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INDEPENDENT AUDITORS' REPORT

To
The Members of
M/s. Orient Steel & Industries Limited
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Faridabad Unit of Orient Steel & Industries Limited ("the Unit")**, which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information for the year ended March 31, 2020.

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 Unit as at March 31, 2020, and its profit for the year ended on that date.

Basis for Qualified Opinion

- i. As referred in Note No. 27 (1) to the accompanying financial Statement, no provision had been made against the dues of INR 335.80 Lacs (PY: 342.06 Lacs) pending for realization from customers in the accounts as at March 31, 2020 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
- ii. As referred in Note No. 27 (6) to the accompanying financial Statement, wherein balances of Trade payables of INR 689.59 Lacs, Other Current Liabilities of INR 672.50 Lacs, Trade receivables of INR 1977.25 Lacs and Short Term Loans and advances of INR 33.61 Lacs as at March 31, 2020 has not been confirmed as such its consequential impact upon receipt of such confirmation/reconciliation of such balances, if any is not ascertainable at this stage;

We further report that the overall impact of matters mentioned under aforesaid paragraph, 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 unit 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 thereunder 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 is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate



