

Objective

① To form an opinion on the Financial Statement based on the conclusion from the Audit evidence obtained.

General purpose financial Statement and include related note

Financial Statements

Prepared as per ↓

General Purpose Framework

Means Financial Reporting Fw.

Compliance Framework

↓

which require compliance of the framework.

Fair Presentation Framework.

↓

which require compliance of framework and.

↓

Acknowledge

(explicitly or implicitly)

↓

That to achieve Fair Presentation

↓

mgmt provided disclosure beyond which are specifically required by framework.

Acknowledge

(explicit)

↓

That to achieve fair presentation

↓

mgmt has departed from requirement of the framework

- Comprise of
- ① Summary of SAP
 - ② other explanatory info.
 - ③ Any other info required by statute.

based on evaluation

Quantitative aspect of Entity's Accounting procedures

↓

Auditor should ensure that whether there is possible mgmt biasness.

↓

There is lack of Neutrality?

↓

Indicators.

↓

①

Selective Correction of misstatements brought to mgmt's attention during the Audit.

Specific Evaluations

↓

① Proper disclosure = significant A/c policies

② Proper disclosure = material transaction and events.

③ Information is relevant reliable comparable & understandable.

④ A/c policies = appropriate consistent.

⑤ A/cing estimated = be reasonable

⑥ Terminologies used in fs = Appropriate (including title of each fs)

↓

②

Possible mgmt bias in forming Accounting estimate.

Part II

unmodified opinion:- Auditor can use one of the following phrases:

- a) In our opinion the accompanying FS Present fairly in all material respect in accordance with FRF.
- b) In our opinion the accompanying FS give a true and fair view. In accordance with applicable FRF.

The Phrases:- "presented fairly in all material respect" (equivalent) "give and true fair view" ✓

4. Basic for opinion.

- 1) States that Audit is conducted in accordance with SAs
- 2) State that Auditor has obtained S & A evidence to provide a basis for Audit opinion.
- 3) Includes a statement that Auditor is independent of the entity in accordance with relevant ethical requirements
- 4) Refers to the section of the Auditors reports that evidence the Auditors responsibility under the SAs.

5. Key Audit matter

Refer SA - 701

6. Going concern.

Under Going Concern Basis, the FS are prepared on the assumption that entity is a Going concern & will continue its operations for foreseeable future unless.

- _/_/_
- a) management intend to liquidate the entity.
 - b) No realistic alternative but to do so.

Auditor shall obtain S&A evidence on the appropriateness of GC Basis of Accounting.

Auditor shall conclude whether there is a material uncertainty which cast significant doubt on entity ability to continue as a going concern.

A material uncertainty exists, Auditor should ensure the disclosure (due to magnitude of its potential impact and likelihood of occurrence) is necessary for.

- a) fair Presentation of FS (FRF)
- b) FS not to be misleading. (compliance framework)

7. Other information

As per SA-720.

8. Responsibilities of mgmt for the financial statement.

- 1) Preparing financial statement as per FRF
- 2) Framing internal control so that FS must be free from material misstatement.
- 3) Assessing the entity ability to continue as a going concern.

Whether the use of GC Basis of Accounting is appropriate.

SA-200 state that mgmt and ICWG are responsible for preparation of FS as well as IC which enable preparation of FS free from mm.

SA-200 state that Ar should agree on mgmt responsible in engagement letter. / AWA.

9. Responsibility

I.

of Auditor.

a) objective of Auditor

(i) To obtain reasonable assurance as to whether FS are free from mm (fraud/error).

(ii) Issues auditor's report which includes ^{auditor} opinion.

b) Reasonable Assurance is a ~~high~~ high level

of Assurance but it does not guarantee that

audit conducted in accordance with SAs

will always detect a misstatement,

c) Describe that misstatement will be material if the economic decision of user.

II.

1) Compliance of SAs.

2) exercise Professional Judgement.

3) Maintain Professional Skepticism.

4) To identify and access RMM.

5) To design that Procedure.*

6) To obtain S&A evidence to provide ^{→ basis for} opinion.*

7) To obtain understanding of ICs for AP.*

8) To evaluate appropriateness of Accounting Policies.

9) To ensure reasonableness of Accounting estimate.

10) To conclude on the appropriateness of mgmt's use of GC's basis of Accⁿ.

To determine whether material uncertainty exists

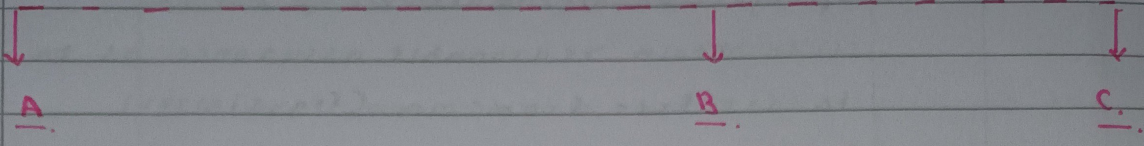
11) To evaluate the presentation, structure and content of FS

12) SA - 600.

Division of Responsibility for financial information of entity.

Indicating extent to which FS of Component are audited by other Auditor.

III



State that Auditor
Commun. with TCWG.

Incase of Audit of SA701
listed entities ?

a) Planned Scope &
Timing

A₁ should provide
a Statement to TCWG.

b) Significant Audit
Findings

1) A₁ has complied
with ER

c) Significant deficiency
in Internal Control.

2) A₁ has communicated
all relationship that
bear on A₁'s Independence.

V. Location.

a. within Body of Auditor Report.

b. within an Appendix → Reference of Appendix
in A₁'s report.

c. within website of regulatory Authority →
Reference of website in A₁ Report.

10. Report on
other legal
& Regulatory
Requirement.

Auditor shall disclose the reporting
responsibilities include other than
required "by SAs in a separate
section with the heading.

unless these reporting responsibilities
are similar as provided by SAs.

11 Signature of Auditor.

Firm

Prop.

