

Implementation Guide to
Standard on Auditing (SA) 720(Revised)
**The Auditor's Responsibilities
Relating to Other Information**



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

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Foreword

ICAI issued Standard on Auditing (SA) 720(Revised), “The Auditor’s Responsibilities Relating to Other Information” in 2018 which is applicable for audits of financial statements for financial year 2018-19 and onwards. SA 720(Revised) has made significant changes to pre-revised SA 720 by incorporating several new requirements including reporting requirements on “Other Information”. In view of the significant changes made by revised Standard, it was felt necessary to provide guidance to the members on this Standard in the form of an Implementation Guide.

I am happy that continuing with its efforts to issue Implementation Guides on various Standards on Auditing to provide appropriate guidance to our members, the Auditing and Assurance Standards Board of ICAI has brought out this “Implementation Guide to SA 720(Revised), The Auditor’s Responsibilities Relating to Other Information”. The Implementation Guide is written in an easy to understand language in a Question-Answer format and is quite comprehensive.

I compliment CA. G. Sekar, Chairman, CA. Debashis Mitra, Vice-Chairman and all 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 would find this Implementation Guide immensely useful.

August 14, 2019
New Delhi

CA. Prafulla P. Chhajed
President, ICAI

Preface

In the year 2018, ICAI issued SA 720(Revised), The Auditor's Responsibilities Relating to Other Information. The Standard is applicable for audits of financial statements for periods beginning on or after April 1, 2018. The Standard casts a new reporting requirement on the auditors of listed entities and corporate entities to include a separate section on "Other Information" in their audit reports. The Standard also contains several new requirements regarding auditors' work effort on other information. The Auditing and Assurance Standards Board (AASB) of ICAI decided to develop an Implementation Guide on SA 720(Revised) to provide reasonable guidance to our members so that they can discharge their responsibilities in an effective manner.

The AASB feels happy to publish this "Implementation Guide to SA 720(Revised), "The Auditor's Responsibilities Relating to Other Information". The Implementation Guide is written in simple and easy to understand language. For ease of usage and understanding of the readers, the Implementation Guide has been written in a "Question – Answer" format containing FAQs on this Standard and their responses.

I wish to place on record high appreciation of CA. Debashis Mitra, Vice-Chairman of the Board for his whole-hearted effective co-ordination and contribution in publishing this material and in various activities of the Board.

I wish to express my sincere thanks to CA. Prafulla Premsukh Chhajed, Honourable President, ICAI and CA. Atul Kumar Gupta, Honourable Vice-President, ICAI for their guidance and support to the activities of the Board

I am extremely grateful to CA. Sanjeev Singhal, Delhi and his team comprising CA. Deepa Agarwal (key resource person), CA. Pranav Jain, CA. Gopal Agarwal for taking time out of their professional and personal preoccupations to

write this Implementation Guide. I also acknowledge the contribution of CA. Shrinivas Joshi in finalizing this Implementation Guide.

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 Implementation Guide as well as other pronouncements of the Board. I also wish to thank CA. Megha Saxena, Secretary, AASB and staff of AASB for their dedicated efforts.

I am confident that the Implementation Guide would be very useful for our members and other stakeholders while performing their functions.

August 14, 2019
Chennai

CA. G. Sekar
Chairman,
Auditing and Assurance Standards Board

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Chapter 1

Introduction

1.1 This Implementation Guide provides supplementary guidance to Standard on Auditing (SA) 720(Revised), The Auditor's Responsibilities Relating to Other Information and has to be read together with SA 720(Revised). In absence of any separate requirement, the auditor's opinion does not cover 'Other Information' in documents containing audited financial statements and the auditor has no specific responsibility for determining whether or not other information is properly stated except where there exists a regulatory requirement to do so. However, in case there are material inconsistencies between the audited financial statements and the other information, the credibility of the financial statements would be undermined and thus, it may be considered necessary by the auditor to review the Other Information.

Scope of the Implementation Guide

1.2 The scope of this Implementation Guide is limited to SA 720(Revised) which is effective for audits of financial statements for periods beginning on or after 1st April 2018.

1.3 This Standard deals with the auditor's responsibilities relating to other information, whether financial or non-financial information (other than financial statements and the auditor's report thereon), included in an entity's annual report. An entity's annual report may be a single document or a combination of documents that serve the same purpose.

1.4 It should, however, be noted that this Implementation Guide is not a replacement of or a substitute for the original Standard(s) and must not therefore be read on a standalone basis. It is meant to clarify and augment a practitioner's understanding of the Standards and provide guidance where

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appropriate. Practitioners are therefore urged to first read the relevant Standard(s) and refer to them as they use this Implementation Guide. For ease of usage, the various issues in SA 720(Revised) have been dealt with in an easy-to-follow “Question – Answer” format.

Objective of SA 720(Revised)

1.5 Over past few years, there have been significant developments in reporting by companies, particularly regarding the amount of details included in the annual reports, as well as the importance attributed by various stakeholders to the information in annual reports beyond the audited financial statements and the auditor’s report.

Annual reports now include more narrative and qualitative information than in the past, including descriptions of the company’s business model, risk exposures and uncertainties. Stakeholders have been attaching more importance to such information as they look for ways to better inform their analysis and understanding of the more complex areas in the financial statements, including disclosures.

There is also an emphasis to better integrate information in financial statements, Management’s Discussion and Analysis (MD&A), and other parts of the annual report.

SA 720 was revised to clarify and increase auditors’ involvement with other information and in process enhance the credibility of financial statements by specifying appropriate responsibilities of the auditor relating to the range of other information in documents containing audited financial statements. SA 720(Revised) seeks to further align users’ expectations and auditors’ responsibilities.

SA 720(Revised) would also assist the auditor in complying with relevant ethical requirements that require the auditor to avoid being associated with information that the auditor believes contains a materially false or misleading statements or information

furnished negligently, or omits or obscures any information required to be included where such omission or obscurity would be misleading.

1.6 Reading other information, such as that included in an entity's annual report, for the purpose of identifying inconsistencies with the financial statements has been a long-standing practice in audits. In fact, the auditor's approach to annual reports (and other documents containing audited financial statements) has in many jurisdictions and on many audits involved much more than "reading". Auditors compare amounts in the other information to the financial statements and the other content in the document is read and considered based on the audit work performed.

SA 720(Revised), which addresses the auditor's responsibilities for other information within the scope of the financial statements audit, "raises the bar" on these responsibilities by reflecting current practices by auditors, as well as taking into consideration the nature of and importance placed on other information in the current environment.

1.7 The key changes with respect to auditor's responsibilities under SA 720(Revised) are discussed below:

Enhanced auditor's responsibilities – The revised standard has extended auditor's responsibility and requires auditor to:

- Consider whether there is material inconsistency between the other information and the auditor's knowledge obtained in the audit (in addition to earlier requirement of determining whether there is material inconsistency between the other information and the financial statements).
- Respond when the auditor identifies that such material inconsistencies appear to exist or when auditor otherwise becomes aware that other information appears to be materially misstated.
- Report as required by SA 720(Revised).

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- Remain alert for indications that the other information not related to the financial statements or auditor's knowledge obtained in the audit appears to be materially misstated.

'Other information' - include documents that are provided to stakeholders along with the financial statements, and which meet the definition of an "annual report". An entity's annual report may be a single document or a combination of documents that serve the same purpose (e.g. Management Report, Chairman's Statement, Corporate Governance Statement/ Report, etc.).

In order to facilitate the determination of documents in scope for an engagement, SA 720(Revised) includes a new requirement for the auditor to determine, through discussions with management, which documents comprise the annual report, and the entity's planned manner and timing of issuance of such documents.

Depending on the applicable law, regulation or custom, one or more of the following documents may form part of the annual report (Other Information):

- Management report, management commentary, or operating and financial review or similar reports by those charged with governance. (for example, a directors' report)
- Chairman's statement.
- Corporate governance statement/reports.
- Financial Highlights.
- Secretarial audit report.

Following are not other information within the scope of this SA:

- Separate industry or regulatory reports (for example, capital adequacy reports), such as may be prepared in the banking, insurance, and pension industries.
- Corporate social responsibility reports.
- Sustainability reports.
- Diversity and equal opportunity reports.
- Product responsibility reports.

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- Labour practices and working conditions reports.
- Human rights reports.
- Other regulatory filings with the government agencies such as the Registrar of Companies.

Additional work effort – The requirement given in pre-revised SA 720 to only read the “other information” has been expanded to include auditor’s “consideration” of other information. This will result in increased work effort by the auditor. This consideration includes both consistency with the financial statements and consistency with the knowledge obtained in the audit which includes auditor’s understanding of the entity, and its environment, including the entity’s internal control, matters that are prospective in nature such as business prospects etc.

As the basis for consideration of whether there is a material inconsistency between the other information and the financial statements, SA 720(Revised) requires the auditor to compare selected amounts or other items in the other information with such amounts or items in the financial statements.

The new requirement of auditor’s consideration of whether there is a material inconsistency between the other information and the auditor’s knowledge obtained in the audit is more subjective in nature and would require professional judgement.

If the auditor identifies that a material inconsistency appears to exist or becomes aware that the other information appears to be materially misstated the auditor is required to perform additional audit procedures to conclude whether a material misstatement of other information or financial statements exists or auditor’s understanding of the entity and its environment needs to be updated.

