

CHETAN & CO

CHARTERED ACCOUNTANTS

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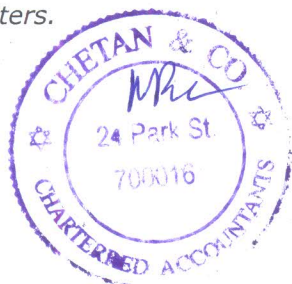
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Independent Auditors' Report on Quarterly and Year to Date Financial Results of Orient Steel & Industries Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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.



4. Except for the effects of the matters described in paragraph 3 above on the financial results, in our opinion and to the best of our information and according to the explanations given to us, these quarterly and year to date financial results:
- (i) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and SEBI circular dated 5th July 2016 in this regard; and
 - (ii) give a true and fair view of the financial performance and other financial information for the quarter ended 31st March 2018 as well as the year to date results for the period from 1st April 2017 to 31st March 2018.

5. The comparative financial information of the Company for the quarter and year ended 31st March 2017 included in these financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors, whose audit report for the year ended 31st March 2017 dated 14th August 2017 expressed an qualified opinion on these financial statements.

For Chetan & Co.

Chartered Accountants
Firm Registration No. 321151E

Malaya Ray Chaudhuri
Malaya Ray Chaudhuri

Partner

Membership No.0533201

Place: Kolkata

Dated: 30th May 2018

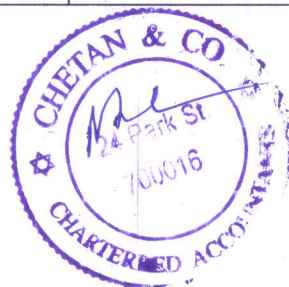


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Website: www.orientsteel.com
CIN No: L27109WB1956PLC023119

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2018

(INR in Lakhs except EPS)

	Particulars	Quarter ended			Year ended	
		31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
I	Revenue from Operations	613.93	1,095.97	2,286.48	4,864.44	8,485.25
II	Other Income	(11.94)	115.57	25.97	263.22	106.80
III	Total Revenue (I+II)	601.99	1,211.54	2,312.45	5,127.67	8,592.05
IV	2. Expenses	-	-	-	-	-
	(a) Cost of Materials consumed	1,039.14	352.07	984.07	2,944.81	4,623.05
	(b) Purchase of stock-in-trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(86.80)	199.73	239.36	84.83	985.45
	(d) Employee benefits expense	32.56	117.04	115.13	344.99	486.51
	(e) Finance Cost	203.07	105.73	167.76	479.90	674.04
	(f) Depreciation and amortisation expense	111.17	53.48	81.59	321.38	333.36
	(g) Other expenses	299.12	307.73	357.03	871.20	1,442.12
	Total Expenses	1,598.28	1,135.78	1,944.94	5,047.11	8,544.54
V	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)	(996.29)	75.76	367.51	80.55	47.51
VI	Exceptional Items	-	-	-	-	-
VII	Profit / (Loss) before extraordinary items and tax (V-VI)	(996.29)	75.76	367.51	80.55	47.51
VIII	Extraordinary items	-	-	-	-	-
IX	Profit before Tax (VII-VIII)	(996.29)	75.76	367.51	80.55	47.51
X	Tax Expense	(154.04)	14.44	12.14	51.16	39.29
XII	Profit / (Loss) for the period from Continuing Operations (IX-X)	(842.25)	61.32	355.37	29.40	8.22
XIII	Profit / (Loss) for the period from Discontinuing Operations	-	-	-	-	-
XIV	Tax expense of Discontinuing Operations	-	-	-	-	-
XV	Profit / (Loss) for the period from Discontinuing Operations after Tax (XII-XIII)	-	-	-	-	-
XVI	Profit / (Loss) for the period (XI+XIV)	(842.25)	61.32	355.37	29.40	8.22
	Earning per Equity Share					
	(1) Basic	(28.62)	2.08	12.08	1.00	0.28
	(2) Diluted	(28.62)	2.08	12.08	1.00	0.28
	See accompanying note to the Financial Results					



ORIENT STEEL & INDUSTRIES LTD.

(Signature)
Managing Director

STATEMENT OF AUDITED ASSETS AND LIABILITIES AS AT 31st MARCH, 2018

(INR in Lakhs)

