gachibowli Financial District, Nanakramguda, Hyderabad 500032, India
Tel. No.: +91-40-67162222 | **Fax:** +91-40-23431551 | **Email:** gstl.buybackoffer@karvy.com | **Website:** http://karisma.karvy.com
Contact Person: Mr. Murali Krishna

www.westernpress.in

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

Bid Number:
Date:

BUYBACK OPENS ON	Tuesday, March 6, 2018
BUYBACK CLOSES ON	Monday, March 19, 2018

For Registrar / Collection Centre use		
Inward No.	Date	Stamp

India Tax Residency Status: Please tick appropriate box

☐ Resident in India ☐ Non-Resident in India ☐ Resident of _____ (shareholder to fill in country of residence)

To,

The Board of Directors
Gandhi Special Tubes Limited
201-204, 2nd Floor, Plaza, 55, Hughes Road,
Mumbai – 400 007, Maharashtra, India

Status (please tick appropriate box)					
☐	Individual	☐	FII/FPI	☐	Insurance Co.
☐	Foreign Co.	☐	NRI/OCB	☐	FVCI
☐	Body Corporate	☐	Bank/FI	☐	Pension/ PF
☐	VCF	☐	Partnership/ LLP	☐	Others

Dear Sirs,

Subject: Buyback upto 8,80,000 (Eight Lacs Eighty Thousand) Equity Shares of Gandhi Special Tubes Limited ("Company") at a price of Rs. 500/- (Rupees Five Hundred Only) per Equity Share ("Buyback Price"), payable in cash.

1. I / We (having read and understood the Letter of Offer) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorise the Company to buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
3. I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered in the Buyback by me / us and are free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares in the Buyback and that I / we am / are legally entitled to tender the Equity Shares in the Buyback.
5. I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder, in case of joint holders.
6. I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Seller through their respective Seller Member as per the provisions of Buyback Regulations, circulars issued by the SEBI and notices issued by Stock Exchanges.
7. I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
8. I / We agree that the Company is not obliged to accept any Equity Shares tendered/offered in the Buyback where loss of share certificates has been notified to the Company.
9. I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback
10. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Buyback Regulations.
11. Details of Equity Shares held and tendered / offered in the Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date (Friday, February 9, 2018)		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (including Additional Shares)		

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

---------- **Tear along this line** ----------

Acknowledgement Slip: GANDHI SPECIAL TUBES LIMITED - BUYBACK OFFER
(to be filled by the Equity Shareholder) (subject to verification)

Folio No.:

Received from Mr./Ms./Mrs. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) _____

(In Words) _____

Please quote Folio No. for all future correspondence

Stamp of Broker / Registrar

12. Details of Share Certificate: ☐ Total No. of Share Certificates Submitted: ☐
In case the number of folios and share certificates enclosed exceed 3 nos., please attach a separate sheet giving details in the same format as under.

Serial No.	Folio No.	Share Certificate No.	Distinctive No(s)		No. of Equity Shares
			From	To	
1.					
2.					
3.					
				Total	

13. Equity Shareholders Bank Details:

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

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

- ☐ Power of Attorney
- ☐ Succession Certificate
- ☐ Permanent Account Number (PAN Card)
- ☐ Original Share Transfer form SH-4 duly executed and witnessed
- ☐ Corporate Authorization
- ☐ TRS
- ☐ Death Certificate
- ☐ Others (please specify)

15. Equity Shareholders Details:

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

* Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application form submitted.

16. Applicable for all Non-resident shareholders - I/ We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India for the shares bought back by the Company. I/ We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me/ us.