- | | |
|--|--|
| <ul style="list-style-type: none"> ① Name of firm ② firm reg. No. ③ Name of Partner ④ Partner's Sign
(in Personal + firm name) ⑤ Membership No.
+ (UOLN + 18 digit number). | <ul style="list-style-type: none"> ① Name of member ② Signiture ③ Membership No.
+ UOLN (18 digit number) |
|--|--|

12 Place

Specific location, (ordinarily the city) where report is signed.

13. Date

Shall be dated on earlier than the date on which Auditor has obtained S&A evidence on basis of which Audit opinion is formed.

//_

Auditor's Report Prescribed by Law or

1. Title.
2. Addressee.
3. An opinion-section containing an expression of opinion.
4. Identification of entity FS that have been Audited.
5. Statement that Auditor is Independent as per ER of ICAI.
6. Section that state requirement as per SA-570.
7. Basis for modified opinion - SA-570.
8. Reporting as per SA-701.
9. Description of management responsibilities for preparation of FS - not inconsistent with SA 700.
10. Description of Responsibilities of Auditor.
11. Signature of Auditor
12. Place of signature
13. Date of Auditor's Signature.

SA-705

Obtained = S&A Evidence

Not obtained = S&A evidence

Concludes that there is a misstatement (detected)

Undetected misstatement

Effect

Possible effect

Material but not Pervasive

Material and Pervasive

Material but not Pervasive

Material and Pervasive

Qualified Opinion

Adverse Opinion

Qualified

Disclaimer of opinion

True & Fair View Subject to certain exceptions

Do not represent True & Fair View

Auditor cannot conclude whether there is a true & fair view or not

Objective of SA-705

To express clearly an appropriately modified opinion of fs when:

a) Auditor concludes based on Audit evidence obtained that fs are not free from m.m.

b) Auditor is unable to obtain S&A evidence to conclude that fs are free from m.m.

* Which type of opinion is appropriate

Nature of the matter giving rise to modification

Ⓐ

fs are materially misstated

Ⓑ

unable to obtain S&A evidence.

A's Judgem^t on the pervasiveness of effect / Possible effect.

		A's Judgement on Pervasiveness	
Nature of matter giving rise to modification		material but not pervasive	material and pervasive.
1.	fs are materially misstated	Qualified	Adverse.
2.	Inability to obtained S&A evidence.	Qualified	Disclaimer

* S & A Evidence = X.

↓ Reasons.

- ① Limitation on scope.
- ② Natural clarity
- ③ Seizure by Govt. Authorities.

* Circumstance when a modification is required

Ⓐ

Same

Ⓑ

Same.

Pervasive (705)

A term used in context of a) mis-statement to describe effect on FS of MS
b) Undetected mis-statement to describe possible effect as Ar
i) Unable to obtain S&A Evidence

Pervasive effects are those:-

- a) When are not confined to specific element
- b) If so confined, ie represented substantial proportion of FS.
- c) WRT disclosed, are fundamental to user's understanding.

Type of Modified Opinion.

* Qualified Opinion

① When

- a) Ar has obtained S&A Evidence and conclude that effect of misstatement is material but not pervasive.
- b) Ar is unable to obtain S&A evidence to form an Audit opinion and the effect of undetected misstatement is material but not pervasive.

② FLS present true and fair view subject to certain exceptions.

*** Adverse Opinion.**

① When?

a) Ar has obtained S&A evidence and conclude that effect of mis-statement is material and pervasive.

② Auditor will provide an adverse opinion when FS do not present true and fair view.

*** Disclaimer of opinion.**

① When?

Ar is unable to obtain S&A evidence to form an Audit opinion and the effect of undetected mis-statement is material and pervasive.

② As Auditor is unable to obtain S&A evidence, he cannot conclude whether there is true and fair view or not.

POD	Qualified	Adverse.
When?	① DM = effect = m but not P ② UDM = Possible = m but not P.	① DM = effect = m & P 1
True & fair view	FS present true and fair view subject to certain exceptions.	FS do not present true and fair view
Inability to obtain S&A evidence.	Qualified can be issued (if PE of UDM is only material)	Adverse is not issued

Mgmt imposed limitation on
Scope after accepting Engagement.

↓
Limitation by management?

NO
↓
O.K.

Yes
↓

ASK mgmt to remove the limitation

↓
mgmt has removed the limitation

↓
Yes

↓
No

↓
ASK TCWG to remove the lim-
it

↓
TCWG has removed the limitⁿ?

↓
Yes

↓
No

↓
Ok.

↓
Perform alternate Procedure
to obtain SEA evidence.

↓
SEA evidence obtained?

↓
Yes

↓
No

Undetected misstatement

↓
Possible effect?

M + X

M + P.

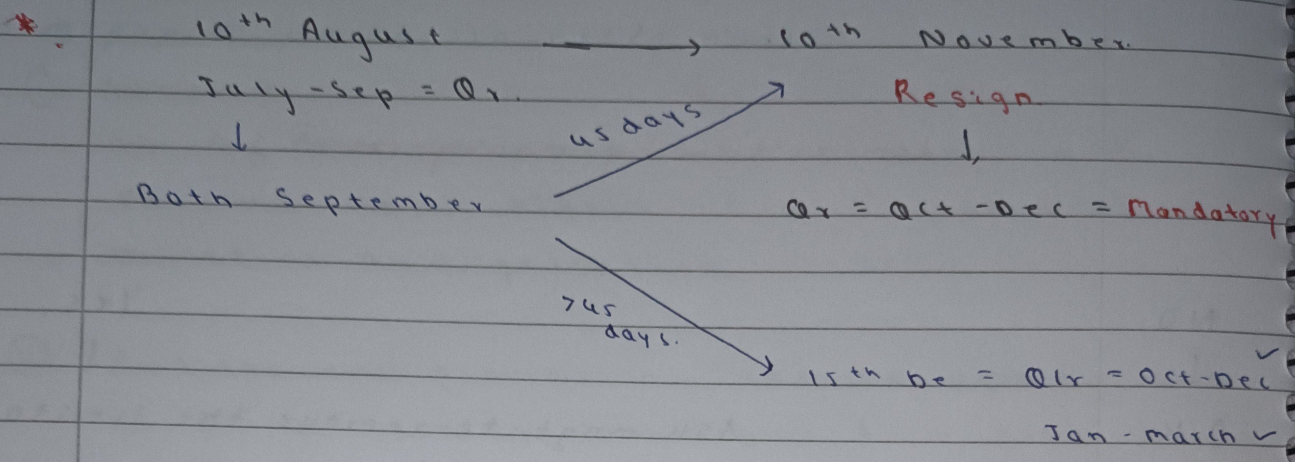
↓
Qualified Opinion

↓
* Withdrawn
the engagement

↓
Issue DQ

* Withdrawn from
audit (if possible
under law)

↓
Before withdrawal
communicate TCWG.



