

A Practical + Exam-Oriented Guide for CA Inter

The **AUDIT MAESTRO**



CA Rishabh Jain

*Dedicated to All
My Beloved Students*

*With the Blessings of
My Dear Parents, Brother, Sister,
Wife and Daughter*



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PREFACE

Dear students,

It gives me immense joy and pleasure to present **The Audit Maestro - "A Practical + Exam-Oriented Guide for CA Inter Students** as per **ICAI New Syllabus**.

This **The Audit Maestro** contains the following:

- A: **Detailed discussion on SA 200 Series to 700 Series. Practical Insight of respective SA's** with the help of **"Real Life Examples"** such as **Practical Insight into Audit Reports of Spicejet, RIL, TCS etc.**
- B: **Detailed discussion** on Nature, Objective & Scope of Audit, Internal Control & Automated environment, Audit of items of Financial Statements, Special features of Different types of entities, Bank Audit and Professional Ethics & its Principles.

This book was prepared with the aim of making sure that anyone who reads this gets not only a **substantial coverage over the SA syllabus** but also, **resounding confidence over their practical applicability when you are working in the corporate world**.

Having been a professor for 12 years and counting, I have observed that, for you to succeed in exam and your professional career you need a great understanding of the concept and its real-life application. Majority students get stuck in the rat race of just passing the exam by any means, this may help you to **pass a competitive exam** but not in the **exam of your professional life**.

I have worked for more than **6 years** in **Big 4's like PWC and Deloitte** in my initial years of professional career and the lessons learned during that time has inspired me to ensure that my students get a **"Practical Approach"** to this so called **"Theoretical world of Auditing"**.

The journey of a Chartered Accountant is not a rapid T-20 match. **It is equivalent to a 5-day test match, if you will**. Rather than rushing and blasting through your preparation, it is crucial to be consistent and disciplined. **My cricket coach once said to me something that has stuck with me since my college days - 'Wicket pe bane raho, runs aapne aap ban jaayenge!'**

I wish you all the best and hope that you be greatly benefited from this book!

Happy Learning,

Regards

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'Failure will never overtake me if my determination to succeed is strong enough!'

- Late Dr. A P J Abdul Kalam

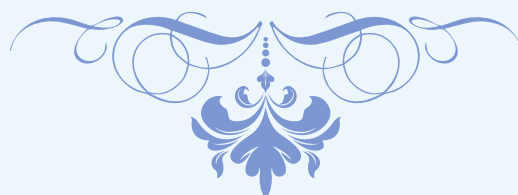


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Mr. **Sagar Dhumal**, Mrs. **Megha Deshpande** & Mr. **Sharad Patil** who has taken immense effort in Developing and Designing this Book.

**"If you want to go fast, go alone.
If you want to go far, go together."**



CA INTERMEDIATE

Auditing and Ethics

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RJ = Practical Insight into Theoretical World



Connect with Rishabh Sir



For all Audit and SM Academic Updates

For Professional Updates

For all Academic queries

For all support related queries

List of Standards on Auditing

SA No.	Name of the Standard
SQC 1	Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements
SA 200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing
SA 210	Agreeing the Terms of Audit Engagements
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SA 600	Using the Work of Another Auditor
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SA 701	Communicating Key Audit Matters in the Independent Auditor's Report
SA 705	Modifications to the Opinion in the Independent Auditor's Report
SA 706	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
SA 710	Comparative Information - Corresponding Figures and Comparative Financial Statements



Audit Report

CHAPTER OVERVIEW:

I	SA 700 - Forming an Opinion & Reporting on Financial Statements
II	SA 701 - Communicating Key Audit Matters in the Independent Auditor's Report
III	SA 705 - Modification to the Opinion in the Independent Auditor's Report
IV	SA 706 - Emphasis of Matter Paragraph & other Matter Paragraph in the Independent Auditor's Report
V	SA 710 - Comparative Information - Corresponding figures and Comparative Financial Statements
VI	SA 600 - Using the work of another Auditor
VII	SA 299 - Responsibility of Joint Auditors
VIII	Section 143 - Duties of Auditors
IX	CARO - 2020

SA 700**Forming an Opinion and Reporting on Financial Statements****INTRODUCTION**

- 1) This SA deals with the following:
 - a) **Auditor's responsibility** to form an opinion on the financial statements.
 - b) **Form and content** of the auditor's report issued as a result of an audit of financial statements.
- 2) The requirements of this SA are aimed at **addressing an appropriate balance** between the **need for consistency and comparability** in auditor reporting globally and the need to increase the value of auditor reporting by making the information provided in the auditor's report more relevant to users.
- 3) This SA **promotes consistency** in the auditor's report, but recognizes the **need for flexibility** to accommodate particular circumstances of individual jurisdictions.
- 4) **Consistency** in the auditor's report, when the audit has been conducted in accordance with SAs, **promotes credibility** in the global marketplace by making more readily identifiable those audits that have been conducted in accordance with globally recognized standards.
- 5) It also helps to **promote** the user's understanding and to identify unusual circumstances when they occur.

OBJECTIVE OF THE AUDITOR

The objectives of the auditor as per SA 700 (Revised) are:

- a) **To form an opinion on the FS's** based on an evaluation of the conclusions drawn from the audit evidence obtained; and
- b) **To express clearly that opinion through a written report.**

TO FORM AN OPINION - AUDITOR TO OBTAIN REASONABLE ASSURANCE

- 1) The auditor shall **form an opinion** on whether the FS are prepared, in all material respects, in accordance with the **applicable financial reporting framework**.
- 2) In order to form that opinion, the auditor shall **conclude** as to whether the auditor has obtained reasonable assurance about whether the FS's as a whole are free from material misstatement, whether due to fraud or error.
- 3) That conclusion shall take into account:
 - a) Whether **sufficient appropriate audit evidence** has been obtained;
 - b) Whether **uncorrected misstatements are material**, individually or in aggregate;
 - c) The **evaluations**

FORM OF OPINION

UNMODIFIED OPINION

The auditor shall express an unmodified opinion when the **auditor concludes** that the **FS's are prepared, in all material respects**, in accordance with the applicable FRF

MODIFIED OPINION

The auditor shall modify the opinion in the auditor's report in accordance with SA 705 if the auditor:

- a) Concludes that, based on the audit evidence obtained, **the FS's as a whole are not free from material misstatement; or**
- b) **Is unable to obtain sufficient appropriate audit evidence** to conclude that the FS's as a whole are free from material misstatement.

AUDITOR'S REPORT

Title
Addressee
Auditor's Opinion
Basis for Opinion
Going Concern
Key Audit Matters
Responsibilities for the FS's
Auditor's Responsibilities for the Audit of the FS's
Location of the description of the auditor's responsibilities
Other Reporting Responsibilities
Signature of the Auditor
Place of Signature
Date of the Auditor's Report

1) TITLE (INDEPENDENT AUDITOR'S REPORT)

The auditor's report shall have a **title** that clearly **indicates** that it is the report of an independent auditor. **For example**, "Independent Auditor's Report," distinguishes the independent auditor's report from reports issued by others.

2) ADDRESSEE (TO THE MEMBERS OF THE COMPANY)

- a) The auditor's report is **normally addressed** to those for whom the report is prepared, often either to the **shareholders** or to **TCWG** of the entity whose FS's are being audited.
- b) In case of a company, the report is addressed to the **shareholders** of the company.

- c) Law, regulation or the terms of the engagement may specify to whom the auditor's report is to be addressed.

3) AUDITOR'S OPINION

The **first section of the auditor's report** shall include the auditor's opinion, and shall have the heading "**Opinion.**" The **Opinion section** of the auditor's report shall also:

- Identify** the entity whose FS's have been audited;
- State** that the FS's have been audited;
- Identify the title** of each statement comprising the FS's;
- Refer to the notes**, including the summary of significant accounting policies; and
- Specify the date of, or period covered** by, each FS comprising the FS's.

a) In case of Fair Presentation Framework

In our opinion, the **accompanying financial statements present fairly, in all material respects**, in accordance with the applicable FRF,

or

In our opinion, the accompanying financial statements **give a true and fair view** of In accordance with applicable FRF.

Note: The phrases "**present fairly, in all material respects,**" and "**give a true and fair view**" are regarded as being equivalent

b) In case of Compliance Framework

The accompanying financial statements **are prepared** in all material respects in accordance with applicable FRF.

4) BASIS FOR OPINION

The auditor's report shall include a section, directly following the Opinion section, with the heading "**Basis for Opinion**", that:

- States that the **audit was conducted** in accordance with **SA**.
- Refers to the **section of the auditor's report** that describes the **auditor's responsibilities** under the SAs;
- Includes a statement that the **auditor is independent of the entity** in accordance with the relevant **ethical requirements** relating to the audit and has fulfilled the **auditor's other ethical responsibilities** in accordance with these requirements.
- States whether the **auditor believes that the audit evidence** the auditor has obtained is **sufficient and appropriate** to provide a basis for the auditor's opinion.

Thus, the Basis for opinion section provides important context about the auditor's opinion.

5) GOING CONCERN

Where applicable, the auditor shall report in accordance with **SA 570 (Revised)**.

