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AUDIT MANUAL

SMALL & MEDIUM ENTERPRISES

(Contains Statutory Audit Report containing Para on Audit Trail, Format of CARO 2020, Additional Requirements of Schedule III, Suggestion on Audit Trail)

2025-2026

(15th Edition)

BE HAPPY MAKE HAPPY

PREPARED BY A DEDICATED TEAM COMPRISING OF

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INDEX OF CONTENTS

KEY CHANGES

- New Format of CARO 2020 (applicable w.e.f. 01.04.2021)
- Major Changes in Schedule III (w.e.f. 01.04.2021)
- Quoting UDIN (ICAI) is made mandatory
  - For all Certificates w.e.f. 1st February, 2019.
  - For all GST and Tax Audit Reports w.e.f. 1st April, 2019.
  - For all other Audit, Assurance and Attestation functions w.e.f. 1st July, 2019.
- Tax Audit Form 3CD is changed with effect from 20.08.2018

  [Except clause 30C (GAAR) and clause 44 (GST)- they are deferred upto **31.03.2022**]
- Board Report for Small Company and One Person Company simplified and prescribed in abridged format with effect from 31.07.2018
- Requirement of MGT-9 (extract of Annual Return) as part of Board's Report is done away by the Companies (Amendment) Act, 2017 w.e.f. 31.07.2018
- Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 are not applicable to a private company w.e.f. 13.06.2017:-

  (i) which is a one person company or a small company; or

  (ii) which has turnover less than rupees fifty crores as per latest audited financial statement and which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than rupees twenty five crore
- Ratification by members in Annual General Meeting in respect of re-appointment of Auditors no more required w.e.f. 07.05.2018
- **Audit Trail** (mandatory w.e.f. 01.04.2023, where Books of Account are maintained in electronic mode) *[Rule 3 of the Companies (Accounts) Rules, 2014]*:

Obtain Separate Management Representation Letter in the format as suggested by ICAI for Audit Trail (Implementation Guide on Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as issued by the ICAI)

Suggestions for companies with very few accounting transactions:

1. Keep Hard-Copy of Books of Account [Can keep accounts in software for facilitation purpose only (hard-copy should be kept separately)]
2. In eForm AOC-4 **do not write yes** against the following clause:

   'Whether company is maintaining books of account and other relevant books and papers in electronic form'

APPLICABILITY OF ACCOUNTING STANDARDS TO COMPANIES (as amended w.e.f. 23.06.2021)

Ref.	Description	SMCs	Non-SMCs
A S–1	Disclosures of Accounting Policies	Y	Y
A S–2	Valuation of Inventories (revised 2016)	Y	Y
A S-3	Cash Flow Statements	Y (Note 1)	Y
A S-4	Contingencies and Events occurring after the Balance Sheet date (revised 2016)	Y	Y
A S-5	Net Profit or Loss for the period, Prior Period items and changes in Accounting Policies	Y	Y
A S-6	Depreciation Accounting	Y	Y
A S-7	Construction Contracts (revised 2002)	Y	Y
A S-9	Revenue Recognition	Y	Y
A S-10	Property, Plant and Equipment	Y	Y
A S-11	The Effects of Changes in Foreign Exchange Rates (revised 2003)	Y	Y
A S-12	Accounting for Government Grants	Y	Y
A S-13	Accounting for Investments (revised 2016)	Y	Y
A S-14	Accounting for Amalgamation (revised 2016)	Y	Y
A S-15	Employee Benefits	Partly (Note 2)	Y
A S-16	Borrowing Costs	Y	Y
A S-17	Segment Reporting	N	Y
A S-18	Related Party Disclosures	Y	Y
A S-19	Leases	Partly (Note 3)	Y
A S-20	Earnings Per Share	Partly (Note 4)	Y
A S-21	Consolidated Financial Statements (revised 2016)	Y	Y
A S-22	Accounting for Taxes on Income	Y	Y
A S-23	Accounting for Investments in Associates in Consolidated Financial Statements	Y	Y
A S-24	Discontinuing Operations	Y	Y
A S-25	Interim Financial Reporting	Y (Note 5)	Y
A S-26	Intangible Assets	Y	Y
A S-27	Financial Reporting of Interests in Joint Venture	Y	Y
A S-28	Impairment of Assets	Partly (Note 6)	Y
A S-29	Provisions, Contingent Liabilities and Contingent Assets	Partly (Note 7)	Y

For more information check: https://www.icai.org/post.html?post_id=15769

SMCs: Criteria for classification of companies under the Companies (Accounting Standards) Rules, 2006. Small and Medium-Sized Company (SMC) as defined in Clause 2(f) of the Companies (Accounting Standards) Rules,2006 means, a company-

(i) Whose equity or debt securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India;

(ii) Which is not a bank, financial institution or an insurance company;

(iii) Whose turnover (excluding other income) does not exceed rupees fifty crore in the immediately preceding accounting year;

iv) Which does not have borrowings (including public deposits) in excess of rupees fifty crore at any time during the immediately preceding accounting year; and

v) Which is not a holding or subsidiary company of a company which is not a small and medium sized company.

Explanation: For the purposes of clause 2(f), a company shall qualify as a Small and Medium Sized Company, if the conditions mentioned therein are satisfied as at the end of the relevant accounting period.

Non-SMCs: Companies not falling within the definition of SMC are considered as Non- SMCs.

A. General Instructions

1. SMCs shall follow the following instructions while complying with Accounting Standards under these Rules:-

1.1 the SMC which does not disclose certain information pursuant to the exemptions or relaxations given to it shall disclose (by way of a note to its financial statements) the fact that it is an SMC and has complied with the Accounting Standards insofar as they are applicable to an SMC on the following lines: “The Company is a Small and Medium Sized Company (SMC) as defined in the Companies (Accounting Standards) Rules, 2021 notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.”

1.2 Where a company, being an SMC, has qualified for any exemption or relaxation previously but no longer qualifies for the relevant exemption or relaxation in the current accounting period, the relevant standards or requirements become applicable from the current period and the figures for the corresponding period of the previous accounting period need not be revised merely by reason of its having ceased to be an SMC. The fact that the company was an SMC in the previous period and it had availed of the exemptions or relaxations available to SMCs shall be disclosed in the notes to the financial statements. 1.3 If an SMC opts not to avail of the exemptions or relaxations available to an SMC in respect of any but not all of the Accounting Standards, it shall disclose the standard(s) in respect of which it has availed the exemption or relaxation.

1.4 If an SMC desires to disclose the information not required to be disclosed pursuant to the exemptions or relaxations available to the SMCs, it shall disclose that information in compliance with the relevant accounting standard.

1.5 The SMC may opt for availing certain exemptions or relaxations from compliance with the requirements prescribed in an Accounting Standard: Provided that such a partial exemption or relaxation and disclosure shall not be permitted to mislead any person or public.

B. Other Instructions

Rule 5 of the Companies (Accounting Standards) Rules, 2021, provides as below: “5. Qualification for exemption or relaxation in respect of SMC. - An existing company, which was previously not a Small and Medium Sized Company (SMC) and subsequently becomes a SMC, shall not be qualified for exemption or relaxation in respect of Accounting Standards available to a SMC until the company remains a SMC for two consecutive accounting periods.”

NOTES

1. Cash Flow Statement is required to be included as a part of financial statements of a company except in case of One Person Company, small company and dormant company.

2. **A S 15 : Employee Benefits**

a) paragraphs 11 to 16 of the standard to the extent they deal with recognition and measurement of short-term accumulating compensated absences which are non-vesting (i.e., short-term accumulating compensated absences in respect of which employees are not entitled to cash payment for unused entitlement on leaving);

(b) paragraphs 46 and 139 of the Standard which deal with discounting of amounts that fall due more than 12

	months after the balance sheet date; (c) recognition and measurement principles laid down in paragraphs 50 to 116 and presentation and disclosure requirements laid down in paragraphs 117 to 123 of the Standard in respect of accounting for defined benefit plans. However, such companies should actuarially determine and provide for the accrued liability in respect of defined benefit plans by using the Projected Unit Credit Method and the discount rate used should be determined by reference to market yields at the balance sheet date on government bonds as per paragraph 78 of the Standard. Such companies should disclose actuarial assumptions as per paragraph 120(l) of the Standard; and (d) recognition and measurement principles laid down in paragraphs 129 to 131 of the Standard in respect of accounting for other longterm employee benefits. However, such companies should actuarially determine and provide for the accrued liability in respect of other long-term employee benefits by using the Projected Unit Credit Method and the discount rate used should be determined by reference to market yields at the balance sheet date on government bonds as per paragraph 78 of the Standard.
3.	**A S 19 Leases:** Paragraphs 22 (c),(e) and (f); 25 (a), (b) and (e); 37 (a) and (f); and 46 (b) and (d) relating to disclosures are not applicable to SMCs.
4.	**AS 20 Earnings Per Share:** Disclosure of diluted earnings per share (both including and excluding extraordinary items) is exempted for SMCs.
5.	**AS 25 Interim Financial Reporting: I**nterim Financial Reporting, does not require a company to present interim financial report. It is applicable only if a company is required or elects to prepare and present an interim financial report. Only certain Non-SMCs are required by the concerned regulators to present interim financial results, e.g., quarterly financial results required by the SEBI. Therefore, the recognition and measurement requirements contained in this Standard are applicable to those Non-SMCs for preparation of interim financial results.
6.	**AS 28 Impairment of Assets**: SMCs are allowed to measure the ‘value in use’ on the basis of reasonable estimate thereof instead of computing the value in use by present value technique. Consequently, if an SMC chooses to measure the ‘value in use’ by not using the present value technique, the relevant provisions of AS 28, such as discount rate etc., would not be applicable to such an SMC. Further, such an SMC need not disclose the information required by paragraph 121(g) of the Standard.
7.	**AS 29 Provisions, Contingent Liabilities and Contingent Assets:** Paragraphs 66 and 67 relating to disclosures are not applicable to SMCs.