The material inconsistency identified by the auditor may indicate that there is a material misstatement of the financial statements or of the other information, either of which may undermine the credibility of the financial statements and the auditor’s report thereon. Such material misstatements may also inappropriately

influence the economic decisions of the users for whom the auditor's report is prepared.

Communication with those charged with governance – If the auditor concludes that a material misstatement exists in other information obtained prior to the date of the auditor's report and other information is not corrected after communicating with those charged with governance, the auditor shall communicate with those charged with governance about the auditor's plans to address the material misstatements in the auditor's report.

Auditors should also communicate their expectations in relation to obtaining the final version of the annual report in a timely manner and possible implications when other information is obtained after the date of auditor's report.

Reporting - The auditor's report shall include a separate section with a heading "Other Information" or other appropriate heading such as 'information other than the financial statements and auditor's report thereon' in all cases i.e. irrespective of auditor has something/nothing to report on other information. Such reporting includes:

- A statement that management is responsible for other information;
- Identification of the other information, if any obtained prior to the date of the auditor's report. In the case of a listed entity, the auditor is also required to identify any other information expected to be obtained after the date of the auditor's report;
- A statement that the auditor's opinion does not cover the other information and, accordingly, that the auditor does not express (or will not express) an audit opinion or any form of assurance conclusion thereon;
- A description of the auditor's responsibilities relating to reading, considering and reporting on other information; and
- When other information has been obtained prior to the date of the auditor's report, either:

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- (i) A statement that the auditor has nothing to report; or
- (ii) If the auditor has concluded that there is an uncorrected material misstatement of the other information, a statement that describes the uncorrected material misstatement of the other information.

SA 720(Revised) requires that when the auditor expresses a qualified or adverse opinion in accordance with SA 705(Revised), “Modifications to the Opinion in the Independent Auditor’s Report”, the auditor shall consider the implications of the matter giving rise to the modification of opinion for the statement required above in last bullet point.

If the auditor has not obtained all other information prior to the date of auditor’s report, SA 720(Revised) requires the auditor to request a written representation from management that the final version of the outstanding documents will be provided to the auditor when available, and prior to issuance by the entity to enable the auditor to complete the procedures required by SA 720(Revised).

Documentation - The auditor is required to document procedures performed and include in audit documentation the final version of the other information on which the auditor has performed the work required under this SA.

Auditors are required to:

- understand and consider the new and revised requirements of SA 720(Revised).
- engage into discussions with the audit committee/those charged with governance to agree on timelines in a manner that the final version of the annual report is provided before the issuance of audit report to comply with the requirements of SA 720(Revised).
- if annual report is not available before the issuance of audit report, obtain a draft including Director’s Report along with a management representation in writing that the drafts are near

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final. The management should intimate the auditor in case there are changes made to the draft.

- request a written representation from management that the final version of the outstanding documents, if any, will be provided to the auditor when available, and prior to issuance by the entity to enable the auditor to complete the procedures required by SA 720(Revised).
- reiterate the timelines during quarterly communications with audit committee/those charged with governance.
- determine and plan for changes in the scope of other information subject to the auditor's responsibilities.

Chapter 2

Importance of Reporting on Other Information

2.1 Companies have been making increasing and more diverse use of documents other than the annual report (whether pursuant to law or regulation or voluntarily) for their external communication purposes with the stakeholders in connection with the issuance of their audited financial statements. For example, in many jurisdictions entities are presenting information such as management reports, or statements on corporate governance or on internal control and risk assessment, in documents accompanying the audited financial statements.

2.2 The Basis for Conclusions relating to ISA 720(Revised) states: “Over recent years there have been significant developments in corporate reporting, particularly in relation to the detail included in companies’ annual reports, as well as the importance ascribed by users to the information in annual reports beyond the audited financial statements and the auditor’s report thereon. The weight that users place on this other information, and the need for increased clarity in the auditor’s report regarding the auditor’s involvement with such other information, has notably increased since extant ISA 720 was issued. In light of these developments, the IAASB sought to revise ISA 720 to update and revise the standard to ensure that it is sufficient and fit-for-purpose in the context of today’s financial reporting environment.”

The Auditing and Assurance Standards Board of the ICAI took up this project of revision of SA 720 and made revisions to align it with the ISA 720(Revised).

The scope of documents subject to the auditor’s responsibilities under SA 720(Revised) is based on the nature of the documents that are provided to stakeholders along with the financial

statements, and whether such documents meet the definition of an “annual report” as set out in the Standard. For listed entities, what constitutes an “annual report” may be customarily known, or certain jurisdictions may provide specific guidance as to which documents in that jurisdiction comprise an “annual report” for the purposes of the standard. For non-listed entities, the application of the definition of “annual report” may be more challenging and likely will vary across engagements. For example, for a private company, it may be the Directors report required under Section 134 of the Companies Act, 2013.

2.3 SA 720(Revised) is written in the context of an audit of financial statements by an independent auditor. The auditor’s opinion on the financial statements does not cover the other information, nor does this Standard require the auditor to obtain audit evidence beyond that required to form an opinion on the financial statements.

The expansion of the work effort to include the auditor’s “consideration” of other information is intended to result in a more active work effort than the earlier requirement to only read the other information.

2.4 As the basis for the consideration of whether there is a material inconsistency between the other information and the financial statements, SA 720(Revised) requires the auditor to compare selected amounts or other items in the other information with such amounts or items in the financial statements. The word “selected” in the requirement is important to convey that professional judgment is applied to select the amounts or items for comparison, and that a full comparison is not required.

On the other hand, the new required consideration of whether there is a material inconsistency between the other information and the auditor’s knowledge obtained in the audit is more subjective in nature. Although the requirement importantly sets the boundary for “knowledge obtained in the audit” to be “the audit

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evidence obtained and conclusions reached in the audit”, the standard acknowledges that whether, and to what extent, the auditor refers to audit documentation or makes inquiries of engagement team members or component auditors is a matter of professional judgment. SA 720(Revised) explains that in many cases, the auditor’s recollection of the audit evidence and conclusions reached in the audit may be sufficient as a basis for this consideration. In other cases, the auditor may not be able to perform this consideration based on recollection alone and reference to audit documentation or other inquiries may be necessary.

Although today auditors generally consider their learnings and experiences throughout the course of an audit when reading other information, and the auditors often refer to audit documentation to verify certain information in the annual report, there is not a requirement to do so. The introduction of a requirement creates the need to more consciously determine when reference to the workpapers, or other inquiries, is necessary in order to effectively perform the new required consideration. Also, appropriate documentation of this new consideration is required.

2.5 The following table presents a comparison of the requirements in Pre-revised SA 720 to those in SA 720(Revised).

	Pre-revised SA 720	SA 720(Revised)
Applicable audits	Audits of all entities (listed and non-listed)	Audits of all entities (listed and non-listed). However, the reporting requirements are not applicable to unlisted non-corporate entities.

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Scope	Documents containing audited financial statements and the auditor's report thereon	Financial or non-financial information (other than financial statements and the auditor's report thereon) included in an entity's annual report (which may consist of one of more documents)
Work effort	The auditor is required to read the other information to identify material inconsistencies, if any, with the audited financial statements. If, on reading the other information for the purpose of identifying material inconsistencies, the auditor becomes aware of an apparent material misstatement of fact, the auditor takes appropriate action.	The auditor is required to read the other information and: • Consider whether there is a material inconsistency between the other information and the financial statements; and • Consider whether there is a material inconsistency between the other information and the auditor's knowledge obtained in the audit, in the context of audit evidence obtained and conclusions reached in the audit; • Remain alert, while reading the

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		other information, for indications that the other information not related to the financial statements or auditor's knowledge obtained in the audit appears to be materially misstated.
Timing of work effort	Auditor's responsibilities apply regardless of whether the other information is obtained prior to or after the date of the auditor's report.	No change
Reporting requirements	Exception-based: Uncorrected material inconsistencies identified prior to the date of auditor's report are reported in an Other Matter paragraph.	A separate Other Information section is required to be included in the auditor's report: For all corporate entities, when the auditor has obtained some or all of the other information prior to the date of the auditor's report.

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		• For listed entities, the Other Information section must also be included when the auditor expects to obtain other information after the date of auditor's report.
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Chapter 3

Frequently Asked Questions ("FAQs") and Responses

Given below are the responses on key issues of SA 720(Revised) in a Question – Answer format.

Question 1: What is the applicability date of SA 720(Revised), The Auditor's Responsibilities Relating to Other Information?

Response 1: The new reporting standard SA 720(Revised) is applicable for audits of financial statements for periods beginning on or after April 1, 2018.

Question 2: For which audits does the auditor need to follow the SA 720(Revised)?

Response 2: SA 720(Revised) applies to audits of complete sets of general purpose financial statements of all entities—listed and unlisted. However, the reporting requirements of this SA do not apply to unlisted non-corporate entities. The applicability of SA 720(Revised) to different types of entities is given in table below:

	Listed entities	Unlisted corporate entities	Unlisted non-corporate entities
All requirements except reporting requirements	Applicable	Applicable	Applicable
Reporting requirements	Applicable	Applicable	Not applicable

Question 3: Whether SA 720(Revised) is applicable to a private company or an unlisted entity?

Response 3: SA 720(Revised) is applicable to all private companies and unlisted corporate entities.

Question 4: Is an auditor of private company or unlisted entity required to report under SA 720(Revised)?

Response 4: The auditor of a private company or unlisted corporate entity is required to report on the “Other Information” as per SA 720(Revised).

Question 5: What was the need for revision of SA 720?