6) KEY AUDIT MATTERS

- 1) For audits of complete sets of **general purpose financial statements of listed entities**, the auditor shall communicate key audit matters in the auditor's report in accordance with **SA 701**.
- 2) Law or regulation may require communication of key audit matters for audits of **entities other than listed entities**.
- 3) The auditor may also decide to communicate key audit matters for other entities, including those that may be of **significant public interest**, **for example** because they have a large number and wide range of stakeholders and considering the nature and size of the business.

Examples of such entities may include financial institutions (such as banks, insurance companies, and pension funds), and other entities such as charitable institutions.

7) OTHER INFORMATION

Where applicable, the auditor shall report in accordance with **SA 720 (Revised)**.

8) MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The auditor's report shall include a section with a heading "Responsibilities of Management for the FS's." **This section of the auditor's report shall describe management's responsibility for:**

- a) **Preparing the FS's** in accordance with the **applicable FRF**, and for such **internal control** as management determines is necessary to enable the preparation of FS's that are free from material misstatement, whether due to fraud or error (because of the **possible effects** of fraud on other aspects of the audit, materiality does **not apply** to management's acknowledgement regarding its responsibility for the **design, implementation, and maintenance** of internal control to **prevent and detect fraud**.) and
- b) **Assessing the entity's ability to continue as a going concern** and whether the use of the going concern basis of accounting is appropriate as well as disclosing, if applicable, matters relating to going concern. The explanation of management's responsibility for this assessment shall include a description of when the use of the going concern basis of accounting is appropriate.

- a) The **description of management's responsibilities** in the auditor's report includes reference to both responsibilities as it helps to explain to users the premise on which an audit is conducted.
- b) **SA 210** requires the auditor to agree management's responsibilities in an engagement letter or other suitable form of written agreement.
- c) **Oversight of the financial reporting process:** This section of the auditor's report shall also **identify** those responsible for the oversight of the financial reporting process, when

those responsible for such oversight are different from Management. In this case, the **heading** of this section shall also refer to **"Those Charged with Governance"** or such term that is appropriate in the context of the legal framework applicable to the entity.

9) AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The auditor's report shall include a section with the heading "Auditor's Responsibilities for the Audit of the FS's." (Refer Note 1.)

10) LOCATION OF THE DESCRIPTION OF THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The description of the auditor's responsibilities for the audit of the FS's required by this SA shall be included:

- Within the body** of the auditor's report;
- Within an appendix** to the auditor's report, in which case the auditor's report shall include a reference to the location of the appendix; or
- By a specific reference within the auditor's report to the location of such a description on **a website of an appropriate authority**, where law, regulation or national auditing standards expressly permit the auditor to do so.

11) OTHER REPORTING RESPONSIBILITIES (REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS)

- If the auditor addresses other reporting responsibilities in the auditor's report on the financial statements that are in addition to the auditor's responsibilities under the SAs, these other reporting responsibilities shall be addressed in a separate section in the auditor's report with a heading titled **"Report on Other Legal and Regulatory Requirements"** or otherwise as appropriate to the content of the section, unless these other reporting responsibilities address the same topics as those presented under the reporting responsibilities required by the SAs in which case the other reporting responsibilities may be presented in the same section as the related report elements required by the SA's.
- If other reporting responsibilities are presented in the same section as the related report elements required by the SAs, the auditor's report shall clearly differentiate the other reporting responsibilities from the reporting that is required by the SAs.
- If the auditor's report contains a separate section that addresses other reporting responsibilities, the requirements stated above shall be included under a section with a heading **"Report on the Audit of the Financial Statements."**

The "Report on Other Legal and Regulatory Requirements" shall follow the "Report on the Audit of the Financial Statements."

12) SIGNATURE OF AUDITOR

- a) The auditor's report shall be signed. The report is **signed by the auditor** (i.e. the engagement partner) in his **personal name**.
- b) Where the **firm is appointed** as the auditor, the report is signed in the **personal name of the auditor** and in the **name of the audit firm**.
- c) The partner/proprietor signing the audit report also needs to mention the **membership number** assigned by the Institute of Chartered Accountants of India.
- d) They also include the **registration number of the firm**, wherever applicable, as allotted by ICAI, in the audit reports signed by them.

13) PLACE OF SIGNATURE (AUDITOR'S ADDRESS)

The auditor's report shall name specific location, which is ordinarily the city where the audit report is signed.

14) DATE OF AUDITOR'S REPORT

- 1) The auditor's report shall be dated no earlier than the **date on which the auditor has obtained sufficient appropriate audit evidence** on which to base the auditor's opinion on the financial statements, including evidence that:
 - a) All the statements that comprise the financial statements, including the related notes, have been prepared; and
 - b) Those with the recognized authority have asserted that they have taken responsibility for those financial statements.
- 2) The date of the auditor's report informs the user of the auditor's report that the auditor has considered the effect of events and transactions of which the auditor became aware and that occurred up to that date.
- 3) The responsibility for events and transactions after the date of auditor's report is **addressed in SA 560**.

UDIN

- 1) It was noticed that financial documents/ certificates attested by third person **misrepresenting** themselves as CA Members were misleading the Authorities and Stakeholders.
- 2) ICAI also received number of complaints of signatures of CAs being forged by non CAs. To curb the malpractices, the Professional Development Committee of ICAI implemented in phased manner an innovative **concept of UDIN** i.e. Unique Document Identification Number.
- 3) All Certificates were made **mandatory** with effect from **1st February, 2019** as per the Council decision taken at its 379th Meeting held on 17th - 18th December, 2018.
- 4) Chartered Accountants having full-time Certificate of Practice can register on UDIN Portal and generate UDIN by registering the certificates attested/certified by them.

- 5) Accordingly, an auditor is required to mention the UDIN with respect to each audit report being signed by him, along with his membership number while signing an audit report.

NOTE 1: AUDITOR'S RESPONSIBILITIES FOR AUDIT OF FINANCIAL STATEMENTS

(I) THIS SECTION OF THE AUDITOR'S REPORT SHALL STATE:

- 1) That the **objectives of the auditor** are to:
 - a) **Obtain reasonable assurance** about whether the Financial statements as a whole are free from material misstatement, whether due to fraud or error; and
 - b) **Issue an auditor's report** that includes the auditor's opinion.
- 2) **That reasonable assurance is a high level of assurance, but is not a guarantee** that an audit conducted in accordance with SAs will always detect a material misstatement when it exists; and
- 3) **That misstatements can arise from fraud or error, and either:**
 - a) **Describe** that they are **considered material** if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial statements; or
 - b) **Provide a definition or description** of materiality in accordance with the applicable financial reporting framework.

(II) THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS SECTION OF THE AUDITOR'S REPORT SHALL FURTHER:

- 1) State that, as part of an audit in accordance with SAs, the **auditor exercises professional judgment** and maintains professional skepticism throughout the audit; and
- 2) **Describe an audit** by stating that the auditor's responsibilities are:
 - a) **To identify and assess** the risks of material misstatement of the financial statements, whether due to fraud or error; to design and perform audit procedures responsive to those risks; and to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b) **To obtain an understanding of internal control** relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
 - c) **To evaluate the appropriateness** of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d) **To conclude on the appropriateness** of management's use of the going concern basis of

accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

e) When the financial statements are prepared in accordance with **a fair presentation framework, to evaluate** the overall **presentation, structure and content** of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

3) When **SA 600** applies, further describe the auditor's responsibilities in a group audit engagement by stating: The **division of responsibility** for the financial information of the entity by **indicating the extent** to which the financial information of components is audited by the other auditors have been included in the financial information of the entity, **E.g.**, the number of divisions /branches /subsidiaries or other components audited by other auditors.

(III) THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS SECTION OF THE AUDITOR'S REPORT ALSO SHALL:

- 1) **State** that the **auditor communicates with those charged with governance** regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit;
- 2) For audits of financial statements of listed entities, state that the auditor provides TCWG with a **statement** that the auditor has **complied with relevant ethical requirements** regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards; and
- 3) For audits of financial statements of listed entities and any other entities for which key audit matters are communicated in accordance with **SA 701**, state that, from the matters communicated with TCWG, the auditor determines **those matters that were of most significance** in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure.

SPECIFIC EVALUATIONS BY THE AUDITOR

The auditor shall evaluate whether:

- a) The **financial statements adequately disclose the significant accounting policies** selected and applied;
- b) The **accounting policies selected and applied are consistent** with the applicable financial reporting framework and are appropriate;
- c) The **accounting estimates made by management are reasonable**;

- d) The **information presented in the financial statements is relevant, reliable, comparable and understandable;**
- e) The **financial statements provide adequate disclosures** to enable the intended users to understand the effect of material transactions and events on the information conveyed in the financial statements; and
- f) The **terminology used in the financial statements**, including the title of each financial statement, **is appropriate.**

Further, when the financial statements are prepared in accordance with a fair presentation framework, the evaluation mentioned above shall also include an evaluation by the auditor as to whether the financial statements achieve fair presentation which shall include consideration of:

- a) The overall presentation, structure and content of the financial statements; and
- b) Whether the financial statements, including the related notes, represent the underlying transactions and events in a manner that achieves fair presentation. The auditor shall evaluate whether the financial statements adequately refer to or describe the applicable financial reporting framework.