APPLICABILITY OF ACCOUNTING STANDARDS TO NON-CORPORATE ENTITIES as amended w.e.f. 01.02.2022)

Ref.	Description	Level I	Level II	Level III	Level IV
A S–1	Disclosures of Accounting Policies	Y	Y	Y	Y
A S–2	Valuation of Inventories	Y	Y	Y	Y
A S-3	Cash Flow Statements	Y	N	N	N
A S-4	Contingencies and Events occurring after the Balance Sheet date	Y	Y	Y	Y
A S-5	Net Profit or Loss for the period, Prior Period items and changes in Accounting Policies	Y	Y	Y	Y
A S-6	Depreciation Accounting	Y	Y	Y	Y
A S-7	Construction Contracts	Y	Y	Y	Y
A S-9	Revenue Recognition	Y	Y	Y	Y
A S-10	Property, Plant and Equipment	Y	Y	Y#	Y#
A S-11	The Effects of Changes in Foreign Exchange Rates	Y	Y	Y#	Y#
A S-12	Accounting for Government Grants	Y	Y	Y	Y
A S-13	Accounting for Investments	Y	Y	Y	Y#
A S-14	Accounting for Amalgamation	Y	Y	Y	N (Note 7)
A S-15	Employee Benefits	Y	Partly (Note 1)	Partly (Note 1)	Partly (Note 1)
A S-16	Borrowing Costs	Y	Y	Y	Y
A S-17	Segment Reporting	Y	N	N	N
A S-18	Related Party Disclosures	Y	Y	N	N
A S-19	Leases	Y	Partly (Note 2)	Partly (Note 2)	Partly (Note 2)
A S-20	Earnings Per Share	Y	N	N	N
A S-21	Consolidated Financial Statements	Y	N (Note 8)	N (Note 8)	N (Note 8)
A S-22	Accounting for Taxes on Income	Y	Y	Y	Partly (Note 3)
A S-23	Accounting for Investments in Associates in Consolidated Financial Statements	Y	N (Note 8)	N (Note 8)	N (Note 8)
A S-24	Discontinuing Operations	Y	Y	Y	N
A S-25	Interim Financial Reporting	Y	N (Note 8)	N (Note 8)	N (Note 8)
A S-26	Intangible Assets	Y	Y (Note 4)	Y (Note 4)	Y# (Note 4)
A S-27	Financial Reporting of Interests in Joint Venture	Y	N (Note 9)	N (Note 9)	N (Note 9)
A S-28	Impairment of Assets	Y	Partly (Note 7,8)	Partly (Note 7,8)	Y# (Note 7,8)
A S-29	Provisions, Contingent Liabilities and Contingent Assets	Y	Y# (Note 6)	Y# (Note 6)	Y# (Note 6)

For more information check: https://www.icai.org/post.html?post_id=15769

Applicable with Disclosure Exemption

Level I Entities

Non-corporate entities which fall in any one or more of the following categories, at the end of the relevant accounting period, are classified as Level I entities:

i. Entities whose equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India.
ii. Banks (including co-operative banks), financial institutions or entities carrying on insurance business.
iii. All entities engaged in commercial, industrial and business activities, whose turnover (excluding other income) **exceeds rupees two-fifty crore** in the immediately preceding accounting year.
iv. All entities engaged in commercial, industrial and business activities having borrowings (including public deposits) in **excess of rupees fifty crore** at any time during the immediately preceding accounting year.
v. Holding and subsidiary entities of any one of the above.

Level II Entities

Non-corporate entities which are not Level I entities but fall in any one or more of the following categories are classified as Level II entities:

i. All entities engaged in commercial, industrial and business activities, whose turnover (excluding other income) **exceeds rupees fifty crore but does not exceed rupees two-fifty crore** in the immediately preceding accounting year.
ii. All entities engaged in commercial, industrial and business activities having borrowings (including public deposits) in **excess of rupees ten crore but not in excess of rupees fifty crore** at any time during the immediately preceding accounting year.
iii. Holding and subsidiary entities of any one of the above.

Level III Entities

Non-corporate entities which are not covered under Level II and Level III, but fall in any one or more of the following categories are classified as Level III entities:

i. All entities engaged in commercial, industrial and business activities, whose turnover (excluding other income) **exceeds rupees ten crore but does not exceed rupees fifty** crore in the immediately preceding accounting year.
ii. All entities engaged in commercial, industrial and business activities having borrowings (including public deposits) in **excess of rupees two crore but not in excess of rupees ten crore** at any time during the immediately preceding accounting year.
iii. Holding and subsidiary entities of any one of the above.

Level IV Entities

Non-corporate entities, which are not covered under Level I and Level II, are considered as Level IV entities.

Additional requirements

(1) An MSME which avails the exemptions or relaxations given to it shall disclose (by way of a note to its financial statements) the fact that it is an MSME, the Level of MSME and that it has complied with the Accounting Standards insofar as they are applicable to entities falling in Level II or Level III or Level IV, as the case may be.

(2) Where an entity, being covered in Level II or Level III or Level IV, had qualified for any exemption or relaxation previously but no longer qualifies for the relevant exemption or relaxation in the current accounting period, the relevant standards or requirements become applicable from the current period and the figures for the corresponding period of the previous accounting period need not be revised merely by reason of its having ceased to be covered in Level II or Level III or Level IV, as the case may be. The fact that the entity was covered in Level II or Level III or Level IV, as the casemay be, in the previous period and it had availed of the exemptions or relaxations available to that Level of entities shall be disclosed in the notes to the financial statements. The fact that previous period figures have not been revised shall also be disclosed in the notes to the financial statements.

(3) Where an entity has been covered in Level I and subsequently, ceases to be so covered and gets covered in Level II or

Level III or Level IV, the entity will not qualify for exemption/relaxation available to that Level, until the entity ceases to be covered in Level I for two consecutive years. Similar is the case in respect of an entity, which has been covered in Level II or Level III and subsequently, gets covered under Level III or Level IV.

(4) If an entity covered in Level II or Level III or Level IV opts not to avail of the exemptions or relaxations available to that Level of entities in respect of any but not all of the Accounting Standards, it shall disclose the Standard(s) in respect of which it has availed the exemption or relaxation.

(5) If an entity covered in Level II or Level III or Level IV opts not to avail any one or more of the exemptions or relaxations available to that Level of entities, it shall comply with the relevant requirements of the Accounting Standard.

(6) An entity covered in Level II or Level III or Level IV may opt for availing certain exemptions or relaxations from compliance with the requirements prescribed in an Accounting Standard: Provided that such a partial exemption or relaxation and disclosure shall not be permitted to mislead any person or public.

(7) In respect of Accounting Standard (AS) 15, Employee Benefits, exemptions/ relaxations are available to Level II and Level III entities, under two sub-classifications, viz., (i) entities whose average number of persons employed during the year is 50 or more, and (ii) entities whose average number of persons employed during the year is less than 50. The requirements stated in paragraphs (1) to (6) above, mutatis mutandis, apply to these sub-classifications.

NOTES

1. **A S 15 Employee Benefits** (revised 2005)

   (1) Level II and Level III Non-company entities whose average number of persons employed during the year is 50 or more are exempted from the applicability of the following paragraphs:

   (a) paragraphs 11 to 16 of the standard to the extent they deal with recognition and measurement of shortterm accumulating compensated absences which are non-vesting (i.e., short-term accumulating compensated absences in respect of which employees are not entitled to cash payment for unused entitlement on leaving);

   (b) paragraphs 46 and 139 of the Standard which deal with discounting of amounts that fall due more than 12 months after the balance sheet date;

   (c) recognition and measurement principles laid down in paragraphs 50 to 116 and presentation and disclosure requirements laid down in paragraphs 117 to 123 of the Standard in respect of accounting for defined benefit plans. However, such entities should actuarially determine and provide for the accrued liability in respect of defined benefit plans by using the Projected Unit Credit Method and the discount rate used should be determined by reference to market yields at the balance sheet date on government bonds as per paragraph 78 of the Standard. Such entities should disclose actuarial assumptions as per paragraph 120(l) of the Standard; and

   (d) recognition and measurement principles laid down in paragraphs 129 to 131 of the Standard in respect of accounting for other long-term employee benefits. However, such entities should actuarially determine and provide for the accrued liability in respect of other long-term employee benefits by using the Projected Unit Credit Method and the discount rate used should be determined by reference to market yields at the balance sheet date on government bonds as per paragraph 78 of the Standard.

   (2) Level II and Level III Non-company entities whose average number of persons employed during the year is less than 50 and Level IV Non-company entities irrespective of number of employees are exempted from the applicability of the following paragraphs:

   (a) paragraphs 11 to 16 of the standard to the extent they deal with recognition and measurement of shortterm accumulating compensated absences which are non-vesting (i.e., short-term accumulating compensated absences in respect of which employees are not entitled to cash payment for unused entitlement on leaving);

(b) paragraphs 46 and 139 of the Standard which deal with discounting of amounts that fall due more than 12 months after the balance sheet date;

(c) recognition and measurement principles laid down in paragraphs 50 to 116 and presentation and disclosure requirements laid down in paragraphs 117 to 123 of the Standard in respect of accounting for defined benefit plans. However, such entities may calculate and account for the accrued liability under the defined benefit plans by reference to some other rational method, e.g., a method based on the assumption that such benefits are payable to all employees at the end of the accounting year; and
(d) recognition and measurement principles laid down in paragraphs 129 to 131 of the Standard in respect of accounting for other long-term employee benefits. Such entities may calculate and account for the accrued liability under the other long-term employee benefits by reference to some other rational method, e.g., a method based on the assumption that such benefits are payable to all employees at the end of the accounting year.

2. A S 19 Leases:

(a) Paragraphs 22 (c),(e) and (f); 25 (a), (b) and (e); 37 (a) and (f); and 46 (b) and (d) relating to disclosures are not applicable to Level II Non-company entities.

(b) Paragraphs 22 (c),(e) and (f); 25 (a), (b) and (e); 37 (a), (f) and (g); and 46 (b), (d) and (e) relating to disclosures are not applicable to Level III Non-company entities.

(c) Paragraphs 22 (c),(e) and (f); 25 (a), (b) and (e); 37 (a), (f) and (g); 38; and 46 (b), (d) and (e) relating to disclosures are not applicable to Level IV Non-company entities.

3. A S 22 Accounting for Taxes on Income

(a) Level IV Non-company entities shall apply the requirements of AS 22, Accounting for Taxes on Income, for Current tax defined in paragraph 4.4 of AS 22, with recognition as per paragraph 9, measurement as per paragraph 20 of AS 22, and presentation and disclosure as per paragraphs 27-28 of AS 22.

(b) Transitional requirements On the first occasion when a Non-company entity gets classified as Level IV entity, the accumulated deferred tax asset/liability appearing in the financial statements of immediate previous accounting period, shall be adjusted against the opening revenue reserves.

4. A S 26 Intangible Assets

Paragraphs 90(d)(iii); 90(d)(iv) and 98 relating to disclosures are not applicable to Level IV Non-company entities.

5. A S 28 Impairment of Assets:

Level II and Level III Non-company entities are allowed to measure the ‘value in use’ on the basis of reasonable estimate thereof instead of computing the value in use by present value technique. Consequently, if Level II or Level III Non-company entity chooses to measure the ‘value in use’ by not using the present value technique, the relevant provisions of AS 28, such as discount rate etc., would not be applicable to such an entity. Further, such an entity need not disclose the information required by paragraph 121(g) of the Standard.

(a) Also, paragraphs 121(c)(ii); 121(d)(i); 121(d)(ii) and 123 relating to disclosures are not applicable to Level III Noncompany entities.

6. A S 29 Provisions, Contingent Liabilities and Contingent Assets:

Disclosures in respect of the following provisions are not applicable to Level II, III and Level IV entities

(A) For each class of provision:

- the carrying amount at the beginning and end of the period;
- additional provisions made in the period, including increases to existing provisions;
- amounts used (i.e. incurred and charged against the provision) during the period; and

- unused amounts reversed during the period.

(B) For each class of provision:

- a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;
- an indication of the uncertainties about those outflows. Where necessary to provide adequate information, an enterprise should disclose the major assumptions made concerning future events, i.e. Future events that may affect the amount required to settle an obligation should be reflected in the amount of a provision where there is sufficient objective evidence that they will occur.
- the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.

