

Implementation Guide on Auditor's Reports under Indian Accounting Standards for Transition Phase



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

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FOREWORD

During the last year, the Ministry of Corporate Affairs had issued the roadmap for the implementation of the Indian Accounting Standards (Ind AS). As per the roadmap, Ind AS are mandatory for certain classes of companies from the current financial year 2016-17 and for other classes of companies from subsequent financial years. An urgent need was felt for providing appropriate guidance to the members on the auditor's reporting responsibilities on financial statements prepared as per Ind AS especially during the transition phase of switching over from the "Accounting Standards Framework" to the "Ind AS Framework".

I am happy that the Auditing and Assurance Standards Board has brought out this "Implementation Guide on Auditor's Reports under Indian Accounting Standards for Transition Phase" for the benefit of the members. The Implementation Guide was initially developed by an expert group constituted by the Board for this purpose and thereafter it was finalised with the contribution of the members of the Board and the Council of ICAI. The Implementation Guide has been written in an easy to understand language and is quite comprehensive.

I compliment CA. Shyam Lal Agarwal, Chairman, CA. Sanjay Vasudeva, Vice-Chairman and other members of the Auditing and Assurance Standards Board for bringing out this Implementation Guide for the benefit of the members.

I am sure that the members and other interested readers would find the publication immensely useful.

August 23, 2016
New Delhi

CA. M. Devaraja Reddy
President, ICAI

PREFACE

As the members are aware that as per the roadmap for implementation of the Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs, the same are applicable to specified classes of companies from the current financial year 2016-17 and to other classes of companies from subsequent financial years. Since there are substantial differences between the “Accounting Standards” used hitherto for preparation of financial statements and the “Ind AS”, the first time implementation of Ind AS has thrown up many challenges for the companies as well as their statutory auditors.

I feel immense pleasure in placing in hands of the members this “Implementation Guide on Auditor’s Reports under Indian Accounting Standards for Transition Phase” brought out by the Auditing and Assurance Standards Board for the benefit of the members.

At this juncture, I wish to place on record my gratitude to all the members of Delhi Study Group viz. CA. Sanjay Vasudeva (Convenor), CA. Archana Bhutani (Deputy Convenor), CA. Munish Saraogi, CA. V Balaji, CA. Sanjeev Singhal, CA. Parveen Kumar, CA. Akhilesh Gupta, CA. Amit Somani, CA. Ankit Kaistha and CA. Sunil Wahal for their dedicated efforts in developing this Implementation Guide despite the demands of their professional and personnel preoccupations. I would also like to thank CA. Bhupendra Mantri and CA. Vikas Gupta, Jaipur for their contribution in finalising this Implementation Guide.

I wish to express my sincere thanks to CA. M. Devaraja Reddy, President, ICAI and CA. Nilesh S. Vikamsey, Vice President, ICAI for their guidance and support to the activities of the Board.

I wish to place on record high appreciation of CA. Sanjay Vasudeva, Vice Chairman of the Board for his whole-hearted support. I also wish to place on record my sincere thanks to all the Board Members and all the Council Members for their suggestions, support and guidance in finalising this Guide as well as other pronouncements of the Board. I also wish to thank CA. Megha Saxena, Secretary to the Board and other officers and staff of AASB for their continued co-operation.

I am confident that the Implementation Guide would be well received by the members and other interested readers.

August 23, 2016
Jaipur

CA. Shyam Lal Agarwal
Chairman,
Auditing and Assurance Standards Board

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Introduction

1. In January 2015, Ministry of Corporate Affairs ('MCA') issued the road map for implementation of Indian Accounting Standards ('Ind AS') (as converged with the International Financial Reporting Standards ('IFRS')) for certain specified class of companies other than Banking Companies, Insurance Companies and Non-Banking Finance Companies ('NBFCs'). As per the road map, Ind AS are applicable in a phased¹ manner on a mandatory basis for the accounting periods beginning on or after April 01, 2016, with comparatives for the periods ending March 31, 2016, or thereafter. Companies are also permitted to adopt Ind AS on a voluntary basis for financial statements for accounting periods beginning on or after April 01, 2015, with the comparatives for the periods ending March 31, 2015, or thereafter. Companies (Indian Accounting Standards) Rules, 2015 notifying the Ind AS were notified by the MCA on February 16, 2015².

2. A separate road map for Banking Companies, Insurance Companies and NBFCs was issued in March 2016³ applicable in a phased manner for the accounting periods beginning on or after April 01, 2018, with comparatives for the periods ending March 31, 2018.

3. For listed companies, Securities and Exchange Board of India (SEBI) has clarified⁴ that while publishing quarterly/annual financial results, companies adopting Ind AS in terms of the Companies (Indian Accounting Standards) Rules, 2015 under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as "Listing Regulations, 2015"), shall ensure

¹ In this Implementation Guide, the term "Phase -1 companies" has been used to denote those classes of companies to whom Ind AS are applicable from 1st April, 2016 as per the roadmap for implementation of Ind AS.