QUALITATIVE ASPECTS OF THE ENTITY'S ACCOUNTING PRACTICES

- 1) Management makes a number of judgments about the amounts and disclosure in the financial statements.
- 2) **SA 260 (Revised)** contains a discussion of the qualitative aspects of accounting practices.
- 3) In considering the **qualitative aspects** of the entity's accounting practices, the auditor may become **aware of possible bias** in management's judgments. The auditor may conclude that lack of neutrality together with uncorrected misstatements causes the financial statements to be materially misstated.
- 4) Indicators of a lack of neutrality include the following:
 - a) The **selective correction** of misstatements brought to management's attention during the audit.
 - b) **Possible management bias** in the making of accounting estimates.
- 5) **SA 540** addresses possible management bias in making accounting estimates.

DEFINITIONS

- 1) **General purpose Financial Statements** - FS's prepared in accordance with a general purpose framework.
- 2) **General purpose framework** - A FRF designed to meet the common financial information needs of a wide range of users. The FRF may be a **fair presentation framework or a compliance framework.**

a) Fair presentation framework

The term "fair presentation framework" is used to refer to a FRF that requires compliance with the requirements of the framework and:

- (i) Acknowledges explicitly or implicitly that, to achieve fair presentation of the FS's, it may be necessary for management **to provide disclosures beyond** those specifically required by the framework; or
- (ii) Acknowledges explicitly that it may be necessary for management to **depart from a requirement of the framework** to achieve fair presentation of the FS's. Such departures are expected to be necessary only in extremely rare circumstances.

b) Compliance framework

FRF requiring compliance with requirements of the framework that does not contain acknowledgement as above.

The term "**compliance framework**" is used to refer to a FRF that requires compliance with the requirements of the framework, but does not contain the acknowledgements in (i) or (ii) above.

AUDITOR'S REPORT PRESCRIBED BY LAW OR REGULATION (ONLY FOR REFERENCE)

- 1) **SA 200 explains** that the auditor may be required to comply with legal or regulatory requirements in addition to SAs. When the differences between the legal or regulatory requirements and SAs relate only to the layout and wording of the auditor's report, the requirements stated below in points (a)-(m) set out the minimum elements to be included in the auditor's report to enable a reference to the Standards on Auditing.
- 2) Where **specific requirements in a particular law or regulation do not conflict with SAs**, the layout and wording required by this SA assist users of the auditor's report in more readily recognizing the auditor's report as a report of an audit conducted in accordance with SAs.
- 3) If the auditor is required by law or regulation to use a specific layout, or wording of the **auditor's report**, the auditor's report shall refer to Standards on Auditing only if the auditor's report includes, at a minimum, each of the following elements:
 - a) **A title.**
 - b) **An addressee**, as required by the circumstances of the engagement.
 - c) **An Opinion section** containing an expression of opinion on the financial statements and a reference to the applicable financial reporting framework used to prepare the financial statements.
 - d) **An identification** of the entity's financial statements that have been audited.
 - e) **A statement** that the auditor is independent of the entity in accordance with the relevant ethical requirements relating to the audit, and has fulfilled the auditor's other ethical

responsibilities in accordance with these requirements. The statement shall refer to the Code of Ethics issued by ICAI.

- f) Where applicable, **a section** that addresses, and is not inconsistent with, the reporting requirements relating to **going concern** as per **SA 570** (Revised).
- g) Where applicable, a Basis for Qualified (or Adverse) Opinion section that addresses, and is not inconsistent with, the reporting requirements relating to going concern as per SA 570 (Revised).
- h) Where applicable, a section that includes the information required by SA 701, or additional information about the audit that is prescribed by law or regulation and that addresses, and is not inconsistent with, the reporting requirements in that SA.
- i) **A description of management's responsibilities** for the preparation of the financial statements and an identification of those responsible for the oversight of the financial reporting process that addresses, and is not inconsistent with, the requirements as contained in this SA 700.
- j) **A reference to Standards on Auditing** and the law or regulation, and a description of the auditor's responsibilities for an audit of the financial statements that addresses, and is not inconsistent with, the requirements as contained in this SA 700.
- k) The **auditor's signature**.
- l) The **Place of signature**.
- m) The **date of the auditor's report**.

SA 701**Communicating Key Audit Matters In The Independent Auditor's Report****INTRODUCTION**

SA 701 deals with the auditor's **responsibility to communicate** key audit matters in the auditor's report. It is **intended to address** both the auditor's judgement as to what to communicate in the auditor's report and the form and content of such communication.

DEFINITION

Those matters that, in the **auditor's professional judgment** were of **most significance** in the audit of the Fs's of the current period. Key audit **matters are selected from matters communicated with TCWG.**

OBJECTIVES OF THE AUDITOR REGARDING KEY AUDIT MATTERS

As per **SA 701**, the objectives of the auditor are to determine key audit matters and, having formed an opinion on the financial statements, communicate those matters by describing them in the auditor's report.

PURPOSE OF COMMUNICATING KEY AUDIT MATTERS

- a) The **purpose of communicating key audit matters** is **to enhance the communicative value of the auditor's report** by providing **greater transparency** about the audit that was performed.
- b) Communicating key audit matters provides **additional information to intended users of the financial statements to assist them in understanding those matters that**, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period.
- c) Communicating key audit matters may also **assist intended users in understanding the entity and areas of significant management judgment** in the audited financial statements.

DETERMINING KEY AUDIT MATTERS

- 1) The auditor shall determine, from the matters communicated with those charged with governance, those matters that required significant auditor attention in performing the audit.
- 2) In making this determination, the auditor shall take into account the following:
 - a) **Areas of higher assessed risk of material misstatement**, or **significant risks identified in accordance with SA 315.**
 - b) **Significant auditor judgments** relating to areas in the financial statements that involved **significant management judgment**, including accounting estimates that have been identified as having high estimation uncertainty.

c) The **effect on the audit of significant events or transactions** that occurred during the period.

3) The auditor shall determine which of the matters determined, as stated above, were of **most significance** in the audit of the financial statements of the current period and **therefore are the key audit matters**.

COMMUNICATING KEY AUDIT MATTERS

The auditor shall describe each key audit matter, using an appropriate subheading, in a separate section of the auditor's report under the heading "**Key Audit Matters**". The **introductory language** in this section of the auditor's report shall state that:

- a) Key audit matters are those matters that, in the auditor's professional judgment, **were of most significance** in the audit of the FS's and
- b) These matters were addressed in the context of the audit of the FS's as a whole, and in forming the auditor's opinion thereon, and the **auditor does not provide a separate opinion** on these matters.

COMMUNICATING KEY AUDIT MATTERS- NOT A SUBSTITUTE FOR DISCLOSURE IN THE FINANCIAL STATEMENTS ETC.

- 1) Communicating key audit matters in the auditor's report is in the context of the auditor having formed an opinion on the financial statements as a whole.
- 2) Communicating key audit matters in the auditor's report is not:
 - a) **A substitute for disclosures in the financial statements** that the applicable financial reporting framework requires management to make, or that are otherwise necessary to achieve fair presentation;
 - b) **A substitute for the auditor expressing a modified opinion** when required by the circumstances of a specific audit engagement in accordance with SA 705 (Revised);
 - c) **A substitute for reporting in accordance with SA 570 when a material uncertainty exists** relating to events or conditions that may cast significant doubt on an entity's ability to continue as a going concern; or
 - d) **A separate opinion on individual matters**.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

The auditor shall communicate with TCWG:

- a) Those matters the auditor has determined to be the key audit matters; or
- b) If applicable, depending on the facts and circumstances of the entity and the audit, the auditor's determination that there are no key audit matters to communicate in the auditor's report.

Example:

The following illustrates the presentation in the auditor's report if the auditor has determined there are no key audit matters to communicate:

Key Audit Matters

[Except for the matter described in the Basis for Qualified (Adverse) Opinion section or Material Uncertainty Related to Going Concern section,] We have determined that there are no [other] key audit matters to communicate in our report.

APPLICABILITY OF SA 701

- 1) This **SA applies** to audits of complete sets of general purpose FS's of :
 - a) **Listed entities** and
 - b) **Circumstances** when the auditor otherwise decides to communicate key audit matters in the auditor's report and
 - c) Required by law or regulation to communicate key audit matters in the auditor's report
- 2) However, **SA 705** (Revised) **prohibits** the auditor from communicating key audit matters when the **auditor disclaims an opinion** on the FS's, unless such reporting is required by law or regulation

SA 705

Modification To The Opinion In The Independent Auditor's Report

INTRODUCTION

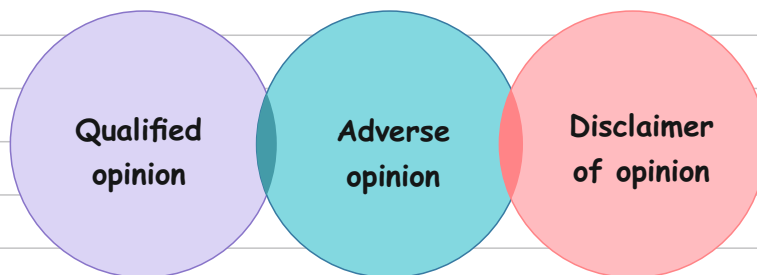
SA 705 "Modifications to the Opinion in the Independent Auditor's Report" deals with the auditor's responsibility to issue an appropriate report in circumstances when, in forming an opinion in accordance with SA 700, the auditor concludes that a modification to the auditor's opinion on the financial statements is necessary.