7. In case of Level IV Non-company entities, generally there are no such transactions that are covered under AS 14, Accounting for Amalgamations, or jointly controlled operations or jointly controlled assets covered under AS 27, Financial Reporting of Interests in Joint Ventures. Therefore, these standards are not applicable to Level IV Non-company entities. However, if there are any such transactions, these entities shall apply the requirements of the relevant standard.

8. AS 21, Consolidated Financial Statements, AS 23, Accounting for Investments in Associates in Consolidated Financial Statements, AS 27, Financial Reporting of Interests in Joint Ventures (to the extent of requirements relating to Consolidated Financial Statements), and AS 25, Interim Financial Reporting, do not require a Non-company entity to present consolidated financial statements and interim financial report, respectively. Relevant AS is applicable only if a Non-company entity is required or elects to prepare and present consolidated financial statements or interim financial report.

FORMAT OF AUDIT PROGRAM

Name of Entity : **XYZ LIMITED** **FY: 2025-2026**

ABC& Co
CHARTERED ACCOUNTANTS

Status: **Company**
Type of Business:

SI	**Remarks**	**Compliance done**
	FINAL REVIEW BY SENIOR PARTNER:	
	Basis for Qualified/Adverse Report (if any):	

Various abbreviations used in
Check Box (Y/N):

Sl	**Particulars**
1	No of Sets Required
2	SMC or Level I/II/III/IV
3	Applicability of CARO
4	Applicability of Cash Flow Statement
5	Applicability of Certification / Signing by CS
6	Co Secretary u/s 203(1)
7	Applicability of RBI provisions (NBFC etc)
8	Tax Audit Applicability
9	Audit Trail Applicability
10	Transfer Price Audit
11	Cost Audit Applicability
12	Internal Audit Applicability
13	Management Representation Letter
14	Appointment Letter
15	Validity of Digital Signature of Signatory for MCA/IT filing purpose

3 sets	SMC/ Level	CARO	Cash Flow	CS cert	Co Secy	RBI	Tax Audit	Audit Trail	92E Audit	Cost Audit	Internal Audit	MR	Appt	DSC

UDIN (ICAI)

Partner	Audit Report Type Standard / Standalone / Consolidated	AOC-1	AOC-2	CFS

FORMAT OF AUDIT PROGRAM

ABC& Co

CHARTERED ACCOUNTANTS

Name of Entity: **XYZ LIMITED** **FY: 2025-2026**

Status: **Company**
Type of Business:

AUDIT PROGRAM

Audit Team: **1)**Partner- in- Charge :**CA. A**
2)Team Leader :
3)
4)
5)

Date of Commencement of Audit	
Date of Finalisation of Audit	

Basic Information

Date of Incorporation/Formation:	Number of Branches:	No of Employees:
Turnover - PY (Total Receipts):	Nominal Capital:	Paid-up Capital:
Major Product / Service: NIC Code:		
Accounting Standards Applicability:**The Companies Act, 2013 / ICAI**		

Regn No	CIN:	PAN:	TAN:
	GSTIN:	Custom:	
			Others:

Directors / Shareholders	**As per our records**	**Year End**	**Audit Date**
Number of Directors / Partners			
Number of Shareholders / Members			
Shareholding Pattern Corporates [%]			
Non Corporates - related			
Institutions			
Govt			
Others			

Check List

Appointment Letter of Auditors (For Audit Year)	In case of change of Auditors - NOC from previous Auditors	Memorandum & Articles of Association/ Partnership Deed/Trust Deed/Cert of Regnetc	Licencesd Capacity - copy thereof / Organisation Chart / Operation Manual
If NBFC, Regn No	Subsidiaries/JV/Associate		RPT [AS 18]
SMCs / Non- SMCs [SMC means 'unlisted /other than Bank/FI/Ins Co./turnover≤50Cr/Borrowings≤10Cr] or Non- Corporate Entity [Level I or II or III or IV]	Applicability of CARO [All Co (other than: Bank/Ins/Sec 8 Co /OPC/Small Co and Pvt Co withPUC+RS≤**1 Cr** + borrowings o/s (any time) ≤1 Cr + total revenue≤**10** Cr)]	U/L – Director's relatives & shareholders [Sec 73 & Companies (Acceptance of Deposits) Rules, 2014]	Loan to Directors or any person to whom Director is interested [Sec 185]
F/ADT-1 SRN and Date	Principal Signatory	2nd Signatory	DIN (PAN)
			1. 2.

ABC& Co

CHARTERED ACCOUNTANTS

Name of Entity: **XYZ LIMITED** **FY: 2025-2026**

Status: **Company**

Type of Business:

Sl.	**Job**	**Special Instructions (if any)**	**By**	**Initials**
1	Sales /Purchase			
2	Vouching of Cash / Bank			
3	Vouching of Cash & Credit Receipt			
4	Bank Statement and Reconciliation Statement			
5	Scrutiny of Current Liabilities & Unsecured Loans			
6	Scrutiny of Ledgers			
7	Opening Balances of all Accounts from Previous Year’s Balance Sheet			
8	Checking of Indirect Expenses from respective bills			
9	Stock Valuation Checking			
10	All Statutory Returns & Challans (Excise/TDS/GST etc..)			
11	Fixed Assets & Depreciation			
12	Profit & Loss A/C & Balance Sheet			
13	Stock Valuation Checking			
14	All Creditors Ledgers & their Ageing Analysis			
15	All Debtors Ledgers & their Ageing Analysis			
16	Tax Audit form 3CD Checking			
17	Rent, Rates & Taxes including Insurance Claim			
18	Outstanding Liabilities& Contingent Liabilities			
19	PF, BONUS & GRATUITY UNCLAIMED			
20	Loan & Interest Thereon			
21	Stores, Contracts, Expenses			
22	Rent Receipt (Advertisement)			
23	Audit Trail			
24	MINUTES			
25	Notes on Accounts			
26	Adherence to Accounting Standards			
27	AUDIT REPORT			
28	FINALISATION			
29				

Partner Team Leader

Name of Entity : **XYZ LIMITED** **FY: 2025-2026**
Status: **Company**
Type of Business:

TAX AUDIT U/S 44AB OF THE INCOME TAX ACT, 1961

Sl.	Job	Special Instructions (if any)	By	Initials
1	Books of Accounts Maintained			
2	Payment to Relatives 40(A)(2)(b)			
3	Cash Payment Exceeding 10000 [40(A)(3)] and Cash Transaction Limit 269ST (Rs 2 Lakh)			
4	Unpaid Statutory Liability [PF/ESI, PT, BONUS, SERVICE TAX, INTEREST ON BORROWING FROM BANKS/FIN IN]			
5	Disallowed Amount			
6	Loan 269SS/269T (Cash Limit Rs 20000)			
7	Prior Period Income / Expenditure			
8	Cenvat/ GST Details			
9	Deductions U/Chapter VIA & Exempt Income			
10	Depreciation			
11	Quantitative Details			
12	Ratios			
13	Payment to Partners			
14	B/F Losses & B/F MAT details			
15	Disallowance u/sec 14A			
16	Donation Made			
17	TDS & TDS Returns			
18	Other Items of Form 3CD			
In new 3CD wef 20.08.2018:				
19	Section 56(2)(viia), (viib), (ix) & (x) requirements			
20	Section 94B – Thin Capitalisation			

21	Section 92CE – Secondary Adjustment			
22	Section 96 – GAAR **wef 01.04.2022**			
23	Section 269ST – Reporting details of cash receipt or payment in excess of the limit			

Qualifications / Observations		**Remarks**
~	Proper books of account, to enable reporting in form 3CD, have not been maintained by the assessee.	
~	All the information and explanations which to the best of my/our knowledge and belief were necessary for the purpose of my/our audit has not been provided by the assessee.	
~	Documents necessary to verify the reportable transaction were not made available.	
~	Proper stock records are not maintained by the assessee.	
~	Valuation of closing stock is not possible.	
~	Yield/percentage of wastage is not ascertainable.	
~	Records necessary to verify personal nature of expenses not maintained by the assessee.	
~	TDS returns could not be verified with the books of account.	
~	Records produced for verification of payments through account payee cheque were not sufficient	
~	Amount of expense related to exempt income u/s 14A of Income-tax Act, 1961 could not be ascertained	
~	Creditors under Micro, Small and Medium Enterprises Development Act, 2006 are not ascertainable	
~	Prior period expenses are not ascertainable from books of account.	
~	Fair market value of shares u/s56 (2) (viia)/(viib) is not ascertainable	
~	Reports of audits carried by Excise/Service tax Department were not made available	
~	GP ratio is not ascertainable from the financial statements prepared by the assessee.	
~	Information regarding demand raised or refund issued during the previous year under any tax laws other than Income-tax Act, 1961 and Wealth tax Act, 1957 was not made available.	
~	Others	

CONTENTS OF CURRENT FILE

Title	Information Contained
Engagement	• Acceptance of annual reappointment • Management Representation Letter
Accounts	• Copy of draft financial statement • Copy of final signed financial statement
Report & Final Papers	• Copies of all draft and final reports issued to client • Correspondence with other auditors, and • Experts Comments received from client and letter of representation • Observations on accounts and points carried forward to next year Final journal entries • Company accounts checklist-directors' report • Audit completion report
Audit Plan	• Planning programme • Time and cost summary • Briefing notes • Copy of planning letter to client • Points forward from previous year
Balance Sheet, profit & loss account and cash flow statement audit – systems testing	• Lead schedules • Audit programs • Detailed working papers and conclusions • Company accounts and accounting standard,if any, checklists • Queries raised and explanations received • Third party confirmations and certificates • Weaknesses identified and copy of Letter of Weaknesses sent to client
Accounts Preparation	• Schedules • Trial balance • Cross-reference to audit work performed
Audit Program	• Audit procedure (compliance and substantive) • Detailed working papers and conclusions • Queries raised and explanations received
Extracts from Minutes relating to accounting	• Directors' meetings • Members' meetings • Audit committee meetings • Investment and other Board committee meetings
Statistical Information	Performance indicators collected which have a bearing on the extent, nature, timing of substantive tests

CONTENTS OF PERMANENT FILE

Title	Information Contained
Engagement	• Letter of engagement • Correspondence with retiring auditor
Constitution	• Copies of Memorandum and Articles of Association in case of corporate entities or • Partnership agreement in case of partnership firm or • Act, Regulation, bye-laws, trust deeds, as applicable under which the entity functions
Background & organization structure	• Nature and history of the business • Profile of ownership • Registered office details • Management structure including organization chart • Industry specification with reference to client's size, economic factors affecting the industry, seasonal fluctuations and demands • Facility locations, plant capacity, owned or leased, age, capital expenditure budget, etc. • Products specifying diverse range along with classification • Purchase volumes, main suppliers, policies • Inventory norms, inventory levels during last five years and related ratios. • Sales volumes including exports, main customers, methods of distribution, pricing policies, credit policy • Personnel showing numbers, analyses by departments or function, method of remuneration, contracts, • union agreements, HR policy • Copy of audited financial statement for previous five years, if it exist • Study and evaluation of internal controls related to accounting system • Significant audit observations of past • Statistical information showing 5 years comparison of *performance indicators* (major accounting ratios) Industry statistics
Systems (For larger audits)	• Details of methods of accounting including cost accounting, flowcharts, specimens of accounting documents, code structure, and list of accounting records • EDP- systems security, source code security, authorisation and backup policy
Contracts, agreements, minutes	• Leases agreements photocopies/ extracts of the same • Title deeds inspected annually by auditor • Royalty agreements • Minutes of continuing importance such as Directors' meeting, Members' meeting
Group	• Group structure- subsidiaries, associates, • Joint venture • Names of auditors
Other professional advisers list	• Bankers • Solicitors • Investment Analysts • Registrars • Credit Rating Agency
Miscellaneous	Details of other client information of a permanent nature

FORMAT OF ENGAGEMENT LETTER (NON CORPORATE)

To (the appropriate representative of senior management)

You have requested that we audit the balance sheet of (Name of the entity) as at 31st March, 2XXX and the related profit and loss account for the year ended on that date. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

We will conduct our audit in accordance with the auditing standards generally accepted in India and with the requirements of Accounting Standards as prescribed by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

- However, having regard to the test nature of an audit, persuasive rather than conclusive nature of audit evidence together with inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements of financial statements, resulting from fraud, and to a lesser extent error, if either exists, may remain undetected.