* Auditor's Responsibilities :- Disclaimer of Opinion.

_ / _ / _

* Basic for Opinion.

- ① Amend the heading.
" Basic for Qualified Opinion "
" Basic for Adverse Opinion "
" Basic for Disclaimer of Opinion "
- ② Auditor shall provide description of the matters.
- ③ If mm is related to specific amount. Auditor shall provide description + Quantification. (if possible). If Quantity is not possible he shall state so.
- ④ If mm is not disclose Auditor shall explain the disclosure.
- ⑤ If mm is not omitted information then
 - a) Ar shall discuss with CCWG
 - b) Ar shall state the nature of omitted information
 - c) Ar shall disclose omitted information (if possible + obtained S&A evidence)
- ⑥ If Ar is unable to obtain S&A evidence, then he shall disclose reason for liability.

① Why?

- a) To enhanced the communicative value of the Auditor's report.
- b) To provide additional understanding to user about Entity and Significant management Judgement.

② Applicability

- a) Listed Company
- b) Circumstance where Auditor determine matter as KAM.
- c) Required by law to communicate KAM.

③ Definition.

Matter which are in Auditor's professional Judgement were of most Significance during Audit.

④ How to determine a KAM?

- a) When there is high risk of misstatement / Significance Risk.
- b) When there is significant management Judgement which involve high estimation uncertainty
(SMTJ - HEV)
- c) Effect of significant transaction / Event.

* ⑨ No requirement to disclose
a) when law preclude so.
b) when it will affect public interest

⑤ Examples.

- 1) Impairment Assessment,
- 2) Taxation matter (uncertain tax positions)
- 3) Revenue Recognition
- 4) Valuation of Financial Instruments,
- 5) Provision for losses.

⑥ Disclosure.

- 1) Seperate Section
- 2) Heading = "Key Audit Matter".

⑦ Not Substitute of

- 1) The disclosure which are required to be made be management.
- 2) Modified opinion to be issued as per SA-705.
- 3) Disclosure to be made as per SA-570, when there is a material uncertainty which cast a significant doubt on entity ability to continue as a Going Concern.
- 4) Not a seperate opinion on individual matters.

⑧ Documentation.

- 1) Auditor's rationals, whether or not there is a KAM
- 2) Auditor's rationals when there is no KAM to Communicate
- 3) When there is Auditor's rationals to not Communicate KAM.

Emphasis of Matter Paragraph.

1) **Meaning :-** A paragraph included in the Auditor report.

That refers to matter appropriately presented or disclosed in FS.

That in auditor's Judgement, is fundamental to user's understanding of FS.

2) **Auditor shall add EOM Provided :-**

a) Auditor would not be required to modify the opinion in accordance with SA-705

b) When matter is not determined as a HAM.

3) **Disclosure :-**

1) It shall be disclosed in a separate section with its separate heading "Emphasis of Matter".

2) It should clearly refer the matter which is being emphasised. matter should be disclosed in FS.

3) Indicate that report is not modified.

4) **Not a Substitute of :-**

a) Modified Opinion

b) Disclosure in FS required to be made by mgmt.

c) disclosure when there is material uncertainty which cast doubt on entity ability to continue as G.C.

//_

5) Example: Other Matter Paragraphs.

1) meaning :- A paragraph included in the Auditor's report that refers to matters, appropriately presented or disclosed in financial statements other than that in auditor judgement.

is fundamental to user's understanding of

a) Audit

b) Auditor's responsibilities

c) Auditor's Report.

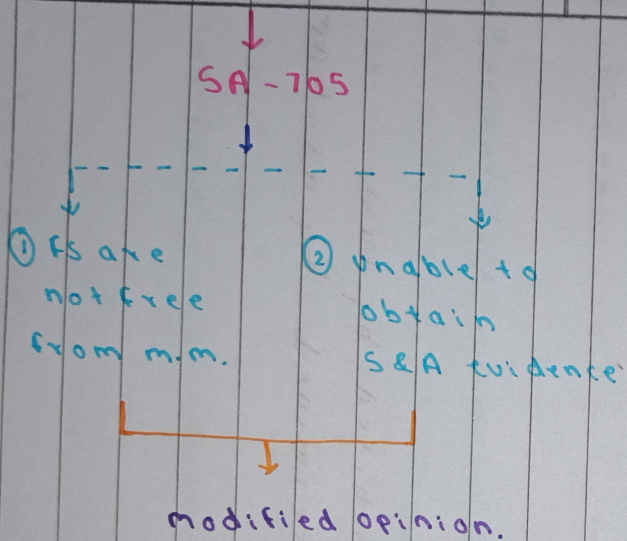
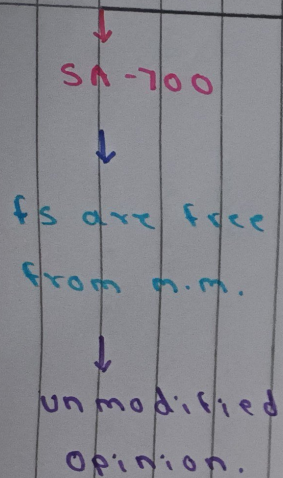
2) Disclosure :- Shall be disclosed in a separate section with separate heading "other matter's" paragraph.