OBJECTIVE OF THE AUDITOR (CIRCUMSTANCES WHEN A MODIFICATION TO THE AUDITOR'S OPINION IS REQUIRED)

As per **SA 705** the objective of the auditor is to **express clearly an appropriately modified opinion** on the FS's when:

- The **auditor concludes** based on the audit evidence obtained, that the **FS's as a whole are not free from material misstatements**; or
- The **auditor is unable to obtain sufficient appropriate audit evidence to conclude** that the FS's as a whole are free from material misstatements.

TYPES OF MODIFIED OPINIONS



WHICH MODIFICATION IS APPROPRIATE UNDER WHAT CIRCUMSTANCES ?

Nature of matter giving rise to the modification	Auditor's judgment about the pervasiveness of the effects or possible effects of the matter on financial statements	
	Material but not pervasive	Material and pervasive
Financial statements are materially misstated	Qualified Opinion	Adverse Opinion
Inability to obtain sufficient and appropriate evidence	Qualified Opinion	Disclaimer of Opinion

DEFINITION OF PERVASIVE

A term used, in the **context of misstatements**, to describe the **effects on the FS's of misstatements** or **the possible effects** on the FS's of misstatements, if any, that are **undetected due** to an inability to obtain sufficient appropriate audit evidence.

Pervasive effects on the FS's are those that, in the auditor's judgment:

- a) **Are not confined** to specific elements, accounts or items of the FS's;
- b) If so **confined, represent or could represent** a substantial proportion of the FS's; or
- c) In relation to disclosures, are **fundamental to users'** understanding of the FS's.

MEANING OF QUALIFIED, ADVERSE AND DISCLAIMER OF OPINION [AS PER ICAI MODULE]

QUALIFIED OPINION

The auditor shall express a qualified opinion when:

- a) The auditor, **having obtained sufficient appropriate audit evidence**, concludes that **misstatements, individually or in the aggregate, are material, but not pervasive**, to the FS's; or
- b) The auditor is **unable to obtain sufficient appropriate audit evidence** on which to base the opinion, but the auditor concludes that **the possible effects on the FS's of undetected misstatements, if any, could be material but not pervasive**.

ADVERSE OPINION

The auditor shall express an adverse opinion when the auditor, having obtained sufficient appropriate audit evidence, concludes that **misstatements, individually or in the aggregate, are both material and pervasive to the FS's**.

DISCLAIMER OF OPINION

- a) The auditor shall disclaim an opinion when the auditor **is unable to obtain sufficient appropriate audit evidence on which to base the opinion**, and the auditor concludes that the possible effects on the FS's of undetected misstatements, if any, **could be both material and pervasive**.
- b) The auditor shall disclaim an opinion when, in **extremely rare circumstances** involving multiple uncertainties, the auditor concludes that, notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the FS's due to the **potential interaction of the uncertainties** and their **possible cumulative effect** on the FS's.

WHICH TYPE OF OPINION IS APPROPRIATE?

The decision regarding which type of modified opinion is appropriate depends upon:

- a) The **nature of the matter** giving rise to the modification, that is, whether the FS's are materially

misstated or, in the case of an inability to obtain sufficient appropriate audit evidence, may be materially misstated; and

- b) The **auditor's judgment about the pervasiveness** of the effects or possible effects of the matter on the FS's.

FORM & CONTENT OF AUDITOR'S REPORT WHEN THE OPINION IS MODIFIED

When the auditor modifies the audit opinion, the auditor shall use the heading **"Qualified Opinion," "Adverse Opinion," or "Disclaimer of Opinion,"** as appropriate, for the Opinion section.

WORDINGS OF QUALIFIED OPINION

- 1) When the auditor expresses a qualified opinion due to a **material misstatement** in the FS's, the auditor shall state in the opinion paragraph that, in the auditor's opinion, **except for the effects of the matters described in the Basis for Qualified Opinion paragraph:**

- a) "The **FS's present fairly**, in all material respects (or give a true and fair view) in accordance with the applicable FRF **when reporting** in accordance with a **fair presentation framework**;"
or
b) The **financial statements** have been **prepared**, in all material respects, in accordance with the applicable financial reporting framework. **(Compliance framework)**

- 2) When the modification arises from an inability to obtain sufficient appropriate audit evidence, the auditor shall use the corresponding phrase **"except for the possible effects of the matter(s)..."** for the modified opinion.

WORDINGS OF ADVERSE

When the auditor expresses an adverse opinion, the auditor shall state that, **In the auditor's opinion, because of the significance of the matter(s)** described in the **Basis for Adverse Opinion paragraph:**

- a) "The **FS's do not present fairly** (or give a true and fair view) in accordance with the applicable FRF **when reporting** in accordance with a **fair presentation framework**;"
or
b) The **financial statements have not been prepared**, in all material respects, in accordance with the applicable financial reporting framework. **(Compliance framework).**

WORDINGS OF DISCLAIMER OF OPINION

When the auditor **disclaims an opinion** due to inability to obtain sufficient appropriate audit evidence, the auditor shall:

- a) State that the auditor **does not express an opinion** on the accompanying FS.
b) State that, because of the **significance of the matter(s) described in the Basis for Disclaimer**

of **Opinion section**, the auditor has not been able to obtain SAAE to provide a basis for an audit opinion on the FS's.

- c) **Amend the statement** in the **opinion section**, which indicates that the FS's have been audited, to state that the **auditor was engaged to audit** the FS's.

BASIS FOR OPINION

When the auditor modifies the opinion on the FS's, the auditor shall, in addition to the specific elements required by SA 700

- a) Amend the heading "**Basis for Opinion**" required by para of SA 700 (Revised) to "**Basis for Qualified Opinion**," "**Basis for Adverse Opinion**," or "**Basis for Disclaimer of Opinion**," as appropriate; and
- b) Within this section, include a description of the matter giving rise to the modification.

Following points should be kept in mind while including content under "Basis for Opinion" Paragraph:

- 1) If there is a material misstatement of the FS's that **relates to specific amounts** in the FS's, the auditor shall include in the Basis for Opinion section **a description and quantification** of the financial effects of the misstatement, unless impracticable.
- 2) If it is **not practicable to quantify the financial effects**, the auditor shall so state in this section.
- 3) If there is a material misstatement of the financial statements that **relates to narrative disclosures**, the auditor shall include in the Basis for Opinion section an explanation of how the disclosures are misstated.
- 4) If there is a material misstatement of the FS's that relates to the **non-disclosure** of information required to be disclosed, the auditor shall:
 - a) **Discuss** the **non-disclosure** with those charged with governance;
 - b) **Describe** in the Basis for Opinion section the **nature of the omitted** information; and
 - c) **Unless prohibited by law or regulation**, include the omitted disclosures, provided it is practicable to do so and the auditor has obtained sufficient appropriate audit evidence about the omitted information.
- 5) If the **modification** results from an inability to obtain sufficient appropriate audit evidence, the auditor shall include in the Basis for Opinion section the reasons for that inability.
- 6) When the auditor **expresses a qualified or adverse opinion**, the auditor shall **amend the statement** about whether the audit evidence obtained is sufficient and appropriate to provide a basis for the auditor's opinion required by SA 700 (Revised) to include the word "**qualified**", or "**adverse**", as appropriate.
- 7) When the auditor **disclaims an opinion** on the FS's, the auditor's report shall not include the following elements required by SA 700 (Revised).

a) **A reference** to the section of the auditor's report where the auditor's responsibilities are described; and

b) **A statement** about whether the audit evidence obtained is sufficient and appropriate to provide a basis for the auditor's opinion.

8) Even if the auditor has **expressed an adverse opinion or disclaimed an opinion** on the FS's, the auditor shall **describe** in the Basis for Opinion section the **reasons for any other matters** of which the auditor is aware that would have required a modification to the opinion, and the effects thereof.

DESCRIPTION OF AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS WHEN THE AUDITOR DISCLAIMS AN OPINION ON THE FINANCIAL STATEMENTS

When the auditor disclaims an opinion on the FS's due to an inability to obtain sufficient appropriate audit evidence, the auditor shall **amend the description of the auditor's responsibilities** required by SA 700 (Revised) to **include only the following**:

- A statement that the auditor's responsibility is to conduct an audit of the entity's FS's in accordance with SA and to issue an auditor's report;
- A statement that, however, **because of the matter(s)** described in the **Basis for Disclaimer of Opinion section**, the auditor was **not able to obtain sufficient appropriate audit evidence** to provide a basis for an audit opinion on the FS's; and
- The statement about auditor independence and other ethical responsibilities required by SA 700.