INSTRUCTIONS:

1. This Buyback will open on Tuesday, March 6, 2018 and close on Monday, March 19, 2018.
2. This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
3. Eligible Sellers who desire to tender their Equity Shares in the physical form under the Buyback would have to do so through their respective Seller Member by indicating the details of Equity Shares they intend to tender in the Buyback.
4. Eligible Sellers who wish to tender their Equity Shares in response to this Buyback should deliver the following documents so as to reach before the close of business hours to the Registrar (as mentioned in the Letter of Offer) on or before Wednesday, March 21, 2018 by 5 PM (i) The relevant Tender Form duly signed (by all Eligible Sellers in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) Original Equity Share certificates; (iii) Self attested copy of the Permanent Account Number (PAN) Card; (iv) Share Transfer Form (Form SH 4) duly signed (by all Eligible Sellers in case Equity Shares are held jointly) in the same order in which they hold the Equity Shares.
5. Eligible Sellers should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar, if any person other than the Eligible Seller has signed the relevant Tender Form; (ii) notarized copy of death certificate / succession certificate or probated will in case any Eligible Seller is deceased; and (iii) Necessary corporate authorizations, such as Board Resolutions etc., in case of companies; (iv) if the address of the Eligible Seller has undergone a change from the address registered in the Register of Members of the Company, the Eligible Sellers would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport
6. Eligible Sellers to whom the Buyback offer is being made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
7. All documents sent by the Seller Member/ custodian will be at their own risk and the seller member/ custodian is advised to adequately safeguard their interests in this regard.
8. For the procedure to be followed by Equity Shareholders for tendering in the Buyback, please refer to paragraph 24 of the Letter of Offer.
9. All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Sellers; (iii) If the Eligible Sellers tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH-4 doesn't match as per the specimen signature recorded with Company/Registrar.
10. Non-Resident Equity Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).

All capitalized terms shall have the meaning ascribed to them in the Letter of Offer.

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

Investor Service Centre, GANDHI SPECIAL TUBES LIMITED - BUYBACK OFFER

Karvy Computershare Private Limited

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

Tel. No.: +91-40-67162222 **| Fax:** +91-40-23431551 **| Email:** gstl.buybackoffer@karvy.com **| Website:** http://karisma.karvy.com

Contact Person: Mr. Murali Krishna

www.westernpress.in

Form No. SH-4 - Securities Transfer Form

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

Date of execution: ____ /____ /_____

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

CIN: L 2 7 1 0 4 M H 1 9 8 5 P L C 0 3 6 0 0 4

Name of the company (in full): **GANDHI SPECIAL TUBES LIMITED**

Name of the Stock Exchange where the company is listed, (if any): **BSE and NSE**

DESCRIPTION OF SECURITIES:

Kind/ Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity	Rs. 5.00	Rs. 5.00	Rs. 5.00

No. of Securities being Transferred				Consideration received (Rs.)		
In figures	In words			In words		In figures
Distinctive Number	**Form**					
	To					
Corresponding Certificate Nos.						

Transferors' Particulars

Registered Folio Number:

Name(s) in full — Signature(s)

1._____ _____

2._____ _____

3._____ _____

I, hereby conform that the transferor has signed before me.

Signature of the Witness: _____

Name of the Witness: _____

Address of the Witness: _____

_____

_____ Pincode: _____

Transferees' Particulars		
Name in full **(1)**	Father's/ Mother's / Spouse Name **(2)**	Address & E-mail id **(3)**
1. _____ _____ _____ _____ **2.** _____ **3.** _____	**1.** _____ **2.** _____ **3.** _____	_____ _____ _____ _____Pin code_____ Emailid:_____
Occupation **(4)**	Existing Folio No., if any **(5)**	Signature **(6)**
1. _____ **2.** _____ **3.** _____		**1.** _____ **2.** _____ **3.** _____

Folio No. of Transferee

_____

Value of Stamp affixed: Rs. _____

Specimen Signature of Transferee(s)

1. _____

2. _____

3. _____

Enclosures:

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

STAMPS

For Office Use Only

Checked by _____

Signature Tallied by _____

Entered in the Register of Transfer on _____

_____ vide Transfer no _____

Approval Date _____

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

Registered on _____ at

No _____