



QUALITY REVIEW BOARD

(Established under an Act of Parliament)

In Pursuit of Professional Excellence of Chartered Accountants in India

2020-21

लेखापरीक्षा गुणवत्ता पुर्नविलोकन रिपोर्ट Report on Audit Quality Review



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सर्वाधिकार सुरक्षित। यह रिपोर्ट चार्टर्ड एकाउंटेंट्स अधिनियम, १९४९ की धारा २८ए के अंतर्गत भारत सरकार द्वारा स्थापित क्वालिटी पुर्नविलोकन बोर्ड द्वारा तैयार की गई है। इस रिपोर्ट के किसी भी हिस्से को क्वालिटी पुर्नविलोकन बोर्ड से लिखित रूप में बिना पूर्व अनुमति के पुनः प्रस्तुत नहीं किया जा सकता है, न ही एक पुनर्प्राप्ति प्रणाली में संग्रहीत किया जा सकता है अथवा प्रेषित किया जा सकता है, किसी भी रूप में या किसी भी तरह से, इलेक्ट्रॉनिक, मैकेनिकल, फोटोकॉपी, रिकॉर्डिंग, या अन्यथा किसी प्रकार से।

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<http://www.qrbca.in>

अक्टूबर, २०२१

October, 2021

क्वालिटी पुर्नविलोकन बोर्ड | Quality Review Board

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From the Chairperson's Desk



Last year also provided unprecedented challenges, both personal and professional, in every part of the world. There is an unprecedented level of uncertainty about the economy, future earnings and many other inputs that represent fundamental elements of financial reporting. There have been substantial and multiple financial reporting implications for preparers of financial statements for the purposes of reporting in the short and potentially medium term. The implications include not only the measurement of assets and liabilities but also disclosure and possibly an entity's ability to continue as a going concern.

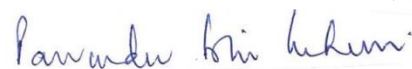
Going concern, in fact, sits at the very heart of the business effects of COVID-19. The current pandemic is creating uncertainty for many businesses, and this must be described in their accounts where material. The uncertainty arising from the current environment also increased the challenge in obtaining the sufficient appropriate audit evidence needed to form an independent view about the reasonableness of management's estimates and judgments. Auditors had to adjust obtaining sufficient appropriate audit evidence, revise identification and assessment of certain risks of material misstatements and change planned audit procedures by performing alternative audit procedures. At this time, one must recognize the important role that auditors have played during the crisis in maintaining high quality financial reporting. Actually, the current circumstances also brought many new opportunities for auditors to do things differently by using new or reorienting the use of existing technology resources. Auditors have to exercise significant professional judgment and professional skepticism and must remain focused on their ethical responsibilities and the public interest including compliance with the fundamental principles (integrity, objectivity, professional competence and due care, confidentiality and professional behavior), which is key to preservation and expansion of public trust in all auditors.

Audit regulators across the world also recognized the importance of audit's contribution in maintaining high quality financial reporting during this time and stressed the need for audit firms to fully comply with required standards despite, and in light of, the significant impacts of COVID-19 – when investors and other stakeholders may have greater need for high-quality financial information than ever. Many regulators have issued announcements, statements and guidelines of import to the audit community during this crisis. Many public communications have been issued to draw the attention of auditors, companies and others to the audit, accounting and disclosure implications of the COVID-19 pandemic and its likely impact to audits of financial statements; as well as the related steps many regulators have taken, such as the extension of filing deadlines, temporary relief from on-site inspections, and the provision of timely updates to firms and stakeholders as to regulator expectations.

At the level of Quality Review Board, we have also put in place various measures such as adapting remote working arrangements, option of temporary relief from on-site inspections and adjusting the timing of inspection activity. During financial year 2020-21, QRB completed 34 reviews of audit quality of 33 entities in India. Out of these 34 completed reviews, QRB issued advisories to concerned Audit firms for further improvement in 25 cases and 2 cases were recommended to the Council of the ICAI for referring them to the Disciplinary Directorate of the ICAI for further necessary action while 7 cases were closed. The present report highlights the key findings observed in the audit quality reviews conducted during financial year 2020-21 indicating our approach for review, key trends, our expectations and other focus areas. I hope the concerned stakeholders will find this Report useful. Now, it is incumbent on the concerned Audit firms to take remedial actions for the deficiencies highlighted by the QRB, identify the root causes thereof and improve their audit quality.

I would like to take this opportunity to thank, in particular, Mr. Rajesh Verma, Secretary, Ministry of Corporate Affairs, Mr. Manoj Pandey, Joint Secretary, Ministry of Corporate Affairs, CA. Nihar Niranjana Jambusaria, President, ICAI and CA. (Dr.) Debashis Mitra, Vice-President, ICAI for their continuous overall support and guidance in spearheading the activities of Board. I also thank all the other Members and special invitees of Quality Review Board, namely, Ms. Ritika Bhatia, Director General (Commercial), Office of the Comptroller & Auditor General of India, Ms. Barnali Mukherjee, Chief General Manager, SEBI, Mr. Kumar Sambhrant Krishna, Advocate on Record (Supreme Court of India), CS (Dr.) Shyam Agrawal, Ex-President, ICSI, CA. Durgesh Kumar Kabra, CCM, ICAI, CA. Dayaniwas Sharma, CCM, ICAI, CA. Sushil Kumar Goyal, CCM, ICAI, CA. Pramod Kumar Boob, CCM, ICAI, CA. Pramod Jain, CCM, ICAI, Mr. Chandra Wadhwa, CCM, ICAI and CA. (Dr.) Jai Kumar Batra, Acting Secretary, ICAI for their invaluable contribution. I also highly appreciate role of CA. Mohit Baijal, Secretary, QRB and all other staff of QRB Secretariat who provided excellent support to the Board and have contributed immensely in finalization of this Report.

सादर,



डा. (श्रीमती) परविंदर सोहि बेहुरिआ
अध्यक्ष, क्वालिटी पुर्नविलोकन बोर्ड

Dr. (Mrs.) Parvinder Sohi Behuria
Chairperson, Quality Review Board

स्थान: नोएडा
दिनांक: ०६.१०.२०२१

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Composition of the Board

The current composition of the Quality Review Board, established under the Chartered Accountants Act, 1949 is of the following:-

Nominees of the Central Government

1. Dr. (Mrs.) Parvinder Sohi Behuria, IRS (Retd.) - Chairperson (wef 30.11.2018)
2. Mr. Kumar Sambhrant Krishna, Advocate on Record, Supreme Court of India - Member (wef 07.07.2020)
3. Mr. Manoj Pandey, Joint Secretary, Ministry of Corporate Affairs, Government of India – Member (wef 30.09.2019)
4. Ms. Barnali Mukherjee, Chief General Manager, Securities and Exchange Board of India – Member (wef 30.09.2019)*
5. Ms. Ritika Bhatia, Director General (Commercial), Office of the Comptroller & Auditor General of India – Member (wef 30.11.2018)
6. CS (Dr.) Shyam Agrawal, Ex-President, ICSI – Member (wef 07.07.2020)

Nominees of the Council of the ICAI

7. CA. Durgesh Kumar Kabra, Fellow Chartered Accountant – Member (wef 26.05.2020)
8. CA. Dayaniwas Sharma, Fellow Chartered Accountant – Member (wef 26.05.2020)
9. CA. Sushil Kumar Goyal, Fellow Chartered Accountant – Member (wef 26.05.2020)
10. CA. Pramod Kumar Boob, Fellow Chartered Accountant – Member (wef 26.05.2020)
11. CA. Pramod Jain, Fellow Chartered Accountant – Member (wef 26.05.2020)

Special Invitees

- Mr. Chandra Wadhwa, Council Member, ICAI – Special invitee (nominated by the Central Government wef 10.06.2016)
- CA. (Dr.) Jai Kumar Batra, Acting Secretary, ICAI – Special invitee

Secretary to the Board

- CA. Mohit Baijal, Deputy Director, ICAI

* SEBI has informed that now Mr. K. Saravanan, CGM, SEBI will represent SEBI in the QRB for which, however, Gazette notification is awaited.