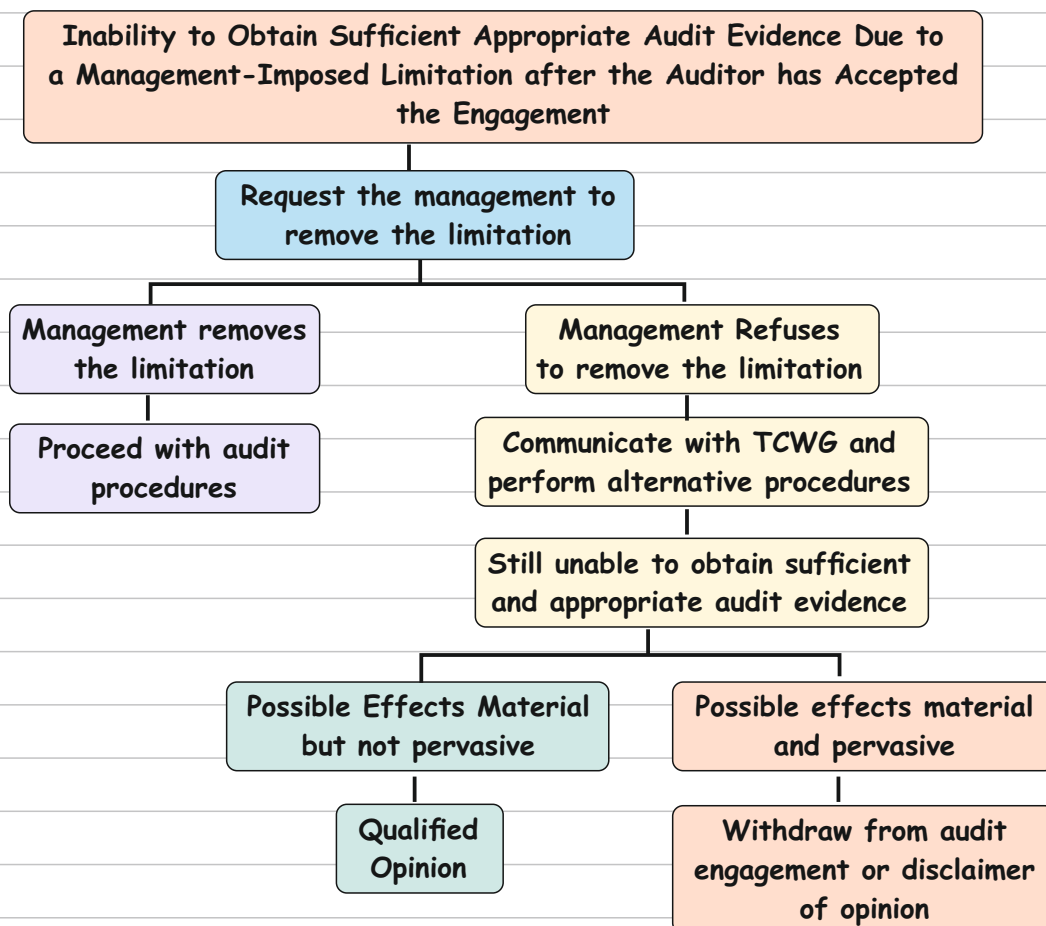
CONSIDERATIONS WHEN THE AUDITOR DISCLAIMS AN OPINION ON THE FINANCIAL STATEMENTS

Unless required by law or regulation, when the auditor disclaims an opinion on the FS's, the **auditor's report shall not include a Key Audit Matters** section in accordance with **SA 701**.

CONSEQUENCE OF AN INABILITY TO OBTAIN SUFFICIENT APPROPRIATE AUDIT EVIDENCE DUE TO A MANAGEMENT-IMPOSED LIMITATION AFTER THE AUDITOR HAS ACCEPTED THE ENGAGEMENT

- If, **after accepting** the engagement, the **auditor becomes aware** that management has **imposed a limitation** on the scope of the audit that the auditor considers likely to result in the need to express a qualified opinion or to disclaim an opinion on the FS's, the auditor shall request that management remove the limitation.
- If **management refuses** to remove the limitation, the **auditor shall communicate** the matter to TCWG, unless all of TCWG are involved in managing the entity and determine whether it is possible to perform alternative procedures to obtain sufficient appropriate audit evidence.

- 3) If the **auditor is unable** to obtain sufficient appropriate audit evidence, the auditor shall **determine the implications** as follows:
- If the auditor **concludes** that the **possible effects** on the FS's of undetected misstatements, if any, could be **material but not pervasive**, the auditor shall **qualify the opinion**; or
 - If the auditor concludes that the possible effects on the FS's of undetected misstatements, if any, could be both **material and pervasive** so that a qualification of the opinion would be inadequate to communicate the gravity of the situation, **the auditor shall**:
 - Withdraw from the audit**, where practicable and possible under applicable law or regulation; or
 - If **withdrawal** from the audit before issuing the auditor's report is **not practicable or possible**, **disclaim an opinion** on the FS's.
- 4) If the auditor **withdraws as contemplated above**, before withdrawing, the auditor shall communicate to TCWG any matters regarding misstatements identified during the audit that would have given rise to a modification of the opinion.



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

When the auditor **expects to modify** the opinion in the auditor's report, the auditor shall communicate with TCWG the **circumstances** that led to the **expected modification** and the **wording** of the modification.

Practical Insight into Modification to the Opinion

Illustration 1: Qualified Opinion due to a Material Misstatement of the Financial Statement

INDEPENDENT AUDITOR'S REPORT

To the **Members** of ABC Company Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion -

We have audited the standalone financial statements of ABC Company Limited ("the Company"), which comprise the balance sheet as at March 31, 20XX, and the statement of Profit and Loss, (statement of changes in equity)¹³ and the statement of cash flows 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 on that date audited by the branch auditors of the Company's branches located at (location of branches))¹⁴.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements 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 31st, 20XX and profit/loss, (changes in equity) and its cash flows for the year ended on that date.

Basis for Qualified Opinion -

The Company's inventories are carried in the Balance Sheet at ₹ XXX. Management has not stated the inventories at the lower of cost and net realizable value but has stated them solely at cost, which constitutes a departure from the Accounting Standards prescribed under section 133 of the Companies Act, 2013. The Company's records indicate that, had management stated the inventories at the lower of cost and net realizable value, an amount of ₹ xxx would have been required to write the inventories down to their net realizable value. Accordingly, cost of sales would have been increased by ₹ xxx, and income tax, net income and shareholders' funds would have been reduced by ₹ xxx, ₹ xxx and ₹ xxx, respectively.

We conducted our audit in accordance with 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Illustration 2: Adverse Opinion due to a Material Misstatement of the Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion -

We have audited the accompanying consolidated financial statements of ABC Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated balance sheet as at March 31, 2XXX, the consolidated statement of profit and Loss, (consolidated statement of changes in equity)¹⁸ and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying consolidated financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group, its associates and jointly controlled entities, as at March 31, 20XX, of its consolidated profit/loss, (consolidated position of changes in equity)¹⁹ and the consolidated cash flows for the year then ended.

Basis for Adverse Opinion -

As explained in Note X, the Group has not consolidated subsidiary XYZ Company that the Group acquired during 20XX because it has not yet been able to determine the fair values of certain of the subsidiary's material assets and liabilities at the acquisition date. This investment is therefore accounted for on a cost basis. Under the accounting principles generally accepted in India, the Group should have consolidated this subsidiary and accounted for the acquisition based on provisional amounts. Had XYZ Company been consolidated, many elements in the accompanying consolidated financial statements would have been materially affected. The effects on the consolidated financial statements of the failure to consolidate have not been determined.

We conducted our audit in accordance with 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 Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities, in accordance with the Code of Ethics and provisions of the Companies Act, 2013 that are relevant to our audit of the consolidated financial statements in India under the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Illustration 3: Qualified Opinion due to the Auditor's Inability to Obtain Sufficient Audit Evidence Regarding a Foreign Associate

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion -

We have audited the accompanying consolidated financial statements of ABC Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated balance sheet as at March 31, 20XX, and the consolidated statement of Profit and Loss, (consolidated statement of changes in equity)²³ and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

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 matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs as at March 31, 2XXX, consolidated profit/loss, (consolidated changes in equity), consolidated cash flows for the year then ended.

Basis for Qualified Opinion -

The Group's investment in XYZ Company, a foreign associate acquired during the year and accounted for by the equity method, is carried at ` xxx on the consolidated balance sheet as at March 31, 20XX, and ABC's share of XYZ's net income of xxx is included in ABC's income for the year then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of ABC's investment in XYZ as at March 31, 2XXX and ABC's share of XYZ's net income for the year because we were denied access to the financial information, management, and the auditors of XYZ. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with Standards on Auditing (SAs) prescribed 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 Consolidated Financial Statements section of our report. We are independent of the Group and its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Illustration 4: Disclaimer of Opinion due to the Auditor's Inability to Obtain Sufficient Appropriate Audit Evidence about a Single Element of the Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the **Members** of ABC Company Limited

Report on the Audit of the Consolidated Financial Statements

Disclaimer of Opinion -

We were engaged to audit the accompanying consolidated financial statements of ABC Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 20XX, the consolidated statement of Profit and Loss, (consolidated statement of changes in equity) 28 and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the "Consolidated Financial Statements").

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion -

The Group's investment in its joint venture XYZ Company is carried at ` xxx on the Group's consolidated balance sheet, which represents over 90% of the Group's net assets as at March 31, 20XX. We were not allowed access to the management and the auditors of XYZ Company, including XYZ Company's auditors' audit documentation. As a result, we were unable to determine whether any adjustments were necessary in respect of the Group's proportional share of XYZ Company's assets that it controls jointly, its proportional share of XYZ Company's liabilities for which it is jointly responsible, its proportional share of XYZ's income and expenses for the year, (and the elements making up the consolidated statement of changes in equity) 29 and the consolidated cash flow statement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

SA 706**Emphasis of Matter Paragraph & other Matter Paragraph in the Independent Auditor's Report****INTRODUCTION**

SA 706 deals with additional communication in the auditor's report when the auditor considers it necessary to:

- a) **Draw users' attention** to a matter or **matters presented or disclosed** in the financial statements that are of such importance that they are fundamental to users' understanding of the financial statements; or
- b) **Draw users' attention** to any matter or **matters other than those presented or disclosed** in the financial statements that are relevant to user's understanding of the audit, the auditor's responsibilities or the auditor's report.