In addition to our report on the financial statements, we expect to provide you with a separate letter concerning any material weaknesses in accounting and internal control systems which might come to our notice.

The responsibility for the preparation of financial statements on a going concern basis is that of the management. The management is also responsible for selection and consistent application of appropriate accounting policies, including implementation of applicable accounting standards along with proper explanation relating to any material departures from those accounting standards. The management is also responsible for making judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the entity at the end of the financial year and of the profit or loss of the entity for that period.

The responsibility of the management also includes the maintenance of adequate accounting records and internal controls for safeguarding of the assets of the company and for the preventing and detecting fraud or other irregularities. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

We also wish to invite your attention to the fact that our audit process is subject to ‘Peer review’ under the Chartered Accountants Act, 1949. The reviewer may examine our working papers during the course of the peer review.

We look forward to full cooperation with your staff and we trust that they will make available to us whatever records; documentation and other information are requested in connection with our audit. Our fees will be billed as the work progresses. This letter will be effective for future years unless it is terminated, amended or superseded.

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the financial statements.

Acknowledgement on behalf of
------------------------------------by

(Signature)
Name and Designation
Date

ABC& Co.
Chartered Accountants
(Signature)
(Name of the member)
Designation
Date: Place:

Note: For Formats of Engagement Letter in respect of Corporate Client, check link - http://icai.org/post.html?post_id=11197

Auditors Consent and Certificate

[*Pursuant to the provisions of Section 139 of Chapter X of the Companies Act, 2013*]

Date

The Board of Directors
XYZ Limited
Kolkata-

Subject: Consent & Eligibility as Statutory Auditor of your Company

Dear Sir,

In connection with our appointment/ re-appointment as Statutory Auditors of your company for the year 2026-2027 in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, We hereby certify that:

1. We hereby give our consent to be appointed as Auditor of the Company u/s 139 of the Act.
2. We are eligible for appointment/ re-appointment, and are not disqualified under the Act, the Chartered Accountants Act, 1949 and rules or regulations made there under;
3. The proposed appointment is as per the terms provided under the Act;
4. The proposed appointment is within the limits laid down by or under the authority of the Act;
5. There is no proceedings pending against us or any of the partner of the firm with respect to professional matters of conduct;

You are therefore requested to send us a letter of appointment in this respect and also file the necessary details / form with the Registrar of Companies.

Thanking you,
Yours Faithfully,

(…………………………..)
Partner

Date:

Received a copy,
For & On Behalf of:
M/s XYZ Limited

Authorised Signatory
Signature

APPOINTMENT LETTER (CORPORATE) TO AUDITOR - RATIFICATION AT AGM

[Ratification of re-appointment no more required w.e.f. 07.05.2018]

(on the letter head of auditee)

ABC& Co

Chartered Accountants

Kolkata

Subject: Ratification of Reappointment as Statutory Auditor

Dear Sirs,

This is for your information that you were appointed as Statutory Auditor of our Company in Annual General Meeting held in 2021 for a period of 5 (five) years commencing from 2026-2027.

Further, under proviso to section 139(1), we have ratified and approved your re-appointment for the year ……………. as Statutory Auditors of our Company at the Annual General Meeting of the Company held on ………………..

The extract of Resolution passed at the Annual General Meeting is enclosed herewith for your reference.

Thanking you,

Yours truly,

For XYZ Ltd

Name…………………..

(DIN..............................)

Director

Date:……………………………

Received a copy,
For **ABC & Co**

Partner

Date:

APPOINTMENT LETTER (CORPORATE) TO AUDITOR – NEW APPOINTMENT

(on the letter head of auditee)

ABC & Co

Chartered Accountants

Kolkata

Dear Sirs,

We are please to inform you that you have been appointed as the auditors of our company for the next five years, beginning from 2026-2027 in the Annual General Meeting of the company held on …………………

You will hold the office till the conclusion of the fifth Annual General Meeting (next AGM being first) of the company.

The extract of Resolution passed at the Annual General Meeting is enclosed herewith for your reference.

Thanking you,

For XYZ Ltd

Name…………………..

(DIN..............................)

Director

Date:……………………………

Received a copy,
For **ABC & Co**

Partner

Date:

(on the letter head of auditee)

ABC& Co

Chartered Accountants

Kolkata

Dear Sirs,

We are pleased to inform you that you have been appointed as the auditors of our firm u/sec 44AB of the Income Tax Act 1961 for the year 2026-2027.

This letter will be effective for future years unless it is terminated, amended or superseded.

Thanking you,

Yours truly,

On Behalf of ……………………….

Name: …………………………….

Designation:……………………….

Date

DEF & Co

Chartered Accountants

Kolkata

Kind Attn:

Subject: Appointment as Auditor of M/s XYZ Pvt Ltd, Kolkata for the year 2026-2027

Dear Sir,

Please refer to the above. In this respect we hereby bring to your kind notice that we have been appointed as Statutory Auditors of above referred Company for the year 2026-2027.

We have come to know that you were the Auditors of the Company for the immediately preceding year.

If you have any matter, which you want to bring to our knowledge in this connection, let us know within a reasonable time period. If we do not hear anything within seven days from the date of receipt of this letter by you we would presume that you have no objection in respect of above appointment.

Thanking you,

Yours faithfully,

(……………………)

Partner

Received a copy of the above letter,

Authorised Signatory **Date** **Office Seal**

AUDIT REPORT FORMAT – UNLISTED COMPANY (NEW) Prepared in Accordance with a Fair Presentation Framework

INDEPENDENT AUDITOR'S REPORT

To the Members of ABC Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the standalone[56] financial statements of ABC Company Limited ("the Company"), which comprise the balance sheet as at 31st March 2026, and the statement of Profit and Loss, (statement of changes in equity)[57] 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)][58].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone[56] 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, 2026, and its profit/loss, (changes in equity)[59] 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 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 there under, 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.

Information Other than the Financial Statements and Auditor's ReportThereon[59A]

The Company's Board of Directors is responsible for the other information. The other information comprises the information obtained at the date of this auditor's report [is information included in X report[39], 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. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone[56] Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone[56] financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)[60] and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

60A As part of an audit in accordance with Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

  or

  Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in

a manner that achieves fair presentation.

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

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

Other Matter

We did not audit the financial statements/ information of.................... (number) branches included in the standalone[56] financial statements of the company whose financial statements/financial information reflect total assets of Rs. ……..as at 31st March 2026 and total revenue 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 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   or

   This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the Order is not applicable.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.[61]]

(c) [The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report[62].]

(d) The Balance Sheet, the Statement of Profit and Loss, (the Statement of Changes in Equity)[63] and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us[64]].

(e) In our opinion, the aforesaid standalone[56] financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

or

This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls over financial reporting;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note XX to the financial statements;

or

the Company does not have any pending litigations which would impact its financial position[65]

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long- term contracts including derivative contracts – Refer Note XX to the financial statements;

or

the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.[66]

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

or

following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

or

there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company[67].

(i) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail of previous year has been preserved by the Company as per the statutory requirements for record retention, to the extent it was enabled and recorded in the previous year.

or

The company is not maintaining its books of accounts in electronic form, accordingly the reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on audit trail compliance is not applicable to the company for the financial year ended March 31, 2026.

Place : (Place of Signature)
Date : (Report Date)

For **ABC & Co**
Chartered Accountants
Firm's Registration No.:

ABC
Designation[68]
Membership No.: XXXX
UDIN:…………………….

Note: 39 – A more specific description of the other information, such as 'the management report and chairman's statement, may be used to identify the information;

56 – applicable in case of CFS,

57,58,59,60,61,62,63,64 – Where Applicable;

59A **Other Information [or another title if appropriate such as "Information Other than the Financial Statements and Auditor's Report Thereon"] [Reporting in accordance with the reporting requirements in SA 720 (Revised) – see Illustration 1 in Appendix 2 of SA 720 (Revised).]**

60A *Paragraph 41(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 41(c) explains that when law, regulation or the applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.*

65, 66, 67 - As may be applicable; 68 Partner or Proprietor, as the case may be

For more Formats check SA 700, 701, 705, 706 and 720
https://www.icai.org/new_post.html?post_id=450&c_id=141

You can find the revised reporting guidelines on Audit Trail in the **Implementation Guide on Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014**, as issued by the ICAI

AUDIT REPORT FORMAT – NON- CORPORATE ENTITY (NEW) Prepared in Accordance with a Fair Presentation Framework

INDEPENDENT AUDITOR'S REPORT

To the Partners of ABC & Associates [or Other Appropriate Addressee]

Opinion

We have audited the financial statements of ABC & Associates (the entity), which comprise the balance sheet as at March 31st 2026, and the profit and loss account, (and statement of cash flows)[70] for the year then ended, and notes to thefinancialstatements,includingasummaryofsignificantaccountingpolicies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at March 31, 2026, and of its financial performance (and its cash flows)[71] for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. 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 entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements[72]

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at [*Organization's*] website at: [*website link*]. This description forms part of our auditor's report.

Place : (Place of Signature)

Date : (Report Date)

For **ABC & Co**
Chartered Accountants
Firm's Registration No.:

ABC
Designation[73]
Membership No.: XXXX

UDIN:…………………….

