BUSINESS RESPONSIBILITY REPORT FOR FINANCIAL YEAR 2019-20

Your Company being in the list of India's top 1000 listed entities based on market capitalisation on the BSE and NSE it is required to submit a 'Business Responsibility Report' (BRR) alongwith their Annual Report for F.Y. 2019-2020 in pursuance to Regulation 34 of the Securities and Exchange Board of India (Listings Obligations and Disclosure Requirements) Regulations, 2015. Following is the Business Responsibility Report in the format as prescribed by SEBI vide its circulated No. CIR/CFD/CMD/10/2015 dated November 04, 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L27104MH1985PLC036004
2.	Name of the Company	Gandhi Special Tubes Limited
3.	Registered address	201-204, Plaza, 2nd Floor, 55 Hughes Road, Mumbai – 400 007
4.	Website	http://www.gandhispecialtubes.com
5.	E-mail id	complianceofficer@gandhitubes.com
6.	Financial Year reported	**01st April, 2019 to 31st March,2020**
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	1) Welded Tubes - 24311 2) Seamless Tubes - 24311
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1) Precision Electric Resistance Welded Steel Tubes. 2) Cold Formed Coupling Nuts 3) Cold Drawn Bright Annealed Seamless Steel Tubes
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (b) Number of National Locations	a) None b) Halol, Gujarat and Mumbai, Maharashtra
10.	Markets served by the Company	**Local/State/National/International**

SECTION B: FINANCIAL DETAILS OF THE COMPANY (Rs. In Lakhs)

Sr. No.	Particulars	Details
1.	Paid up Capital (INR)	645.93
2.	Total Turnover (INR) (Rs. In Lakhs	8,093.84
3.	Total profit after taxes (INR) (Rs. In Lakhs)	2,137.28
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (PAT) (%)	2%
5.	List of activities in which expenditure in 4 above has been incurred	Refer Corporate Social Responsibility Report which is appended as Annexure II to the Board's Report.
6.	Markets served by the Company	Domestic and Exports

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company?	The Company does not have any Subsidiary Company
2.	Do the Subsidiary Company participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No, other entities such as suppliers, distributors etc. with whom the company does business, do not participate in the BR initiative of the Company

SECTION D: BR INFORMATION

1. ***Details of Director / Directors responsible for Business Responsibility***

Details of the Directors responsible for implementation of the Business Responsibility policies:

1.	**DIN**	00041190	00041273	00041330
2.	**Name**	Mr. Manhar G. Gandhi	Mr. Bhupatrai G. Gandhi	Mr. Jayesh M. Gandhi
3.	**Designation**	Chairman & Managing Director	Joint Managing Director	Non-Executive Director

2. Principle-wise (as per NVGs) Business Responsibility Policy (ies)

The Company recognises its responsibility to the Society and all the stakeholders and conducts its business keeping in view the following principles:-

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the well-being of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance: (Reply in Y/N)

No.	*Questions*	*P1*	*P2*	*P3*	*P4*	*P5*	*P6*	*P7*	*P8*	*P9*
1	Do you have a policy/ policies for …….	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*
2	Has the policy being formulated in consultation with the relevant stakeholders?	*Y*	*Y*	*Y*	*N*	*N*	*Y*	*N*	*N*	*Y*
3	Does the policy conform to any national/ international standards? If yes specify?	*N*	*N*	*N*	*N*	*N*	*Y*	*N*	*N*	*N*
4	Has the policy being approved by the Board?	*Y*	*N*	*N*	*N*	*N*	*N*	*N*	*N*	*N*
5	Does the Company have a specified Committee of the Official to oversee the implementation of the policy?	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*
6	Indicate the Link for the policy to be viewed online	Code of conduct link http://gandhispecialtubes.com/policies.aspx CSR policy http://gandhispecialtubes.com/policies.aspx Quality Policy http://www.gandhispecialtubes.com/Quality.aspx								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	*Y*	*Y*	*Y*	*N*	*N*	*Y*	*N*	*N*	*N*
8	Does the Company have in-house structure to implement the policy(ies)?	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*
9	Does the Company have a grievance redressal mechanism related to the policy(ies)?	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*	*Y*
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	*N*	*N*	*N*	*N*	*N*	*N*	*N*	*N*	*N*

Note: Y = Yes, N=No.