OBJECTIVE OF THE AUDITOR AS PER SA 706

As per SA 706 (Revised) on "Emphasis of Matter Paragraphs and Other Matter Paragraphs In The Independent Auditor's Report", the objective of the auditor, having formed an opinion on the financial statements, is to draw users' attention, when in the auditor's judgment it is necessary to do so, by way of clear additional communication in the auditor's report, to:

- a) A matter, although appropriately presented or disclosed in the financial statements, that is of such importance that it is fundamental to users' understanding of the financial statements; or
- b) As appropriate, any other matter that is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report.

EMPHASIS OF MATTER PARAGRAPH**MEANING**

A paragraph included in the auditor's report that refers to a **matter appropriately presented or disclosed in the financial statements** that in the auditor's judgment, is of such **importance that it is fundamental to users understanding of the financial statements**.

EMPHASIS OF MATTER PARAGRAPHS IN THE AUDITOR'S REPORT

If the auditor considers it necessary to draw users' attention to a matter presented or disclosed in the financial statements that, in the auditor's judgment, is of such importance that it is fundamental to users' understanding of the financial statements, the auditor shall include an Emphasis of Matter paragraph in the auditor's report **provided**:

- a) The auditor would not be required to modify the opinion in **accordance with SA 705 (Revised)** as a result of the matter; and

- b) When **SA 701 applies**, the matter has not been determined to be a key audit matter to be communicated in the auditor's report.

SEPARATE SECTION FOR EMPHASIS OF MATTER PARAGRAPH

When the auditor includes an Emphasis of Matter paragraph in the auditor's report, the auditor shall:

- Include the paragraph within a separate section of the auditor's report with an appropriate heading that includes the term **"Emphasis of Matter"**;
- Include in the paragraph a clear reference to the matter being emphasized and to where relevant disclosures that fully describe the matter can be found in the financial statements. The paragraph shall refer only to information presented or disclosed in the financial statements; and
- Indicate that the auditor's opinion **is not modified** in respect of the matter emphasized.

EXAMPLES WHERE EOM MAY BE NECESSARY

- An **uncertainty** relating to the future outcome of **exceptional litigation** or regulatory action.
- A **significant subsequent event** that occurs between the date of the financial statements and the date of the auditor's report.
- Early application (where permitted) of a new accounting standard** that has a material effect on the financial statements.
- A **major catastrophe** that has had, or continues to have, a significant effect on the **entity's financial position**.

THE INCLUSION OF AN EMPHASIS OF MATTER PARAGRAPH IN THE AUDITOR'S REPORT DOES NOT AFFECT THE AUDITOR'S OPINION

An Emphasis of Matter paragraph is **not a substitute** for:

- A **modified opinion** in accordance with **SA 705 (Revised)** when required by the circumstances of a specific audit engagement;
- Disclosures in the financial statements** that the applicable financial reporting framework requires management to make, or that are otherwise necessary to achieve fair presentation; or
- Reporting in accordance with **SA 570 (Revised)** when a **material uncertainty exists** relating to events or conditions that may cast significant **doubt on an entity's ability to continue as a going concern**.

OTHER MATTER PARAGRAPH

MEANING

A paragraph included in the auditor's report that refers to a **matter other than those presented or disclosed in the financial statements** that in the auditor's judgment, is **relevant to users**

understanding of the audit, the auditor's responsibilities or the auditor's report.

SEPARATE SECTION FOR OTHER MATTER PARAGRAPH

When the auditor includes an other Matter paragraph in the auditor's report, the auditor shall include the paragraph within a separate section with the heading "Other Matter," or other appropriate heading.

OM PARA IN THE AUDITOR'S REPORT

If the auditor considers it necessary to communicate a matter other than those that are presented or disclosed in the financial statements that, in the auditor's judgment, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report, the auditor shall include an Other Matter paragraph in the auditor's report, provided:

- a) This is not **prohibited** by law or regulation; and
- b) When **SA 701 applies, the matter has not been determined to be a key audit matter** to be communicated in the auditor's report.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

If the auditor expects to include an **Emphasis of Matter or an Other Matter** Paragraph in the auditor's report, the auditor shall communicate with those charged with governance regarding this expectation and the proposed wording of this paragraph.




INDEPENDENT AUDITOR'S REPORT

To the Members of SpiceJet Limited

Report on the Financial Statements

We have audited the accompanying financial statements of SpiceJet Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control 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. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Basis for qualified opinion

As more detailed in note 34 (a) (i) of the financial statements, no provision has been made for interest of Rs. 74.71 million up to March 31, 2014 (Rs. 74.71 million in the previous year), relating to earlier years, on the outstanding inter-corporate deposits taken by the Company. Had the same been accounted for, the net loss for the year ended March 31, 2014 and accumulated losses as at that date would have been higher by Rs. 74.71 million (Rs. 74.71 million in the previous year). Our audit report for the year ended March 31, 2013 was also qualified in respect of the above matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 (a) which indicates that the Company has incurred a net loss of Rs 10,032.44 million during the year ended March 31, 2014 and as of that date, the Company's total liabilities exceed its total assets by Rs 10,194.76 million. These conditions, along with other matters as set forth in Note 2 (a), indicate the existence of a material uncertainty regarding the Company's ability to continue as a going concern. Management's plans in this regard are more fully described in the said note.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) *Except for the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014, issued by the Ministry of Corporate Affairs; and
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per S. Balasubrahmanyam

Partner

Membership Number: 053315

Place : Chennai

Date : May 16, 2014



INDEPENDENT AUDITOR'S REPORT

To the Members of SpiceJet Limited

Report on the Financial Statements

We have audited the accompanying financial statements of SpiceJet Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the 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. 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 thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as 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 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 appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 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 March 31, 2015, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

- a. We draw attention to Note 2 (a) of the financial statements which indicates that the Company has incurred a net loss of Rs. 6,870.54 million during the year ended March 31, 2015, and as of that date, the Company's total liabilities exceed its total assets by Rs. 12,645.20 million. These conditions, along with other matters as set forth in Note 2 (a), indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



- b. We draw attention to Note 42 of the financial statements regarding certain non-compliances of the requirements of the Companies Act, and classification of advances received towards securities proposed to be issued.

Our opinion is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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 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) The going concern matter described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (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 35 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

Aniruddh Sankaran

Partner

Membership Number: 211107

Place: Gurgaon

Date: May 28, 2015

TATA CONSULTANCY SERVICES LIMITED

Annual Report 2016-17
TO THE MEMBERS OF

INDEPENDENT AUDITORS' REPORT**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Tata Consultancy Services Limited ('the Company') and its subsidiary companies (the Company and its subsidiary companies together referred to as 'the Group') comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information ('the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the Company and its subsidiary companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Company.

Auditors' Responsibility

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

In conducting our 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 thereunder.

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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matter' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary companies referred to in the 'Other Matter' below, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of 9 subsidiaries, whose financial statements reflect total assets of 10,572 crores as at March 31, 2017, total revenues of 17,102 crores and net cash inflows amounting to 640 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Section 143(3) of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, referred in the 'Other Matter' paragraph above, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the Directors of the Company as on March 31, 2017 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 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 and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A', which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of Company and its subsidiary companies incorporated in India.
- (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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii) Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
 - iv) The Company has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of account maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us by the management of the respective Group entities.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W -100018)

P. R. RAMESH
Partner
(Membership No. 70928)

Mumbai, April 18, 2017

Consolidated Financial Statements



Independent Auditors Report

To the Members of

Tata Consultancy Services Limited (Holding Company)

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Tata Consultancy Services Limited (the Holding Company) and its subsidiary companies listed in Annexure I (collectively referred to as the Group), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the consolidated Ind AS financial statements).

Managements Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 (hereinafter referred to as the Act) that give a true and fair view of the consolidated state of affairs, consolidated profit/loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 thereunder.

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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the consolidated

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financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group as at 31 March 2018, its consolidated profit (including other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Other Matter

Corresponding figures of the Group for the year ended 31 March 2017 have been audited by another auditor who expressed an unmodified opinion dated 18 April 2017 on the consolidated Ind AS financial statements of the Group for the year ended 31 March 2017.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies which are incorporated in India, as on 31 March 2018 and taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g) With respect to the other matters to be included in the Auditors 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 32 to the consolidated Ind AS financial statements;
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 20 to the consolidated Ind AS financial statements;
 - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2018; and
 - iv. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018.

Mumbai
19 April 2018

For B S R & Co. LLP
Chartered Accountants
Firms Registration No: 101248W/W-100022

Yezdi Nagpurewalla
Partner
Membership No: 049265

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SA 710**“Comparative Information - Corresponding figures and Comparative Financial Statements”****INTRODUCTION**

- 1) This SA deals with the auditor's responsibilities regarding **comparative information** in an audit of financial statements.
- 2) When the financial statements of the prior period have been audited by a predecessor auditor or were not audited, the requirements and guidance in SA 510 regarding opening balances also apply.

MEANING**Comparative information**

The amounts and disclosures included in the FS's in respect of one or more prior periods in accordance with the applicable FRF.