3) Auditor shall add on in Auditor's Report provided

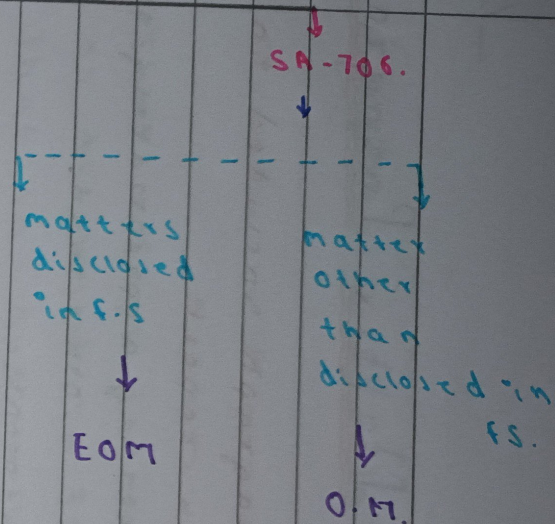
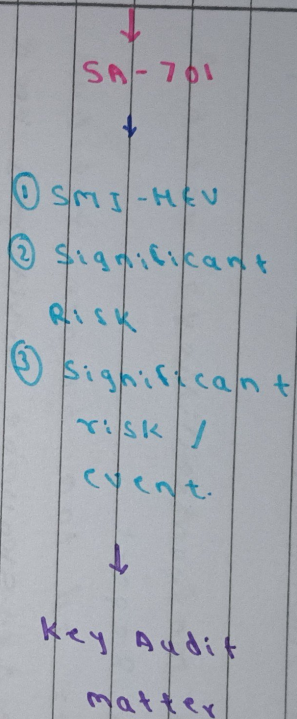
(a) It is not prohibited by law

(b) It is not determined by AS 107

Super-Summary.



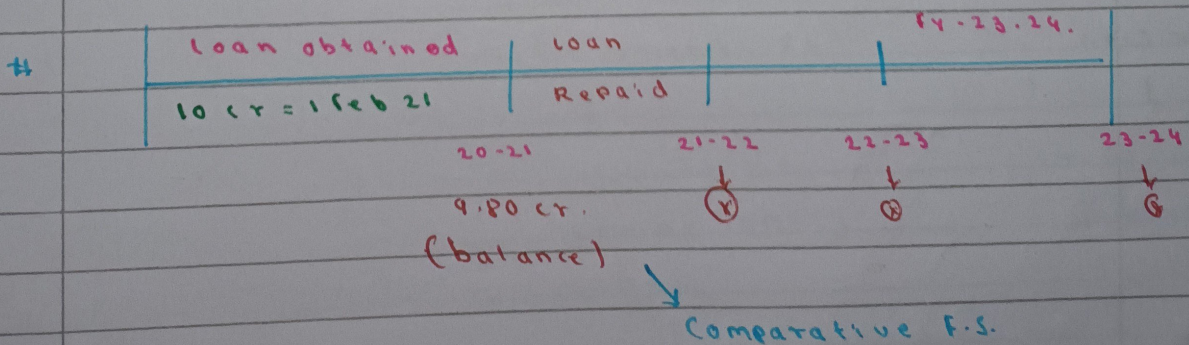
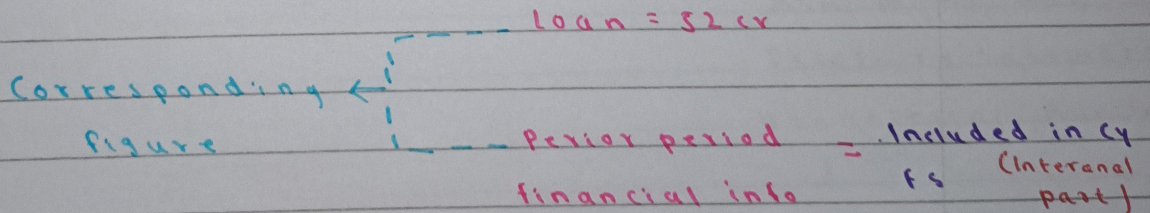
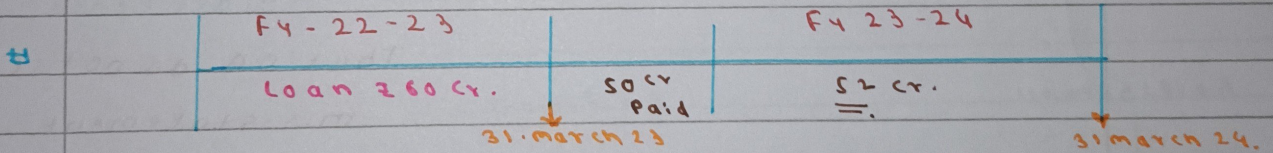
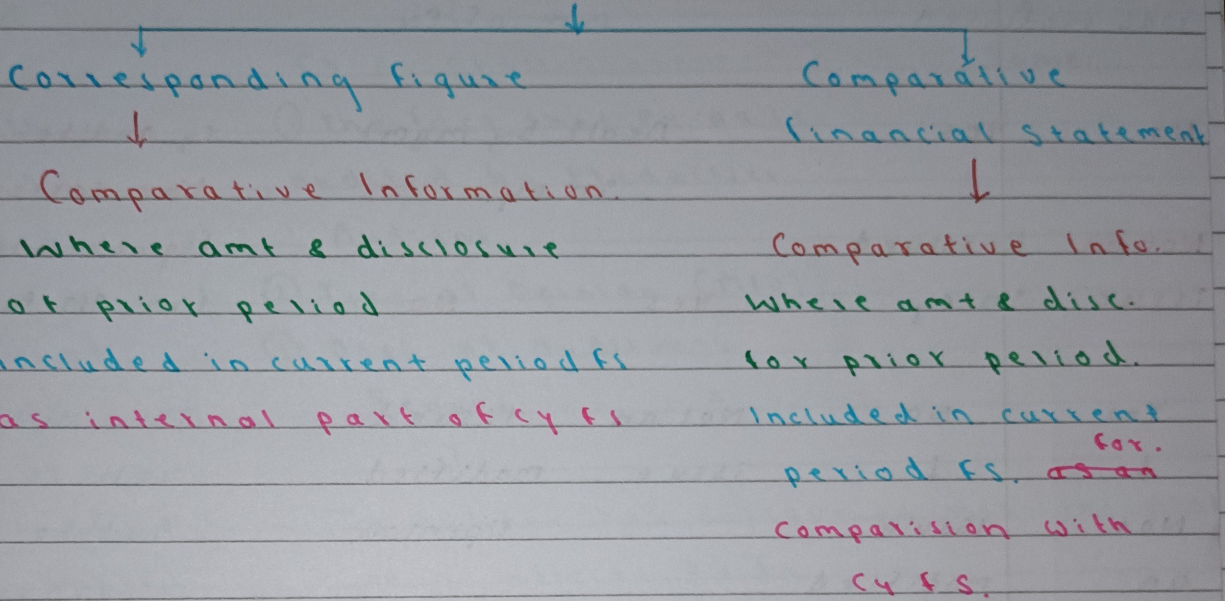
- ① m but not P = Qualified
- ② M but not P = Qualified
- ③ M + P = Averse
- ④ M + P = Disclaimer.



