



Gandhi Special Tubes Ltd.

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

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

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

CIN.: L27104MH1985PLC036004



Ref No: GSTL/SEC/BSE/NSE/71025061
Date: 16.05.2017

Corporate Relationship Department BSE LIMITED 1 st floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001. Scrip Code: 513108	The Manager Listing Department THE NATIONAL STOCK EXCHANGE OF INDIA LTD Exchange Plaza, Plot No C/1, G Block Bandra-Kurla Complex, Bandra (East) Mumbai - 400051. Company Code : GANDHITUBE
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Subject: Outcome of Board meeting under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

Pursuant to the requirements of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Board of Directors at their Meeting held on Tuesday, the 16th of May, 2017 which commenced at 4.30 p.m. and concluded at 5.50 p.m. inter alia, have approved the following :

- The Audited Financial results for the quarter and year ended 31st March, 2017 and Auditors Report thereon
- Statement of Assets and Liabilities for the year ended as on 31st March, 2017
- Appointment of M/s Shashikant J. Shah & Co., Chartered Accountants, Mumbai having FRN: 109996W as Statutory Auditors of the Company, subject to the approval by the members in the forthcoming Annual General Meeting , for a period of 5 years from the conclusion of the forthcoming 32nd Annual General Meeting of the Company
- Appointment of Ms. Jeegeesha Shroff, an Associate Member of the Institute of Company Secretaries of India and having Membership No. A48091, as the Company Secretary and Compliance Officer of the Company, with effect from 16th May, 2017
- Appointment of M/s Mahesh Dave & Co., Chartered Accountants as the Internal Auditors of the Company for the Financial Year 2017-18.

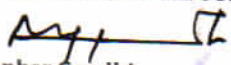
As required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of Audited Financial Results along with statement of Statement of Assets & Liabilities, Declaration with respect to the Audit Report with unmodified opinion to the audited financial result. and Auditor's Report is attached herewith.

Kindly take the above document on your record and acknowledge.

Thanking you,

Yours Faithfully,

For **GANDHI SPECIAL TUBES LTD**


Manhar Gandhi
Chairman & Managing Director
DIN: 00041190
Encl: a/a



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Sub: Declaration with respect to Audit report with unmodified opinion to the Audited Financial Results for the financial year ended 31st March 2017

We hereby declare that Audited Financial Results for the financial year ended 31st March 2017 which have been approved by the Board of Directors of the Company at the meeting held today, i.e. 16th May, 2017, the Statutory Auditors have not expressed any modified opinion(s) in their Audit Report.

The above declaration is made pursuant to Regulation 33 (3) (d) of the Securities Exchange and Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015, as amended.

Yours faithfully,

For **GANDHI SPECIAL TUBES LIMITED**

Manhar G. Gandhi
Chairman & Managing Director
DIN: 00041190



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AUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED 31ST MARCH, 2017.

(₹ In Lakhs)

Sr. No.	PARTICULARS	3 Months Ended 31/03/2017 (UNAUDITED)	3 Months Ended 31/12/2016 (UNAUDITED)	3 Months Ended 31/03/2016 (UNAUDITED)	Year Ended 31/03/2017 (AUDITED)	Year Ended 31/03/2016 (AUDITED)
I	Revenue from Operations	2,418.16	2,482.05	2,448.93	10,908.78	10,207.15
	Less : Excise duty	254.89	272.80	264.08	1,151.55	1,089.78
	Net Revenue from Operations	2,163.27	2,209.25	2,184.85	9,757.23	9,117.37
II	Other Income	153.88	149.69	175.61	866.38	300.10
III	Total Revenue (I+ II)	2,317.15	2,358.94	2,360.46	10,623.61	9,417.47
IV	Expenses					
	a) Cost of materials consumed	614.59	777.36	698.17	3,114.73	3,042.93
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	86.54	(74.22)	48.60	(28.75)	284.44
	c) Employee benefits expenses	171.43	171.84	156.19	725.91	627.97
	d) Depreciation and amortisation expenses	109.93	111.58	117.96	445.64	470.58
	e) Other Expenses	541.44	660.83	642.57	2,650.40	2,470.86
	f) Total expenses	1,523.93	1,647.39	1,663.49	6,907.93	6,896.78
V	Profit before exceptional items and tax (III - IV)	793.22	711.55	696.97	3,715.68	2,520.69
VI	Exceptional Items	-	-	-	-	-
VII	Profit before tax (V -VI)	793.22	711.55	696.97	3,715.68	2,520.69
VIII	Tax Expense					
	i) Current Tax	218.00	208.00	195.00	966.00	760.00
	Less : MAT Credit availed	130.61	-	-	130.61	-
		87.39	208.00	195.00	835.39	760.00
	ii) Tax Expenses relating to prior years	1.55	(95.63)	(128.60)	(94.08)	(128.60)
	iii) Deferred Tax	6.36	(10.68)	13.73	0.27	34.29
		95.30	101.69	80.13	741.58	665.69
IX	Profit for the period (VII -VIII)	697.92	609.86	616.84	2,974.10	1,855.00
X	Earnings Per Equity Share (of ₹ 5/- each)					
	(a) Basic	4.75	4.15	4.20	20.23	12.62
	(b) Diluted	4.75	4.15	4.20	20.23	12.62

REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE FOURTH QUARTER AND YEAR ENDED 31ST MARCH, 2017.