2b. ***If answer to Sr. No. 1 against any principle, is 'No', please explain why: Not Applicable***

No.	*Questions*	*P1*	*P2*	*P3*	*P4*	*P5*	*P6*	*P7*	*P8*	*P9*
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason (please specify)									

3. Governance related to Business Responsibility.

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 Months, 3-6 Months, Annually, More than 1 year

The Board of Directors and Audit Committee of Directors reviews various aspect of the Business through the framework of Corporate Governance through the Listing Regulations and such review is made quarterly.

b. Does the Company publish a BR or a sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No, the Company does not publish a BR or Sustainability Report. It is the first time for the company to publish BR or Sustainability Report with effect from the F.Y. 2019-2020.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: ***Businesses should conduct and govern themselves with Ethics, Transparency and Accountability***

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

The Company is committed to do business with integrity and adhere to ethical business practices. It acts with integrity in all aspects of its business. The Company has a Code for Insider Trading and a Vigil Mechanism / Whistle Blower Policy that are approved by the Board of Directors. These are applicable to all the Board Members and Senior Management. This highlights commitment to ethical and transparent corporate governance practices. The philosophy in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to laws, regulations and guidelines and to promote ethical conduct throughout the organisation with the primary objective of enhancing shareholders' value while being a responsible corporate citizen.

The Policies are available on the Company's website at its web address: http://www.gandhispecialtubes.com/policies.aspx.

Further, to strengthen company's commitment against workplace harassment, Gandhi Special Tubes Limited has come out with Internal Complaints Committee for providing a Redressal Mechanism pertaining to Sexual harassment of women employees in line with the Sexual Harassment of Women at Workplace Act, 2013, which is strictly governed and enforced in the organisation.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The company ensures that all complaints are satisfactorily resolved by the management during the Financial Year 2019-20.

Particulars	Pending as on 31/03/2019	Received during 2019-2020	Redressed during 2019-2020	Pending as on 30/03/2020
Customers Complaints	0	0	0	0
Investors Complaints	0	12	12	0

Principle 2: ***Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.***

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company's business activities comprise of manufacturing of Small Diameter Welded Steel Tubes, Cold Drawn Seamless Steel Tubes and Cold Formed Tube Nuts. It has incorporated social as well as environment concerns, risks and /or opportunities in each of these as under:

- The units of the company are certified AS PER IATF 16949: 2016 (Quality management system).
- We have installed 5 units of wind power mills.
- The Company has installed solar panels at its manufacturing facilities at Halol, Gujrat with a total capacity of 0.675 MW.
- Ordinary lights have been replaced to LED lights for power and cost saving at the Halol Manufacturing Facility.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

&

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company continues to give major emphasis on conservation of energy and the measures taken during the previous years in the said regard were continued. Welded Tubes, Seamless Tubes and Coupling Nuts manufactured by the Company is used by diverse consumer range and therefore it is not possible to measure the usage (energy, water) by them. Exact saving figures are not ascertainable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? Yes

a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company focuses on environmental impacts of sourcing and continually works with the vendors and suppliers to reduce the same. We encourage vendors/suppliers for key raw material to work on sustainable basis.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? Yes

a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is always been committed to provide skill development and employment to local businesses in rural areas recruitment of rural youth part of sentence to be deleted. A major portion of the procured goods and services are de-centralized to local offices in states.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being a responsible corporate citizen, the company believes in "Reducing, Reusing and Recycling" principle. Some of the initiatives taken by our company are:

- Collection and re-use of rain water at plant premises for gardening and other processes.
- Effluent Water from various sources is collected in Effluent Treatment Plant (ETP) which is located at Factory Premises.
- Zero Water Discharge facility.
- Solid sludge generated from Effluent Treatment Plant (ETP) is stored in Hazardous Waste Storage Area and responsibly disposed to Common Solid Waste disposal Facility.