Response 5: In recent years the amount of detail included in entities’ annual reports, and other corporate and external reports, besides the audited financial statements and the auditor’s report, has changed significantly. Annual reports now include more narrative and qualitative information, such as descriptions of the entity’s business model and integrated reports. Users have been attaching more importance to such information and disclosures, using these to analyse the risks of the business and for decision-making purposes. There has also been a movement towards exploring ways in which to better integrate information in financial statements with other parts of an entity’s public reporting package. SA 720(Revised) will ensure that the SA continues to enhance the credibility of financial statements through specifying appropriate responsibilities of the auditor relating to the range of other information in documents containing audited financial statements, taking into account how such information is distributed. The revised standard requires the auditor to read and consider the other information because other information that is materially inconsistent with the financial statements or the auditor’s knowledge obtained in the audit may indicate that there is a material misstatement of the financial statements or that a material misstatement of the other information exists, either of which may undermine the credibility of the financial statements and the auditor’s report thereon. Such material misstatements

may also inappropriately influence the economic decisions of the users for whom the auditor's report is prepared.

Question 6: What is the definition of 'Other information'?

Response 6: SA 720(Revised) defines 'Other information' as financial or non-financial information (other than financial statements and the auditor's report thereon) included in an entity's annual report. An entity's annual report may be a single document or a combination of documents that serve the same purpose, which is to provide owners (or similar stakeholders) with information on the entity's operations and the entity's financial results and financial position as set out in the financial statements (e.g. management report, chairman's statement, corporate governance statement/report, etc).

The below mentioned documents may be considered as "Other Information" but is not limited to the following:

- Director's Report (with annexures – Annual Return extracts, secretarial audit report, annual report on CSR, etc.)
- Management Discussion & Analysis.
- Corporate Governance Report.
- Business Responsibility Report.
- Shareholder Information.
- Any Other Information/Report forming part of the Annual Report.

The above list of other documents should not be considered as an all inclusive list, rather the examples are guiding principles and whether or not a particular piece of information should be construed as other information would depend on each case. Accordingly, the members should exercise their professional judgment.

Also, auditors should refer to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 specifying the contents of the annual report. Regulation 34(2) and 34(3) states as below:

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“(2) The annual report shall contain the following:

- (a) audited financial statements i.e. balance sheets, profit and loss accounts etc [,and Statement on Impact of Audit Qualifications as stipulated in regulation 33(3)(d), if applicable;]*
- (b) consolidated financial statements audited by its statutory auditors;*
- (c) cash flow statement presented only under the indirect method as prescribed in Accounting Standard-3 or Indian Accounting Standard 7, as applicable, specified in Section 133 of the Companies Act, 2013 read with relevant rules framed thereunder or as specified by the Institute of Chartered Accountants of India, whichever is applicable;*
- (d) directors report;*
- (e) management discussion and analysis report - either as a part of directors report or addition thereto;*
- (f) for the top [five hundred] listed entities based on market capitalization (calculated as on March 31 of every financial year), business responsibility report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the Board from time to time:*

Provided that listed entities other than top [five hundred] listed companies based on market capitalization and listed entities which have listed their specified securities on SME Exchange, may include these business responsibility reports on a voluntary basis in the format as specified.

(3) The annual report shall contain any other disclosures specified in Companies Act, 2013 along with other requirements as specified in Schedule V of these regulations.”

Further, it is also important to understand what should not be considered as other information. SA 720(Revised) is not applicable to the following:

- (a) Preliminary announcements of financial information; or
- (b) Securities offering documents, including prospectuses.

Further, eXtensible Business Reporting Language (XBRL) tags do not represent other information.

Question 7: What is the period covered by an annual report?

Response 7: An annual report is typically prepared on an annual basis. However, when the financial statements being audited are prepared for a period less than or more than a year, an annual report may also be prepared that covers the same period as the financial statements.

Question 8: How will the auditor obtain Other Information?

Response 8: The auditor shall:

- Determine, through discussion with management, which document(s) comprises the annual report, and the entity's planned manner and timing of the issuance of such document(s);
- Make appropriate arrangements with management to obtain in a timely manner and, if possible, prior to the date of the auditor's report, the final version of the document(s) comprising the annual report through:
 - Incorporating the requirement for review of the other information in the engagement letter;
 - Making written request to the management to review other information during the engagement. For example, review of other information in the meeting of the Audit Committee/ Board of directors.

Question 9: Which reports would not form part of the documents that comprise an annual report and would not be considered as 'other information' within the scope of SA 720(Revised)?

Response 9: An annual report is different in nature, purpose and content from other reports, such as a report prepared to meet the

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information needs of a specific stakeholder group or a report prepared to comply with a specific regulatory reporting objective (even when such a report is required to be publicly available). Examples of reports that, when issued as standalone documents, are not typically part of the combination of documents that comprise an annual report (subject to law, regulation or custom), and that, therefore, are not other information within the scope of this SA, include:

- Separate industry or regulatory reports (for example, capital adequacy reports), such as may be prepared in the banking, insurance, and pension industries.
- Corporate social responsibility reports.
- Sustainability reports.
- Diversity and equal opportunity reports.
- Product responsibility reports.
- Labour practices and working conditions reports.
- Human rights reports.
- Other regulatory filings with the Government agencies such as the Registrar of Companies.

If any of the reports as stated above (for example Report on Corporate Social Responsibility), is included as a part of the entity's annual report then it would constitute as 'other information' as per the scope of this standard and the required procedures would need to be performed by the auditor to check the other information for material inconsistency.

Question 10: What are the key areas of enhancement to SA 720(Revised)?

Response 10: The three key areas of enhancement to the revised standard are:

- Clarifying the scope of other information subject to the auditor's responsibilities by linking it to the concept of an "annual report", which may consist of a single document, or a combination of documents, that contain or accompany the audited financial statements;

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- Expanding the required work effort beyond the earlier responsibility to “read” other information to also require the auditor to “consider” other information – that consideration includes both consistency with the financial statements and consistency with the knowledge obtained in the audit;
- Increasing the transparency of the auditor’s responsibilities related to other information through required reporting on other information in the auditor’s report on the financial statements.

Question 11: Whether any communication is required to be made with the management and those charged with governance on the requirements of SA 720(Revised)?

Response 11: The auditor should raise awareness of management and those charged with governance of SA 720 (Revised) and the new requirements. SA 260(Revised), “Communication with Those Charged with Governance” requires auditor to discuss matters with those charged with governance. With regard to ‘Other information’, the auditor should discuss with the management the following:

- The documents comprising the other information (as defined in SA 720(Revised)) and the planned manner and timing of the issuance of such documents.
- When the auditor expects to obtain other information after the date of the auditor’s report, the discussions with those charged with governance may also include the actions that may be appropriate or necessary if the auditor concludes that a material misstatement of the other information exists in other information obtained after the date of the auditor’s report.

Question 12: Is the auditor required to audit ‘Other Information’ for purpose of expressing an opinion on true and fair view of the financial information?

Response 12: No, the auditor is only required to read the other information and consider whether there is a material inconsistency between the other information and the financial statements to

ensure that the credibility of the audited financial statements is not undermined by material inconsistencies between the audited financial statements and other information.

To be specific it is not the primary purpose of the auditor to identify and settle material inconsistencies or material misstatements of fact within other information. Nonetheless, the auditor can become aware that other information appears to include material inconsistencies or material misstatements of fact. Under these circumstances, the auditor should not knowingly allow audited financial statements, which are the subject of his/her report, to be included in a document that contains materially false or misleading other information or a material omission of fact.

If, on reading and consideration of such other information for the purpose of identifying material inconsistencies, the auditor becomes aware of an apparent material misstatement of fact, the auditor shall discuss the matter with management.

Question 13: What is the timing of availability of Other Information?

Response 13: Auditors are required to discuss and agree with the management (including the secretarial team and the audit committee/those charged with governance) on the timing of availability of the final version of the documents forming part of annual report. Such final versions forming part of annual report should be obtained before issuance of the audit report along with written confirmation that the drafts are near final. These should be available for auditor's reading and carrying out the procedures before the issuance of auditor's report to comply with the requirements of SA 720(Revised).

However, if the auditor has not obtained all other information prior to the date of auditor's report, SA 720(Revised) requires the auditor to request a written representation from management that the final version of the outstanding documents will be provided to the auditor when available, and prior to issuance by the entity to enable the auditor to complete the procedures required by SA 720 (Revised).

Question 14: What are the auditor's responsibilities as required by SA 720(Revised)?

Response 14: The auditor's responsibilities are:

- to read the other information;
- consider whether the other information is materially inconsistent with the financial statements or the auditor's knowledge obtained in the audit or otherwise appears to be materially misstated; and
- if, based on the work performed, the auditor concludes that there is a material misstatement of this other information, the auditor is required to report that fact.

The auditor's responsibilities relating to other information (other than applicable reporting responsibilities) apply regardless of whether the other information is obtained by the auditor prior to, or after, the date of the auditor's report.

Further it should be noted that the auditor's responsibilities under SA 720(Revised) do not constitute an assurance engagement on other information or impose an obligation on the auditor to obtain assurance about the other information.

Question 15: What is meant by Material inconsistency?

Response 15: Other information that contradicts audited financial statements would give rise to an inconsistency. A material inconsistency may raise doubt about the audit conclusions drawn from audit evidence previously obtained and possibly, about the basis for the auditor's opinion on the financial statements.