Our Approach

Quality Review Board (QRB) reviews all aspects of how an audit was performed in entities selected on a risk based approach. QRB ensures that all persons involved in the review exercise maintain confidentiality of information and avoid conflict of interest.

Cases of material non-compliances and those requiring significant improvement are recommended to the Council of the ICAI for taking necessary action. In other cases, which require improvement, QRB issues advisories to Audit firms which are subsequently followed-up for compliance.

With a view to providing greater independence to the QRB, the ICAI Council has *suo-motu* decided to recommend to the Central Government that appropriate amendments be made in Section 28B of the Chartered Accountants Act, 1949. This will ensure that the recommendations of the QRB for taking disciplinary action against the member/s can directly be referred to the Disciplinary Directorate instead of being placed first before the Council. The Council also decided that till the appropriate amendments in the Act are made, such recommendations of the QRB will be directly forwarded to the Disciplinary Directorate in line with the procedure being followed by Financial Reporting Review Board (FRRB) constituted by it. It will simultaneously be also placed before the Council for noting.

In order to provide guidance to the Audit firms for ensuring improvement in the quality of their services, QRB publishes periodic reports, on an annual basis, providing key audit quality review findings in an aggregated manner and also issues necessary guidance to the Audit firms for improvement and identification of root causes of deficiencies. These reports are widely disseminated and publicly made available at QRB website.

QRB follows a strong system of independent review of statutory audit services of the Audit firms based upon best international practices.

Our Expectations

Audit firms should continue their efforts to improve audit quality on a consistent basis. Audit firms should address the non compliances identified during the review by performing root-cause analysis. This will help them prevent these issues from reoccurring. We encourage all the Audit firms to take note of the key findings and trends published annually in QRB's 'Report on Audit Quality Review' which are available at QRB website at <http://www.qrbca.in/left-menu/qrb-reports-publications/>.

How we select Audit firms for Review

Quality Review Board has adopted risk based approach for selection of audit engagements for initiating audit quality reviews. A clarification was received from the Ministry of Corporate Affairs that, in view of Section 132(2) of the Companies Act, 2013 r/w Rule 9(4) of NFRA Rules, 2018, the issue of QRB reviewing audits of the companies/bodies corporate specified under Rule 3 of the NFRA Rules, 2018 will only arise in case a reference is so made to QRB by NFRA, and not otherwise.

Accordingly, QRB is now able to initiate reviews of the quality of audit services provided by the members of the Institute only in respect of entities other than those specified under Rule 3(1) of NFRA Rules, 2018; and those referred to QRB by NFRA under Rule 9(4) of NFRA Rules, 2018. Therefore, QRB has now decided to select private limited companies not falling under Rule 3(1) of NFRA Rules, 2018 for initiating their quality review. The top private limited companies, not falling under Rule 3(1) of NFRA Rules, 2018, based on turnover, paid-up capital, borrowings and other criteria are selected following risk based approach from various industries susceptible to risk including regulatory concerns pointing towards stakeholder risks, on account of being part of a sector otherwise identified as being susceptible to risk on the basis of market intelligence reports, reported fraud or likelihood of fraud, serious accounting irregularities in the financial statements highlighted by the media and other reports and major non-compliances under relevant statutes highlighted in past reviews. However, in the meanwhile, QRB has also been completing its on-going reviews of top listed and other public interest entities which had already started and were in process.

The statutory auditors in respect of the companies so selected as per above, are identified for their audit quality review. Generally, maximum of three audit engagements in respect of a particular Audit firm are selected for review during a particular quality review cycle covering entities of varied industries, size, geographical spread and regulatory concerns. Further, in the absence of any adverse finding in a past review, not more than one audit engagement of the same engagement partner/ proprietor of an AFUR may be selected for quality review by the Board during a particular quality review cycle. However, in case of any adverse findings in past review/s or in any other situation, QRB may conduct quality review of any particular audit firm or of a particular engagement partner at more frequent interval and/or select more than 3 audit engagements. In case of a joint central statutory audit of a selected entity, normally, each one of the joint central statutory auditors are selected for review.

The Board assigns the audit quality review work, so selected, to the respective Technical Reviewers empanelled with the Board.

How we conduct Audit Quality Review

Quality Review Board (QRB) has constituted Quality Review Group-I (QRG-I) to conduct preliminary reviews with a view to assessing the quality of audit and reporting by the auditors. QRG-I is assisted by Technical Reviewer/s (TRs), who are empanelled by the QRB on engagement basis from across the country. These TRs are practicing professionals and possess requisite experience and expertise essential to carry out the reviews. The job of the TRs is to conduct on-site and off-site review and prepare a report with a view to assessing the quality of audit and reporting by the auditors, and the review of quality control framework adopted by the auditors/ auditing firms in conducting audit. The TR, based upon the conclusions drawn from the review, shall first issue a preliminary report to the Audit firm for their reply on his observations and subsequently, based upon the replies of the Audit firm, he issues the final report to the QRB and Audit firm. Audit firm is once again provided an opportunity to submit its response on the observations in the final report to the QRB. The report, so prepared by the TR, alongwith the submissions of the Audit firm thereon, are considered at the meetings of the QRG-I. The QRG-I may also consult the QRB on any issue, on which it feels that the guidance of the QRB is necessary. The QRG-I completes the review of cases referred to it and submits its recommendations to the QRB.

Based on the QRG-I's recommendation, the QRB decides to (a) accept the report and close the case if no material observations are reported on the quality of audit and reporting; or (b) recommend the case to the Council of the ICAI for referring to Disciplinary Directorate for necessary action in cases of material non-compliances/ violations and requiring significant improvement; or (c) issue advisory to the concerned Audit firm for compliance in other cases requiring improvement which are subsequently followed-up for compliance and improvement. With a view to providing greater independence to the QRB, the ICAI Council has *suo-motu* decided to recommend to the Central Government for making appropriate amendments in Section 28B of the Chartered Accountants Act, 1949 so that the recommendations of the QRB for taking disciplinary action against the member/s can directly be referred to the Disciplinary Directorate instead of placing the same first before the Council. The Council also decided that till the appropriate amendments in the Act are made, such recommendations of the QRB be directly forwarded to the Disciplinary Directorate in line with the procedure being followed by Financial Reporting Review Board (FRRB) constituted by it and simultaneously be also placed before it for its noting.

The QRB has specified the format for the Final Report, and the Quality Review Program General Questionnaire containing questions concerning various aspects of an Audit firm such as Quality control, ethical requirements & audit independence; leadership and responsibilities; assurance practices; client relationships & engagements; human resources, consultation; differences of opinion; engagement quality control review; engagement documentation; audit planning & risk assessment; materiality; audit sampling & other selective testing procedures; audit documentation; audit evidence; written representations; Auditor's report; and financial statements review.