***Principle 3:** Businesses should promote the well-being of all employees*

1. Please indicate the Total number of employees – 332

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis – 275

3. Please indicate the Number of permanent women employees – 7

4. Please indicate the Number of permanent employees with disabilities – Nil

5. Do you have an employee association that is recognized by management? – No

6. What percentage of your permanent employees is members of this recognized employee association? - Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	*Category*	*No. of Complaints filed during the financial year*	*No. of complaints pending as on end of the financial year*
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

a.	Permanent Employees	70%
b.	Permanent Women Employees	50%
c.	Casual/Temporary/Contractual Employees	60%
d.	Employees with Disabilities	Not Applicable

Principle 4: ***Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.***

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders and has identified - Employees, customers, business partners/ suppliers, government and government agencies, lenders, shareholders/ investors and society as its stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the company identified the disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company's CSR programmes/projects/activities are aimed at serving the Socio-economically disadvantaged sections of the society through financial and standard healthcare assistance. More information is given in the Report of CSR Activity which is found in the Annual Report.

Principle 5: ***Businesses should respect and promote human rights***

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Company respects Human Rights of all relevant stakeholders and groups within and beyond the workplace including that of communities, consumers and marginalized groups. All the practices and policies of the Company including engagement with suppliers, contractors, etc., ensures that human rights are honoured and protected.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There have been no complaints regarding breach of human rights aspects for the Financial Year 2019-2020.

Principle 6: ***Business should respect, protect, and make efforts to restore the environment***

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

The Company is committed to protect and restore the enviroment. This policy applies to the entire Company but does not extend to other entities such as Suppliers/ Contractors/ NGOs/ others.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

No.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company identifies potential environmental risks and its likely impact on a regular basis. The purpose of this procedure is to mitigate/eliminate any potentially significant environmental threat.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No, the Company has no project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

Yes, during the year the Company has installed solar panels at its manufacturing facilities at Halol, Gujrat with a total capacity of 0.675 MW.

In the long term, the Company aims to reduce CO2 emissions and generate energy at a lower cost at its factory. This project will enable significant operating cost-savings for the Company through reduced electricity bills and maintenance costs. Furthermore, this is in-sync with the Company's approach towards building a sustainable ecosystem through efficient energy consumption and optimum utilization of natural renewable resources such as solar power and wind energy.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the Emissions/Waste generated by the Company are within the permissible limits given by Central Pollution Control Board (CPCB)/State Pollution Control Board (SPCB) for the reporting period.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil.

Principle 7: ***Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.***

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of Confederation of Indian Industry (CII).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

Although, the Company is member of the Association, it has not lobbied in the above areas.

Principle 8: ***Businesses should support inclusive growth and equitable development***

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. Gandhi Special Tubes Limited has a well drafted CSR policy in line with Section 135/ Schedule VII of the Companies Act, 2013. On the basis of needs of the society the Company's CSR initiative/project/activities are chosen and implemented.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The CSR activities of the Company are run by outside agencies/organizations/NGOs.

3. Have you done any impact assessment of your initiative?

The CSR Programmes/projects and their progress/impacts/outcomes are monitored and reviewed periodically by the Corporate Social Responsibility Committee and by the Board of Directors.

4. What is your company's direct contribution to community development projects- Amount in and the details of the projects undertaken?

Please refer to ANNEXURE C to the Boards' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company is committed to improve the quality of life of the communities at large through need based CSR initiatives in the areas of healthcare, education, livelihood enhancement and environment. Extensive engagement with the community and NGOs helps in identifying specific needs of the stakeholders. Ensuring sustained outcomes.

Principle 9: ***Businesses should engage with and provide value to their customers and consumers in a responsible manner***

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

During the year under review, total nil customers complaints were received out of which nil Customers complaints are pending.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)?

Not applicable as it is the Item of Original Equipment Manufacturer (OEM)

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so?

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, we are carrying out customer satisfaction survey by sending Customer Feedback Form annually.

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