SA-710

Comparative Information

Information = Proper period Included in FS.



Corresponding Figures.

Auditor shall not refer corresponding figure except.

IF PY report was modified		Auditor discover m.m of PY.		PY = not Audited
NO	Yes	Dealt by mgmt in cy.		↓
Not an issue	Resolved in cy	Yes	NO	cy Auditor shall state the corresponding figure are unaudited (in OM Paragraph)
Yes	NO	Not an issue	Issued modified opinion.	This will not relieve the Auditor from his responsibility to obtain S&A evidencence
↓	↓			
Not an issue.	Issue modified opinion			That OB do not contain mis-statement.

Comparative F.S.

Auditor shall refer to each period

Audited by the predecessor Auditor

Previous F.S. = not Audited.



for which opinion is expressed.

CY Ar shall state:-

Same.



① The fact that PY AR is audited by predecessor Auditor.

If opinion of CY Ar. &

② Type of Opinion (MIV)

③ Date of Auditor's Report. =



If opinion of predecessor Auditor are different.

CY Auditor has discovered mis-statement which affects PY F.S.



PY Report.

CY Ar shall state substantive reason in OM Para.

Modified

unmodified



O.K.

Ask mgmt and ICWR to intimate predecessor Auditor.



Issues new report + Mgmt amends F.S.

not issue new report.



CY Ar = will issue opinion on CY only

CY Ar = will also w.r.t PY figures.

Audit Procedure.

↓
Comparative Information
= as per FRF and
classified

↓
Auditor shall :-

- a) ensure that amount of CI agree with disclosure in Prior period
- b) Accounting policies are consistent in CY.

In case of change,
it must be
properly disclosed

↓
Auditor has detected a
mis-statement in CS
the will

- a) ensure whether it exists
- b) ensure compliance of SA-560.

↓
Auditor shall obtain
WR for all the
period for which
opinion is expressed

(580)

Section 128

1. BOA :- Double Entry System
Accrual Basis.
2. Financial Statement :- includes transaction
at R.O at Branches
(in/outside India)
3. Branch shall
 - a. maintain BOA at Branch Office.
 - b. Send Summarised return to R.O.
 - (i) Indian :- Periodically
 - (ii) Foreign :- Quarterly Basis.
4. Maintenance of BOA :- 8 Yrs.
5. Place of Maintance.
 - a. At R.O
 - b. Any other place as decided by Board
Board shall intimate R.O within 7 days.
6. Audit Trail :- will be discussed in SA-500.

Section
143

___/___/___

143 (1) = Inquiry.

- 1) Loans & Advance = Secured ?
not prejudicial to interest
of Co. ?
- 2) Loans & Advance = shown as Deposit. ?
- 3) Personal expense = charged as revenue ?
- 4) Investment = Sold at less than the Purchase
price ?
- 5) Book Entries = prejudicial to interest of
Company.
- 6) Share - allotted in cash = Cash actually ~~received~~
Received.

143 (2)

Auditor shall make a report to members of
the company.

On accounts examined and FS of the
Company

//_

143 (3) = Content in Alc^{ing}. Report

- A = Accounting Standard Complied
- B = BOA = Properly maintained
Branch Auditor = Sent to Company's Auditor.
- C = Consistent and Adequate → Internal Financial Control
- D Director is disqualified vis 164(2) of Company Act, 2013
- E Explanation and information is received.
- F Fs are in agreement with BOA.
FP having adverse effect on functionality of co.
- I IEPF = Credited the amount
- P Provision for long term contract
- L Litigation (penalty) → Disclosed
- A Audit trail (edit log) feature in Alc software operated throughout the year for all the transaction should not be tampered - not be disabled.
- B Beneficiary (Ultimate)
- D. Dividend disclosed as per section 123.