Particulars	Year ended	
	31/03/2018	31/03/2017
	(Audited)	(Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	294.28	294.28
(b) Reserves and surplus	2,755.86	2,726.47
(c) Money received against share warrants	-	-
Sub-total - Shareholders' funds	3,050.14	3,020.75
2. Share application money pending allotment		
3. Non-current liabilities		
(a) Long-term borrowings	35.32	29.58
(b) Deferred tax liabilities (net)	-	-
(c) Other long-term liabilities	-	-
(d) Long-term provisions	135.59	163.85
Sub-total - Non-current liabilities	170.91	193.43
4. Current liabilities		
(a) Short-term borrowings	4,214.52	3,635.15
(b) Trade payables	790.38	2,374.32
(c) Other current liabilities	244.34	326.89
(d) Short-term provisions	88.69	103.75
Sub-total - Current liabilities	5,337.93	6,440.12
TOTAL - EQUITY AND LIABILITIES	8,558.98	9,654.29
B ASSETS		
1. Non-current assets		
(a) Fixed assets		
i) Tangible assets	4,331.73	3,965.24
ii) Capital Work in Progress	117.84	573.08
(b) Non-current investments	0.01	0.01
(c) Deferred tax assets (net)	22.55	74.81
(d) Long-term loans and advances	74.70	76.36
(e) Other non-current assets	19.81	27.26
Sub-total - Non-current assets	4,566.64	4,716.75
2 Current assets		
(a) Current investments	-	-
(b) Inventories	2,267.86	2,564.68
(c) Trade receivables	1,202.17	1,739.42
(d) Cash and cash equivalents	136.14	197.33
(e) Short-term loans and advances	71.94	273.46
(f) Other current assets	314.23	162.66
Sub-total - Current assets	3,992.34	4,937.54
Total -Assets	8,558.98	9,654.29



ORIENT STEEL & INDUSTRIES LTD.

[Signature]
 Managing Director

Notes to Financial Results

- 1 The above Audited financial results were reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 30th May, 2018.
- 2 The Statutory Auditors of the Company have carried out Audit of these results.
- 3 The company has already applied for delisting to The Calcutta Stock Exchange Limited vide letter dated 6th March, 2017 and accordingly the company prepared the financial results and financial information as per IGAAP.
- 4 The Unit is engaged in manufacturing of Iron and Steel products and the operations are mainly in India. The Unit has windmill division/ power generation at the state of Karnataka and also having income from windmill division. As per the requirement of Paragraph 27 of AS-17 "Segment Reporting" revenue from such business and segment results as well as segment assets related to such windmill division does not meet the criteria of separate reporting and hence do not qualify as separate reportable segment. No disclosure have been given under AS-17 being all business is related to Iron and Steel manufacturing.
- 5 The figures for the last quarter of current and previous year are the balancing figures between audited figures for the full financial year and the unaudited published year to date figures for the nine months for the respective years.
- 6 The previous period figures have been regrouped wherever necessary.

Kolkata
Date: 30th May, 2018



By Order of the Board of Directors
ORIENT STEEL AND INDUSTRIES LIMITED


Nawal Kishore Rajgarhia
Chairman cum Managing Director
Din No: 00439689

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Amount in INR)	Adjusted Figures (audited figures after adjusting for qualifications) (Amount in INR)
	1	Turnover / Total income	51,27,66,620	51,27,66,620
	2	Total Expenditure	50,47,11,402	54,70,84,032
	3	Net Profit/(Loss)	29,39,600	(3,94,33,030)
	4	Earnings Per Share	1.00	(13.40)
	5	Total Assets	85,58,98,399	81,35,25,769
	6	Total Liabilities	55,08,83,947	55,08,83,947
	7	Net Worth	30,50,14,452	26,26,41,822
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification:			
	a. Details of Audit Qualification:			
	<p>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;</p> <p>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 for the reason stated therein. In absence of any corroborate evidences we are unable to comment on the extent of realisability of these outstanding dues; and</p> <p>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;</p>			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification: Repetitive			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:			
	For Qualification No (ii): Out of INR 423.73 Lacs, INR 342.06 Lacs pertains to parties against which cases are ongoing and the management is of the view that the verdict will be in favour of the company. Remaining amount of INR 81.67 Lacs relates to parties which are outstanding for a period more than 1 year and the management is of the view that the same is certain to be recoverable. Hence, no provision has been made against amount of INR 423.73 Lacs.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification:			
	For Qualification No (i): Impact could not be estimated. For Qualification No (iii): Impact could not be estimated.			
	(ii) If management is unable to estimate the impact, reasons for the same:			
	For Qualification No (i): The present value of expected future payments of leave encashment required to settle the obligation resulting from employee service in current period could not be ascertained since the liability has not determined by actuary.			
	For Qualification No (iii): Follow up is going on with all those party for obtaining the necessary balance confirmations of their outstanding dues. Hence impact could not be ascertained at this stage without having confirmations.			
	(iii) Auditors' Comments on (i) or (ii) above:			
	Auditors' comment on (i) above: For Qualification No (i), the company should determine the liability for leave encashment through actuarial valuation.			
	Auditors' comment on (ii) above: For Qualification No (iii), Company should obtain confirmation from all parties either receivable or payable.			
III.	Signatories:			
	•CEO/ Managing Director		 Nawal Kishore Rajgarhia Chairman & Managing Director DIN No: 00439689	
	• Audit Committee Chairman		 Nawal Kishore Rajgarhia	
	• Statutory Auditor		Chetan & Co. Chartered Accountants FRN: 321151E  Malaya Ray Chaudhuri Partner M.No:- 053201	
Place: Kolkata				
Date: 30th May, 2018				