Independence of the TR and also the members of the review team vis a vis the Audit firm as well as the auditee is imperative. Accordingly, TRs are required to fulfil, *inter alia*, the following conditions:

- a) TR does not have any disciplinary proceeding under the Chartered Accountants Act, 1949 pending against him or any disciplinary action under the Chartered Accountants Act, 1949 / penal action under any other law taken/pending against him during last three financial years and/or thereafter.
- b) TR or his/her firm or any of its network firms or any of the partners of TR's firm or that of the network firms should not have been the statutory auditor of the company/entity under review or have rendered any other services to the said company/entity during the last three financial years and/or thereafter.
- c) TR or his/her firm or any of its network firms or any of the partners of TR's firm or that of the network firms should not have had any association with the audit firm under review, during the last three financial years and /or thereafter.
- d) TR complies with all the eligibility conditions laid down for appointment as an auditor of the company/entity under review under section 141(3) of the Companies Act, 2013 so far as applicable.

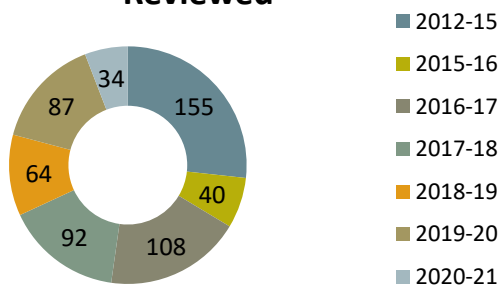
Further, while assigning the quality review work to the respective Technical Reviewers, in order to ensure their independence and avoid conflict of interest, in most of these cases, as far as possible, the Technical Reviewers hailing from different city/region are selected than the city/region of Head Office of the selected Audit firm.

TRs are also required to submit declaration for independence and eligibility of each one of his assistants, if any.

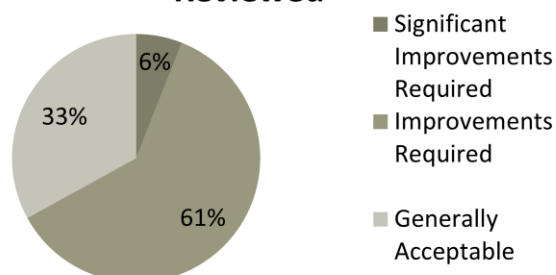
The QRB considers confidentiality of information pertaining to the quality review assignments to be of paramount importance. Accordingly, TR as well as all the members of the review team are required to submit a confidentiality declaration.

Overall Trend of Audit Engagements Reviewed FY 2012-13 to FY 2020-21

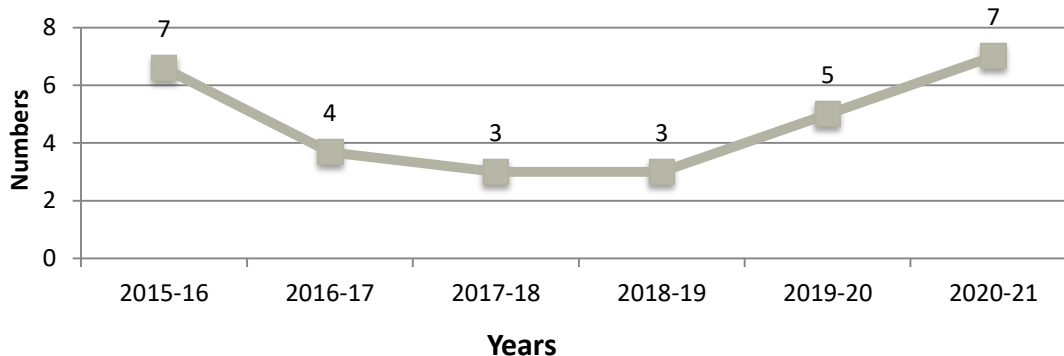
Number of Audit Engagements Reviewed



Findings of Audit Engagements Reviewed



Average Number of Observations per Audit Engagement Reviewed



Action Taken during FY 2012-13 to FY 2020-21

Since FY 2012-13 to FY 2020-21, the QRB has completed 580 reviews. Of these:

- 35 cases - Recommended to the ICAI Council for consideration and necessary action in terms of the requirements of Sec. 28B(a) of the Chartered Accountants Act, 1949.

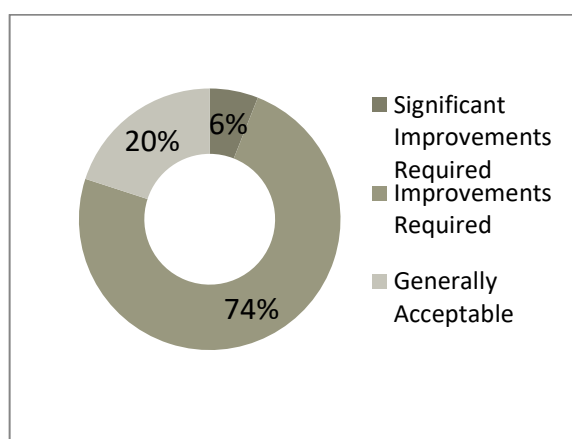
Of the cases recommended to the ICAI Council:

- 13 cases - Referred by the ICAI to Disciplinary Directorate;
- 19 cases - ICAI decided to issue advisory for improvement to concerned Audit firms;
- 3 cases - Closed.
- 351 cases - Advisories were issued by Quality Review Board to concerned Audit firms for improvement in quality in terms of requirements of Sec.28B(c) of CA Act, 1949.
- 194 cases - Closed.

Key Highlights – FY 2020-21

The key findings are in respect of the audit quality reviews completed by the Quality Review Board during the FY 2020-21 pertaining to the financial statements for the years ended on 31 March 2016 and 31 March, 2018. These key findings have been categorised under various sections such as Standards on Auditing, Accounting Standards and Other Relevant Laws and Regulations.