² Notification ref: G.S.R. 111 (E) dated February 16, 2015.

³ Notification ref: GSR 365(E) dated March 30, 2016.

⁴ Circular ref: CIR/CFD/CMD/15/2015 dated November 30, 2015.

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that the comparatives filed along with such quarterly/annual financial results are also Ind AS compliant⁵.

4. Pursuant to the Companies (Indian Accounting Standards) Rules, 2015, companies are required to prepare their first set of financial statements under Ind AS which comprise the balance sheet as at the end of the financial year, statement of profit and loss, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year; cash flow statement for the financial year; statement of changes in equity; and any explanatory note annexed to, or forming part of, any document referred above.

5. The first set of Ind AS financial statements would include three balance sheets i.e., balance sheets as at March 31, 2017, as at March 31, 2016 and as at April 01, 2015 (opening balance sheet) for Phase I companies. Further, in case of Phase I companies with equity listed on a recognised stock exchange, the quarterly financial results under SEBI regulations would include prescribed comparative information⁵.

6. Ind AS 101, 'First-time Adoption of Indian Accounting Standards' is applicable when an entity prepares its first financial statements under Ind AS and each interim financial report, if any, that it presents for part of the period covered by its first Ind AS financial statements.

7. First time implementation of Ind AS poses many challenges in defining auditor's responsibilities towards the audit of comparative information including opening balance sheet and reconciliations as at the transition date and its implication on the auditor's reporting. Accordingly, there is a need to define auditor's responsibilities with respect to audit of such financial information.

⁵ This is subject to certain relaxations as per SEBI circular CIR/CFD/FAC/62/2016 dated 5th July 2016.

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Scope

8. This Implementation Guide provides guidance on reporting responsibilities of the auditors for the audit of:

- (a) Ind AS financial statements prepared for the first year in which Ind AS are applicable to the company.
- (b) Ind AS financial results prepared by a listed entity under SEBI Listing Regulations during the first year of adoption of Ind AS.
- (c) Special purpose financial statements for the corresponding period and opening balance sheet as per Ind AS which will be presented by the company as part of its first Ind AS financial statements.

Reporting Framework

9. SA 710 '*Comparative Information—Corresponding Figures and Comparative Financial Statements*' deals with the auditor's responsibilities regarding comparative information in an audit of financial statements. As per this SA, there are two different broad approaches to the auditor's reporting responsibilities in respect of such comparative information: (1) corresponding figures and (2) comparative financial statements. Under corresponding figures approach, the auditor's opinion does not refer to the corresponding figures (except in the limited specified circumstances); it refers to the current period only. The amounts and other disclosures for the prior period are included as an integral part of the current period financial statements, and are intended to be read only in relation to the amounts and other disclosures relating to the current period figures⁶. In contrast, when 'comparative financial statements' are presented, the auditor's opinion refers to each period for which financial

⁶ For 'corresponding figures' approach, refer to paragraphs 6, 10-14 of SA 710, Comparative Information—Corresponding Figures and Comparative Financial Statements.

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statements are presented and on which an audit opinion is expressed.

10. As per paragraph 6 of the '*General Instructions for the preparation of Financial Statements of a Company Required to Comply with Ind AS*' in Schedule III to the Companies Act, 2013, the financial statements shall contain the corresponding amounts for the immediately preceding reporting period for all items shown in the financial statements including notes except in the case of first financial statements laid before the company after incorporation. Similarly, SEBI Listing Regulations also require use of corresponding figures framework for disclosure of comparatives as part of the quarterly results for a particular quarter. Thus, typically, financial reporting frameworks in India use the corresponding figures approach⁷ for general purpose financial statements.

11. Unlike the requirements of accounting standards, Ind AS require a change in the accounting policy to be applied retrospectively (subject to specific transitional provisions in case of initial application of an Ind AS or the application of Ind AS 101). Thus, the entity is required to adjust the opening balance of each affected component of equity for the earliest prior period presented and the other corresponding figures disclosed for each prior period presented as if new accounting policy had always been applied. Similarly, Ind AS may require an entity to restate the corresponding figures in certain other circumstances for example, correction of prior period errors and reclassifications. However, as stated in paragraph 10, this does not necessitate use of comparative financial statements framework for reporting purposes.

12. Considering the above discussion, the audit report on the financial statements/financial results prepared in conformity with Ind AS would also be based on the

⁷ The comparative information presented under the corresponding figures framework is generally referred to as 'corresponding figures' or 'comparatives'.

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corresponding figures approach. As per the Standards on Auditing, the current auditor can place reliance on comparative information audited by the predecessor auditor (subject to the requirements of SA 510, '*Initial Audit Engagements-Opening Balances*' and SA 710).

Responsibility for reporting on opening balance sheet / corresponding figures in case the prior period financial statements were audited by another auditor

13. Ind AS 101 requires first-time adopters to prepare an opening Ind AS balance sheet at the date of transition to Ind AS (hereinafter referred to as the "opening balance sheet"). For the companies that will adopt Ind AS in the financial year 2016-17, the opening balance sheet will be as at April 01, 2015.