Accordingly, in considering the financial data in the other information, the auditor shall identify financial data where an inconsistency would have a material effect on the credibility of the audited financial statements.

Material inconsistencies

The effect of an inconsistency is considered to be material if, individually or in aggregate, it could reasonably be expected to

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influence the economic decisions of the intended users taken on the basis of the audited financial statements and the other information as a whole.

The above could be explained by way of examples:

- i. Difference in amount reported as turnover in the Directors Report and as reported in the audited financial statements;
- ii. A disclosure of the units produced, or a table summarizing such production by geographical region in the annual report which is not in accordance with the disclosures made in the financial statements.

Question 16: What could be possible instances of material misstatement of facts, which the auditor may become aware of while reading other information?

Response 16: Certain instances of material misstatement of fact which the auditor may become aware of while reading other information, would include but not restricted to the following:

- In the Management Discussion and Analysis, the competitive market share held by the company is different from what has been placed on record for the auditor and which formed the basis of 'going concern assumption'.
- Director has been wrongly represented as Independent Director and consequently, this may result into non-compliance with SEBI Listing regulations.

Question 17: What are the procedures to be performed for other information if received prior to the date of the auditor's report?

Response 17: In this case, as and when the management provides Other Information to the auditor, the auditor should perform procedures as stated in SA 720(Revised). The procedures are as stated below:

- **Read** the narrative information to establish consistency with the audited financial statements and their understanding of

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the entity's business and industry, based on the procedures already performed in forming audit opinion (*Ref. Paragraphs. 14-15, A23-A24 of SA 720(Revised)*)

- When other information is only made available to users *via* the entity's website, the version of the other information obtained from the entity, rather than directly from the entity's website, is the relevant document on which the auditors should perform procedures and include in their workpapers. Auditor has no responsibility to search for other information, including other information that may be on the entity's website, nor to perform any procedures to confirm that other information is appropriately displayed on the entity's website or otherwise has been appropriately transmitted or displayed electronically. (*Ref. Para. A19 of SA 720(Revised)*)
- **Compare** financial information or ratios in the other information with auditor's understanding of the entity.
- Auditors are not required to compare all amounts or other items in the other information with such amounts or other items in the financial statements. Audit Teams should select the amounts or other items to compare using professional judgment.
- Things to be considered:
 - The significance of the amount or other item in the context in which it is presented. This may affect the importance that users attach to the amount or other item (e.g., a key ratio or amount).
 - If quantitative, the relative size of the amount compared with accounts or items in the financial statements or the other information to which they relate.
 - The sensitivity of the particular amount or other item in the other information (e.g., share based payments for senior management).

When audit teams evaluate the consistency of selected amounts or other items in the other information with the

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financial statements, they should consider the manner of the presentation compared to the financial statements.

- **Check** the clerical accuracy of any financial highlights, multi-period summaries or similar data based on the audited financial statements.
- **Obtain a reconciliation** between amounts within the other Information and the financial statements from the management and: (*Ref: Para. A28 of SA 720(Revised)*)
 - Comparing items in the reconciliation to the financial statements and the Other Information.
 - Checking whether the calculations within the reconciliation are arithmetically accurate.
- The auditor should compare the information obtained with
 - Audit Committee Presentation.
 - Audit Opinion/Limited Review Opinion. (issued earlier)
 - Opinion on internal financial controls with reference to financial statements.
 - Key Audit Matters. (if applicable)

Further, when some document(s) forming part of other information will not be available until after the date of the auditor's report, written representation will also be required to be taken from the management that the final version of such document(s) will be provided to the auditor when available, and prior to its issuance by the entity, such that the auditor can complete the procedures required by this SA.

If, as a result of performing the above stated procedures, the auditor concludes that a material misstatement in the financial statements exists or the auditor's understanding of the entity and its environment needs to be updated, the auditor shall respond appropriately in accordance with the other SAs.

Question 18: What is misstatement of the Other Information in the context of SA 720(Revised)?

Response 18: As per SA 720(Revised), a misstatement of the other information exists when the other information is incorrectly stated or otherwise misleading (including because it omits or obscures information necessary for a proper understanding of a matter disclosed in the other information).

Question 19: What are the procedures to be performed when the auditor expects to receive some or all other information after the date of the auditor's report?

Response 19: Regardless of whether the other information is available prior to or after the date of the auditor's report, the auditor should perform procedures as stated in SA 720(Revised). Further, when some document(s) forming part of other information will not be available until after the date of the auditor's report, written representation will also be required to be taken from the management that the final version of such document(s) will be provided to the auditor when available, and prior to its issuance by the entity, such that the auditor can complete the procedures required by this SA. However, when the other information is obtained after the date of the auditor's report, the auditor is not required to update the procedures performed in accordance with paragraphs 6 and 7 of SA 560, "Subsequent Events".

For other information received after the date of the auditor's report, if the auditor concludes that a material misstatement exists in such other information, the outcomes can be as below:

- *Other information has been corrected* – no further reporting requirement. The auditor needs to perform procedures necessary in circumstances which include determining that the correction has been made and may include reviewing the steps taken by management to communicate with those in receipt of the other information, if previously issued, to inform them of the revision.

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- *Other information has not been corrected* – the auditor shall firstly communicate with those charged with governance, take necessary action considering the auditor’s legal rights and obligations, to seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom the auditor’s report is prepared, which includes (Ref: para. A49 – A50 of SA 720(Revised)):
 - Providing a new or amended auditor’s report to management including a modified section in accordance with paragraph 22 of SA 720(Revised), and requesting management to provide this new or amended auditor’s report to users for whom the auditor’s report is prepared;
 - Bringing the material misstatement of the other information to the attention of the appointing authority;
 - Communicating with the regulator where required by applicable law or regulation about the uncorrected material misstatement; or
 - Considering the implications for engagement continuance. Withdrawal from the engagement, where withdrawal is possible under applicable law or regulation¹, may be appropriate when the circumstances surrounding the refusal to correct the material misstatement of the other information cast such doubt on the integrity of management and those charged with governance as to call into question the reliability of representations obtained from them during the audit.

Auditors should sensitize the management that ‘other information’ received after the date of auditor’s report should not be dated before the date of auditor’s report. Further, final versions of the documents forming part of annual report and shared with auditor in draft form with written confirmation that the drafts are near final should not be dated before the date of auditor’s report.

¹ Reference should also be made to Implementation Guide on Resignation/ Withdrawal from an Engagement to Perform Audit of Financial Statements.

Question 20: When the auditors are required to include an Other Information section in the auditor's report, what are the minimum reporting requirements under SA 720(Revised)?

Response 20: The auditor's report should include the following under the section 'Other information':

- A statement that management is responsible for the other information.
- An identification of:
 - Other information, if any, obtained prior to the date of the auditor's report.
 - For an audit of a listed entity, other information, if any, expected to be obtained after the date of the auditor's report.
- A statement that auditor's opinion does not cover the other information and, accordingly, that the auditor does not express (or will not express) an audit opinion or any form of assurance conclusion thereon.
- A description of auditor's responsibilities relating to reading, considering and reporting on other information.
- When other information has been obtained prior to the date of auditor's report, either:
 - A statement that the auditor has nothing to report; or
 - A statement that describes an uncorrected material misstatement of the other information when the auditor concludes that a material misstatement of the other information exists.

Question 21: What are the reporting requirements w.r.t other information for an auditor of a Listed Entity?

Response 21: The auditor's report shall include a separate section with a heading "Other Information" or other appropriate heading such as 'information other than the financial statements and auditor's report thereon' in all cases i.e. irrespective of auditor has

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something/nothing to report on other information. Para 21(a) of SA 720(Revised) states:

For an audit of financial statements of a listed entity – the auditor has obtained or expects to obtain other information at the date of the auditor's report i.e. other information is obtained prior to or after the date of auditor's report.

This implies that for a listed entity, if any other information is received after the date of auditor's report, it would need to be identified and stated explicitly in the audit report. For example;

“Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Secretarial Audit Report, (but does not include the standalone Ind AS financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the chairman's statement, corporate social responsibility report, which is expected to be made available to us after that date.”

Auditors are required to perform procedures as laid out by requirements stated in SA 720(Revised).

Question 22: What are the reporting requirements w.r.t other information for an auditor of an Unlisted Corporate Entity?

Response 22: SA 720(Revised) requires reporting on other information for all companies – listed as well as unlisted companies. The auditor's report shall include a separate section with a heading “Other Information” or other appropriate heading such as ‘information other than the financial statements and auditor's report thereon’ in all cases i.e. irrespective of auditor has something/nothing to report on other information. Para 21(b) of SA 720(Revised) states:

For an audit of financial statements of an unlisted corporate entity - the auditor has obtained some or all of the other information i.e. all or some of other information is obtained prior to the date of auditor's report.

This implies that in the case of an unlisted company, if the auditor expects to obtain other information after the date of auditor's report; the same may not be stated in the audit report. It may be noted that to this extent the reporting requirement will be different from the audit report for a listed entity as explained in Question 21 above. For example:

"Other Information

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's report, chairman's statement, (but does not include the standalone Ind AS financial statements and our auditor's report thereon)."

However, auditors are required to perform procedures as laid out by requirements stated in SA 720(Revised).

In this regard, it is important to note that paragraph A52 of SA 720(Revised) provides that for an audit of financial statements of an unlisted corporate entity, the auditor may consider that the identification in the auditor's report of other information that the auditor expects to obtain after the date of the auditor's report would be appropriate in order to provide additional transparency about the other information that is subject to the auditor's responsibilities under this SA. The auditor may consider it appropriate to do so, for example, when management is able to represent to the auditor that such other information will be issued after the date of the auditor's report.