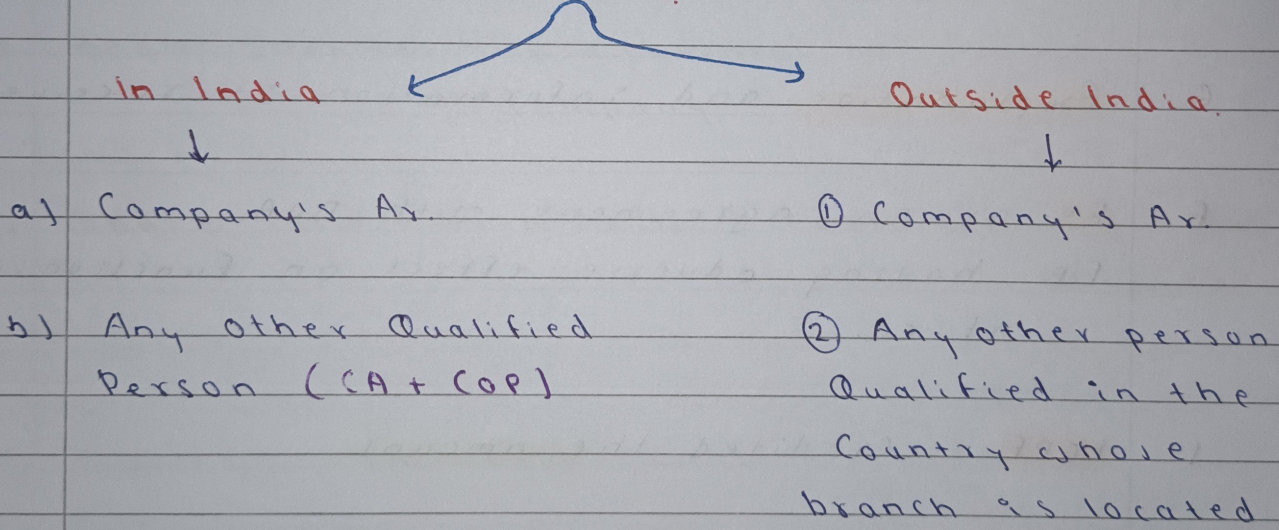
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* Exception

- ① OPC
- ② Small Company
- ③ Private Co. a) Borrowing < 25 cr; and
b) Turnover < 50 cr.

143 (8)

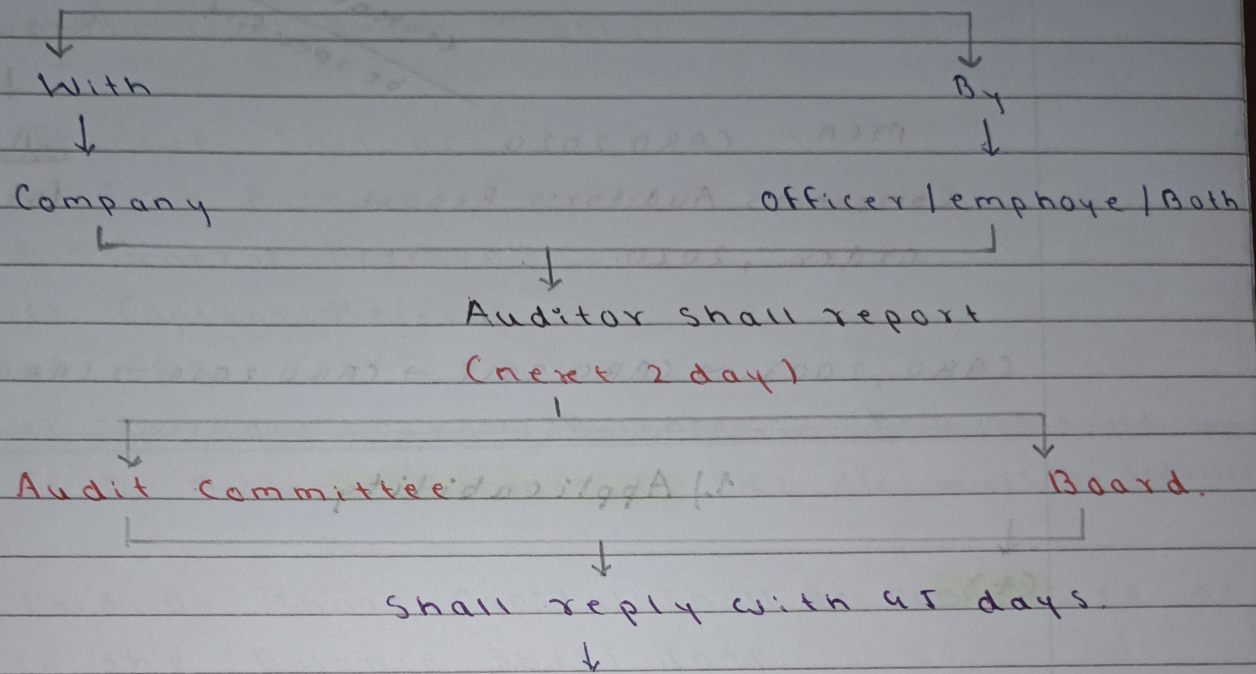
KBBA ?



Branch Auditor shall send his report to the Company's Auditor.

143 (12)

Auditor have reason to believe that fraud is committed.



Fraud = ₹ 1cr or above.

Yes ↓ Report to CG
 NO ↓ Board Report (Disclosed)

- 1) ADT - 4
- 2) The Secretary MCA
- 3) Letter head of Auditor
- 4) Shall contain name of Ar, mobile no, email id, membership No and Address.
- 5) Sent to CG by
 - a) Post :- RPAP, Speed post and
 - b) E-mode :- E-mail.

- 1) Nature of fraud
- 2) Amt Involved
- 3) parties Involved
- 4) Remedial action taken.

*

CARO

Auditor

Content shall
be specified

Auditor's
Reports

MCA = CARO 2020.

Companies Auditor's Report

Order, 2020.

SA-700
Format

CARO, 2003 → CARO 2015 → CARO 2016 → CARO 2020.

1) Applicability

(+)

(-)

1) Every Company

2) Foreign Company

1) Banking Company

2) Insurance Company

3) Company registered
under & of CA 2013

4) Small Company = 2(85)
min 4 max 40.

5) One person company

6) Private company

a) not being a subsidiary
or holding company

b) Share Capital and Reserve
does not exceed ₹ one crore

c) Loan & borrowing
(from Bank / FI) shall be
not exceed ₹ 1 crore.

d) Total revenue (including
revenue from discontinuity
operation) shall not exceed
₹ 10 crore.

_ / _ / _

2) Explanatory Notes.