14. In accordance with Ind AS 101, a company applies the same accounting policies in its opening balance sheet and throughout all periods presented in its first complete set of Ind AS financial statements. Those accounting policies should comply with all applicable Ind AS (subject to exemptions and other stipulations in Ind AS 101).

15. Ind AS 101 also requires certain reconciliations to be included in the first complete set of Ind AS financial statements. Thus, information reconciling the financial statements, for the earlier period(s) presented, prepared in accordance with the Accounting Standards ('AS' or 'previous GAAP') with those prepared in accordance with Ind AS will be covered by the auditor's report on the first complete set of Ind AS financial statements.

16. It should be noted that management is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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17. In terms of auditor's responsibility for reporting on opening balance sheet and corresponding figures to be included in the first complete set of Ind AS financial statements in case the previous period financial statements were audited by another auditor, there can be the following situations:

- (a) Auditor for the first Ind AS financial statements ('incoming auditor') to audit corresponding figures for adjustments to transition to Ind AS (while complying with SA 710 for placing reliance on audit under previous GAAP by the predecessor auditor).
- (b) Predecessor auditor to audit adjustments to corresponding figures for transition to Ind AS and give an audit opinion on the same. Incoming auditor may rely on the audit of the predecessor auditor, however, he needs to comply with SA 710.

(A) Incoming auditor to audit corresponding figures for adjustments to transition to Ind AS

18. In this situation, the incoming auditor will audit the adjustments for transition to Ind AS while relying on the audit under previous GAAP by the predecessor auditor.

19. With regard to relying on the work done by the predecessor auditor on the corresponding figures, as mentioned earlier in paragraph 12, guidance can be taken from SA 710 dealing with the auditor's responsibilities regarding comparative information in an audit of financial statements. In such a case, 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 should also be applied.

20. SA 710 requires the current auditor to determine whether the financial statements include the comparative information required by the applicable financial reporting framework, whether such information is appropriately classified and to report in accordance with the auditor's

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reporting responsibilities. The auditor is also required to evaluate whether:

"7. (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.

8. If the auditor becomes aware of a possible material misstatement in the comparative information while performing the current period audit, 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.

With respect to corresponding figures framework, SA 710 further provides as follows:

13. If the financial statements 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 financial statements 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."

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21. In case the incoming auditor audits the adjustments to corresponding figures for transition to Ind AS, it is imperative that the requirements of SA 710 are complied with.

22. The incoming auditor should, as a part of the 'Other Matter' paragraph, state the fact of his reliance on the work of the predecessor auditor under previous GAAP for corresponding figures in his audit report. It should be explained that those financial statements were prepared under the Accounting Standards as applicable in the respective years and audited by the predecessor auditor. The incoming auditor has placed reliance on such audited corresponding figures and has performed audit procedures on the adjustments to such corresponding figures as required by applicable Ind AS.

(B) Predecessor auditor to audit transition adjustments

23. There can be a situation where the company appoints the predecessor auditor to audit the Ind AS transition adjustments to corresponding figures. The report of the predecessor auditor on the Ind AS corresponding figures will be forwarded by the company to the incoming auditor for his consideration. The incoming auditor may rely on the audit of predecessor auditor, however, he needs to comply with SA 710 and SA 510 as discussed earlier in paragraph 19.

24. Such Ind AS financial statements would represent financial statements under special purpose framework and hence the report of the predecessor auditor would need to be prepared in accordance with SA 800, '*Special considerations — Audits of financial statements prepared in accordance with special purpose frameworks*'. This is discussed in detail in paragraphs 26-29 below.

25. Suggested format of the auditor's report to be issued by the incoming auditor on the first set of Ind AS financial statements is given in **Annexure 1** to this Implementation Guide.

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Reporting on the Ind AS financial statements for the corresponding period and opening Ind AS balance sheet which will be presented by the company as part of its first Ind AS financial statements

26. As mentioned in paragraph 13 and 17 above, the first Ind AS financial statements will include Ind AS compliant figures for the corresponding period and opening balance sheet as per Ind AS (collectively referred to as 'comparative Ind AS financial statements') and the related transition adjustments may be audited by the predecessor auditor or the incoming auditor. There may be situations where a company gets these audited in advance of preparing the company's first complete set of Ind AS financial statements and the auditor (who is auditing the transition adjustments) is required to issue a separate report on such financial statements. Special considerations that would apply in such cases are discussed below.