Question 23: Is SA 720(Revised) applicable to unlisted non-corporate entities?

Response 23: SA 720(Revised) is applicable to unlisted non-corporate entities except the reporting requirements. This has been clarified in SA 720(Revised) under the section "Material Modifications vis-à-vis ISA 720(Revised) which states as below:

"Most of the unlisted non-corporate entities in India may not be required to issue annual reports containing other information under the applicable laws or regulations and some of these may

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issue annual reports as per custom or practice in relevant industry/sector. In the absence of legal and regulatory requirements regarding annual reports, there are practical difficulties for auditors to get any other information till the date of auditor's report in case of unlisted non-corporate entities. Due to this reason, auditors would not be in a position to report on other information in case of unlisted non-corporate entities. To deal with aforesaid situation, Paragraph 21(b) of SA 720(Revised) has been modified to require reporting on other information in case of unlisted corporate entities only.

Accordingly, the reporting requirements in SA 720(Revised) will not be applicable in case of unlisted non-corporate entities. However, it is clarified that all the other requirements in SA 720(Revised) will be equally applicable to audits of all unlisted entities.”

Question 24: What are the reporting requirements in SA 720 (Revised) wherein the auditor has not obtained other information prior to the date of the auditor's report or if the company has not shared any other information with the auditor?

Response 24: If the auditor of an unlisted company did not receive any other information prior to the date of the auditor's report, the auditor may consider to include a paragraph in the auditor's report on other information. In such a case, the auditor should indicate this fact while reporting under 'Other Information' as illustrated below.

Illustrative reporting language for an Unlisted Company where no Other Information is received prior to the date of auditor's report:

“The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the [X report], but does not include the [standalone/ consolidated] financial statements and our auditor's report thereon.

Our opinion on the [standalone/ consolidated] financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the [standalone/ consolidated] financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the [standalone/ consolidated] financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The [X report] is not made available to us as at the date of this auditor's report. We have nothing to report in this regard."

Question 25: What could be the possible recourse for the auditor for the non-receipt of other information?

Response 25: SA 720(Revised) does not directly address this issue. Paragraph 13(c) of SA 720(Revised) requires that "When some or all of the document(s) determined in (a) will not be available until after the date of the auditor's report, request management to provide a written representation that the final version of the document(s) will be provided to the auditor when available, and prior to its issuance by the entity, such that the auditor can complete the procedures required by this SA." Such representation is required as per SA 580, "Written Representations".

Accordingly, the auditor has a responsibility to obtain written representations from the management before issuance of the audit report. Thereafter it is the responsibility of the management to share the final version of the document prior to its issuance with the auditor.

Further, the auditor should communicate with those charged with governance in writing. After making written request, the auditor is not duty bound to perform any other procedures and the communication thus made should be documented appropriately in the working papers.

Question 26: When the auditor expresses a qualified opinion in accordance with SA 705(Revised), what is the responsibility of the auditor while reporting on other information?

Response 26: When the auditor expresses a qualified opinion in accordance with SA 705(Revised), the auditor should consider the implications of the matter giving rise to the modification of opinion while reporting under 'Other information' paragraph in the audit report. The auditor should consider whether the other information is also materially misstated for the same matter as, or a related matter to, the matter giving rise to the qualified opinion on the financial statements. A qualified auditor's opinion on the financial statements may not have an impact on the other information if the matter in respect of which the auditor's opinion has been modified is not included or otherwise addressed in the other information and the matter does not affect any part of the other information. For example, a qualified opinion on the financial statements because of non-disclosure of directors' remuneration as required by the applicable financial reporting framework may have no implications for the reporting required under this SA. In other circumstances, there may be implications for such reporting. Reference may be made to paragraphs A54 to A58 of the SA 720(Revised).

Question 27: What are the documentation requirements pertaining to other information?

Response 27: Procedures to be performed in relation to the 'other information' should be documented along with the other audit workpapers. However, if the management provides 'other information' after the date of audit report or otherwise, auditor's procedures are performed after the date of audit report, then these procedures including conclusion and reporting thereof should be documented.

Also, the auditor is required to include in audit documentation the final version of the other information on which the auditor has performed the work required under SA 720(Revised). Therefore

the following are the minimum documentation requirements as required by SA 720(Revised):

- Compliance with SA 230, “Audit Documentation”.
- Document procedures performed as per SA 720(Revised).
- Final version of Other Information on which procedures performed.
- Management Representations.

Question 28: What are some examples of amounts or items that may be included in ‘Other information’?

Response 28: Appendix 1 to SA 720(Revised) contains examples of amounts or other items that may be included in the other information which is as below. This list reproduced below is not intended to be exhaustive:

Amounts

- Items in a summary of key financial results, such as net income, earnings per share, dividends, sales and other operating revenues, and purchases and operating expenses.
- Selected operating data, such as income from continuing operations by major operating area, or sales by geographical segment or product line.
- Special items, such as asset dispositions, litigation provisions, asset impairments, tax adjustments, environmental remediation provisions, and restructuring and reorganization expenses.
- Liquidity and capital resource information, such as cash, cash equivalents and marketable securities; dividends; and debt, capital lease and minority interest obligations.
- Capital expenditures by segment or division.
- Amounts involved in, and related financial effects of, off-balance sheet arrangements.
- Amounts involved in guarantees, contractual obligations, legal or environmental claims, and other contingencies.

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- Financial measures or ratios, such as gross margin, return on average capital employed, return on average shareholders' equity, current ratio, interest coverage ratio and debt ratio. Some of these may be directly reconcilable to the financial statements.

Other Items

- Explanations of critical accounting estimates and related assumptions.
- Identification of related parties and descriptions of transactions with them.
- Articulation of the entity's policies or approach to manage commodity, foreign exchange or interest rate risks, such as through the use of forward contracts, interest rate swaps, or other financial instruments.
- Descriptions of the nature of off-balance sheet arrangements.
- Descriptions of guarantees, indemnifications, contractual obligations, litigation or environmental liability cases, and other contingencies, including management's qualitative assessments of the entity's related exposures.
- Descriptions of changes in legal or regulatory requirements, such as new tax or environmental regulations, that have materially impacted the entity's operations or fiscal position, or will have a material impact on the entity's future financial prospects.
- Management's qualitative assessments of the impacts of new financial reporting standards that have come into effect during the period, or will come into effect in the following period, on the entity's financial results, financial position and cash flows.
- General descriptions of the business environment and outlook.
- Overview of strategy.
- Descriptions of trends in market prices of key commodities or raw materials.

- Contrasts of supply, demand and regulatory circumstances between geographic regions.
- Explanations of specific factors influencing the entity's profitability in specific segments.

Question 29: What are the procedures to be performed when an entity's annual report is available electronically to the stakeholders i.e. on the entity's website?

Response 29: An annual report may be made available to users in printed form, or electronically, including on the entity's website. A document (or combination of documents) may meet the definition of an annual report, irrespective of the manner in which it is made available to users.

When other information is only made available to users via the entity's website, the version of the other information obtained from the entity, is the relevant document on which the auditor would perform procedures in accordance with this SA, rather than directly from the entity's website.

The auditor has no responsibility under this SA to search for other information, including other information that may be on the entity's website, nor to perform any procedures to confirm that other information is appropriately displayed on the entity's website or otherwise has been appropriately transmitted or displayed electronically.

Question 30: What are the written representations related to other information?

Response 30: The auditor should request management to provide written representations that:

- Management is responsible for the other information;
- the other information is consistent with the financial statements (when some or all of the other information is obtained prior to the date of the auditor's report);
- the final version of document(s) not available to auditor prior to the date of auditor's report will be provided to auditor when

available, and prior to issuance by the entity, such that the auditor can perform the procedures as required by SA 720(Revised).

Question 31: How an auditor should communicate with the audit committee/those charged with governance in case the auditor concludes that a material misstatement of the other information exists?

Response 31: SA 720(Revised) requires the auditor to communicate the material misstatement in other information to those charged with governance if the management refuses to make the correction in the other information. The communication can be in the form of a written letter or it can also be part of the audit committee presentation.

Question 32: The annual report also consists information pertaining to group companies which are not audited by the parent auditor. What should be the approach required to be followed by the Parent Company's auditor to address other information pertaining to group companies? Is there any additional reporting requirement as per SA 720(Revised) on the consolidated financial statements?

Response 32: The auditor should consider that the auditor's responsibilities under SA 720(Revised) do not constitute an assurance engagement on other information and do not impose an obligation on the auditor to obtain assurance about the other information (Para 8 of SA 720(Revised)).

In accordance with paragraph A24 of SA 720(Revised), the group auditor uses their professional judgement to determine when it is necessary to make inquiries of a component auditor in addressing the other information related to that component. For example, in meeting the requirements of paragraphs 14 and 15 of SA 720(Revised), a group auditor may decide to request a component auditor to provide assistance with the following:

- Comparing selected amounts or other items in the other information (that are intended to be the same as, to summarise, or to provide greater detail about, the amounts or

other items in the financial statements) with such amounts or other items in the financial statements.

- Considering if the description of a matter in the other information is consistent with knowledge obtained in the audit.