Note: 70, 71 – Where Applicable; 72 - Or other terms that are appropriate in the context of the legal framework of the particular entity.73 - Partner or Proprietor, as the case may be

For more Formats check SA 700, 701, 705, 706 and 720 https://www.icai.org/new_post.html?post_id=450&c_id=141

INDEPENDENT AUDITOR'S REPORT

[Appropriate Addressee]

Opinion

We have audited the financial statements of ABC & Associates (the entity), which comprise the balance sheet as at March 31, 20XX, and the Profit and Loss Account (and the cash flow statement)[75] for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the entity are prepared, in all material respects, in accordance with XYZ Laws.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. 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 entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements[76]

Management is responsible for the preparation of the financial statements in accordance with XYZ Laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Paragraph 41(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 41(c) explains that when law, regulation or applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal control.[77]
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Place : (Place of Signature)
Date : (Report Date)

For ABC & Co
Chartered Accountants
Firm's Registration No.:

ABC
Designation[78] Membership No.: XXXX
UDIN:…………………….

Note: 75 – Where Applicable; 76 - Or other terms that are appropriate in the context of the legal framework of the particular entity. 77- This sentence would be modified, as appropriate, in circumstances when the auditor also has responsibility to issue an opinion on the effectiveness of internal control in conjunction with the audit of the financialstatements. 78 - Partner or Proprietor, as the case may be

For more Formats check SA 700, 701, 705, 706 and 720
https://www.icai.org/new_post.html?post_id=450&c_id=141

Annexure to the Independent Auditor's Report of even date to the members of **XYZ Private Limited**, on the financial statements for the year ended **31st March 2026**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) (A) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) whether the company is maintaining proper records showing full particulars of intangible assets;

(b) whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;

(c) whether the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, if not, provide the details thereof in the format below:-

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company*
-	--	-	-	-	*also indicate if in dispute

(d) whether the company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;

(e) whether any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, if so, whether the company has appropriately disclosed the details in its financial statements;

Text of CARO 2020 (Changed)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) The major Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

or

The Company does not have any inventory and no working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(ii) (a) whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;

(b) whether during any point of time of the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details;

Text of CARO 2020 (Changed)

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.

(b) The company has been sanctioned working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets; quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company;

or

The Company does not have any inventory and no working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, if so,-

(a) whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [**not applicable to companies whose principal business is to give loans**], if so, indicate-

(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates;

(B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;

(b) whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

(c) in respect of loans and advances in the nature of loans, whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;

(d) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;

(e) whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year [**not applicable to companies whose principal business is to give loans**];

(f) whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;

Text of CARO 2020 (Changed)

(iii) During the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:

(a) during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity

To whom	the aggregate amount during the year	balance outstanding at the balance sheet date
parties other than subsidiaries, joint ventures and associates		
subsidiaries, joint ventures and associates		

(b) According to the information and explanation given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

(c) schedule of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount and the interest is regular;

(d) According to the information and explanation given to us, no amount is overdue in these respect;

(e) According to the information and explanation given to us, in respect of any loan or advance in the nature of loan granted which has fallen due during the year, none has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties;

(f) The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, required details in respect thereof are as below:

the aggregate amount	percentage thereof to the total loans granted	aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013

or

The Company has during the year, not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.

(iv) in respect of loans, investments, guarantees, and security, whether provisions of sections 185 and 186 of the Companies Act have been complied with, if not, provide the details thereof;

Same as in CARO 2016

(iv) According to the information and explanation given to us, the company has complied with requirements of section 185 and 186 in respect of loans, investments, guarantees or security made by it during the year under audit;

or

According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with.

(v) in respect of deposits accepted by the company **or amounts which are deemed to be deposits**, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, where applicable, have been complied with, if not, the nature of such contraventions be stated; if an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not;

slight change from CARO 2016

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

or

In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the, Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted or amounts which are deemed to be deposits. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.

(vi) whether maintenance of cost records has been specified by the Central Government under sub- section (1) of section 148 of the Companies Act and whether such accounts and records have been so made and maintained;

Same as in CARO 2016

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) whether the company is regular in depositing undisputed statutory dues including **Goods and Services Tax**, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;

(b) where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute);

slight change from CARO 2016

(vii) (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

or

The dues outstanding in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues on account of any dispute, are as follows: (A mere representation to the concerned Department shall not be treated as a dispute)

Name of the statute	Nature of dues	Amount	Amount Paid Under Protest	Period to which the amount relates	Forum where dispute is pending

(viii) whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been properly recorded in the books of account during the year;

New Clause

(viii) According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

Text of CARO 2020 (Changed)

(ix) (a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if yes, the period and the amount of default to be reported as per the format below:-

Nature of borrowing, including debt securities	**Name of lender***	**Amount not paid on due date**	**Whether principal or interest**	**No. of days delay or unpaid**	**Remarks, if any**
	*lender wise details to be provided in case of defaults to banks, financial institutions and Government.				

(b) whether the company is a declared wilful defaulter by any bank or financial institution or other lender;

(c) whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported;

(d) whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated;

(e) whether the company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, if so, details thereof with nature of such transactions and the amount in each case;

(f) whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, if so, give details thereof and also report if the company has defaulted in repayment of such loans raised;

(ix)

(a) In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;

(b) Company is not declared wilful defaulter by any bank or financial institution or other lender;

(c) According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;

(d) According to the information and explanation given to us, funds raised on short term basis have not been utilised for long term purposes;

(e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

or

The Company has no borrowing, including debt securities during the year;

Text of CARO 2020 (Changed)

(x) (a) whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised, if not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;

(b) whether the company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised, if not, provide details in respect of amount involved and nature of non-compliance;

(x)

(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year;

(b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year

or

The company has made private placement of shares under review and the requirement of section 42 of the Companies Act, 2013 have been complied with and according to information and explanations given to us, the amount raised have been used for the purposes for which the funds were raised;

(xi) (a) whether any fraud by the company or any fraud on the company has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated;

(b) whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;

Text of CARO 2020 (changed)

(xi) (a) According to the information and explanation given to us, any fraud by the company or any fraud on the company has not been noticed or reported during the year;

(b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company;

(xii) (a) whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability;

(b) whether the Nidhi Company is maintaining ten per cent. unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;

(c) whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;

slight change from CARO 2016

(xii) Company is not a Nidhi company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company:

or

Company is a Nidhi Company and it has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability, it is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability and there has been no default in payment of interest on deposits or repayment thereof for any period;

(xiii) whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;

Same as in CARO 2016

(xiii) According to the information and explanations given to us, we are of the opinion that all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Accounting Standards and the Companies Act, 2013.

or

According to the information and explanations given to us, the company has not undertaken any transactions with related parties as mentioned in Section 177 and 188 of Companies Act, 2013, accordingly the provisions of clause 3(xiii) of the Order are not applicable to the company;

(xiv) (a) whether the company has an internal audit system commensurate with the size and nature of its business;

(b) whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;

New Clause

(xiv) (a) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the reports of the Internal Auditors for the period under audit;

or

According to the information and explanations given to us, the company has no internal audit system;

(xv) whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;

Same as in CARO 2016

(xv) According to the information and explanations given to us, we are of the opinion that the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, the provisions of clause 3(xv) of the Order is not applicable.

	or The company has entered into non-cash transactions with directors or persons connected with him and According to the information and explanations given to us, the requirements of section 192 of the Companies Act, 2013 have been complied with;	
(xvi)	(a) whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained; (b) whether the company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934; (c) whether the company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfil the criteria of a CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria; (d) whether the Group has more than one CIC as part of the Group, if yes, indicate the number of CICs which are part of the Group;	Text of CARO 2020 (changed)
(xvi)	According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of clause 3(xvi) of the Order are not applicable;	
	or (a) The company is a Non-Banking Financial Company as registered under section 45-IA of the Reserve Bank of India Act, 1934 1934, accordingly the provisions of sub-clause (b) of clause 3(xvi) of the Order is not applicable; (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of sub-clause (c) and (d) of clause 3(xvi) of the Order are not applicable;	
(xvii)	whether the company has incurred cash losses in the financial year and in the immediately preceding financial year, if so, state the amount of cash losses;	New Clause
(xvii)	According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year;	
(xviii)	whether there has been any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;	New Clause
(xviii)	There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;	
(xix)	on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;	New Clause
(xix)	On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.	
(xx)	(a) whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act; (b) whether any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;	New Clause

(xx)	The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.	
(xxi)	whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks.	New Clause
(xxi)	The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.	

Place: Kolkata
Date:……………..

For ABC & Co
Chartered Accountants
Firm Registration No…………….

ABC
Partner
Membership No.

Note: **Reasons to be stated for unfavourable or qualified answers**.-

(1) Where, in the auditor's report, the answer to any of the questions referred to in paragraph 3 is unfavourable or qualified, the auditor's report shall also state the basis for such unfavourable or qualified answer, as the case may be.

(2) Where the auditor is unable to express any opinion on any specified matter, his report shall indicate such fact together with the reasons as to why it is not possible for him to give his opinion on the same.

SCHEDULE III (NEW REQUIREMENTS W.E.F. 01.04.2021) – SUMMARISED CHECK-LIST FORMAT

[Division I of Schedule III: Financial Statements for a company whose Financial Statements are required to comply with the Companies (Accounting Standards) Rules, 2006]

PART I — BALANCE SHEET

New Requirements	**Y / N / NA**	**Disclosure Made**	**Notes**
Rounding Off			**Mandatory required for all companies** or **If company is almost inoperative with insignificant / no transactions**: Company has figures in less than hundreds for items appearing in financial statements, hence it is not practicable to rounding off as those figures may vanish.
Disclosure of shareholding of Promoters (% change during the year)			New table to be added for **% change during the year** or There is no change in shareholding of Promoters during the year.
Current Maturities of LT Borrowings		**If Y, disclosure as per Sch III**	If N / NA then no need of disclosure or **Company has no current maturities of Long Term Borrowings during the year.**
Ageing schedule for Trade payables due for payment		**If Y, disclosure as per Sch III**	If N / NA then no need of disclosure
Property, Plant and Equipment Intangible assets		**If Y, disclosure as per Sch III**	If N / NA then no need of disclosure
Security Deposits (Other Current Assets)			**Only change in head from** Long-term loans and advances to Other non-current assets, no other disclosures required.
Ageing schedule for trade receivables outstanding		**If Y, disclosure as per Sch III**	If N / NA then no need of disclosure
Contingent liabilities and commitments (in respect of borrowings from banks and financial institutions)		**If Adverse, disclosure as per Sch III**	If no borrowings from banks and financial institutions, then no need of disclosure or Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
Title deeds of Immovable Property not held in name of the Company		**If Y, disclosure as per Sch III**	If N / NA then no need of disclosure or Title deeds of Immovable Property are held in name of the Company as at the balance sheet date (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the company, if any).
Revaluation of PPE		**If Y, disclosure as per Sch III**	**Only if PPE:** Company has not made any revaluation of Property, Plant and Equipment.
Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties		**If Y, disclosure as per Sch III**	**If N / NA** **C**ompany has not granted any Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment.