27. With regard to the opening balance sheet and the financial statements for the corresponding period ("Comparative Ind AS Financial Statements"), the following considerations would *inter alia* apply while reporting:

- In addition to the notes required by Ind AS, the notes to such financial statements should describe that as part of conversion to Ind AS, the company has prepared the Comparative Ind AS financial statements to establish the financial position (balance sheet), income (including results of operations and Other Comprehensive Income) and cash flows of the company necessary to provide the comparative financial information expected to be included in the company's first complete set of Ind AS financial statements as at the company's Ind AS reporting date. The note should also state that these financial statements do not themselves include comparative financial information for the prior period;
- Such financial statements are only meant for providing corresponding figures in the first Ind AS based financial

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statements (for instance for a phase I company, these restated financial statements would relate to year ended 31st March 2016 which would be used for presenting corresponding figures in the first Ind AS financial statements for year ended 31st March 2017). Further, the comparative information would not be given in such financial statements (for instance in the above example, corresponding figures for the year ended 31st March 2015 would not be given in such restated financial statements for the year ended 31st March 2016). The engagement would represent audit of financial statements prepared as per special purpose framework and hence compliance should be ensured with the requirements of SA 800.

- **The audit report should *inter alia*:**

- a. be prepared in accordance with SA 800 and follow compliance framework for reporting purposes as discussed below:

As per SA 700, '*Forming an Opinion and Reporting on Financial Statements*', the financial reporting framework may be a fair presentation framework or a compliance framework. Where such financial statements are being prepared for presentation of the first complete set of Ind AS financial statements, the compliance framework would have to be followed. This is because of the fact that the corresponding figures would not be given in such financial statements.

Further, in cases where the regulatory requirement of presentation of the first complete set of Ind AS financial statements is far away and the comparative Ind AS financial statements are prepared much in advance e.g. in June 2016 for a company which expects to be covered by the Ind AS roadmap in 2018-19, there can be significant uncertainty on the accounting policies that will be followed since there

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could be changes regarding accounting policies in the intervening period necessary to reflect the effects of changes in financial reporting requirements that are relevant to the company's first complete set of Ind AS financial statements arising from new or revised standards or interpretations issued subsequent to the preparation of comparative Ind AS financial statements. Accordingly, in such cases, it would be appropriate if these are titled as preliminary comparative Ind AS financial statements and an Emphasis of Matter Paragraph is included explaining that the Ind AS accounting policies applied in preparing the preliminary comparative Ind AS financial statements may be subject to change.

- b. make clear from the title of the report that it is not a report on a complete set of general purpose financial statements, for example "special purpose independent auditor's report on the comparative Ind AS financial statements".
- c. should identify the financial information presented (Ind AS balance sheet for the previous year, the statement of profit and loss, opening balance sheet, changes in equity and cash flows and related notes) and indicate the purpose for which it has been prepared by management.
- d. include an Emphasis of Matter Paragraph highlighting that special purpose comparative Ind AS financial statements have been prepared to provide the corresponding figures expected to be included in the Company's first complete set of Ind AS financial statements.
- e. include an Emphasis of Matter Paragraph highlighting and explaining that the special purpose comparative Ind AS financial statements do not include comparative information for the prior period.

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Reference should be made to the relevant note in such financial statements.

- f. clearly state that the financial statements are prepared in accordance with a special purpose framework and, therefore, may not be suitable for another purpose.

28. If the company intends to issue the special purpose comparative Ind AS financial statements publicly, it should not refer to such information as audited unless the auditor's report is attached or the auditor's report is available in the public domain.

29. Suggested format of the special purpose audit report is given in **Annexure 2** to this Implementation Guide. This format is only for the financial year ending March 31, 2017. For audit reports for financial years commencing on or after 1st April 2017, SA 701 '*Communicating Key Audit Matters in the Independent Auditor's Report*' applies. Further, SA 700 '*Forming an Opinion and Reporting on Financial Statements*', SA 705 '*Modifications to the Opinion in the Independent Auditor's Report*' and SA 706 '*Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*' have also been revised. So the formats for audit reports for financial years commencing on or after April 01, 2017 would have to be duly modified.

Review/ audit of quarterly/ annual financial results as per Ind AS under SEBI Regulations

30. SEBI Regulations require listed companies following Ind AS to publish comparatives along with quarterly/annual financial results which are also Ind AS compliant. For example, the financial results for the quarter ended June 30, 2016 of Phase I companies will include corresponding figures for the quarter ended June 30, 2015 (and quarter ended March 31, 2016 and for the year ended March 31, 2016 unless the company has availed the relaxations

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provided by SEBI in its circular dated 5th July 2016⁸). Further, as per the clarification by SEBI, these corresponding figures have to be prepared in accordance with Ind AS. To comply with this, suitable adjustments would be required to be made to corresponding figures prepared as per previous GAAP to bring them in conformity with Ind AS.

31. With respect to the reporting by the auditor, it is noted that as per the formats of the financial results prescribed by SEBI, the annual figures for the previous year had to be stated as 'audited' even where the quarterly results are reviewed. However, SEBI has relaxed the requirement for the first three quarters of the first year of Ind AS implementation whereby submission of annual financial results for the previous year is not mandatory. There can nevertheless be situations where companies do not avail the relaxation and instead choose to present audited or reviewed results for the previous year and/or relevant quarters of the previous year.