- 1) Share Capital includes both equity and preference share Capital.
- 2) Reserve includes
 - a) Free Reserve
 - b) General Reserve
 - c) Capital Reserve
 - d) CRR
 - e) includes Credit Balance in P&L account.
 - f) Dr ~~Balance~~ Balance in P&L Alc must be deducted
- 3) Paid up Share Capital shall be considered as on the Balance Sheet date
- 4) Loans include only those loans which are obtained from Bank and FI.
- 5) While computing amount of loan only o/s Balance will be considered.
- 6) The loan must be computed at any point of time Balance as BS date is irrelevant.
- 7) Loans includes:-
 - a) Short term loan
 - b) long term loan
 - c) Cash credit
 - d) Discounting of Bills
 - e) Demand loans.
- 8) Total Revenue includes:-
 - c) Misc Receipt.

Claus no:

1 PPE

- 1) Proper records \rightarrow PPE + Intangible Asset
Qty + Situation Full particulars.
- 2) Physical Verification = By management = at reasonable intervals
material discrepancy = dealt in BOA?
- 3) Revaluation? = If yes \rightarrow a) By Registered Value
b) change = 10% or more ^{Specific}
- 4) Document = initiated pending against co.
Benami Property
- 5) PPE = title deed = name of - If not, then there
mm Property the co. Shall be disclosure

Detailed of Property	Amount	Period held	whose name	Name of P/D/E/R	Why it is not in name of company
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2. Inventory

- 1) PV - mgmt = Discrepancy = Dealt by mgmt
Reasonable 10% or More in BOA?
Intervals
In aggregate for each class of Inventory

RM	BOA	PV	% = difference.
RM ₁	3 cr	2.6 cr	13.33%
RM ₂	4 cr	3.95 cr	1.25%
	7 cr	6.55 cr	6.42%
WIP			
WIP ₁	6 cr	5.80 cr	3.33%
WIP ₂	2 cr	1.78 cr	11%
	8 cr	7.8 cr	5.25%
FG ₁	6 cr	5.50 cr	8.33%
FG ₂	7 cr	6 cr	14.28%
	13 cr	11.50 cr	11.54%

2) $\text{Cc limit} = \frac{\text{Security}}{\text{Current Liabilities}} = \frac{\text{Quarterly Return / Stock Stat Submitted to Bank}}{\text{Totally with BOA}}$

III Loans.

- Loan / Guarantee / Security by Company to.
 - Joint Venture Associate co / Subsidiary co.
 - Other person / entity.

↑ Loan during year + Balance O/S.

- Whether schedule of loan = stipulated
- Whether receipt = O/S > 90 days - Reasonable Step - Performed are regular
for recovery of P+I

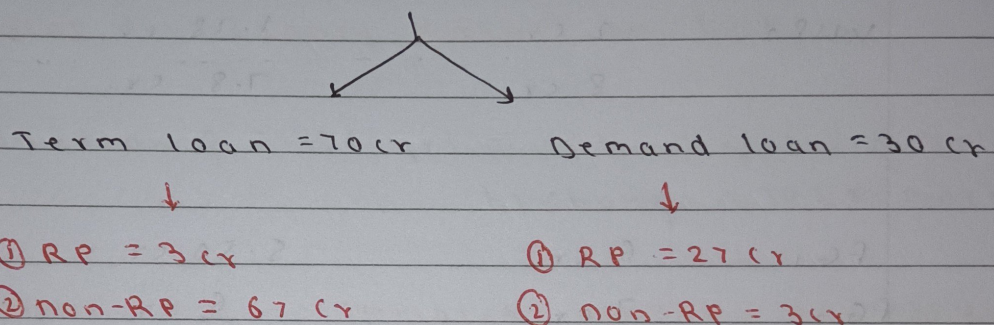
4) Loan = are not prejudicial to interest of company

5) Demand loan = State.

a) % age of Demand and loan / Total loan

b) % age of DL to RP / Promoter / Total Demand loan

E.g:- Total loan = ₹ 100 cr.



6) Ref = during the year = ① Amt of Ref - during year
State = ② Ref / Total loan = % age.

Co $\xrightarrow{\text{Loan}}$ B

Renew / extent / fresh loan = Ref.
(Borrower = unable to pay)

(iv) Loan, Guarantee, Security

Ensure = Compliance of Section 185 + 186 of
CA, 2013 = If not, give details.

(v) Deposits.

Ensure = Compliance of
① Section 73 to 76 of CA, 2013
② RBI direction
③ Order of NCLT, CLB, RBI, any other court / Tribunal } If not, state the nature of contravention

(vi) Cost Records.

Whether Co = maintaining cost records = u/s 148 of CA, 2013.

(vii) Statutory dues

Statutory dues (PF, GST, Income Tax)

↓
Undisputed

↓
Disputed

- 1) Regularly deposited = ? ① State = Amt involved +
- 2) Amt O/S > 6 months name of Forum
on BS date = shall be indicated.

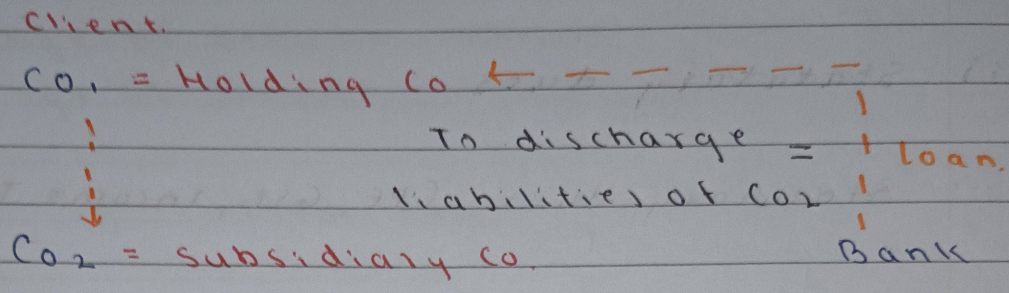
(viii) Unrecorded transaction.

- 1) Unrecorded = Surrendered / Transaction disclosed in cy = treated in BOR.

(ix) Repayment of loan.

- 1) Whether Co = has defaulted in repayment of loan
if yes, state
- 2) Whether Co = declared willfull defualter = By Bank ^{FI/}
- 3) whether loan utilised = for the purpose for which it was obtained
If yes = State amt + purpose - where Used.
- 4) Whether loan of short term = utilised in long-term? = If yes = state.