Audit Quality Reviews covered in the Report



Audit Firms Reviewed

33

Entities Covered

33

Audit Files Reviewed

34

Advisory issued by QRB to Audit Firms

25

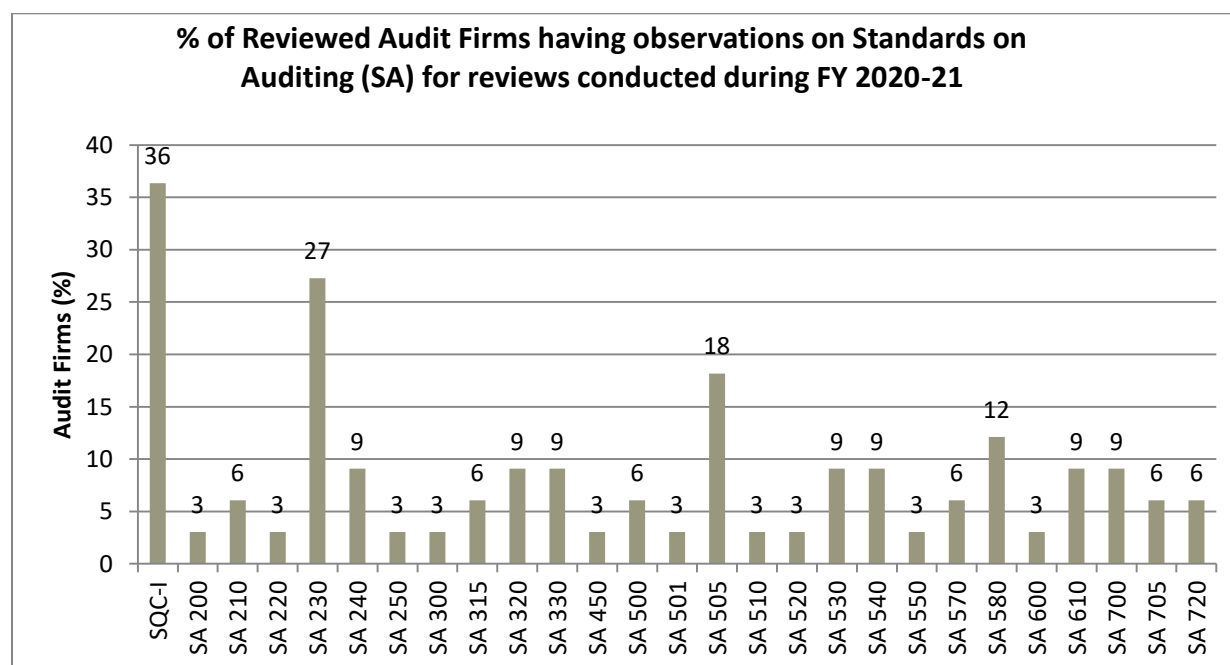
Referred by QRB to ICAI Council

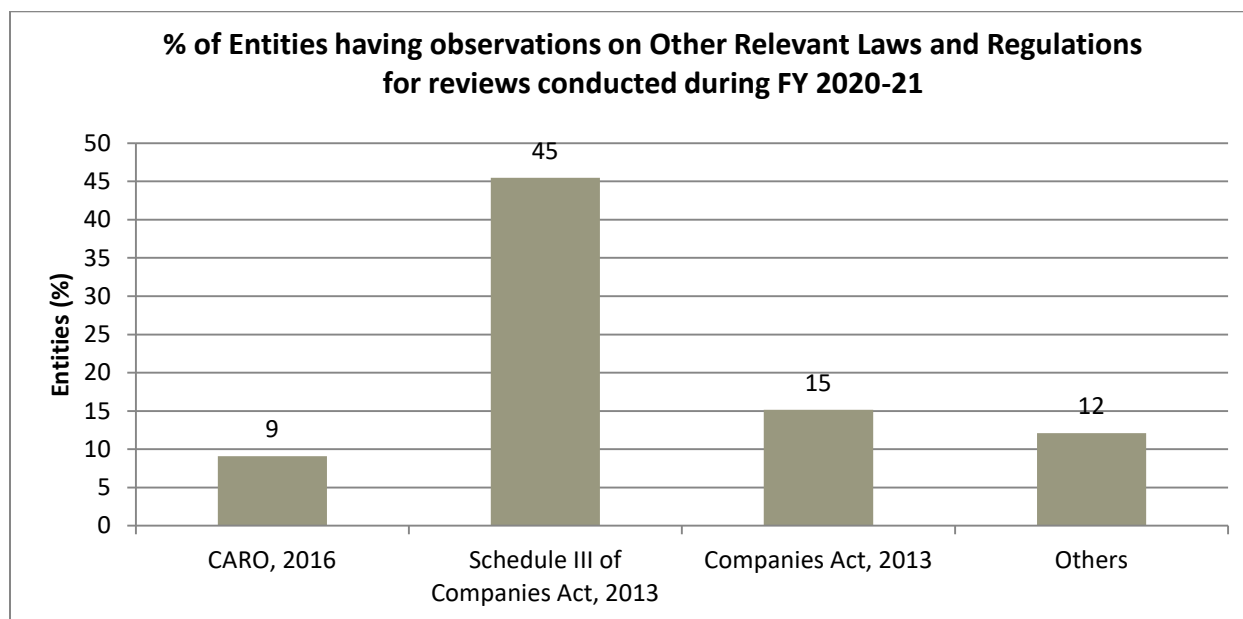
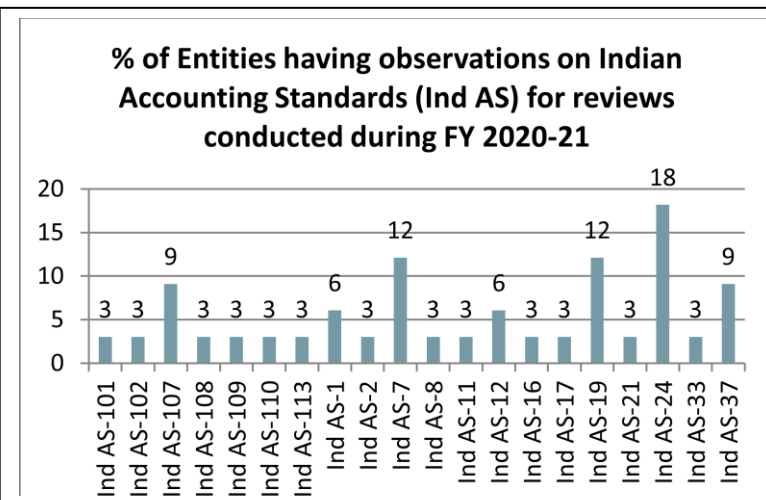
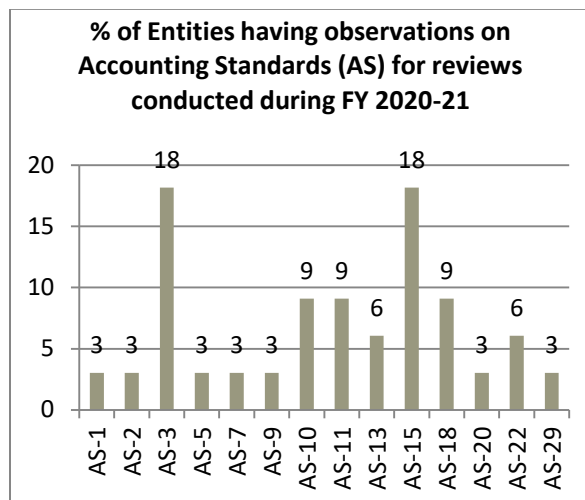
2

Closed

7

% of Reviewed Audit Firms having observations on Standards on Auditing (SA) for reviews conducted during FY 2020-21





Summary of Observations

a) Standards on Auditing

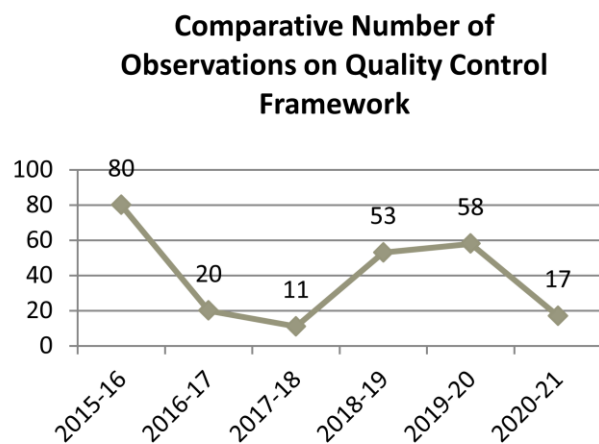
Standard on Quality Control (SQC)-1

Focus Areas

- Whether audit firm establishes and implements policies and procedures on all the elements of system of quality control.
- Whether the engagement quality control reviewer reviews at an appropriate time for the planning of an audit, significant audit judgments, and expressions of audit opinion.
- Whether the audit firm assigns as the person responsible for the monitoring of the system of quality control a person with appropriate experience for the role, and vests the assigned person with sufficient and appropriate authority.
- Whether the audit firm obtains, at least annually, a confirmation letter concerning compliance with policies and procedures for the maintenance of independence from all persons required to maintain independence.
- Whether the audit firm performs the independence confirmation procedures set forth in its internal rules before acceptance and continuance of audit engagements, and when issuing the auditor's report, appropriately confirms that there was no change in the status of independence.
- Whether the audit firm develops and provides education/training programs that fully take into account the knowledge, experience, competence and capabilities of the professional staff.

Findings in this area included:-

- Not establishing an appropriate system of quality control designed to provide it with reasonable assurance that the firm and its personnel comply with professional standards and regulatory and legal requirements and that reports issued by the firm or engagement partner(s) are appropriate in the circumstances (*Para 3*).