32. Where the company opts (as discussed in paragraph 31 above) to present audited/reviewed financial results for the corresponding periods, there may be situations where the prior period(s) figures were not reviewed/audited by another auditor (being the predecessor auditor). Further, while the predecessor auditor may have reviewed/audited the financial result of the previous year, such review/audit would have been performed for financial statements prepared under previous GAAP and not Ind AS. In such cases also, the guidance provided above under paragraphs 9 to 29 can be applied for review/audit of corresponding financial results prepared as per Ind AS in the first year of transition.

Suggested format of the Audit Report/ Limited Review Report on quarterly financial results is given in **Annexure 3** to this Implementation Guide.

⁸ Circular ref: CIR/CFD/FAC/62/2016.

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Statement of compliance with Ind AS 34, 'Interim Financial Reporting' in the financial results

33. Regulation 33(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') *inter alia* requires that the quarterly and year to date results, for equity listed companies covered by Ind AS, should be prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, *Interim Financial Reporting*.

34. As per Ind AS 34,

"3. If an entity's interim financial report is described as complying with Ind ASs, it must comply with all of the requirements of this Standard. Paragraph 19 requires certain disclosures in that regard.

19. If an entity's interim financial report is in compliance with this Standard, that fact shall be disclosed. An interim financial report shall not be described as complying with Ind ASs unless it complies with all of the requirements of Ind ASs. (Emphasis added)

1. This Standard does not mandate which entities should be required to publish interim financial reports, how frequently, or how soon after the end of an interim period. However, governments, securities regulators, stock exchanges, and accountancy bodies often require entities whose debt or equity securities are publicly traded to publish interim financial reports⁹. This Standard applies if an entity is required or elects to publish an interim financial report in accordance with Indian Accounting Standards (Ind ASs). [Refer Appendix 1]"

⁹ Unaudited financial results required to be prepared and presented under Clause 41 of Listing Agreement with stock exchanges is not an 'Interim Financial Report' as defined in paragraph 4 of this Standard.

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35. Thus, for an interim financial report to be considered to be in compliance with Ind AS 34, it should comply with all the requirements of such Ind AS. However, the financial results under Listing Regulations do not comply with all the disclosure requirements of Ind AS 34.

36. As per a combined reading of Regulation 33(1)(b) and Ind AS 34, quarterly/annual financial results submitted under Regulation 33 are not 'interim financial report' under Ind AS 34. However, due to the specific requirement of the Listing Regulations, such financial results are nevertheless required to comply with the recognition and measurement principles laid down in Ind AS 34. The presentation and disclosure requirements contained in Ind AS 34 are not required to be applied in respect of quarterly/annual financial results under Regulation 33 of Listing Regulations. These financial results would need to instead comply with the presentation and disclosure requirements of the Listing Regulations (which are different in form and/or content as required by Ind AS 34).

37. The requirement of disclosure of compliance with Ind AS 34 given in paragraph 19 of Ind AS 34 (reproduced above) also represents a disclosure requirement and hence would not apply for financial results submitted and published under the Listing Regulations.

Responsibility of the existing auditor in other special situations e.g. filing of offer documents with SEBI or where the predecessor auditors were joint auditors

38. SEBI (ICDR) Regulations, 2009 require disclosure of financial information for each of the five financial years immediately preceding the year of filing of the offer document while following uniform accounting policies for each of the financial years.

39. On March 31, 2016, SEBI has issued a circular¹⁰ clarifying the applicability of Ind AS to the financial

¹⁰ Circular number EBI/HO/CFD/DIL/CIR/P/2016/47.

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information disclosed by the issuer companies in their offer document. The circular requires that to align the disclosure requirements for financial information in the offer document as specified under SEBI (ICDR) Regulations, 2009 with the requirements of Ind AS specified under Ind AS Roadmap, the disclosure of financial information in accordance with Ind AS in the offer document **for Phase I companies** shall be in the following manner:

Period of filing of offer document	Latest financial year/ interim period, if any	Second latest financial year	Third financial year	Second earliest financial year	Earliest financial year
1 April 2016 to 31 March 2017	Indian GAAP	Indian GAAP	Indian GAAP	Indian GAAP	Indian GAAP
1 April 2017 to 31 March 2018	Ind AS	Ind AS	Ind AS	Indian GAAP	Indian GAAP
1 April 2018 to 31 March 2019	Ind AS	Ind AS	Ind AS	Indian GAAP	Indian GAAP
1 April 2019 to 31 March 2020	Ind AS	Ind AS	Ind AS	Ind AS	Indian GAAP
On or after 1 April 2020	Ind AS	Ind AS	Ind AS	Ind AS	Ind AS

- Issuer companies covered **under Phase 2** of Ind AS Roadmap to follow the above timelines with time lag of one year.
- Issuer companies are also required to ensure compliance with relevant requirements of Ind AS 101.
- Financial information for any particular year should be in accordance with consistent accounting policies (Ind AS/ Indian GAAP).