5) Loan obtained by Holding Co =
To discharge obligation of JAS.
State. a) Nature of transaction b) Amount



6) Loan obtained by Holding Co.
= on pledge of securities held in
IF so give details of loan + default in
repayment (if any).

(x) Private Placement / Public Office.

Funds = Public Issue (IPO / FPO) = utilised in the
purpose = which it was raised

Fund = Private / Preference = share /
v allotmt Debenture
a) utilised in purpose (convertible)

b) Completed = Section
42 & 62 of CA, 2013.

(xi) Fraud.

- 1) Fraud = By / on the Co. = noticed / reported = state
nature & Amt of fraud.
- 2) ADT-4 = Filed by the Auditor = 143 (12)
- 3) Whistle blower = during the = Considered by
Compliant year Auditor.

_ / _ / _

(xii) Nidhi Company

- a) Net owned to deposit = 1:20
- b) Total deposit = 10% = unemployed deposit.
- c) Default = Repayment of deposit or interest on deposit.

(xiii) Related Party

- 1) Provision of Section 177 + 188 = are complied?
- 2) Disclosure as per AS-18.

(xiv) Internal Audit.

- 1) Internal Audit System - as per size and nature of Ar.
- 2) Statutory Ar has considered report of Internal Ar.

(xv) Non Cash Transaction.

Whether provision of Section 192 are Complied with

192 = Co.

Dir / Person Ass.

Land = manesar.

office = CP

|
|
|

↑

office = CP

2000 Sqft.

↑

Land = manesar

↓

Non-cash = 192 = ① OR = Gm
Transaction ② valuation of Asset.

(xvi) Registration with RBI.

- ① Company = Registered under RBI Act?
- ② NBFC Activities = without certificate of Registration
- ③ CIC = ? = Fulfill the criteria (NBFC + Asset size of 100 cr + 90% Asset in form of Invest)
- ④ Exempted CIC = Fulfill the criteria.
- ⑤ > 1 CIC in Group = state no's of CIC.

(xvii) Cash losses.

Cash loss = in cy 1 PFY = incurred by company

P & L

Purchase 9 cr	Sale 12 cr	Cash Basis
Cash 8 cr	Cash 8 cr	
Due 1 cr	Accured 4 cr.	
Expense 2 cr		
Cash 1.5 cr		
ols 50 lakh		

Sale = 8 cr
 Purchase = (8 cr)
 exp = (1.5 cr)
 Cash = 1.5 cr
 Loss.

Net Profit 4 cr.

(xviii) Resignation of Statutory Auditor.

Objection, Concerns, issues raised by outgoing Ar = considered by current Ar.

(xix) Board and management Plans.

Ar = state = no material uncertainty exists = on AIR date

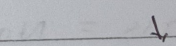
If Co is capable to pay off debts = exists on BS date = Payable in next 1 year.

- Ar will consider = Ageing report
- Financial ratios
- Realisation of Asset
- Payment of Liabilities
- Board and mgmt Plans

• BIS date

• AIR report

last day of FY



No material uncertainty

Company is competent to pay liabilities

1 year.

(xx) CSR

CSR mandate = ₹ 5 cr

CSR Spent = 3 cr.

Unspent = 2 cr.

Ongoing Project

Other than ongoing Project

shall be tIF to SBA

tIF to fund - Schd VII

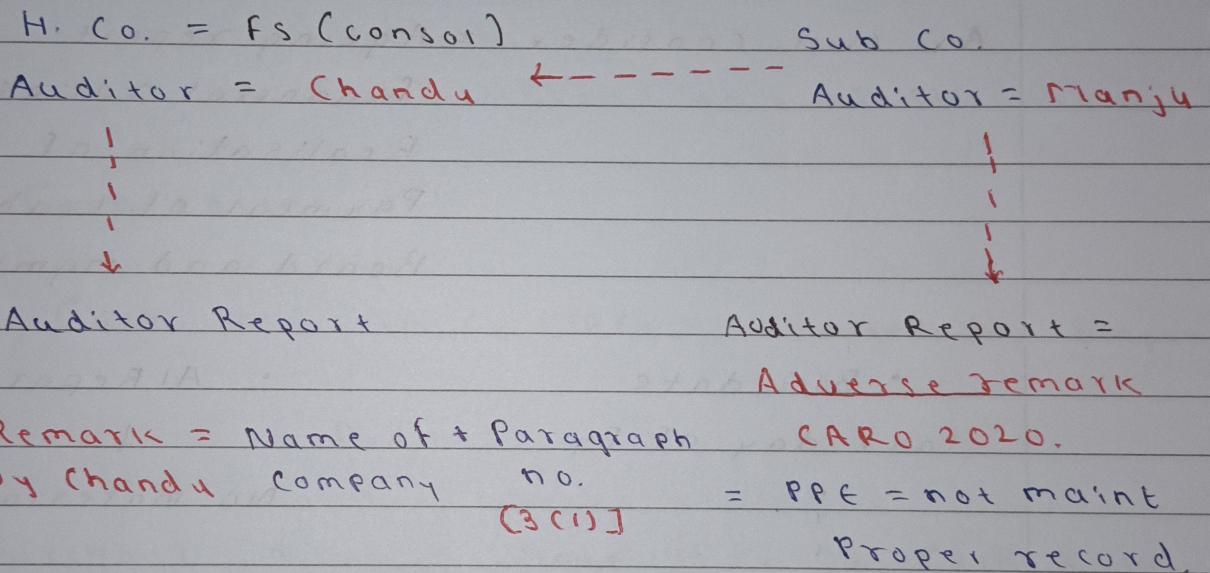
"unspent CSR A/c" (within 30 days)

- ① PM NRF
 - ② PM care fund
 - ③ fund = sc / ST / OBC / min / women.
- (within 6 m)

(xxi) Adverse remark by Auditor.

If Auditor of any Co = Included in FS =
provided Qua / Adverse
remark = CARO. (xix)

Ar shall state = Detail of Co + Preparation no.
Para No.



H Co = Standalone + Consolidated