Ageing Schedule and Completion Schedule for Capital-Work-in Progress (CWIP)		**If Y, disclosure as per Sch III**	If N / NA then no need of disclosure
Ageing Schedule and Completion Schedule for Intangible assets under development		**If Y, disclosure as per Sch III**	If N / NA then no need of disclosure
Details of Benami Property held		**If Y, disclosure as per Sch III**	If N / NA The Company does not have any Benami Property and no proceedings have been initiated or is pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
Disclosure requirements in case of borrowings from Banks or FI		**If Adverse, disclosure as per Sch III**	If N / NA then no need of disclosure or The Company has been regular in filing quarterly returns or statements of current assets with banks or financial institutions and those are in agreement with the books of accounts.
Disclosure, if Wilful Defaulter as per Bank or FI or other lender		**If Adverse, disclosure as per Sch III**	If N / NA then no need of disclosure or The Company has not been declared a wilful defaulter by any bank or financial institution.
Relationship with Struck off Companies		**If Y, disclosure as per Sch III**	The Company has no transactions with companies struck off under Sec.248 of the Companies Act, 2013 or Sec.560 of the Companies Act, 1956.
charges or satisfaction yet to be registered		**If Y, disclosure as per Sch III**	**If N / NA** Company has no borrowings on which charges or satisfaction are required to be registered with Registrar of Companies as at balance sheet date. **or** Company has no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period as at balance sheet date.
Compliance with number of layers of companies		**If Adverse, disclosure as per Sch III**	If N / NA then no need of disclosure
Disclosure of Ratios			**Mandatory required for all companies**
Compliance with approved Scheme(s) of Arrangements		**If Y, disclosure as per Sch III**	If N / NA then no need of disclosure
Utilisation of Borrowed funds and share premium (ultimate beneficiaries purpose)		**If Y, disclosure as per Sch III**	If N / NA then no need of disclosure or **(i)** The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries **(ii)** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding

			Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
PART II — STATEMENT OF PROFIT AND LOSS			
New Requirements	**Y / N / NA**	**Disclosure Made**	**Notes**
Disclose in revenue from operations Grants or donations received (relevant in case of section 8 companies only)]			If N / NA then no need of disclosure
Undisclosed Income disclose by way of notes		**If Y, disclosure as per Sch III**	The Company does not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the income Tax Act,1961).
Disclosure of Corporate Social Responsibility (CSR) – if applicable		**If Y, disclosure as per Sch III**	If N / NA then no need of disclosure
Disclosure of Crypto Currency or Virtual Currency – if applicable		**If Y, disclosure as per Sch III**	**If N / NA** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

SCHEDULE III (NEW REQUIREMENTS W.E.F. 01.04.2021) - DETAILED

[Division I of Schedule III: Financial Statements for a company whose Financial Statements are required to comply with the Companies (Accounting Standards) Rules, 2006]

<table>
<tr><th colspan="2">PART I — BALANCE SHEET</th></tr>
<tr><td>Rounding Off</td><td>Depending upon the [1][Total Income] of the company, the figures appearing in the Financial Statements [2][shall] be rounded off as given below:—
<table>
<tr><th></th><th>[3][Total Income]</th><th>Rounding off</th></tr>
<tr><td>(a)</td><td>less than one hundred crore rupees</td><td>To the nearest hundreds, thousands, lakhs or millions, or decimals thereof.</td></tr>
<tr><td>(b)</td><td>one hundred crore rupees or more</td><td>To the nearest lakhs, millions or crores, or decimals thereof.</td></tr>
</table></td></tr>
<tr><td>Disclosure of shareholding of Promoters</td><td>A company shall disclose Shareholding of Promoters* as below:
<table>
<tr><th colspan="4">Shares held by promoters at the end of the year</th><th>% Change during the year***</th></tr>
<tr><td>S. No</td><td>Promoter name</td><td>No. of Shares**</td><td>% of total shares**</td><td></td></tr>
<tr><td colspan="2">Total</td><td></td><td></td><td></td></tr>
</table>
* Promoter here means promoter as defined in the Companies Act, 2013.
** Details shall be given separately for each class of shares
*** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue</td></tr>
<tr><td>Current Maturities of LT Borrowings</td><td>current maturities of Long term borrowings shall be disclosed separately under the head Short-term borrowings.</td></tr>
<tr><td>Ageing schedule for Trade payables due for payment</td><td>The following ageing schedule shall be given for Trade payables due for payment:-
Trade Payables ageing schedule
(Amount in Rs.)
<table>
<tr><th rowspan="2">Particulars</th><th colspan="4">Outstanding for following periods from due date of payment#</th><th></th></tr>
<tr><th>Less than 1 year</th><th>1-2 years</th><th>2-3 years</th><th>More than 3 years</th><th>Total</th></tr>
<tr><td>MSME
Others
Disputed dues – MSME
Disputed dues – Others</td><td></td><td></td><td></td><td></td><td></td></tr>
</table>
similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.
Unbilled dues shall be disclosed separately;</td></tr>
<tr><td>Property, Plant and Equipment
Intangible assets</td><td>[4][(iii) A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations, amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment) and other adjustments and the related depreciation and impairment losses/reversals shall be disclosed separately.]</td></tr>
<tr><td>Security Deposits</td><td>Security Deposits head changed from Long-term loans and advances to Other non-current assets</td></tr>
</table>

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[1] *Subs*., w.e.f. **01.04.2021**, for the word "turnover", vide GSR 207(E), dt. 24.03.2021

[2] *Subs*., w.e.f. **01.04.2021**, for the word "may", vide GSR 207(E), dt. 24.03.2021.

[3] *Subs*., w.e.f. **01.04.2021**, for the word "Turnover", vide GSR 207(E), dt. 24.03.2021

[4] *Subs*., w.e.f. **01.04.2021**, vide GSR 207(E), dt. 24.03.2021. Formerly item (iii) read:

"(iii) A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments and the related depreciation and impairment losses/reversals shall be disclosed separately."

Ageing schedule for trade receivables outstanding

[5][(i) For trade receivables outstanding, following ageing schedule shall be given:

Trade Receivables ageing schedule

(Amount in Rs.)

Particulars	**Outstanding for following periods from due date of payment#**					
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables – considered good Undisputed Trade Receivables – considered doubtful Disputed Trade Receivables considered good Disputed Trade Receivables considered doubtful						

similar information shall be given where no due date of payment is specified, inthat case disclosure shall be from the date of the transaction. Unbilled dues shall be disclosed separately.]

Contingent liabilities and commitments

Where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date, the company shall disclose the details of where they have been used under the head **Contingent liabilities and commitments (to the extent not provided for).**

Title deeds of Immovable Property not held in name of the Company

Title deeds of Immovable Property not held in name of the Company

The company shall provide the details of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company in format given below and where such immovable property is jointly held with others, details are required to be given to the extent of the company's share.

Relevant line item in the Balance sheet	**Description of item of property**	**Gross carrying value**	**Title deeds held in the name of**	**Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/ director**	**Property held since which date**	**Reason for not being held in the name of the company****
PPE -	Land Building	-	-	-	-	**also indicate if in dispute
Investment property -	Land Building					
PPE retired from active use and held for disposal -	Land Building					
others						

#Relative here means relative as defined in the Companies Act, 2013.

*Promoter here means promoter as defined in the Companies Act, 2013.

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[5] *Subs.*, w.e.f. **01.04.2021**, item (i), vide GSR 207(E), dt. 24.03.2021. Formerly item (i) read: "(i) Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment should be separately stated."

<table>
<tr>
<td>Revaluation of PPE</td>
<td>Where the Company has revalued its Property, Plant and Equipment, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.</td>
</tr>
<tr>
<td>Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties</td>
<td>Following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
(a) repayable on demand or
(b) without specifying any terms or period of repayment
<table>
<tr><th>Type of Borrower</th><th>Amount of loan or advance in the nature of loan outstanding</th><th>Percentage to the total Loans and Advances in the nature of loans</th></tr>
<tr><td>Promoters</td><td></td><td></td></tr>
<tr><td>Directors</td><td></td><td></td></tr>
<tr><td>KMPs</td><td></td><td></td></tr>
<tr><td>Related Parties</td><td></td><td></td></tr>
</table>
</td>
</tr>
<tr>
<td>Ageing Schedule and Completion Schedule for Capital-Work-in Progress (CWIP)</td>
<td>Capital-Work-in Progress (CWIP)
(a) For Capital-work-in progress, following ageing schedule shall be given: CWIP aging schedule
(Amount in Rs.)
<table>
<tr><th rowspan="2">CWIP</th><th colspan="4">Amount in CWIP for a period of</th><th>Total*</th></tr>
<tr><th>Less than 1 year</th><th>1-2 years</th><th>2-3 years</th><th>More than 3 years</th><th></th></tr>
<tr><td>Projects in progress
Project temporarily suspended</td><td></td><td></td><td></td><td></td><td></td></tr>
</table>
*Total shall tally with CWIP amount in the balance sheet.
(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule shall be given**:
(Amount in Rs.)
<table>
<tr><th rowspan="2">CWIP</th><th colspan="4">To be completed in</th></tr>
<tr><th>Less than1 year</th><th>1-2 years</th><th>2-3 years</th><th>More than 3 years</th></tr>
<tr><td>Project 1
Project 2”</td><td></td><td></td><td></td><td></td></tr>
</table>
**Details of projects where activity has been suspended shall be given separately.
</td>
</tr>
<tr>
<td>Ageing Schedule and Completion Schedule for Intangible assets under development</td>
<td>Intangible assets under development:
(a) For Intangible assets under development, following ageing schedule shall be given:
Intangible assets under development aging schedule
(Amount in Rs.)
<table>
<tr><th rowspan="2">Intangible assets under development</th><th colspan="4">Amount in CWIP for a period of</th><th>Total*</th></tr>
<tr><th>Less than 1 year</th><th>1-2 years</th><th>2-3 years</th><th>More than 3 years</th><th></th></tr>
<tr><td>Projects in progress
Projects temporarily suspended</td><td></td><td></td><td></td><td></td><td></td></tr>
</table>
*Total shall tally with the amount of Intangible assets under development in the balance sheet.
(b) For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following Intangible assets under development completion schedule shall be given**:
(Amount in Rs.)
</td>
</tr>
</table>

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1				
Project 2				

**Details of projects where activity has been suspended shall be given separately.

Details of Benami Property held

Details of Benami Property held

Where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company shall disclose the following:-

(a) Details of such property, including year of acquisition,

(b) Amount thereof,

(c) Details of Beneficiaries,

(d) If property is in the books, then reference to the item in the Balance Sheet,

(e) If property is not in the books, then the fact shall be stated with reasons,

(f) Where there are proceedings against the company under this law as an abetter of the transaction or as the transferor then the details shall be provided,

(g) Nature of proceedings, status of same and company's view on same.

Disclosure requirements in case of borrowings from Banks or FI

Where the Company has **borrowings from banks or financial institutions on the basis of security of current assets**, it shall disclose the following:-

(a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.