- Not documenting the quality control policies and procedures addressing each of the six elements of the system of quality control (*Para 7*).
- Not including the following in the SQC Policy:-
 - Acceptance and continuance of client relationships and specific engagements
 - Monitoring
 - Policy on Engagement Quality Control Review (EQCR)
 - Policy for rotation of partner and senior personnel on audit engagements.
 - Policy on difference of opinion
 - HR policy of the firm did not include policy on performance evaluation, career development, competence, compensation etc.
 - Policy with regard to completion of assembly of final engagement files, retention of engagement documents etc.
 - Policy for Engagement Documentation (*Para 7*)
- Not communicating and documenting communication of quality control policies and procedures of the firm to the firm's personnel (*Para 8*).

Independence

- Not obtaining at least annually written confirmation of compliance with its policies and procedures on independence from all firm personnel required to be independent in terms of the requirements of the Code (*Para 23*).
- The template in which the confirmation of compliance with independence requirements was obtained did not address all the requirements of independence as envisaged under Code of Ethics and the provisions of the Companies Act, 2013 (*Para 23*).
- Not including in the independence declaration obtained from the partners and other staff of the interest of relatives in holding of securities and providing guarantees to the company or its group companies as required by Sec.141(3)(d) of Companies Act, 2013.

Acceptance and Continuance of Client Relationships and Specific Engagements

- Not establishing policies and procedures for the acceptance and continuance of client relationships and specific engagements (*Para 28*).
- In considering whether the firm has the capabilities, competence, time and resources to undertake a new engagement from a new or an existing client, not considering whether Firm personnel have experience with relevant regulatory or reporting requirements, or the ability to gain the necessary skills and knowledge effectively (*Para 31*).

Engagement Quality Control Review

- Not establishing policies and procedures setting out criteria against which all other audits and reviews of historical financial information and other assurance and related services engagements should be evaluated to determine whether an engagement quality control review should be performed (*Para 60*).

- Not establishing policies and procedures addressing the appointment of engagement quality control reviewers and establishing their eligibility (*Para 68*).

Retention of Engagement Documentation

- Not establishing policies and procedures for the retention of engagement documentation for a period sufficient to meet the needs of the firm or as required by law or regulation (*Para 82*).

Monitoring

- Not appropriately performing monitoring of the firm's system of quality control in line with the requirements of Para 88.

Documentation

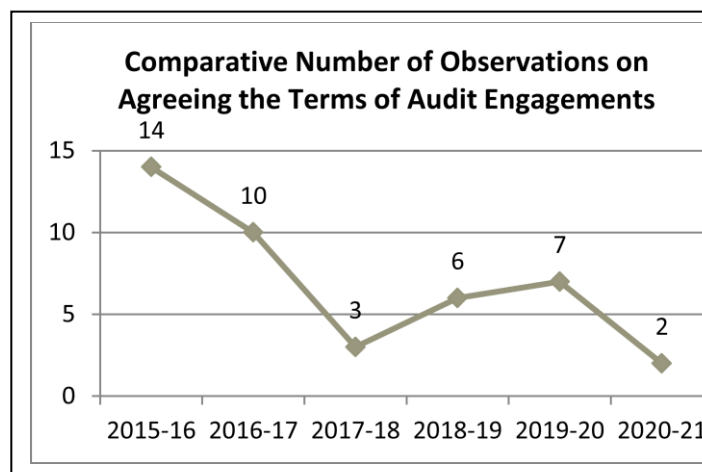
- Not establishing policies and procedures requiring appropriate documentation to provide evidence of the operation of each element of its system of quality control (*Para 106*).
- Not keeping documentation to provide evidence of the operation of each element of its system of quality control (*Para 106*).

Overall Objectives of the Independent Auditor and the Conduct of an Audit in accordance with Standards on Auditing (SA 200)

- Not planning and performing the audit with professional skepticism and not exercising professional judgement in planning and performing the audit (*Para 15, 16*).

Agreeing the Terms of Audit Engagements (SA 210)

- Not making a reference of the involvement of joint auditor in the engagement letter (*Para A23*).
- Not including, in the audit engagement letter, reference to the expected form and content of any reports to be issued by the auditor and a statement that there may be circumstances in which a report may differ from its expected form and content (*Para 10e*).



Quality Control for an Audit of Financial Statements (SA 220)

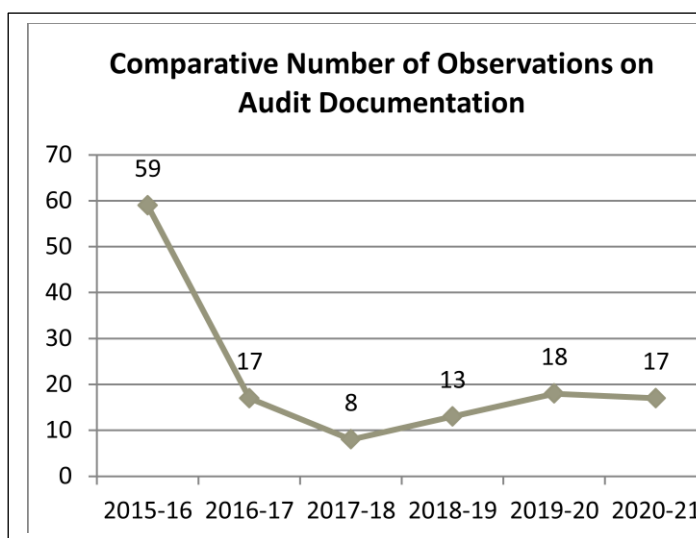
- Appointing engagement partner as the Engagement Quality Control Reviewer for the engagement (*Para 19*).

Audit Documentation (SA 230)**Focus Areas**

- Whether professional staff prepare audit documentation in such a way to sufficiently describe the status of compliance with the standards on auditing, the timing and scope of implementation of audit procedures, the grounds for judgments, the conclusions reached, and other information.
- Whether more experienced members of the audit team appropriately review the audit documentation prepared by less experienced members.
- Whether the engagement partner reviews the audit documentation and has discussions with the engagement team to confirm that sufficient appropriate audit evidence has been obtained to support the conclusions reached and audit opinion.

Findings in this area included:-

- Not preparing audit documentation that is sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the nature, timing and extent of audit procedures performed to comply with the relevant requirements of SAs and other applicable legal and regulatory requirements; the results of audit procedures performed and audit evidence obtained; the significant matters arising during audit, the conclusions reached thereon and significant professional judgements made (Para 8).
- Not documenting/keeping sufficient audit documentation for recording audit procedure performed and audit evidence obtained for:-
 - Control sheet, detailed checklists highlighting various attributes tested and the nature, timing and extent of audit procedures performed for certain Standards like SA-240, 250, 450, 505 & 300 as required in Para 8 & 9 of SA 230.
 - Depreciation schedule showing details of description of assets, date of purchase, date of sale, life used etc. for Property, Plant and Equipment.
 - Existence and valuation of inventories.
 - Physical verification sheets for inventory/stock checked during physical verification of Inventory
 - Inventory valuation sheet
 - Bank reconciliations
 - Bank confirmations showing maturity details of Bank deposits
 - How shortage in physical verification of cash was concluded in the audit.



