**To the Members of ABC Company Limited**

Report on the Standalone

**Financial Statements**

We have audited the accompanying standalone financial statements of ABC Company Limited (“the Company”), which comprise the Balance Sheet as at March 31, 20XX, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management’s Responsibility for the Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the financial statements.

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

**Basis for Qualified Opinion (Required in a Qualified Opinion)**

* List reasons for qualification - Examples provided below
* Included in debtors shown on the balance sheet is an amount of Rs. due from XXX Private Limited, a company that has ceased operations. The Company has no security for this debt. On the basis that no security has been obtained and no cash has been received during the financial year, in our opinion the Company should make a full provision for impairment of Rs.XXX, reducing profit before taxation for the year and net assets at 31, March 20XX by that amount.
* We were appointed as Auditors of the company on 31 December 20XX and thus did not observe the counting of the physical inventories at the beginning of the financial year. We were unable to satisfy ourselves by alternative means concerning inventory quantities held on 31st March 20XX.
* The Company's recorded turnover comprises cash sales, over which there was no system of internal control on which we could rely for the purpose of our audit. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the recorded turnover was free from material misstatements.

**Other Matter (Optional)**

Mention any other material accounting, regulatory, financial or operational information pertaining to the company that was noticed during the audit.

Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory**

Requirements As required by section 143 (3) of the Act, we report that:

a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;

d. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;

e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f. On the basis of written representations received from the directors as on March 31, 20XX, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 20XX, from being appointed as a director in terms of section 164(2) of the Act.

g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

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: **(Following points are optional)**

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note XX to the financial statements;
2. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

Place:

Date:

For ABC & Co

Chartered Accountants

(Firm’s Registration No.)

Signature

(CA. Name)

(Designation)

(Membership No. XXXX)