

CHETAN & CO

CHARTERED ACCOUNTANTS

2-J, "PARK CENTRE", 2ND FLOOR

24 PARK STREET, KOLKATA - 700 016

PHONE & FAX : 2227 -7567

E-mail : chetanco@hotmail.com

Independent Auditors' Report on Quarterly and Year to Date Financial Results of Orient Steel & Industries Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Orient Steel & Industries Limited
Kolkata

1. We have audited the quarterly financial results of **Orient Steel & Industries Limited** (hereinafter referred as "**the Company**") for the quarter ended 31st March 2018 and the year to date results for the period from 1st April 2017 to 31st March 2018 attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the Financial Statements for the year ended 31st March 2018, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such Financial Statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified audit opinion.
3. *We draw attention to the followings:-*
 - (i) *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) *No provision had been made against the dues of INR 423.73 Lacs (PY: INR 483.97 Lacs) pending for realization from customers in the accounts as at 31st March 2018. In absence of any corroborate evidences we are unable to comment on the extent of realisability of these outstanding dues;*
 - (iii) *Balances of Short-term Borrowings of INR 20.00 Lacs, Trade payables of INR 790.38 Lacs, Other current liabilities of INR 12.69 Lacs, Trade receivables of INR 1202.17 Lacs, Short-term Loans and advances of INR 64.34 Lacs and Cash and Bank Balances of INR 2.77 Lacs as at 31st March 2018 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. Our opinion on the audit of financial statements for the year ended 31st March 2018 is qualified in respect of the above matters.