Sr. No.	PARTICULARS	3 Months Ended 31/03/2017 (UNAUDITED)	3 Months Ended 31/12/2016 (UNAUDITED)	3 Months Ended 31/03/2016 (UNAUDITED)	Year Ended 31/03/2017 (AUDITED)	Year Ended 31/03/2016 (AUDITED)
1	SEGMENT REVENUE					
	(a) (i) Steel Tubes	2,229.13	2,282.33	2,242.88	9,786.94	9,240.84
	(ii) Other Products	111.25	152.91	141.27	673.31	618.96
	(b) Wind Power	77.78	46.81	64.78	448.53	347.35
	TOTAL SEGMENT REVENUE	2,418.16	2,482.05	2,448.93	10,908.78	10,207.15
	Less : Excise Duty	254.89	272.79	264.08	1,151.55	1,089.78
	TOTAL SEGMENT REVENUE (Net of Excise Duty)	2,163.27	2,209.26	2,184.85	9,757.23	9,117.37
	Less : Inter segment revenue	58.52	28.37	45.55	244.22	219.51
	NET SALES/INCOME FROM OPERATIONS	2,104.75	2,180.89	2,139.30	9,513.01	8,897.86
2	SEGMENT RESULTS [PROFIT/(LOSS) BEFORE TAX AND INTEREST]					
	(a) (i) Steel Tubes	557.51	606.06	510.89	2,541.99	2,134.32
	(ii) Other Products	42.78	46.56	63.44	217.52	173.78
	(b) Wind Power	37.95	9.57	27.10	298.84	197.52
	TOTAL SEGMENT RESULTS	638.24	662.19	601.43	3,058.35	2,505.62
	Less : Unallocable Expenditure net of other Income	(154.98)	(49.36)	(95.54)	(657.33)	(15.07)
	TOTAL PROFIT BEFORE TAX	793.22	711.55	696.97	3,715.68	2,520.69

REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE FOURTH QUARTER AND YEAR ENDED 31ST MARCH, 2017.

Sr. No.	PARTICULARS	3 Months Ended 31/03/2017 (UNAUDITED)	3 Months Ended 31/12/2016 (UNAUDITED)	3 Months Ended 31/03/2016 (UNAUDITED)	Year Ended 31/03/2017 (AUDITED)	Year Ended 31/03/2016 (AUDITED)
3	CAPITAL EMPLOYED (SEGMENT ASSETS LESS SEGMENT LIABILITIES)					
	Segment Assets					
	(a) (i). Steel Tubes	7,857.23	8,298.48	7,322.27	7,857.23	7,322.27
	(ii). Other Products	341.00	365.27	399.11	341.00	399.11
	(b) Wind Power	543.09	703.87	649.28	543.09	649.28
	(c) Unallocated (including investments)	10,765.92	11,286.53	9,648.50	10,765.92	9,648.50
	Total Assets	19,507.24	20,654.15	18,019.16	19,507.24	18,019.16
	Segment Liabilities					
	(a) (i). Steel Tubes	560.04	782.34	533.67	560.04	533.67
	(ii). Other Products	32.39	44.21	31.76	32.39	31.76
	(b) Wind Power	139.61	160.58	143.18	139.61	143.18
	(c) Unallocated	856.55	854.11	773.82	856.55	773.82
	Total Liabilities	1,588.59	1,841.24	1,482.43	1,588.59	1,482.43
	Segment Assets - Segment Liabilities					
	(a) (i). Steel Tubes	7,297.19	7,516.14	6,788.60	7,297.19	6,788.60
	(ii). Other Products	308.61	321.06	367.35	308.61	367.35
	(b) Wind Power	403.48	543.29	506.10	403.48	506.10
	(c) Unallocated (including investments)	9,909.37	10,432.42	8,874.68	9,909.37	8,874.68
	TOTAL CAPITAL EMPLOYED	17,918.65	18,812.91	16,536.73	17,918.65	16,536.73

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2017

(₹ In Lakhs)