Comparative Financial Statements

- a) Comparative information where amounts and other disclosures for the prior period are **included for comparison** with the FS's of the current period but, if audited, are referred to in the auditor's opinion.
- b) The level of information included in those comparative financial statements is comparable with that of the financial statements of the current period.

Corresponding figures

- a) Comparative information where amounts and other disclosures for the prior period are **included as an integral part** of the current period FS's and are **intended to be read only** in relation to the amounts and other disclosures relating to the current period.
- b) The level of detail presented in the corresponding amounts and disclosures is dictated primarily by its relevance to the current period figures.

AUDIT REPORTING (DIFFERENCE BETWEEN TWO APPROACHES)

The essential **audit reporting differences** between the approaches are:

- a) **Comparative Financial Statements:** Auditor's Opinion **refers to each period** for which FS's are presented and on which an audit opinion is expressed.
- b) **Corresponding Figures:** Auditor's Opinion on FS's **refers to current period only**.

OBJECTIVES

As per SA 710, the objectives of the auditor are:

- a) **To obtain sufficient appropriate audit evidence** about whether the comparative information

included in the FS's has been presented, in all material respects, in accordance with the requirements for comparative information in the applicable FRF; and

- b) **To report** in accordance with the auditor's reporting responsibilities.

AUDIT PROCEDURE REGARDING COMPARATIVE INFORMATION

- 1) The auditor shall **determine** whether the **FS's** include the comparative information required by the **applicable FRF** and whether such information is **appropriately classified**. For this purpose, **the auditor shall evaluate whether:**
 - a) The comparative information agrees with the amounts and other disclosures presented in the prior period; and
 - b) The accounting policies reflected in the comparative information are consistent with those applied in the current period or, if there have been changes in accounting policies, whether those changes have been properly accounted for and adequately presented and disclosed.
- 2) **Evaluating the impact on FS's:** If the auditor becomes **aware** of a **possible material misstatement** in the comparative information while performing the current period audit,
 - a) The auditor shall **perform** such **additional audit procedures** as are necessary in the circumstances to obtain sufficient appropriate audit evidence to determine whether a material misstatement exists.
 - b) If the auditor had **audited the prior period's** FS's, the auditor shall also follow the relevant requirements of **SA 560**
- 3) **Written Representation:** As required by **SA 580**, the auditor should also request written representation for all the period referred in the auditor's opinion. He should also obtain a specific written representation regarding any prior period item that is separately disclosed in current year's financial statement.

AUDIT REPORTING REGARDING CORRESPONDING FIGURES

WHEN CORRESPONDING FIGURES ARE PRESENTED, THE AUDITOR'S OPINION SHALL NOT REFER TO THE CORRESPONDING FIGURES EXCEPT IN THE FOLLOWING CIRCUMSTANCES:

- 1) If the auditor's report on the prior period, as previously issued, included a qualified opinion, a disclaimer of opinion, or an adverse opinion and the matter which gave rise to the modification is **unresolved**, the auditor shall **modify** the auditor's opinion on the **current period's FS's**. In the **Basis for Modification paragraph** in the auditor's report, the auditor shall either:
 - a) **Refer to both the current period's figures and the corresponding figures** in the description of the matter giving rise to the modification when the effects or possible effects of the matter on the current period's figures are material; or.
 - b) In other cases, **explain** that the audit **opinion** has been **modified** because of the **effects or**

possible effects of the unresolved matter on the comparability of the current period's figures and the corresponding figures. .

- 2) If the auditor obtains audit evidence that a material misstatement exists in the prior period FS's on which an **unmodified opinion** has been previously issued, the auditor shall **verify** whether the misstatement has been dealt with as required under the applicable FRF and, if that is not the case, the auditor shall **express a qualified opinion or an adverse opinion** in the auditor's report on the current period FS's, **modified** with respect to the corresponding figures included therein.
- 3) **Prior Period FS's Not Audited** - If the prior period FS's were not audited, the auditor shall state in an **Other Matter paragraph** in the auditor's report that the corresponding figures are unaudited. Such a statement does not, however, relieve the auditor of the requirement to obtain sufficient appropriate audit evidence that the opening balances do not contain misstatements that materially affect the current period's financial statements.

PRIOR PERIOD FS'S AUDITED BY A PREDECESSOR AUDITOR

If the FS's of the **prior period** were **audited** by a **predecessor auditor** and the auditor is permitted by law or regulation to refer to the predecessor auditor's report on the corresponding figures and decides to do so, the auditor shall **state in an Other Matter paragraph** in the auditor's report:

- a) That the **FS's** of the **prior period** were **audited by the predecessor auditor**;
- b) The **type of opinion expressed by the predecessor auditor** and, if the opinion was modified, the reasons therefore; and
- c) The **date** of that report.

AUDIT REPORTING REGARDING COMPARATIVE FINANCIAL STATEMENTS

WHEN REPORTING ON PRIOR PERIOD FINANCIAL STATEMENTS IN CONNECTION WITH THE CURRENT PERIOD'S AUDIT.

If the auditor's opinion on such prior period FS's **differs from the opinion the auditor previously expressed**, the auditor shall **disclose the substantive reasons** for the different opinion in an **Other Matter paragraph** in accordance with **SA 706**.

PRIOR PERIOD FINANCIAL STATEMENTS AUDITED BY A PREDECESSOR AUDITOR

- 1) If the financial statements of the prior period were audited by a predecessor auditor, in addition to expressing an opinion on the current period's financial statements, the auditor shall state in an **Other Matter paragraph**:
 - a) That the financial statements of the prior period **were audited by a predecessor auditor**;
 - b) The **type of opinion** expressed by the **predecessor auditor** and, if the **opinion was modified**, the **reasons** therefor; and

c) The **date of that report**,

Unless the predecessor auditor's report on the prior period's financial statements is revised with the financial statements.

- 2) If the auditor **concludes** that a material misstatement exists that affects the prior period FS's on which the predecessor auditor had **previously reported** without modification, the auditor shall communicate the misstatement with the appropriate level of management and those charged with governance and request that the predecessor auditor be informed.
- 3) If the prior period FS's are **amended**, and the predecessor auditor **agrees to issue** a new auditor's report on the amended FS's of the prior period, the auditor shall report only on the current period.

PRIOR PERIOD FINANCIAL STATEMENTS NOT AUDITED

- a) If the prior period FS's were **not audited**, the auditor shall state in an Other Matter paragraph that the comparative FS's are unaudited.
- b) Such a statement **does not**, however, relieve the auditor of the requirement to obtain sufficient appropriate audit evidence that the opening balances do not contain misstatements that materially affect the current period's FS's.

EXAMPLE A - CORRESPONDING FIGURES

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Financial Statements -

We have audited the accompanying financial statements of ABC Company Limited ("the Company"), which comprise the balance sheet as at March 31, 20X1, and the statement of profit and loss, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements -

Management is responsible for the preparation and presentation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that 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. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of

Chartered Accountants of India (ICAI). 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 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 control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, **but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control**. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 qualified audit opinion.

Basis for Qualified Opinion -

As discussed in Note X to the financial statements, no depreciation has been provided in the financial statements which constitutes a departure from the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This is the result of a decision taken by management at the start of the preceding financial year and caused us to qualify our audit opinion on the financial statements relating to that year. Based on the straight-line method of depreciation and annual rates of 5% for the building and 20% for the equipment, the loss for the year should be increased by ₹ XXX in 20X1 and ₹ XXX in 20X0, property, plant and equipment should be reduced by accumulated depreciation of ₹ XXX in 20X1 and ₹ XXX in 20X0, and the accumulated loss should be increased by ₹ XXX in 20X1 and ₹ XXX in 20X0.

EXAMPLE B - COMPARATIVE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Financial Statements -

We have audited the accompanying financial statements of ABC Company Ltd. ("the Company"), which comprise the balance sheets as at March 31, 20X1 and 20X0, and the statements of profit & loss, and cash flow statements for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements -

Management is responsible for the preparation and presentation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation

and maintenance of internal control relevant to the preparation and fair presentation of financial statements that 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 audits. We conducted our audits in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). 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 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 control relevant to the entity's preparation and presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, **but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control**. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion -

As discussed in Note X to the financial statements, no depreciation has been provided in the financial statements which constitutes a departure from the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). Based on the straight-line method of depreciation and annual rates of 5% for the building and 20% for the equipment, the loss for the year should be increased by ₹ XXX in 20X1 and ₹ XXX in 20X0, property, plant and equipment should be reduced by accumulated depreciation of ₹ XXX in 20X1 and ₹ XXX in 20X0, and the accumulated loss should be increased by ₹ XXX in 20X1 and ₹ XXX in 20X0.

Independent Auditor's Report

To The Members of Reliance Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Reliance Industries Limited** ("the Company") which includes its joint operations, which comprise the Balance Sheet as at 31st March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year ended on that date, and notes to the Standalone Financial Statements including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the 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 Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone 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 Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Litigation matters The Company has certain significant ongoing legal proceedings for various complex matters with the Government of India and other parties, continuing from earlier years, which are as under: 1. Matters in relation to Oil and Gas: (a) Disallowance of certain costs under the production sharing contract, relating to Block KG-DWN-98/3 and consequent deposit of differential revenue on gas sales from D1D3 field to the gas pool account maintained by Gail (India) Limited. (b) Claim against the Company in respect of gas said to have migrated from neighbouring blocks (KGD6). (c) Claims relating to limits of cost recovery, profit sharing and audit and accounting provisions of the public sector corporations etc., arising under two production sharing contracts entered into in 1994.	 Our audit procedures included and were not limited to the following: – Tested the design, implementation and operating effectiveness of the controls established by the Company in the process of evaluation of litigation matters. – Assessed the management's position through discussions with the in-house legal expert and external legal opinions obtained by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss. – Discussed with the management on the developments in respect of these litigations during the year ended 31 st March, 2024 till the date of approval of the Standalone Financial Statements. – Rolled out of enquiry letters to the Company's legal counsel and assessed the responses received.