Therefore, as a group auditor, the auditor should read and consider whether the other information (which pertains to the holding company and the component(s) audited by the parent auditor) is materially consistent with (a) the financial statements, or (b) the knowledge obtained by the parent auditor in the audit, in the context of audit evidence obtained and conclusions reached in the audit. If the parent auditor concludes that there is a material misstatement of this other information, the parent auditor is required to report that fact in accordance with requirements of Paragraph 14 of SA 720(Revised).

Considering that 'Other information' (as defined in SA 720(Revised)) may include certain information pertaining to the components not audited by the parent auditor, it is important to understand the auditor's responsibilities relevant in the context of their role as an auditor of the standalone and consolidated financial statements while reporting on 'Other information'. As per requirements of SA 600, 'Using the Work of Another Auditor', wherein the parent auditor reports on the consolidated financial statements of the entity relying on the work of the component auditors and carve out such work in auditor's report. However, an important point to note is that, while reading the other information, paragraph 15 of SA 720(Revised) also requires the auditor to remain alert for indications that the other information not related to the financial statements or the auditor's knowledge obtained in the audit appears to be materially misstated. Remaining alert for other indications that the other information not related to the financial statements or the auditor's knowledge obtained in the audit appears to be materially misstated assists the auditor in complying with relevant ethical requirements that require the auditor to avoid being associated with other information that the auditor believes contains a materially false or misleading statement, a statement furnished negligently, or omits or obscures any necessary

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information such that the other information is misleading. Paragraphs A37 and A38 of SA 720(Revised) provide guidance on the information/ matters for which the auditor should remain alert.

However, SA 720(Revised) does not cast any responsibility on the auditor to evaluate the consistency or perform other procedures on such information if there are no indications otherwise. This would assist the auditor in complying with the relevant ethical requirements that require the auditor to avoid being associated with other information that the auditor believes contains a materially false or misleading statement, a statement furnished negligently, or omits or obscures any necessary information such that the other information is misleading.

The auditors may consider whether it is necessary to make inquiries of a component auditor in addressing the other information related to that component (Ref: para. A24 of SA 720(Revised)). Such enquiries can be made either through sending instructions or email to the component auditor and receiving written response from component auditor or may be documented by way of minutes, if such enquiries have taken place in person or through a telephone call, with such minutes being sent to the component auditor by email for their record.

The group auditor is not required to state the fact that he has not read the 'Other information' that specifically relates to other components (not audited by the parent auditor). With regard to the information related to components audited by other auditor(s) included in the annual report of the holding company, the auditors should:

- request the management of the group to ensure through the component management to require the concerned component auditor to validate that part of the other information included in the annual report of the group that relates to the respective component and give a confirmation to that effect (*Ref: para. A36 of SA 720(Revised)*) as part of the statutory audit of that component; and

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- obtain management representation with regard to the completeness of data and information with regard to other information included in the annual report of the components.

There is no additional reporting requirement for a group auditor. Reference should be made to Illustrations 6 and 7 of SA 720(Revised) for reporting in case of consolidated financial statements.

Question 33: What are the actions that may be taken by the auditor if auditor is unable to conclude whether a material misstatement of the other information exists?

Response 33: The appropriate actions that may be taken when an auditor is unable to conclude whether a material misstatement of the other information exists may include:

- Describing the circumstances in the auditor's report;
- Involving internal or external specialists to determine whether a material misstatement of the other information exists;
- Withdrawing from the audit, where withdrawal is possible under applicable law or regulation.

Appendix

Illustrations of Auditor's Reports Relating to Other Information given in Appendix 2 of SA 720(Revised)

- Illustration 1: An auditor's report of a company, whether listed or unlisted, containing an unmodified opinion when the auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.
- Illustration 2: An auditor's report of a listed company containing an unmodified opinion when the auditor has obtained part of the other information prior to the date of the auditor's report, has not identified a material misstatement of the other information, and expects to obtain other information after the date of the auditor's report.
- Illustration 3: An auditor's report of an unlisted company containing an unmodified opinion when the auditor has obtained part of the other information prior to the date of the auditor's report, has not identified a material misstatement of the other information, and expects to obtain other information after the date of the auditor's report.
- Illustration 4: An auditor's report of a listed company containing an unmodified opinion when the auditor has obtained no other information prior to the date of the auditor's report but expects to obtain other information after the date of the auditor's report.
- Illustration 5: An auditor's report of a company, whether listed or unlisted, containing an unmodified opinion when the auditor has obtained all of the other information prior to the date of the auditor's report and has concluded that a material misstatement of the other information exists.
- Illustration 6: An auditor's report of a company, whether listed or unlisted, containing a qualified opinion when the auditor has obtained all of the other information prior to the date of the

auditor's report and there is a limitation of scope with respect to a material item in the consolidated financial statements which also affects the other information.

- Illustration 7: An auditor's report of a company, whether listed or unlisted, containing an adverse opinion when the auditor has obtained all of the other information prior to the date of the auditor's report and the adverse opinion on the consolidated financial statements also affects the other information.

Illustration 1 – An auditor’s report of a company, whether listed or unlisted, containing an unmodified opinion when the auditor has obtained all of the other information prior to the date of the auditor’s report and has not identified a material misstatement of the other information.

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a company, whether listed or unlisted (registered under the Companies Act, 2013) using a fair presentation framework. The audit is not a group audit (i.e., SA 600² does not apply).
- The financial statements are prepared by management of the company in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- The terms of the audit engagement reflect the description of management’s responsibility for the financial statements in SA 210.
- The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
- The relevant ethical requirements that apply to the audit comprise the Code of Ethics issued by ICAI together with the other relevant ethical requirements relating to the audit and the auditor refers to both.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern in accordance with SA 570(Revised).³
- Key audit matters have been communicated in accordance with SA 701.⁴

² SA 600, Using the Work of Another Auditor.

³ SA 570 (Revised), Going Concern.

⁴ SA 701, Communicating Key Audit Matters in the Independent Auditor’s Report. The Key Audit Matters section is required for listed entities only.

- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.
- Those responsible for oversight of the financial statements differ from those responsible for the preparation of the financial statements.
- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under the Companies Act, 2013.

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ABC Company Limited ("the Company"), which comprise the balance sheet as at 31st March 20XX, and the statement of profit and loss, (*statement of changes in equity*)⁵ and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [in which are included the returns for the year ended on that date audited by the branch auditors of the company's branches located at (location of branches)]⁶.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 20XX, and its profit/loss, (*changes in equity*)⁷ and its cash flows for the year ended on that date.

⁵ Where applicable.

⁶ Where applicable.

⁷ Where applicable.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters⁸

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

[Description of each key audit matter in accordance with SA 701.]

Other Information [or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"]

The Company's Board of Directors is responsible for the other information. The other information comprises the [information included in the X report,⁹ but does not include the financial statements and our auditor's report thereon.]

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

⁸ The Key Audit Matters section is required for listed entities only.

⁹ A more specific description of the other information, such as "the management report and chairman's statement," may be used to identify the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

*[Reporting in accordance with SA 700 (Revised)¹⁰—see **Illustration 1** in SA 700 (Revised).]*

Auditor's Responsibilities for the Audit of the Financial Statements

*[Reporting in accordance with SA 700 (Revised)—see **Illustration 1** in SA 700 (Revised).]*

Other Matter¹¹

We did not audit the financial statements/information of _____(number) branches included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of Rs. _____ as at 31st March, 20XX and total revenues of Rs. _____ for the year ended on that date, as considered in the standalone financial statements. 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 this matter.

Report on Other Legal and Regulatory Requirements

*Reporting in accordance with SA 700 (Revised)—see **Illustration 1** in SA 700 (Revised).]*

¹⁰ SA 700 (Revised), Forming an Opinion and Reporting on Financial Statements.

¹¹ Where applicable.

Implementation Guide to SA 720(Revised)

While reporting under Section 143(3) of the Companies Act, 2013, the auditor is required to suitably reword the wordings given in the Illustration in SA 700(Revised) to meet the circumstances of the audit.

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

Signature
(Name of the Member Signing the Audit Report)
(Designation¹²)
(Membership No.)

Place of Signature:
Date:

¹² Partner or Proprietor, as the case may be.

Illustration 2 – An auditor’s report of a listed company containing an unmodified opinion when the auditor has obtained part of the other information prior to the date of the auditor’s report, has not identified a material misstatement of the other information, and expects to obtain other information after the date of the auditor’s report.

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a listed company (registered under the Companies Act, 2013) using a fair presentation framework. The audit is not a group audit (i.e., SA 600 does not apply).
- The financial statements are prepared by management of the company in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act 2013.
- The terms of the audit engagement reflect the description of management’s responsibility for the financial statements in SA 210.
- The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
- The relevant ethical requirements that apply to the audit comprise the Code of Ethics issued by ICAI together with the other relevant ethical requirements relating to the audit and the auditor refers to both.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern in accordance with SA 570 (Revised).
- Key audit matters have been communicated in accordance with SA 701.
- The auditor has obtained part of the other information prior to the date of the auditor’s report, has not identified a material misstatement of the other information, and expects to obtain other information after the date of the auditor’s report.

- Those responsible for oversight of the financial statements differ from those responsible for the preparation of the financial statements.
- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under the Companies Act, 2013.

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ABC Company Limited ("the Company"), which comprise the balance sheet as at 31st March 20XX, and the statement of profit and loss, (*statement of changes in equity*)¹³ and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [in which are included the returns for the year ended on that date audited by the branch auditors of the company's branches located at (location of branches)]¹⁴.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 20XX, and its profit/loss, (*changes in equity*)¹⁵ and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further

¹³ Where applicable.