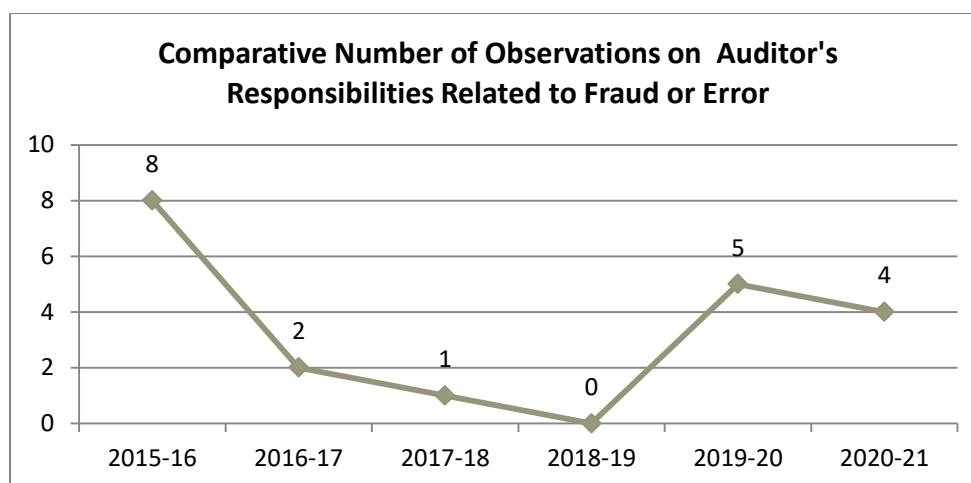
- Details of terms of loan given for the purpose of verification of compliance of the requirements of Sec.185 and 186 of the Companies Act, 2013 while reporting under CARO.
- Security deposits (Party wise details)
- Sales promotion expenses.
- Bonus calculations including calculation of available/allocable surplus and the list of eligible employees.
- Ensuring compliance as specified under Ind AS 109 with regard to financial assets and liabilities.
- Analysis of constructive obligations to recognize provisions as per Ind AS 37.
- Evaluation of the observations (modification and /or emphasis of matter) in the component auditor's report, in the auditor's report on the Consolidated Financial Statements.
- "Audit Process note" did not detail the population, the samples selected, the details of the procedure performed and the outcome thereof (Para 8).
- The evidences collected / obtained were kept on record without linking to any audit program or account balance.
- There was no bifurcation in the file on the documents provided by the client and the documents generated / prepared by the firm.
- Not documenting discussions of significant matters with management or those charged with governance (Para 10).
- Not assembling the final audit file on a timely basis after the date of auditor's report (Para 14).

If any audit document has not been prepared properly for an important audit matter, this is not simply a deficiency of documentation, but in many cases, it could imply that the necessary audit procedures have not been implemented.

Furthermore, it also should be noted that the lack of a proper audit document usually implies that the Audit firm also has deficiencies in engagement quality control review, periodic inspection, education, training (review of guidance and supervision of audit assistants, and audit documents, in particular) and/or other areas, not just insufficiency in the knowledge and capabilities of the engagement team.

The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements (SA 240)

- Not documenting performance of necessary audit procedures including making inquiries of management and others or those charged with governance (Para 17, 21).
- Not making inquiries of internal auditor and those charged with governance to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity (Para 19, 21).
- Not obtaining written representation from the management or those charged with governance for:-
 - the matters as stated in Para 39.
 - that they have disclosed to the auditor the results of its management's assessment of the risk that the financial statements may be materially misstated as a result of fraud (Para 39b).



Consideration of Laws and Regulations in an Audit of Financial Statements (SA 250)

- Not documenting obtaining a general understanding of the legal and regulatory framework applicable to the entity and the industry or sector in which the entity operates; and how the entity is complying with that framework (*Para 12*).

Risk Assessment and Response to Assessed Risks (SA 300, 315, 320, 330, 402 and 450)

Focus Areas

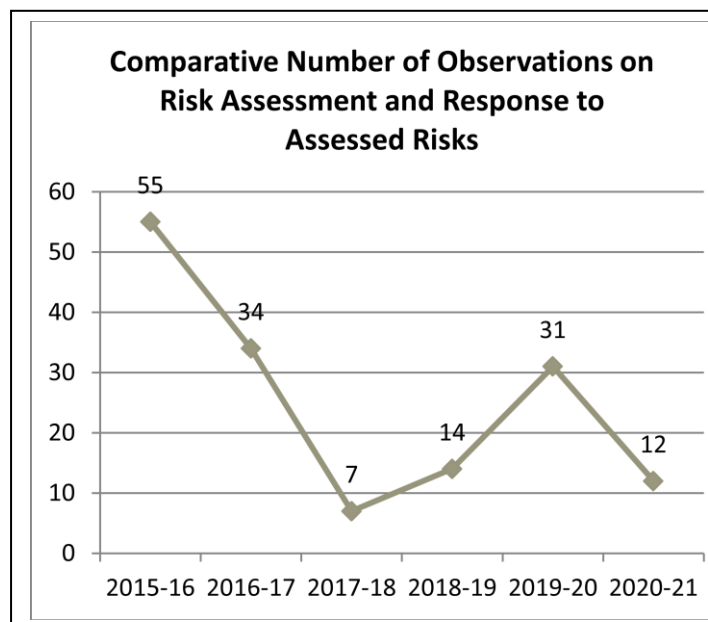
- Whether the engagement team performs appropriate identification and assessment of the risks of material misstatement in the financial statements as a whole and at the assertion level when it develops an audit plan, considering the audited company and its environment, business risks and internal control of the audited company, instead of merely completing templates provided by the Audit firm.
- Whether the engagement team makes appropriate judgment, when it identifies significant risks and whether the team understands internal control relevant to significant risks.
- Whether the engagement team develops an overall response required by the SA-330 in accordance with the assessed risks of material misstatement in the financial statements as a whole, and plans the nature, timing, and extent of procedures in response to the audit risks, taking into account the materiality, in accordance with the assessed risks of material misstatement at the assertion level.
- Whether the engagement team makes appropriate responses, when a misstatement is identified as the audit progresses, such as judging whether it is necessary to revise the overall audit strategy and detailed audit plans, and evaluating the impact of the uncorrected misstatement.

Findings in this area included:-**Planning an Audit of Financial Statements (SA 300)**

- Not developing an audit plan including a description of the nature, timing and extent of planned risk assessment procedures as determined under SA 315 and planned further audit procedures at the assertion level as determined under SA 330 (Para 8).

Identifying and Assessing the Risk of Material Misstatement through Understanding the Entity and its Environment (SA 315)

- Not performing risk assessment procedures to provide a basis for the identification and assessment of risks of material misstatement at the financial statement and assertion levels (Para 5).

**Materiality in Planning and Performing an Audit (SA 320)**

- Not determining performance materiality for the purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures (Para 11).
- Not documenting the overall audit materiality for the financial statements as a whole and also performance materiality for the purposes of assessing the risks of material misstatements and determining the nature, timing and extent of further audit procedures (Para 11, 14).
- Not documenting the factors considered in determining the materiality for the financial statements as a whole (Para 14).

Auditor's Responses to Assessed Risks (SA 330)

- Not designing and implementing the overall responses to address the assessed risks of material misstatement at the financial statement level (Para 5).
- Not designing and performing further audit procedures whose nature, timing and extent are based on and are responsive to the assessed risks of material misstatement at the assertion level (Para 6).
- Not documenting performing tests of controls to obtain sufficient appropriate audit evidence as to the operating effectiveness of relevant controls (Para 8).
- Work papers wherein substantive testing was performed were not cross referred to the underlying accounting records (Para 20a).

- Not documenting the overall responses to address the assessed risks of material misstatement at the financial statement level, and the results of the audit procedures, including the conclusions in respect of various matters where Emphasis of Matter paragraphs were given in the audit report (*Para 28*).

Evaluation of Misstatements identified during the Audit (SA 450)

- Not documenting all misstatements accumulated during the audit and whether they have been corrected (*Para 15b*).