Sr. No.	Key Audit Matter	Auditor's Response
	<p>(d) Suit for specific performance of a contract for supply of natural gas before the Hon'ble Bombay High Court.</p> <p>Refer Notes 35.3 and 35.4 to the Standalone Financial Statements.</p> <p>2. Matter relating to trading in shares of Reliance Petroleum Limited ('RPL'):</p> <p>Securities Appellate Tribunal judgement dated 5th November, 2020, dismissing the Company's appeal made in relation to Order passed by the Securities and Exchange Board of India ('SEBI') under Section 11B of the SEBI Act, 1992 in connection with trades by the Company in the stock exchanges in 2007 in the shares of Reliance Petroleum Limited, then subsidiary of the Company, against which an appeal has been filed with the Hon'ble Supreme Court of India which is pending.</p> <p>Refer Note 36(IV) to the Standalone Financial Statements.</p> <p>Due to complexity involved in these litigation matters, management's judgement regarding recognition, measurement and disclosure of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined.</p> <p>Accordingly, it has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> – Assessed the objectivity and competence of the Company's legal counsel involved in the process. – Reviewed the disclosures made by the Company in the Standalone Financial Statements. – Obtained Management representation letter on the assessment of these matters.
2.	Fair Valuation of Investments	
	<p>As at 31st March, 2024, the Company has investments of ₹ 78,093 crore in Equity and Preference Shares of Jio Digital Fibre Private Limited ('JDFPL') which are measured at fair value as per Ind AS 109 read with Ind AS 113.</p> <p>These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 and accordingly determination of fair value is based on a high degree of judgement and input from data that is not directly observable in the market. Further, the fair value is significantly influenced by the expected pattern of future benefits of the tangible assets of JDFPL (fibre assets).</p> <p>Accordingly, it has been considered as a key audit matter.</p> <p>Refer Notes 2 and 38A to the Standalone Financial Statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> – Tested the design, implementation and operating effectiveness of the controls established by the Company in the process of determination of fair value of the investments. – Reviewed the fair valuation reports provided by the management by involvement of internal valuation specialists. – Assessed the assumptions around the cash flow forecasts, discount rates, expected growth rates and its effect on business and terminal growth rates used and the valuation methodology inter-alia through involvement of the internal specialists. – Discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts. – Assessed the objectivity and competence of our internal specialist and Company's external experts involved in the process. – Reviewed the disclosures made by the Company in the Standalone Financial Statements. – Obtained Management Representation Letter as regards to fair valuation of these investments

Independent Auditor's Report

Sr. No.	Key Audit Matter	Auditor's Response
3.	Information Technology (IT) systems and controls over financial reporting	
	<p>We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. Also, due to such large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, cyber security has become more significant. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications, are required to be designed and to operate effectively to ensure accurate financial reporting.</p>	<p>Our procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> – Assessed the complexity of the IT environment by engaging IT specialists and through discussion with the head of IT and internal audit at the Company and identified IT applications that are relevant to our audit. – Tested the design, implementation and operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations by engaging IT specialists. – Performed inquiry procedures with the head of cybersecurity at the Company in respect of the overall security architecture and any key threats addressed by the Company in the current year. – Tested the design, implementation and operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company by engaging IT specialists. – Tested the design, implementation and operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting systems by engaging IT specialists.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.
- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls with reference to financial statements that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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.

Independent Auditor's Report

- 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, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act.
- h) 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, as amended, 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 Standalone Financial Statements – Refer Note 36 to the Standalone Financial Statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for an amount of ₹ 2 crore which are held in abeyance due to pending legal cases.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend proposed for the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in Note 44 to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with Section 123 of the Act, as applicable.

- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Abhijit A. Damle
Partner
Membership No. 102912
UDIN: 24102912BKPEFY4627

Place: Mumbai
Date: April 22, 2024

software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm's Registration No. 101720W/W-100355

Sandesh Ladha
Partner
Membership No. 047841
UDIN: 24047841BKCAJA8417

Place: Mumbai
Date: April 22, 2024

“ANNEXURE A”

To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Standalone Financial Statements of **Reliance Industries Limited** (“the Company”) which includes its joint operations as at 31st March, 2024 in conjunction with our audit of the Standalone 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 with reference to Standalone Financial Statements 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements of the Company 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, 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 judgement, 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 with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial control with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Abhijit A. Damle

Partner

Membership No.102912

UDIN: 24102912BKEPFY4627

Place: Mumbai

Date: April 22, 2024

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31st March, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements 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.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Firm's Registration No. 101720W/W-100355

Sandesh Ladha

Partner

Membership No. 047841

UDIN: 24047841BKCAJA8417

Place: Mumbai

Date: April 22, 2024

Independent Auditor's Report

“ANNEXURE B”

To the Independent Auditors' Report

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- b) The Company has a program of verification of Property, Plant and Equipment so as to cover all the items once in every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain items of Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Standalone Financial Statements included in Property, Plant and Equipment, according to information and explanations given to us and based on verification of the registered sale deed/ Transfer deed/ Conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at Balance Sheet date, except for leasehold land as disclosed in Note 1.7 to the Standalone Financial Statements in respect of which the allotment letters are received and supplementary agreements are entered; however, lease deeds are pending execution.
- d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) a) The inventories except for goods in transit were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and the procedure of such verification by the Management is appropriate having regard to size of the Company and the nature of its operations. In respect of goods in transit, majority of the goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification when compared with books of account.
- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to information and explanations given to us, and as disclosed in note 21.5 of the Standalone Financial Statements, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters.
- (iii) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, in respect of which:
- a) The Company has provided loans and guarantee (in respect of loans) during the year and details of which are given below:

	(₹ crore)	
	Loans	Guarantees
Aggregate amount granted/ provided during the year		
- Subsidiaries	41,865	-
- Joint Ventures	-	3,450
Balance outstanding as at Balance Sheet date		
- Subsidiaries	10,051	2,467
- Joint Ventures	-	5,350

The Company has not provided advances in the nature of loans or security to any other entity during the year.

- b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the Balance Sheet date.
- e) No loans granted by the Company which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) of the Order is not applicable.
- (iv) The Company has not granted loans or provided guarantees or securities to parties covered under Section 185 of the Companies Act, 2013 ("the Act"). The Company has complied with the provisions of section 186 of the Act in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) The Company has neither accepted deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Rules made thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacturing activities and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company.
- (vii) (a) In respect of statutory dues:
- Undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authority.
- There were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2024 on account of any dispute are given below:

Name of the statute	Nature of the dues	Amount (₹ In crore)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty and Service Tax	- * 23	FY 1990-91 to FY 1996-97 FY 1991-92 to FY 2017-18	Commissioner of Central Excise (Appeals) The Customs, Excise and Service Tax Appellate Tribunal
Central Sales Tax Act, 1956 and Sales Tax Act of various States	Sales Tax/ VAT/ Octroi and Entry Tax	23 38 97	FY 2005-06 to FY 2017-18 FY 1999-00 to FY 2019-20 FY 2004-05 to FY 2013-14	Joint Commissioner / Commissioner (Appeals) of Sales Tax Sales Tax Appellate Tribunal High Court
Customs Act, 1962	Customs Duty	97	FY 2023-24	The Customs, Excise and Service Tax Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and Services Tax	1	FY 2017-18	Tribunal
Income Tax Act, 1961	Income Tax	156	AY 2005-06, AY 2009-10, AY 2014-15, AY 2015-16, AY 2016-17, AY 2017-18, AY 2021-22, AY 2023-24, AY 2024-25	Commissioner of Income Tax (Appeals)

* less than ₹ 1 crore

Independent Auditor's Report

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (d) On an overall examination of the Standalone Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of Standalone Financial Statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) In our opinion, money received during the year towards unpaid calls related to right issue of equity shares in an earlier year have been, prima facie, applied by the Company for the purposes for which they were raised. The Company has not raised money by way of Initial Public Offer/ further public offer through debt instruments.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to the information and explanations given by the management, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed by Cost Auditor or Secretarial Auditor or us, in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company and provided to us during the year when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transaction with related parties and details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued during the year and till the date of the audit report covering period upto 31st March, 2024.
- (xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to obtain Certificate of Registration (CoR) for such activities from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) As represented by the management, the Group has more than one Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016. There are 2 CICs forming part of the Group.

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios disclosed in Note 41 to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Abhijit A. Damle
Partner
Membership No. 102912
UDIN: 24102912BKPEFY4627

Place: Mumbai
Date: April 22, 2024

when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

- (xx) The Company has fully spent the required amount towards Corporate Social responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a fund specified in Schedule VII of the Act or special account in compliance with the provision of sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm's Registration No. 101720W/W-100355

Sandesh Ladha
Partner
Membership No. 047841
UDIN: 24047841BKCAJA8417

Place: Mumbai
Date: April 22, 2024