¹⁴ Where applicable.

¹⁵ Where applicable.

described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

[Description of each key audit matter in accordance with SA 701.]

Other Information [or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"]

The Company's Board of Directors is responsible for the other information. The other information comprises the X report¹⁶ (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Y report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge

¹⁶ A more specific description of the other information, such as "the management report and chairman's statement," may be used to identify the other information.

Implementation Guide to SA 720(Revised)

obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

[When we read the Y report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and *[describe actions applicable under the applicable laws and regulations]*]¹⁷

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

[Reporting in accordance with SA 700 (Revised)–see Illustration 1 in SA 700 (Revised).]

Auditor's Responsibilities for the Audit of the Financial Statements

[Reporting in accordance with SA 700 (Revised) – see Illustration 1 in SA 700 (Revised).]

Other Matter¹⁸

We did not audit the financial statements/information of _____(number) branches included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of Rs. _____ as at 31st March, 20XX and total revenues of Rs. _____ for the year ended on that date, as considered in the standalone financial statements. 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 this matter.

¹⁷ This additional paragraph may be useful when the auditor has identified an uncorrected material misstatement of the other information obtained after the date of the auditor's report and has a legal obligation to take specific action in response.

¹⁸ Where applicable.

Report on Other Legal and Regulatory Requirements

*[Reporting in accordance with SA 700 (Revised) – see **Illustration 1** in SA 700 (Revised).]*

While reporting under Section 143(3) of the Companies Act, 2013, the auditor is required to suitably reword the wordings given in the Illustration in SA 700(Revised) to meet the circumstances of the audit.

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

Signature
(Name of the Member Signing the Audit Report)
(Designation¹⁹)
(Membership No.)

Place of Signature:

Date:

¹⁹ Partner or Proprietor, as the case may be.

Illustration 3 – An auditor’s report of an unlisted company containing an unmodified opinion when the auditor has obtained part of the other information prior to the date of the auditor’s report, has not identified a material misstatement of the other information, and expects to obtain other information after the date of the auditor’s report.

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of an unlisted company (registered under the Companies Act, 2013) using a fair presentation framework. The audit is not a group audit (i.e., SA 600 does not apply).
- The financial statements are prepared by management of the company in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act 2013.
- The terms of the audit engagement reflect the description of management’s responsibility for the financial statements in SA 210.
- The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
- The relevant ethical requirements that apply to the audit comprise the Code of Ethics issued by ICAI together with the other relevant ethical requirements relating to the audit and the auditor refers to both.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern in accordance with SA 570 (Revised).
- The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with SA 701.
- The auditor has obtained part of the other information prior to the date of the auditor’s report, has not identified a material misstatement of the other information, and expects to obtain other information after the date of the auditor’s report.

- Those responsible for oversight of the financial statements differ from those responsible for the preparation of the financial statements.
- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under the Companies Act, 2013.

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ABC Company Limited ("the Company"), which comprise the balance sheet as at 31st March 20XX, and the statement of profit and loss, (*statement of changes in equity*)²⁰ and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [in which are included the returns for the year ended on that date audited by the branch auditors of the company's branches located at (location of branches)]²¹.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 20XX, and its profit/loss, (*changes in equity*)²² and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on

²⁰ Where applicable.

²¹ Where applicable.

²² Where applicable.

Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information [or another title if appropriate, such as “Information Other than the Financial Statements and Auditor’s Report Thereon”]

The Company’s Board of Directors is responsible for the other information. The other information obtained at the date of this auditor’s report is [information included in the X report,²³ but does not include the financial statements and our auditor’s report thereon]

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

²³ A more specific description of the other information, such as “the management report and chairman’s statement,” may be used to identify the other information.

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

*[Reporting in accordance with SA 700 (Revised)–see **Illustration 1** in SA 700 (Revised).]*

Auditor's Responsibilities for the Audit of the Financial Statements

*[Reporting in accordance with SA 700 (Revised) – see **Illustration 1** in SA 700 (Revised).]*

Other Matter²⁴

We did not audit the financial statements/information of _____(number) branches included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of Rs._____ as at 31st March, 20XX and total revenues of Rs._____ for the year ended on that date, as considered in the standalone financial statements. 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 this matter.

Report on Other Legal and Regulatory Requirements

*[Reporting in accordance with SA 700 (Revised) – see **Illustration 1** in SA 700 (Revised).]*

While reporting under Section 143(3) of the Companies Act, 2013, the auditor is required to suitably reword the wordings given in the Illustration in SA 700(Revised) to meet the circumstances of the audit.

For XYZ & Co
Chartered Accountants

²⁴ Where applicable.

Implementation Guide to SA 720(Revised)

(Firm's Registration No.)

Signature
(Name of the Member Signing the Audit Report)
(Designation²⁵)
(Membership No.)

Place of Signature:

Date:

²⁵ Partner or Proprietor, as the case may be.

Illustration 4 – An auditor’s report of a listed company containing an unmodified opinion when the auditor has obtained no other information prior to the date of the auditor’s report but expects to obtain other information after the date of the auditor’s report.

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a listed company (registered under the Companies Act, 2013) using a fair presentation framework. The audit is not a group audit (i.e., SA 600 does not apply).
- The financial statements are prepared by management of the company in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- The terms of the audit engagement reflect the description of management’s responsibility for the financial statements in SA 210.
- The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
- The relevant ethical requirements that apply to the audit comprise the Code of Ethics issued by ICAI together with the other relevant ethical requirements relating to the audit and the auditor refers to both.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern in accordance with SA 570 (Revised).
- Key audit matters have been communicated in accordance with SA 701.
- The auditor has obtained no other information prior to the date of the auditor’s report but expects to obtain other information after the date of the auditor’s report.
- Those responsible for oversight of the financial statements

differ from those responsible for the preparation of the financial statements.

- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under the Companies Act, 2013.

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ABC Company Limited ("the Company"), which comprise the balance sheet as at 31st March 20XX, and the statement of profit and loss, (*statement of changes in equity*)²⁶ and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches located at (location of branches)]²⁷.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 20XX, and its profit/loss, (*changes in equity*)²⁸ and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further

²⁶ Where applicable.

²⁷ Where applicable.

²⁸ Where applicable.

described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

[Description of each key audit matter in accordance with SA 701.]

Other Information [or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"]

The Company's Board of Directors is responsible for the other information. The other information comprises the [information included in the X report²⁹, but does not include the financial statements and our auditor's report thereon]. The X report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the

²⁹ A more specific description of the other information, such as "the management report and chairman's statement," may be used to identify the other information.

other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

[When we read the X report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and(*describe actions applicable in the applicable laws and regulations*).]³⁰

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

[Reporting in accordance with SA 700 (Revised)–see Illustration 1 in SA 700 (Revised).]

Auditor's Responsibilities for the Audit of the Financial Statements

[Reporting in accordance with SA 700 (Revised)–see Illustration 1 in SA 700 (Revised).]

Other Matter³¹

We did not audit the financial statements/information of _____(number) branches included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of Rs._____ as at 31st March, 20XX and total revenues of Rs._____ for the year ended on that date, as considered in the standalone financial statements. 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 this matter.

³⁰ This additional paragraph may be useful when the auditor has identified an uncorrected material misstatement of the other information obtained after the date of the auditor's report and has a legal obligation to take specific action in response.

³¹ Where applicable.

Report on Other Legal and Regulatory Requirements

*[Reporting in accordance with SA 700 (Revised)–see **Illustration 1** in SA 700 (Revised).]*

While reporting under Section 143(3) of the Companies Act, 2013, the auditor is required to suitably reword the wordings given in the Illustration in SA 700(Revised) to meet the circumstances of the audit.

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

Signature
(Name of the Member Signing the Audit Report)
(Designation³²)
(Membership No.)

Place of Signature:

Date:

³² Partner or Proprietor, as the case may be.

Illustration 5 – An auditor’s report of a company, whether listed or unlisted, containing an unmodified opinion when the auditor has obtained all of the other information prior to the date of the auditor's report and has concluded that a material misstatement of the other information exists.

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a company, whether listed or unlisted (registered under the Companies Act, 2013) using a fair presentation framework. The audit is not a group audit (i.e., SA 600 does not apply).
- The financial statements are prepared by management of the company in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- The terms of the audit engagement reflect the description of management’s responsibility for the financial statements in SA 210.
- The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
- The relevant ethical requirements that apply to the audit comprise the Code of Ethics issued by ICAI together with the other relevant ethical requirements relating to the audit and the auditor refers to both.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern in accordance with SA 570 (Revised).
- Key audit matters have been communicated in accordance with SA 701.
- The auditor has obtained all of the other information prior to the date of the auditor's report and has concluded that a material misstatement of the other information exists.

- Those responsible for oversight of the financial statements differ from those responsible for the preparation of the financial statements.
- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under the Companies Act, 2013.

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ABC Company Limited ("the Company"), which comprise the balance sheet as at 31st March 20XX, and the statement of profit and loss, (*statement of changes in equity*)³³ and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branches located at (location of branches)]³⁴.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 20XX, and its profit/loss, (*changes in equity*)³⁵ and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further

³³ Where applicable.

³⁴ Where applicable.

³⁵ Where applicable.

described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information [or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"]

The Company's Board of Directors is responsible for the other information. The other information comprises the [information included in the X report³⁶, but does not include the financial statements and our auditor's report thereon.]

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described below, we have concluded that such a material misstatement of the other information exists.