Audit Evidence (SA 500, 501, 505, 510, 520, 530, 540, 550, 560, 570 and 580)

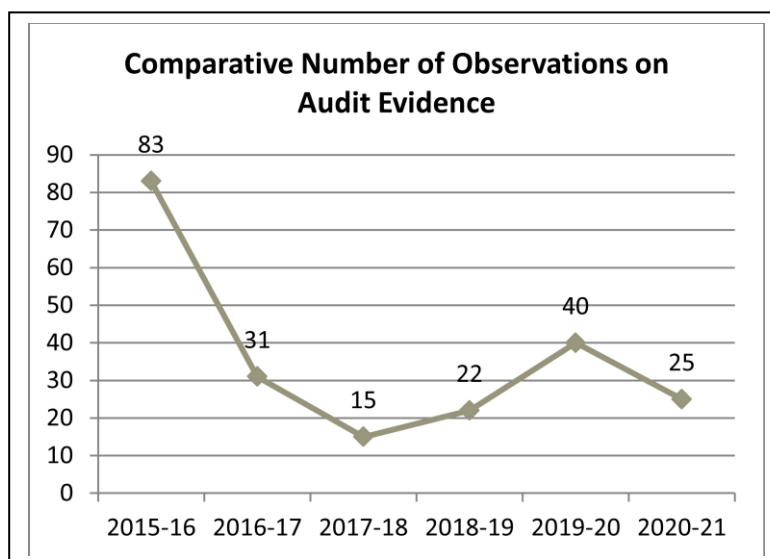
Focus Areas

- Whether the engagement team has designed and performed audit procedures to obtain sufficient appropriate audit evidence to draw reasonable conclusions on which to base the auditor's opinion.
- Whether the engagement team obtains appropriate audit evidence responsive to the assessed risks of material misstatement at the assertion level, rather than only focusing on the quantitative sufficiency of audit evidence.
- Whether engagement team maintains control over external confirmation request when using external confirmation procedures, and if not, whether engagement team performs alternative audit procedures.
- Whether engagement team obtains written representation from management and tests key underlying assumptions, or seeks out evidence to corroborate estimates or treatments. If written representations are inconsistent with other audit evidence, whether the auditor performed audit procedures to attempt to resolve the matter. If the matter remains unresolved, whether the auditor reconsidered the assessment.

Findings in this area included:-

Audit Evidence (SA 500)

- Not keeping documentation for performing audit procedures for obtaining sufficient appropriate audit evidence for:-
 - Compliance of the requirements of Companies Act, 2013.
 - Various items of financial statements.
 - Testing of the Internal Financial Controls in the Company.
 - Compliance of Standards on Auditing (*Para 6*).



- Not determining means of selecting items for testing that are effective in meeting the purpose of the audit procedure when designing tests of controls and tests of details (*Para 10*).

Audit Evidence – Specific Considerations for Selected Items (SA 501)

- Not performing audit procedures in order to identify litigation and claims involving the entity which may give rise to a risk of material misstatement (*Para 9*).

External Confirmations (SA 505)

- Not carrying out external confirmation procedures in accordance with SA 505.
- Not performing external confirmation procedures and not keeping documentation for external confirmation procedures as required by SA 505 for:-
 - Trade receivables or trade payables
 - Loans and advances given or received
 - Bank borrowings
 - Bank balances
 - Investments
 - Brokers/Agent Balances, Co-insurer etc. (*Para 7*).

Initial Audit Engagements- Opening Balances (SA 510)

- Not carrying out the audit procedures for opening balances as specified in Paragraph 5 -7 of SA 510.

Analytical Procedures (SA 520)

- Not inquiring the management and obtaining appropriate audit evidence and performing necessary audit procedures for differences, if analytical procedures performed in accordance with SA 520 identify fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount (*Para 7*).

Audit Sampling (SA 530)

- Not keeping documentation for determining a sample size sufficient to reduce sampling risk to an acceptably low level (*Para 7*).
- Not keeping audit documentation to substantiate the sampling procedure performed in accordance with SA 530.

Auditing Accounting Estimates, including Fair Value Accounting Estimates and related Disclosures (SA 540)

- Not obtaining an understanding in order to provide a basis for the identification and assessment of the risks of material misstatement for accounting estimates (*Para 8*).
- Not documenting the basis or reasonableness of the financial projections which have been considered for ascertaining the recognition of deferred tax assets under AS-22 (*Para 18*).

- Not obtaining written representation from management that significant assumptions used in making accounting estimates were reasonable (*Para 22*).
- Not documenting the basis for conclusions about the reasonableness of accounting estimates and their disclosure that give rise to significant risks; and indicators of possible management bias, if any (*Para 23*).

Related Parties (SA 550)

- Not performing the audit procedures and related activities set out in paragraphs 12-17 of SA 550 to obtain information relevant to identifying the risks of material misstatement associated with related party relationships and transactions (*Para 11*).

Going Concern (SA 570)

- Not documenting whether there are events or conditions that may cast significant doubt on the entity's ability to continue as a going concern while performing risk assessment procedures as per SA 315 (*Para 10*).
- Not obtaining sufficient appropriate audit evidence to determine whether or not a material uncertainty existed through performing additional audit procedures specially with respect to management's mitigation plans. This was despite the fact that following events or conditions that, individually or collectively, may cast significant doubt about the going concern assumption were apparent in the financial statements of the company such as:
 - Continuous increasing cash loss in the company;
 - Negative cash flows during the year;
 - Inability to comply with the terms of loan agreements; and
 - Company's plan to dispose off assets to repay borrowings.

Despite the existence of material uncertainties in the financial statements, the auditor did not determine whether the financial statements adequately describe the principal events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and management's plans to deal with them; and also did not determine whether the financial statements disclose clearly that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and also not included an Emphasis of Matter paragraph in the auditor's report in respect thereof. A qualified opinion was not expressed by the auditor despite the fact that adequate disclosure was not made of material uncertainties in the financial statements (*Para 18, 20*).

Written Representations (SA 580)

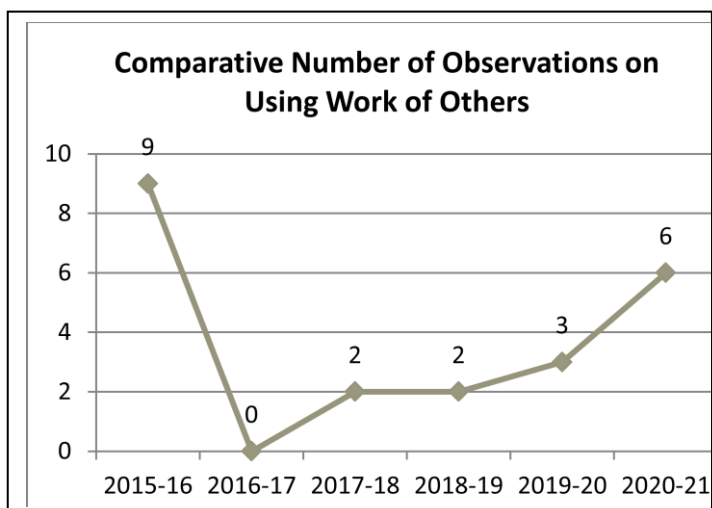
- Not obtaining written representation from management on the matters specified in Para 26 of SA 550 and Para 9 of SA 580.
- Written representation did not contain the information as provided for in Para 10 of SA 580.
- Not including in the written representation obtained from the management the management's responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud (*Para 11*).

Using Work of Others (SA 600, 610 and 620)

Findings in this area included:-

Using the work of Another Auditor (SA 600)

- Not advising the other auditors of group entities of the use that is to be made of the other auditor's work and report and make sufficient arrangements for co- ordination of their efforts at the planning stage of the audit (Para 12a).



