

# CHETAN & CO

## CHARTERED ACCOUNTANTS

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### Independent Auditors' Report

To  
The Members of  
Orient Steel & Industries Limited

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of **Orient Steel & Industries Limited** (hereinafter referred to as "**the Company**") which comprise the balance sheet as at 31<sup>st</sup> March 2019, the statement of profit and loss and the statement of cash flow for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended March 31, 2019 of Faridabad Unit audited by us as branch auditors of the Company.

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report*, the aforesaid financial statements give the information required by the Companies Act, 2013 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 March 31, 2019 and its profit and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- (i) As referred in Note No.26 (6) to the accompanying financial statements, liability towards Leave encashment has not been determined by actuary and not provided for in the books of accounts in accordance with Accounting Standard (AS) 15 "Employee Benefits" on accrual basis and its consequential impact has not been ascertained at this stage;
- (ii) As referred in Note No.27(1)(iv) of the accompanying financial statements, no provision had been made against the dues of INR 354.28 Lacs (PY:423.73 Lacs) pending for realization from customers in the accounts as at 31<sup>st</sup> March 2019 for the reason stated therein. In absence of any corroborate evidences of the party we are unable to comment on the extent of realizability of these outstanding dues; and
- (iii) Note No.27(1)(v) of the accompanying financial statements, wherein balances of Trade payables of INR 1017.34 Lacs, Other current liabilities of INR 410.01 Lacs, Trade receivables of INR 1677.74 Lacs and Short-term Loans and advances of INR 85.60 Lacs as at 31<sup>st</sup> March 2019 have not been confirmed as such its consequential impact upon receipt of such confirmations/ reconciliation of such balances, if any is not ascertainable at this stage;

We further report that the overall impact of matters mentioned under aforesaid paragraphs, the effect of which cannot be determined and commented upon by us.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and its Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there-under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and audit evidence obtained at Faridabad Unit audited by us, is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.