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- There should be a clear disclosure that the financial information has been disclosed in accordance with Ind AS while suitably explaining the difference between Ind AS and the previously applicable accounting standards, and the impact of transition to Ind AS.

40. The circular also provides an option to issuer companies to present financial information of all the five year periods under Ind AS framework instead of Indian GAAP otherwise applicable for such period(s).

41. There may be situations where the prior period(s) financial information were not audited by the existing auditor. Further, while the predecessor auditor may have audited the financial statements of the earlier year(s), the audit may have been performed for financial statements prepared under Indian GAAP (i.e. previous GAAP) and not Ind AS. In such cases also, the guidance provided above under paragraphs 9 to 29 can be applied.

42. Similarly, in cases where the financial statements for the prior period(s) were audited by joint auditors and only one of the joint auditors is the existing auditor, the guidance as stated above in paragraphs 9 to 29 can be applied.

Reference to the Auditor's Expert in the Auditor's Report

43. Preparation of financial statements under Ind AS may require expertise in a field other than accounting or auditing e.g.:

- The valuation of complex financial instruments, land and buildings, plant and machinery, jewelry, works of art, antiques, intangible assets, assets acquired and liabilities assumed in business combinations and assets that may have been impaired.
- The actuarial calculation of liabilities associated with insurance contracts or employee benefit plans.

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- The estimation of oil and gas reserves.
- The valuation of environmental liabilities, and site clean-up costs.
- The interpretation of contracts, laws and regulations.
- The analysis of complex or unusual tax compliance issues.

44. If expertise in a field other than accounting or auditing is necessary, the auditor should determine whether to use the work of an auditor's expert to obtain sufficient appropriate audit evidence. An auditor who is not an expert in a relevant field other than accounting or auditing may nevertheless be able to obtain a sufficient understanding of that field to perform the audit without an auditor's expert. In other cases, however, the auditor may determine that it is necessary, or may choose, to use an auditor's expert to assist in obtaining sufficient appropriate audit evidence.

45. One of the challenges involved in the transition to Ind AS is the greater use of fair value. Auditors may not have the requisite expertise with regard to fair valuation and may use an expert (whether an individual or organization) who possesses the requisite expertise in this field. In this regard, SA 540, *'Auditing Accounting Estimates, including Fair Value Accounting Estimates and Related Disclosures'* and SA 620, *'Using the Work of an Auditor's Expert'* should be complied with by the auditor.

46. SA 620 deals with the auditor's responsibilities regarding the use of an individual or organisation's work in a field of expertise other than accounting or auditing, when that work is used to assist the auditor in obtaining sufficient appropriate audit evidence. As per the Standard:

"12. The auditor shall evaluate the adequacy of the auditor's expert's work for the auditor's purposes, including:

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- (a) The relevance and reasonableness of that expert's findings or conclusions, and their consistency with other audit evidence;*
- (b) If that expert's work involves use of significant assumptions and methods, the relevance and reasonableness of those assumptions and methods in the circumstances; and*
- (c) If that expert's work involves the use of source data that is significant to that expert's work, the relevance, completeness, and accuracy of that source data.*

Similar responsibilities have been laid down in SA 220, "Quality Control for an Audit of Financial Statements".

14. The auditor shall not refer to the work of an auditor's expert in an auditor's report containing an unmodified opinion unless required by law or regulation to do so. If such reference is required by law or regulation, the auditor shall indicate in the auditor's report that the reference does not reduce the auditor's responsibility for the audit opinion.

15. If the auditor makes reference to the work of an auditor's expert in the auditor's report because such reference is relevant to an understanding of a modification to the auditor's opinion, the auditor shall indicate in the auditor's report that such reference does not reduce the auditor's responsibility for that opinion.

A42. It may be appropriate in some circumstances to refer to the auditor's expert in an auditor's report containing a modified opinion, to explain the nature of the modification. In such circumstances, the auditor may need the permission of the auditor's expert before making such a reference."

47. Thus, if the auditor uses work performed by an auditor's expert, he will continue to be responsible for forming and

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expressing his opinion on the financial information. However, he will be entitled to rely on work performed by the auditor's expert, provided he exercises adequate skill and care and is not aware of any reason to believe that he should not have so relied. However, unless required by law or regulation, the auditor shall not refer to the work of an auditor's expert in an auditor's report containing an unmodified opinion. The reasoning for this is that such a reference may inappropriately imply a reduction in the auditor's responsibility for the opinion. It should nevertheless be ensured that appropriate disclosure of the assumptions, etc., used by the management as required by the applicable standards are included in the financial statements. The auditor should also ensure compliance with SA 540.