PARTICULARS	As at	
	31/03/2017	31/03/2016
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share Capital	734.93	734.93
(b) Reserves and Surplus	17,183.72	15,801.80
	17,918.65	16,536.73
2 Non-current liabilities		
(a) Deferred tax liabilities (net)	743.30	743.03
(b) Long-term provisions	290.00	280.00
	1,033.30	1,023.03
3 Current liabilities		
(a) Trade payables	88.20	94.97
(b) Other current liabilities	402.48	344.62
(c) Short-term provisions	64.61	19.81
	555.29	459.40
TOTAL	19,507.24	18,019.16
B ASSETS		
1 Non-current assets		
(a) Property Plant and Equipment	5,520.50	5,901.42
(b) Non-current investments	7,978.70	6,204.38
(c) Long-term loans and advances	65.10	202.17
	13,564.30	12,307.97
2 Current assets		
(a) Current Investments	1,401.42	1,959.83
(b) Inventories	2,434.03	1,698.43
(c) Trade Receivables	1,627.45	1,612.72
(d) Cash and cash equivalents	323.30	298.79
(e) Short-term loans and advances	93.23	90.04
(f) Other current assets	63.51	51.38
	5,942.94	5,711.19
TOTAL	19,507.24	18,019.16

Notes :

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 16 May, 2017
- An Interim Dividend of ₹ 9.00/- per Share on ₹ 5/- each (180%) has been paid on 15 Feb 2017. Board of Directors at their meeting held on 16 May, 2017 has recommended the said Interim Dividend as final Dividend.
- The figures for the 3 months ended 31st March, 2017 and 31st March, 2016 are the balancing figures being difference between audited figures in respect of the full financial year and the year to date figures upto the third quarter.
- Previous period figures have been regrouped wherever required.

For Gandhi Special Tubes Limited



**M. G. Gandhi
Chairman & Managing Director**

Place : MUMBAI
Dated : 16 May, 2017

Auditor's Certificate on Corporate Governance

To the Members,
Gandhi Special Tubes Limited

We have examined the compliance of the conditions of Corporate Governance by **Gandhi Special Tubes Limited ("The Company")** for the year ended 31 March 2017, as stipulated by Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and based on representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement/Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S. V. Doshi & Co.
Chartered Accountants
Firm Reg. No. 102752W

Mumbai, 16 May 2017

Sunil Doshi
Partner
Membership No.: 35037



Independent Auditor's Report

**To the Members of
Gandhi Special Tubes Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Gandhi Special Tubes Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are

Independent Auditor's Report

appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

Independent Auditor's Report

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements.
- ii. the Company has not entered into any long-term contracts including derivative contracts for which there were any material foreseeable losses as required under the applicable law or accounting standards;
- iii. there has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08 - 11-2016 to 30-12-2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 25 to the financial statements.

Mumbai, 16 May 2017

For S. V. DOSHI & CO.
Chartered Accountants
Firm Reg. No.: 102752W


SUNIL DOSHI
Partner



Membership No.: 35037

Annexure "A" to The Independent Auditor's Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As explained to us, the fixed assets have been physically verified by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification;
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the physical verification of inventory has been conducted by the management in accordance with the phased programme of verification, which, in our opinion, is reasonable and no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has, during the year, not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership; or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3 (iii) (a), (b) and (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to Directors, Loans and investments, giving guarantees, and providing securities etc as applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified. Accordingly, Clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the records maintained by the Company in respect of products, where pursuant to the Company's (Cost record and audit) Rules, 2014, the maintenance of cost records have been prescribed under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities.

**Annexure "A" to The Independent Auditor's Report
(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)**

- (b) The disputed statutory dues aggregating ₹. 178.51 Lakhs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

(₹. in lakhs)				
Name of the Statute	Nature of Dues	Amount under dispute not yet deposited	Period to which the amount relates	Forum where the dispute is pending
Service Tax Laws	Service Tax	152.03	01-09-2004 To 30-09-2013	Before Customs, Excise & Service Tax Appellate Tribunal
Service Tax Laws	Service Tax	1.25	01-03-2012 To 31-12-2012	Before Commissioner (Appeals) Customs, Excise & Service Tax
Sales Tax Laws	Sales Tax	25.23	01-04-2002 To 31-03-2003	Before Joint Commissioner of Commercial Tax (Appeals)
Total		178.51		

- (viii) The Company does not have any loans or borrowing from financial institution, bank, Government or to debenture holders during the year. Accordingly, paragraph 3(viii) of the order is not applicable.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- (x) According to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year in course of our audit, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

Annexure "A" to The Independent Auditor's Report
(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xiv) of the order is not applicable.

For S. V. DOSHI & CO.
Chartered Accountants
Firm Reg. No.: 102752W

Mumbai, 16 May 2017

Membership No.: 35037



**Annexure "B" to The Independent Auditor's Report
(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory
Requirements" of our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143
of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls over financial reporting of Gandhi Special Tubes Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Annexure "B" to The Independent Auditor's Report
(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)**

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Mumbai, 16 May 2017

For S. V. DOSHI & CO.
Chartered Accountants
Firm Reg. No.: 102752W

SUNIL DOSHI
Partner
Membership No.: 35037