Disclosure, if Wilful Defaulter as per Bank or FI or other lender

Wilful Defaulter*

Where a company is a declared wilful defaulter by any bank or financial Institution or other lender, following details shall be given:

(a) Date of declaration as wilful defaulter,

(b) Details of defaults (amount and nature of defaults),

* "wilful defaulter" here means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Relationship with Struck off Companies

Relationship with Struck off Companies

Where the company has any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details:-

Name of struck off Company	Nature of transactions with struck- off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	Investments in securities		
	Receivables		
	Payables		
	Shares held by stuck off company		
	Other outstanding balances (to be specified)		

charges or satisfaction yet to be registered	**Registration of charges or satisfaction with Registrar of Companies** Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof shall be disclosed.
Compliance with number of layers of companies	**Compliance with number of layers of companies** Where the company has not complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, the name and CIN of the companies beyond the specified layers and the relationship/extent of holding of the company in such downstream companies shall be disclosed.
Disclosure of Ratios	**Following Ratios to be disclosed**:- (a) Current Ratio, (b) Debt-Equity Ratio, (c) Debt Service Coverage Ratio, (d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio, (i) Net profit ratio, (j) Return on Capital employed, (k) Return on investment. The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.
Compliance with approved Scheme(s) of Arrangements	**Compliance with approved Scheme(s) of Arrangements** Where any Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, the Company shall disclose that the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards' and deviation in this regard shall be explained.
Utilisation of Borrowed funds and share premium	**Utilisation of Borrowed funds and share premium:** (A) Where company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries; the company shall disclose the following: - (I) date and amount of fund advanced or loaned or invested in Intermediaries with complete details of each Intermediary. (II) date and amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries alongwith complete details of the ultimate beneficiaries. (III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries (IV) declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003). (B) Where a company has received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the company shall disclose the following: - (I) date and amount of fund received from Funding parties with complete details of each Funding party. (II) date and amount of fund further advanced or loaned or invested other intermediaries or Ultimate Beneficiaries alongwith complete details of the other intermediaries or ultimate beneficiaries. (III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries

	(IV) declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).]
PART II — STATEMENT OF PROFIT AND LOSS	
Disclose in revenue from operations	Grants or donations received (relevant in case of section 8 companies only)]
Undisclosed Income **disclose by way of notes**	(under additional information regarding aggregate expenditure and income) **Undisclosed income** The Company shall give details of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.
Disclosure of Corporate Social Responsibility (CSR) – if applicable	**Corporate Social Responsibility (CSR)** Where the company covered under section 135 of the companies act, the following shall be disclosed with regard to CSR activities:- (a) amount required to be spent by the company during the year, (b) amount of expenditure incurred, (c) shortfall at the end of the year, (d) total of previous years shortfall, (e) reason for shortfall, (f) nature of CSR activities, (g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard, (h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.
Disclosure of Crypto Currency or Virtual Currency **– if applicable**	**Details of Crypto Currency or Virtual Currency** Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year, the following shall be disclosed:- (a) profit or loss on transactions involving Crypto currency or Virtual Currency (b) amount of currency held as at the reporting date, (c) deposits or advances from any person for the purpose of trading or investing in Crypto Currency/ virtual currency.]

PART I —BALANCE SHEET

Name of the Company……………………

Balance Sheet as at ………………………

(Rupees in…………)

Particulars	**Note No.**	**Figures as at the end of current reporting period**	**Figures as at the end of the previous reporting period**
1	**2**	**3**	**4**
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital			
(b) Reserves and surplus			
(c) Money received against share warrants			
(2) Share application money pending allotment			
(3) Non-current liabilities			
(a) Long-term borrowings			
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long-term provisions			
(4) Current liabilities			
(a) Short-term borrowings			
[(b) Trade payables:-			
(A) total outstanding dues of micro enterprises and small enterprises; and			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.] [6]			
(c) Other current liabilities			
(d) Short-term provisions			
TOTAL			
II. ASSETS			
(1) Non-current assets			
(a) [7][Property, Plant and Equipment [8][and Intangible assets]]			
(i) [9][Property, Plant and Equipment]			
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments			
(c) Deferred tax assets (net)			

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[6] *Subs*. w.e.f. 07.09.2015, for "(b) Trade payables", vide G.S.R 679(E), dt. 04.09.2015.

[7] *Subs*., w.e.f. 11.10.2018, for "Fixed assets", vide GSR 1022(E), dt. 11.10.2018.

[8] *Ins*., w.e.f. **01.04.2021**, vide GSR 207(E), dt. 24.03.2021

[9] *Subs*., w.e.f. **01.04.2021**, for "Tangible Assets", vide GSR 207(E), dt. 24.03.2021

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
1	2	3	4
(d) Long-term loans and advances			
(e) Other non-current assets			
(2) Current assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables			
(d) Cash and cash equivalents			
(e) Short-term loans and advances			
(f) Other current assets			
TOTAL			

See accompanying notes to the Financial Statements.

PART II — STATEMENT OF PROFIT AND LOSS

Name of the Company……………………..

Profit and loss statement for the year ended ………………………

(Rupees in…………)

	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
	1	2	3	4
I.	Revenue from operations		Xxx	xxx
II.	Other income		Xxx	xxx
III.	Total [10][Income] (I + II)		Xxx	xxx
IV.	Expenses:			
	Cost of materials consumed			
	Purchases of Stock-in-Trade			
	Changes in inventories of finished goods		Xxx	xxx
	work-in-progress and		Xxx	xxx
	Stock-in-Trade		Xxx	xxx
	Employee benefits expense		Xxx	xxx
	Finance costs			
	Depreciation and amortisation expense			
	Other expenses			
	Total expenses		Xxx	xxx

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[10] *Subs.*, w.e.f. **01.04.2021**, for "Revenue", vide GSR 207(E), dt. 24.03.2021

	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
	1	**2**	**3**	**4**
V.	Profit before exceptional and extraordinary items and tax (III - IV)		Xxx	xxx
VI.	Exceptional items		Xxx	xxx
VII.	Profit before extraordinary items and tax (V - VI)		Xxx	xxx
VIII	Extraordinary items		Xxx	xxx
IX.	Profit before tax (VII- VIII)		Xxx	xxx
X.	Tax expense:			
	(1) Current tax		Xxx	xxx
	(2) Deferred tax		Xxx	xxx
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)		Xxx	xxx
XII.	Profit/(loss) from discontinuing operations		Xxx	xxx
XIII.	Tax expense of discontinuing operations		Xxx	xxx
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		xxx	xxx
XV.	Profit (Loss) for the period (XI + XIV)		xxx	xxx
XVI.	Earnings per equity share:			
	(1) Basic		xxx	xxx
	(2) Diluted		xxx	xxx

***See* accompanying notes to the financial statements.**

[w.e.f. 13.06.2017 not applicable to a private company:-

(i) which is a one person company or a small company; or

(ii) which has turnover less than rupees fifty crores as per latest audited financial statement and which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than rupees twenty five crore.]

‘Annexure B’ to the Independent Auditor’s Report of even date on the Financial Statements of XYZ Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **XYZ Private Limited** (“the Company”) as of 31st March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Kolkata
Date:………………

For**ABC & Co**
Chartered Accountants
Firm's Registration No.

A
Partner
Membership No.

(on the letter head of Auditee)

To
ABC& Co,
Chartered Accountants
Kolkata

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of M/s. XYZ for the year ended 31st Mar 2026 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of M/s XYZ as of 31st Mar 2026 and of the results of operations for the year then ended. We acknowledge our responsibility for preparation of financial statements in accordance with the requirements of the other relevant statute and recognized accounting policies and practices, including the accounting Standards issued by The Companies Act' 2013 / The Institute of Chartered Accountants of India.

We confirm, to the best of our knowledge and belief, the following representations:

A ACCOUNTING POLICIES

The financial statements have been prepared under the Historical Cost Convention on the basis of a going concern and in accordance with the Accounting Standards notified under The Companies Act' 2013 / The Institute of Chartered Accountants of India, wherever applicable.

The accounting policies which are material or critical in determining the results of operations for the year or financial position are set out in the financial statements and are consistent with those adopted in the financial statements for the previous year. The financial statements are prepared on accrual basis unless otherwise stated.

B ASSETS

1 The Company /Firm has a satisfactory title to all assets and there are no liens or encumbrances on the Company /Firm’s assets, except for those that are disclosed in Notes on Accounts to the financial statements.

2 **Property, Plant and Equipment**

The net book values at which Property, Plant and Equipment are stated in the balance sheet are arrived

(a) after taking into account all capital expenditure on additions thereto, but no expenditure properly chargeable to revenue;

(b) after eliminating the cost and accumulated depreciation relating to items sold, discarded, demolished or destroyed:

(c) after providing adequate depreciation/amortisation on Property, Plant and Equipment during the period.

3 **Capital Commitments**

At the balance sheet date, outstanding commitments for capital expenditure were Rs------------------

4 **Investment**

As at balance sheet date, investment of the Company /Firm are as below:

Long Term Investment (non-trade): Rs------------------
(Market value of Quoted Investment: Rs -----------------)
Current Investment (trade): Rs------------------

5 **Debtors, Loans and Advances**

The following items appearing in the books as at the date of the Balance Sheet are considered good and fully recoverable with the exception of those specifically shown as “doubtful” in the Balance Sheet

Sundry Debtors	Rs------------------
Non Current Loans and Advances	Rs------------------
Short Term Loans and Advances	Rs------------------

6	**Other Current Assets** Other current assets include Rs------------------ as cash in hand, Rs ----------------- as balances with scheduled banks and Rs------------------in Term Deposit Account with Scheduled Bank as at Balance Sheet date. In our opinion, other current assets have a value on realization in the ordinary course of the Company /Firm's business, which is at least equal to the amount at which they are stated in the balance sheet	
7	**Inventories** Inventories recorded in the books as at balance sheet date are based upon the physical verification by as on that date. The material discrepancies noticed on physical verification of stocks as compared to book records have been properly dealt with in the books of account and subsequent transactions recorded in the accounts fairly reflect the changes in the inventories up to balance sheet date. All goods included in the inventory are the property of the entity, none of the goods are held as consignee for others or as bailee, and none of the goods are subject to any charge. The basis/bases of valuation is/ are the same as that /those used in the previous year	
8	**Details of Inventories in hand is as below**: Raw Materials Rs------------------ Finished Goods Rs------------------ Others Rs------------------ Total Rs------------------	
9	Inventories have been valued on the following basis/ bases: -------------------	
C	**Liabilities**	
1	We have recorded all known liabilities in the financial statements.	
2	Details of all contingent liabilities as at the end of year which does not require any accounting treatment are as below: -------------------	
3	Contingent liabilities disclosed in the notes to the financial statements do not include any contingencies which are likely to result in a loss and which, therefore require adjustment of assets or liabilities.	
4	Provisions for Claims and Losses	
(i)	Provision has been made in the accounts for all known losses and claims of material amounts.	
(ii)	Details of all major events which occurred subsequent to the Balance Sheet date, which require adjustment of, or disclosure in the financial statements or notes thereto are as below: -------------------	
(iii)	Details of all statutory dues (disputed or undisputed) as on Balance Sheet date are as below: -------------------	
(iv)	Details of all pending litigations and its impact on financial statement are as below:	
	Particulars	Impact on Financial Statement
(v)	Details of foreseeable losses on long term contracts including derivative contracts: Rs …………….	