Annexure I

Illustrative Format of Independent Auditor's Report on the First Standalone Ind AS Financial Statements of a Company under the Companies Act, 2013 and the Rules Thereunder¹¹

Circumstances include the following:

- Audit of a complete set of standalone general purpose financial statements of a company prepared under the Ind AS financial reporting framework applicable to the company as per the Companies Act, 2013.
- The terms of audit engagement reflect description of management's responsibility for the financial statements in SA 210, Agreeing the Terms of Audit Engagements.
- The independent auditor has given an Unmodified Opinion in respect of the true and fair view of the financial statements.
- In addition to expressing opinion on the true and fair view of the financial statements, the auditor has other reporting responsibilities required under the Companies Act 2013 and/or other regulatory requirements, including the responsibility to report on internal financial controls pursuant to section 143(3)(i) of the Companies Act 2013, which may be a clean or modified opinion.

INDEPENDENT AUDITOR'S REPORT

To The Members of ABC Company Limited

¹¹ This format would be applicable only for periods ending on or before 31st March, 2017 since for subsequent periods the format would have to be revised based on new SA 701 and revised SAs 700, 705, 706.

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Report on the Standalone¹² Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of ABC Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, [in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at (location of the branches)]¹³.

Management's Responsibility for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (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 the Indian Accounting Standards (Ind AS) prescribed 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

¹² Where the Company does not have any requirement to prepare consolidated financial statements under the Companies Act 2013, the word "Standalone" need not be used in this document.

¹³ Where applicable.

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effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS 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 of the standalone Ind AS financial statements 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 standalone 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters¹⁴

a) Predecessor auditor to audit transition adjustments¹⁵

The comparative financial information of the company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information and the opening balance sheet dated 15th June 2016 expressed an unmodified opinion.

(OR)

Incoming auditor to audit comparative information for adjustments to transition to Ind AS¹⁶

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date

¹⁴ Where applicable.

¹⁵ Where the transition adjustments and the opening balance sheet as per Ind AS have been audited by the predecessor auditor.

¹⁶ Where the transition adjustments have been audited by the current auditor.

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opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 1st August 2016 and 1st July 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

- b) We did not audit the financial statements/information of _____(number) branches included in the standalone Ind AS financial statements of the Company whose financial statements / financial information reflect total assets of Rs._____ as at 31st March, 2017 and total revenues of Rs._____ for the year ended on that date. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" 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

IG on Auditor's Report under Ind AS for Transition Phase

and belief were necessary for the purposes 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 [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.^{17]}
- c) [The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report^{18].}
- d) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us^{19]}.
- e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and

¹⁷ Where applicable.

¹⁸ Where applicable.

¹⁹ Where applicable.

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the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- 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, 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 Ind AS financial statements; [or the Company does not have any pending litigations which would impact its financial position²⁰]
 - 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; [or the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.²¹].
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company [or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company²²].

For XYZ & Co.
Chartered Accountants

²⁰ As may be applicable.

²¹ As may be applicable.

²² As may be applicable.

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(Firm's Registration No.)

Signature
(Name of the Member Signing the Audit Report)
(Designation²³)
(Membership No. XXXXX)

Place :

Date:

²³ Partner or Proprietor, as the case may be.

Annexure 2

Illustrative Format of Independent Auditor's Report on the Comparative Ind AS Financial Information which will be Presented by a Company as Part of its First Ind AS Standalone Financial Statements

Circumstances include the following:

- Audit of special purpose standalone financial statements of a company prepared under Ind AS solely for purposes of including the amounts and disclosures as comparative information in the first Ind AS financial statements reported by the Company.
- The terms of audit engagement reflect description of management's responsibility for the special purpose financial statements in SA 210, Agreeing the Terms of Audit Engagements.
- The audit report is issued in terms of SA 800 "Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks" under the compliance framework.
- The independent auditor:
 - Has given an Unmodified Opinion in respect of the special purpose standalone Ind AS financial statements; and
 - Has given Emphasis of Matter paragraphs only for:
 - highlighting and explaining that these standalone Ind AS financial statements do not include all comparative financial information for the prior period.
 - highlighting that these standalone Ind AS comparative financial statements have been prepared to provide the comparative financial information expected to be included in the

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Company's first complete set of standalone Ind AS financial statements.

- The auditor includes a "restriction on use" paragraph that the standalone Ind AS financial statements are prepared in accordance with a special purpose framework and, therefore, may not be suitable for another purpose.
- The auditor has no other additional reporting responsibilities under the Companies Act, 2013 in respect of these special purpose financial statements.

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of ABC Company Limited

Report on the Comparative Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying special purpose standalone Ind AS financial statements of ABC Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016 and the Opening Balance Sheet as at 1st April, 2015, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended 31st March, 2016, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Comparative standalone Ind AS Financial Statements").

Management's Responsibility for the Comparative Standalone Ind AS 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 Comparative Standalone Ind AS Financial Statements in accordance with the basis of accounting described in Note X.

IG on Auditor's Report under Ind AS for Transition Phase

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 Comparative Standalone Ind AS Financial Statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these Comparative Standalone Ind AS Financial Statements based on our audit.