[Description of material misstatement of the other information]

³⁶ A more specific description of the other information, such as "the management report and chairman's statement," may be used to identify the other information.

Key Audit Matters³⁷

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

[Description of each key audit matter in accordance with SA 701.]

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

[Reporting in accordance with SA 700 (Revised)–see Illustration 1 in SA 700 (Revised).]

Auditor's Responsibilities for the Audit of the Financial Statements

[Reporting in accordance with SA 700 (Revised)–see Illustration 1 in SA 700 (Revised).]

Other Matter³⁸

We did not audit the financial statements/information of _____(number) branches included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of Rs. _____ as at 31st March, 20XX and total revenues of Rs. _____ for the year ended on that date, as considered in the standalone financial statements. 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 this matter.

Report on Other Legal and Regulatory Requirements

[Reporting in accordance with SA 700 (Revised)–see Illustration 1 in SA 700 (Revised).]

³⁷ The Key Audit Matters section is required for listed entities only.

³⁸ Where applicable.

Implementation Guide to SA 720(Revised)

While reporting under Section 143(3) of the Companies Act, 2013, the auditor is required to suitably reword the wordings given in the Illustration in SA 700(Revised) to meet the circumstances of the audit.

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

Signature
(Name of the Member Signing the Audit Report)
(Designation³⁹)
(Membership No.)

Place of Signature:

Date:

³⁹ Partner or Proprietor, as the case may be.

Illustration 6 – An auditor’s report of a company, whether listed or unlisted, containing a qualified opinion when the auditor has obtained all of the other information prior to the date of the auditor’s report and there is a limitation of scope with respect to a material item in the consolidated financial statements which also affects the other information.

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements of a company, whether listed or unlisted (registered under the Companies Act, 2013) using a fair presentation framework. The audit is a group audit (i.e., SA 600 applies).
- The consolidated financial statements are prepared by management of the company in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- The terms of the audit engagement reflect the description of management’s responsibility for the consolidated financial statements in SA 210.
- The auditor was unable to obtain sufficient appropriate audit evidence regarding an investment in a foreign associate. The possible effects of the inability to obtain sufficient appropriate audit evidence are deemed to be material but not pervasive to the consolidated financial statements (i.e., a qualified opinion is appropriate).
- The relevant ethical requirements that apply to the audit are the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern in accordance with SA 570 (Revised).
- Key audit matters have been communicated in accordance with SA 701.

- The auditor has obtained all of the other information prior to the date of the auditor's report and the matter giving rise to the qualified opinion on the consolidated financial statements also affects the other information.
- Those responsible for oversight of the consolidated financial statements differ from those responsible for the preparation of the consolidated financial statements.
- In addition to the audit of the consolidated financial statements, the auditor has other reporting responsibilities required under the Companies Act, 2013.

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of ABC Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated balance sheet as at March 31, 20XX, and the consolidated statement of profit and loss, (*consolidated statement of changes in equity*)⁴⁰ and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities, as at March 31, 20XX,

⁴⁰ Where applicable.

consolidated profit/loss, (*consolidated changes in equity*)⁴¹ and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

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

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information [or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"]

The company's Board of Directors is responsible for the other information. The other information comprises the [information

⁴¹ Where applicable.

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included in the X report⁴², but does not include the consolidated financial statements and our auditor's report thereon.]

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of ABC's investment in XYZ as at March 31, 20XX and ABC's share of XYZ's net income for the year. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key Audit Matters⁴³

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

[Description of each key audit matter in accordance with SA 701.]

⁴² A more specific description of the other information, such as "the management report and chairman's statement," may be used to identify the other information.

⁴³ The Key Audit Matters section is required for listed entities only.

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

[Reporting in accordance with SA 700 (Revised)–see Illustration 2 in SA 700 (Revised).]

Auditor's Responsibilities for the Audit of the Financial Statements

[Reporting in accordance with SA 700 (Revised)–see Illustration 2 in SA 700 (Revised).]

Other Matters

- (a) We did not audit the financial statements / financial information of _____ subsidiaries, and _____ jointly controlled entities, whose financial statements / financial information reflect total assets of Rs. _____ as at 31st March, 20XX, total revenues of Rs. _____ and net cash flows amounting to Rs. _____ for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. _____ for the year ended 31st March, 20XX, as considered in the consolidated financial statements, in respect of _____ associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements / financial information of _____ subsidiaries and _____ jointly controlled entities, whose financial statements / financial information reflect total assets of Rs. _____ as at 31st March, 20XX, total revenues of Rs. _____ and net cash flows amounting to Rs. _____ for the year ended on that date, as considered in the consolidated

financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. _____ for the year ended 31st March, 20XX, as considered in the consolidated financial statements, in respect of _____ associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements / financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

*[Reporting in accordance with SA 700 (Revised)–see **Illustration 2** in SA 700 (Revised).]*

While reporting under Section 143(3) of the Companies Act, 2013, the auditor is required to suitably reword the wordings given in the Illustration in SA 700(Revised) to meet the circumstances of the audit.

For XYZ & Co
Chartered Accountants

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(Firm's Registration No.)

Signature
(Name of the Member Signing the Audit Report)
(Designation⁴⁴)
(Membership No.)

Place of Signature:

Date:

⁴⁴ Partner or Proprietor, as the case may be.

Illustration 7 – An auditor’s report of a company, whether listed or unlisted, containing an adverse opinion when the auditor has obtained all of the other information prior to the date of the auditor’s report and the adverse opinion on the consolidated financial statements also affects the other information.

For purposes of this illustrative auditor’s report, the following circumstances are assumed:

- Audit of a complete set of consolidated financial statements of a company, whether listed or unlisted (registered under the Companies Act, 2013) using a fair presentation framework. The audit is a group audit (i.e., SA 600 applies).
- The consolidated financial statements are prepared by management of the company in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- The terms of the audit engagement reflect the description of management’s responsibility for the consolidated financial statements in SA 210.
- The consolidated financial statements are materially misstated due to the non-consolidation of a subsidiary. The material misstatement is deemed to be pervasive to the consolidated financial statements. The effects of the misstatement on the consolidated financial statements have not been determined because it was not practicable to do so (i.e., an adverse opinion is appropriate).
- The relevant ethical requirements that apply to the audit are the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern in accordance with SA 570 (Revised).
- Key audit matters have been communicated in accordance with SA 701.

- The auditor has obtained all of the other information prior to the date of the auditor's report and the matter giving rise to the adverse opinion on the consolidated financial statements also affects the other information.
- Those responsible for oversight of the consolidated financial statements differ from those responsible for the preparation of the consolidated financial statements.
- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under the Companies Act, 2013.

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion

We have audited the accompanying consolidated financial statements of ABC Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated balance sheet as at March 31, 2XXX, the consolidated statement of profit and loss, (*consolidated statement of changes in equity*)⁴⁵ and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the *Basis for Adverse Opinion* section of our report, the accompanying consolidated financial statements do not

⁴⁵Where applicable.

give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities, as at March 31, 20XX, of its consolidated profit/loss, (*consolidated position of changes in equity*)⁴⁶ and the consolidated cash flows for the year then ended.

Basis for Adverse Opinion

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

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

⁴⁶Where applicable.

Other Information [or another title if appropriate, such as “Information Other than the Financial Statements and Auditor’s Report Thereon”]

The company’s Board of Directors is responsible for the other information. The other information comprises the [information included in the X report⁴⁷, but does not include the consolidated financial statements and our auditor’s report thereon.]

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Adverse Opinion* section above, the Group should have consolidated XYZ Company and accounted for the acquisition based on provisional amounts. We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the X report affected by the failure to consolidate XYZ Company.

Key Audit Matters⁴⁸

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

⁴⁷ A more specific description of the other information, such as “the management report and chairman’s statement,” may be used to identify the other information.

⁴⁸ The Key Audit Matters section is required for listed entities only.

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these matters. In addition to the matter described in the *Basis for Adverse Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

[Description of each key audit matter in accordance with SA 701.]

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

[Reporting in accordance with SA 700 (Revised)–see Illustration 2 in SA 700 (Revised).]

Auditor's Responsibilities for the Audit of the Financial Statements

[Reporting in accordance with SA 700 (Revised)–see Illustration 2 in SA 700 (Revised).]

Other Matters

- (a) We did not audit the financial statements / financial information of _____ subsidiaries, and _____ jointly controlled entities, whose financial statements / financial information reflect total assets of Rs. _____ as at 31st March, 20XX, total revenues of Rs. _____ and net cash flows amounting to Rs. _____ for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. _____ for the year ended 31st March, 20XX, as considered in the consolidated financial statements, in respect of _____ associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of _____ subsidiaries and _____ jointly controlled entities, whose financial statements / financial information reflect total assets of Rs. _____ as at 31st March, 20XX, total revenues of Rs. _____ and net cash flows amounting to Rs. _____ for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. _____ for the year ended 31st March, 20XX, as considered in the consolidated financial statements, in respect of _____ associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

*[Reporting in accordance with SA 700 (Revised)–see **Illustration 2** in SA 700 (Revised).]*

While reporting under Section 143(3) of the Companies Act, 2013, the auditor is required to suitably reword the wordings given in the Illustration in SA 700(Revised) to meet the circumstances of the audit.

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

Signature
(Name of the Member Signing the Audit Report)
(Designation⁴⁹)
(Membership No.)

Place of Signature:

Date:

⁴⁹ Partner or Proprietor, as the case may be.