D	**PROFIT AND LOSS ACCOUNT**
1	Except as disclosed in the financial statements, the results for the year were not materially affected by i) transactions of a nature not usually undertaken by the Company /Firm ii) Circumstances of an exceptional or non-recurring nature iii) Changes or credits relating to prior years iv) Changes in accounting policies.
E	**AUDIT TRAIL**
1	The company is not maintaining its books of accounts in electronic form as mentioned under the provisions of the Companies Act, 2013.
F	**GENERAL**
1	There have been no irregularities involving management or employees who have a significant role in the system of internal control that could have a material effect on the financial statements.
2	The financial statements are free of material misstatements, including omissions.
3	We have complied with all the relevant provisions of statute as applicable to us and our records and minutes in this respect are up-to-date and are open for inspection in the course of your audit.
4	The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
5	We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
6	All the loans or deposit or repayment thereof was made by account payee cheques or demand draft only.
7	In term of section 22 of the Micro, Small & Medium Enterprises Development Act, 2006:

	Sundry Creditors of the Company: Rs…	Interest Paid to them: Rs…

8	We have complied with Income Tax provisions in respect of deduction of TDS.
9	We have complied provisions of GST Act, whichever are applicable and not misrepresented inputs and outputs thereof.
10	All the payments in respect of any revenue item has been made in compliance with the provisions of Section 40(A)(3) of the Income Tax Act'1961.
11	Other Information of Company:

	Email Id	Principal Contact No	No of Employees	No of Branches
	Signatory(ies)	Unsecured Loan from Shareholders & Director's Relatives		Loan to Directors & Interested Parties

12	Our Books of Accounts and Other Records are kept at our address as mentioned above.
13	Additional requirements as required for the purpose of TAX AUDIT U/S 44AB under the provisions of the Income Tax Act, 1961 are as per Additional Sheet attached in this respect.

14	**Others**: a) We have duly complied provisions of section 185, 186 of the Companies Act, 2013 in respect of loan, investment, security, guarantee made by us. b) We have duly complied provisions of section 177, 188 in respect of related party transactions and also disclosed the details thereof in Financial Statements as required by the Accounting Standards and the Companies Act, 2013. c) The Company has not accepted any deposits under the directives of the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. d) The Company has no dues payable to a financial institution or a bank or debenture-holders and the company did not have any term loans outstanding during the year. e) The Company has not accepted any preferential allotment or private placement of shares or fully or partly convertible debentures. f) The Company has not entered into any non-cash transactions with directors or persons connected with him. g) As recorded, none of the Directors are disqualified u/sec 164(2) of the Companies Act, 2013 as at BS date. h) Amount transferred to the Investor Education and Protection Fund: Rs Nil. i) Additional requirements as per the amended Schedule III (w.e.f. 01.04.2021) of the Companies Act, 2013 are as per Additional Sheet attached in this respect.		
	Dated: Place:	For and on behalf of ………………………………. Director	Seal

MANAGEMENT REPRESENTATION LETTER TO AUDITOR
(ADDITIONAL SHEET IN CASE OF TAX AUDIT)

TAX AUDIT U/S 44AB – Additional Information

1	**Details of all immovable Properties Purchased / Sold during the year (attach extra sheet, if required):**			
Sl	Details	Purchase/Sale	Amount	Value as per Stamp Duty Act

2	**Details of Shares Issued during the year (attach extra sheet, if required):**			
Sl	Name	No of Shares	Amount (including premium)	Date of Allotment

3	**Details of Investment in Shares (other than in listed companies)- attach extra sheet, if required**				
Sl	Name	No of Shares	Amount	Date of purchase	Break-up value per share

4	**Demand raised or refund issued during the previous year under any tax laws other than Income Tax Act, 1961 and Wealth Tax Act, 1957**			
Sl	Tax Laws Name	Demand Raised / Refund Issued	Amount & Year	Details of Relevant Proceedings

5	**Registration Details under various laws:**				
Sl	Tax Laws Name	Registration No	Sl	Tax Laws Name	Registration No
1	VAT		2	CST	
3	CENTRAL EXCISE DUTY		4	STATE EXCISE DUTY	
5	SERVICE TAX		6	CENTRAL CUSTOM DUTY	
7	GSTIN		8		
9			10		

6	**Details of Speculation Loss (attach extra sheet, if required):**		
Sl	Nature of Loss	Amount	Brief Details of Loss

7	**Details of any sum received as an advance against capital asset (forfeited/ not resulted into transfer):**		

8	**Details of any sum >Rs 50000 without consideration or immovable property without consideration or with stamp duty value exceeds > Rs 50000:**		

MANAGEMENT REPRESENTATION LETTER TO AUDITOR

(ADDITIONAL SHEET - Schedule III (w.e.f. 01.04.2021) of the Companies Act, 2013)

<table>
<tr>
<td>Disclosure of shareholding of Promoters</td>
<td colspan="2">
<table>
<tr><td colspan="4">Shares held by promoters at the end of the year</td><td>% Change during the yeae</td></tr>
<tr><td>S. No</td><td>Promoter name</td><td>No. of Shares</td><td>% of total shares</td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Total</td><td></td><td></td><td></td></tr>
</table>
</td>
</tr>
<tr>
<td>Revaluation of PPE</td>
<td>Y/N</td>
<td>Where the Company has revalued its Property, Plant and Equipment, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.</td>
</tr>
<tr>
<td>Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties</td>
<td>Y/N</td>
<td>
<table>
<tr><td>Type of Borrower</td><td>Amount of loan or advance in the nature of loan outstanding</td><td>Percentage to the total Loans and Advances in the nature of loans</td></tr>
<tr><td>Promoters</td><td></td><td></td></tr>
<tr><td>Directors</td><td></td><td></td></tr>
<tr><td>KMPs</td><td></td><td></td></tr>
<tr><td>Related Parties</td><td></td><td></td></tr>
</table>
</td>
</tr>
<tr>
<td>Disclosure requirements in case of borrowings from Banks or FI</td>
<td>Y/N</td>
<td>If yes:
(a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
(b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.</td>
</tr>
</table>

Details of Benami Property held	Y/N	If yes, details thereof
Disclosure, if Wilful Defaulter as per Bank or FI or other lender	Y/N	If yes, details thereof
Relationship with Struck off Companies	Y/N	If yes, details thereof
charges or satisfaction yet to be registered	Y/N	If yes, details thereof
Compliance with number of layers of companies	Y/N	If no, details thereof
Compliance with approved Scheme(s) of Arrangements	Applicable / N.A.	If Applicable, details thereof
Utilisation of Borrowed funds and share premium	Applicable / N.A.	If Applicable, details thereof
Undisclosed Income	Y/N	If yes, details thereof
Corporate Social Responsibility (CSR) – if applicable	Y/N	If yes, details thereof
Crypto Currency or Virtual Currency	Y/N	If no, details thereof

ABC PRIVATE LIMITED
DIRECOR'S REPORT

To the Members,

Your Directors have pleasure in submitting their Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2026

1 FINANCIAL SUMMARY

Amount in Rs

Particulars	**As at the end of current reporting period**	**As at the end of previous reporting period**
Total Revenue		
Total Expenses		
Profit or Loss before Exceptional and Extraordinary items and Tax		
Less: Exceptional Items		
Less: Extraordinary Items		
Profit or Loss before Tax		
Less: Current Tax		
Deferred Tax		
Profit or Loss After Tax		
Add: Balance as per last Balance Sheet		
Less: Transfer to Reserves		
Balance Transferred to Balance Sheet		

2 WEBSITE

Company has no operating website during the year.

3 DIVIDEND

No Dividend was declared for the current financial year.

4 TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

5 REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

Your Directors are optimistic about company's business and hopeful of better performance with increased revenue in next year. There was no change in the nature of business of company.

6 MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

7 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

8 STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

9 DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL

RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

10 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

or

The particulars of Loans, guarantees or investments made under Section 186 is as per financials of the company for the year.

or

The provisions of Sec 186 is not applicable to the company, as the company is a Non-Banking Finance Company registered with RBI.

11 PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There were no, material arm's length / non arm's length, contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

or

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 is furnished in Annexure B and is attached to this report.

12 EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

13 COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company

14 NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted **Four (28/07/2025, 27/10/2025, 09/01/2026, 30/03/2026)** Board meetings during the financial year under review. Details of number of meetings attended by each director is as below:

Name of Director	X	Y	Z
Number of Meetings attended			

15 DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

or

Statement containing salient features of the financial statement of Associate Company in Form AOC-1 is as annexed with financial statement. The Company does not have any Subsidiary or Joint venture Company during the year under review.

17 DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

18 DIRECTORS

There was no Director who was appointed/ceased/reelected/reappointed during the year under review. Company is not mandatorily required to appoint any whole time Key Management Personnel (KMP).

19 DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 for appointment of Independent Directors do not apply to the company.

20 ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

21 STATUTORY AUDITORS

M/s **ABC& Co** Chartered Accountants were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held in the year **2021** and are eligible.

22 DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

23 SHARES

During the year under review, the company has undertaken following transactions:

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan

24 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

25 OTHERS

a) Company has not made any application under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year or in past.

b) There is no case of one-time settlement with Banks or Financial Institutions in respect of any loan with them.

26 ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

Date: ……………………………….
Place: ……………………………………….

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

X	Y
Director	Director
(DIN……………….)	(DIN……………….)

ABC PRIVATE LIMITED
DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in submitting their Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2026

1 FINANCIAL SUMMARY

Amount in Rs

Particulars	**As at the end of current reporting period**	**As at the end of previous reporting period**
Total Revenue		
Total Expenses		
Profit or Loss before Exceptional and Extraordinary items and Tax		
Less: Exceptional Items		
Less: Extraordinary Items		
Profit or Loss before Tax		
Less: Current Tax		
Deferred Tax		
Profit or Loss After Tax		
Add: Balance as per last Balance Sheet		
Less: Transfer to Reserves		
Balance Transferred to Balance Sheet		

2 WEBSITE

Company has no operating website during the year.

3 DIVIDEND

No Dividend was declared for the current financial year.

4 TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

5 REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

Your Directors are optimistic about company's business and hopeful of better performance with increased revenue in next year. There was no change in the nature of business of company.

6 MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

7 EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

8 NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted **Four (28/07/2025, 27/10/2025, 09/01/2026, 30/03/2026)** Board meetings during the financial year under review. Details of number of meetings attended by each director is as below:

Name of Director	X	Y	Z
Number of Meetings attended			

9 DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10 JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Joint venture or Associate Company during the year under review.

or

Statement containing salient features of the financial statement of Associate Company in Form AOC-1 is as annexed with financial statement. The Company does not have any Joint venture Company during the year under review.

11 DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

12 DIRECTORS

There was no Director who was appointed/ceased/reelected/reappointed during the year under review. Company is not mandatorily required to appoint any whole time Key Management Personnel (KMP).

13 ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

14 STATUTORY AUDITORS

M/s **ABC & Co** Chartered Accountants were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held in the year **2021** and are eligible.

15 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

16 ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

Date: ……………………………… FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: ………………………………………..

	X	Y
	Director	Director
	(DIN ....)	(DIN ....)