We conducted our audit of the Comparative Standalone Ind AS Financial Statements 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 the 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 controls 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 the effectiveness of the Company's internal financial controls. An audit also includes

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evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 Comparative Standalone 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 Comparative Standalone Ind AS Financial Statements for the year ended 31st March, 2016 (including opening balance sheet as at 1st April 2015), are prepared, in all material respects, in accordance with the basis of accounting described in Note X to these financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note X to these Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting. The financial statements are prepared to assist ABC Company Limited to meet the requirements of preparation of first set of complete standalone Ind AS financial statements. As a result, the financial statements may not be suitable for another purpose.

Emphasis of Matter

We draw attention to Note X to the Comparative Standalone Ind AS Financial Statements, which describes the basis of accounting and further states that the comparative financial information has not been included in these financial statements. Only a complete set of financial statements together with comparative financial information can provide a

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fair presentation of the company's state of affairs (financial position), profit/loss (financial performance including other comprehensive income), cash flows and the changes in equity.²⁴

Our opinion is not modified in respect of this matter.

Other Matter

The financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these special purpose standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report dated 1st August 2016 and 1st July 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us²⁵.

ABC Company Ltd. has prepared a separate set of financial statements for the year ended March 31, 2016 and March 31, 2015 in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 on which we issued a separate auditor's report to the shareholders of ABC Company Ltd. dated 1st August, 2016 and 1st July, 2015 respectively.

Our opinion is not modified in respect of this matter.

²⁴ In case of preliminary comparative Ind AS financial statements, the emphasis of matter paragraph should also include the following:

"We draw attention to Note XX to the accompanying preliminary Comparative Standalone Ind AS Financial Statements to explain why there is a possibility that these may require adjustments before constituting the final Comparative Standalone Ind AS Financial Statements."

²⁵ To be included only where the adjustments for transition to Ind AS are audited by the incoming auditor while relying on the predecessor auditor for the audit under previous GAAP.

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For XYZ & Co.
Chartered Accountants
(Firm's Registration No.)

Signature
(Name of the Member Signing the Audit Report)
(Designation²⁶)
(Membership No. XXXXX)

Place:

Date:

²⁶ Partner or Proprietor, as the case may be.

Annexure 3

Illustrative Format of Audit Report on Quarterly Financial Results (Companies other than Banks and Insurance Companies) (Phase 1) - Unmodified Opinion (only for quarterly results in the first year of Ind AS implementation)

Circumstances include the following:

- Only mandatory information as per the SEBI circular CIR/CFD/FAC/62/2016 dated 5th July 2016 is presented in the financial results.
- The results for the corresponding periods in the previous year have not been audited as per the relaxation available in the above referred circular.

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of(Name of the company)

We have audited the quarterly standalone financial results of (Name of the company) for the quarter ended (date of the quarter end) and the year to date results for the period to, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended ____ and the corresponding year to date from.....to, including the reconciliation of profit/ loss under Ind AS of the corresponding quarter with profit/ loss reported under

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previous GAAP, as reported in these financial results have been approved by company's Board of Directors but have not been subjected to audit²⁷.

These quarterly standalone financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) for Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India²⁸, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and

²⁷This sentence may need to be modified depending on the exemption, if any, available for the relevant quarter.

²⁸Where, a listed entity is not a company.

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Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5th July 2016 in this regard; and

- (ii) give a true and fair view of the net profit/ loss (financial performance including other comprehensive income)²⁹ and other financial information for the quarter ended (date of the quarter end) as well as the year to date results for the period from to

For XYZ & Co.
Chartered Accountants
(Firm's Registration No.)

Signature
(Name of the member signing the audit report)
(Designation)³⁰
(Membership Number)

Place of signature:

Date:

²⁹Whichever is applicable.

³⁰Partner or proprietor, as the case may be.

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Illustrative Format of Limited Review Report on Quarterly Financial Results for Companies (other than banks and insurance companies) (Phase 1) – Unmodified Opinion (only for quarterly results in the first year of Ind AS implementation)

Circumstances include the following:

- Only mandatory information as per the SEBI circular CIR/CFD/FAC/62/2016 dated 5th July 2016 is presented in the financial results.
- The results for the corresponding periods in the previous year have not been reviewed as per the relaxation available in the above referred circular.

Limited Review Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of..... (Name of the Company)

We have reviewed the accompanying statement of unaudited standalone financial results of (Name of the Company) for the period ended..... and the year to-date results for the period to..... attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended ____ and the corresponding year to date fromto....., including the reconciliation of profit/ loss under Ind AS of the corresponding quarter with profit/ loss reported under previous GAAP, as reported in these

IG on Auditor's Report under Ind AS for Transition Phase

financial results have been approved by company's Board of Directors but have not been subjected to review³¹.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India³² and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

³¹ This sentence may need to be modified depending on the exemption, if any, available for the relevant quarter.

³² Where, a listed entity is not a company.

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For XYZ & Co.
Chartered Accountants
(Firm's Registration No.)

Signature
(Name of the member signing the report)
(Designation)³³
(Membership Number)

Place of signature:
Date:

³³ Partner or proprietor, as the case may be.