Using the Work of Internal Auditors (SA 610)

- Not documenting conclusions regarding the evaluation of the adequacy of the work of the internal auditors, and the audit procedures performed by the external auditor on that work, in accordance with paragraph 11 when the external auditor uses specific work of the internal auditors (Para 13).
- Not documenting when using the work of the internal audit function:-
 - The evaluation of: (i) Whether the function's organizational status and relevant policies and procedures adequately support the objectivity of the internal auditors; (ii) The level of competence of the function; and (iii) Whether the function applies a systematic and disciplined approach, including quality control;
 - The nature and extent of the work used and the basis for that decision; and
 - The audit procedures performed by the external auditor to evaluate the adequacy of the work used (Para 9, 11, 13).

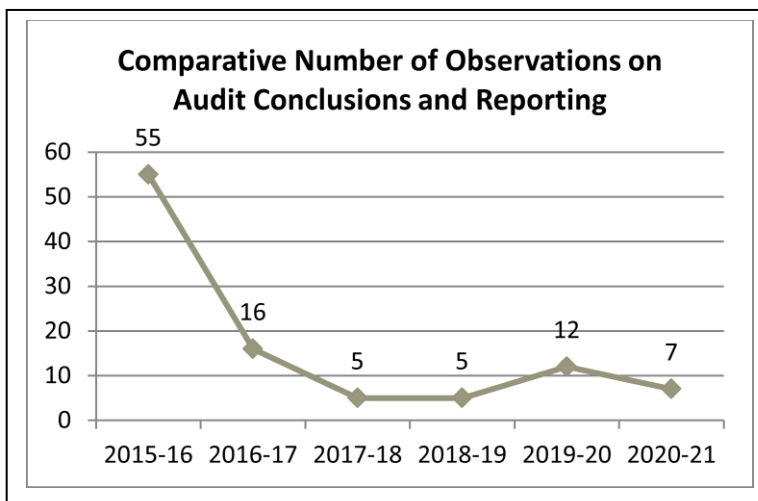
Audit Conclusions and Reporting (SA 700, 705, 706, 710 and 720)

Focus Areas

- Whether engagement team forms opinion after obtaining reasonable assurance whether financial statements as a whole are free from material misstatement, whether due to fraud or error;
- Whether audit report is issued in applicable format and includes all the relevant paragraphs as required by standard on auditing.

Findings in this area included:-**Forming an Opinion and Reporting on Financial Statements (SA 700)**

- Not reporting in respect of the branches not visited and on the matters as specified under Para e & h of Section 143 (3) of the Companies Act, 2013 under “Report on Other legal and Regulatory requirements” in the Auditor’s Report.
- Not making reference of returns received from branches not visited in the Auditor’s Report on Other Legal and Regulatory requirements.
- In the Independent Auditor’s Report to the standalone financial statements of the company, the use of the words, ‘if any’ for reporting that ‘company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts’ was not appropriate as it indicated uncertainty.

**Modifications to the Opinion in the Independent Auditor’s Report (SA 705)**

- Not documenting the conclusion that, based on the audit evidence obtained, the financial statements as a whole are free from material misstatement (*Para 6*).
- Not including in the basis for modification paragraph in the Independent Auditor’s Report a quantification of the financial effects of the misstatement, unless impracticable. If it was not practicable to quantify the financial effects, the auditor also did not so state in the basis for modification paragraph (*Para 17, A18*).

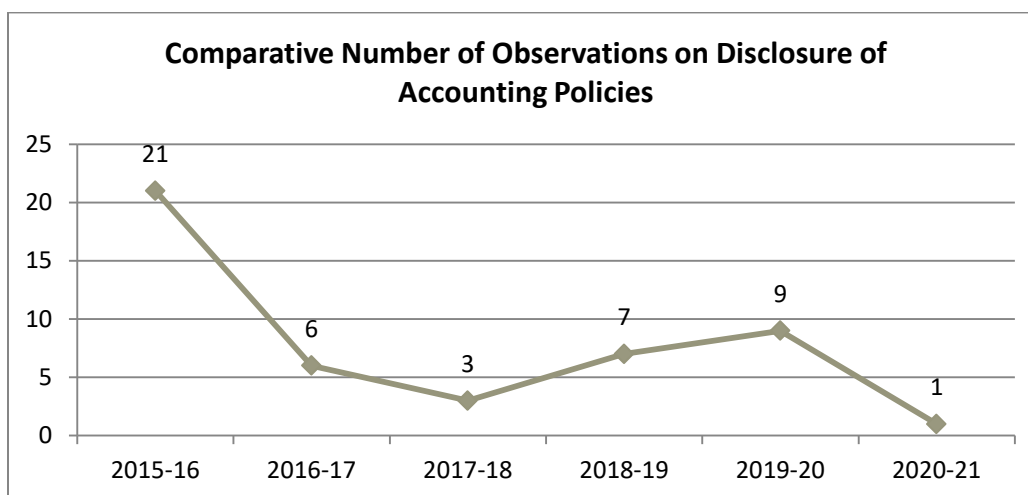
The Auditor’s Responsibilities in Relation to Other Information in Documents containing Audited Financial Statements (SA 720)

- Not reading and not keeping documentation in compliance of the requirements of SA 720 that auditor has read the other information to identify material inconsistencies, if any, with the audited financial statements (*Para 6, A2*).

b) Accounting Standards

Disclosure of Accounting Policies (AS 1)

- Not disclosing accounting policy for interest earned, dividend and revenue from wind mills (Para 24).

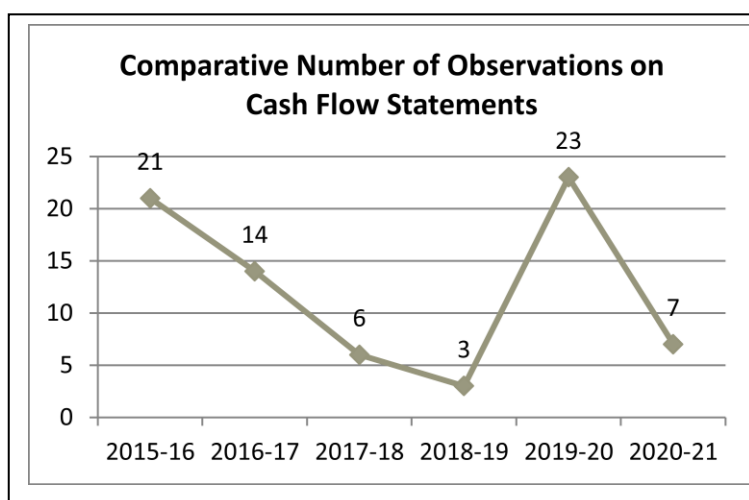


Valuation of Inventories (AS 2)

- Valuing inventories at lower of cost and market value instead of at lower of cost and net realizable value (Para 5).

Cash Flow Statements (AS 3)

- Considering investments in bank fixed deposits having maturity period of more than 3 months from the date of acquisition as cash and cash equivalents (Para 5.2 and 6).
- Wrong amount was stated for purchase of fixed assets disclosed as cash flows from investing activities in the cash flow statement (Para 15).
- Not separately disclosing cash repayment of loan as cash flows from financing activities in the cash flow statement (Para 17c).
- Disclosing cash flow from financing activities, proceeds/(repayment) from long term borrowings on a net basis instead of reporting separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities (Para 21).



- Cash flow from repayment of long term borrowings wrongly shown as cash inflow in the consolidated cash flow statement and the disclosure for cash flows in respect of CSR payment was not made properly in the standalone and consolidated cash flow statements.
- Not disclosing the components of cash and cash equivalents (*Para 42*).

Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies (AS 5)

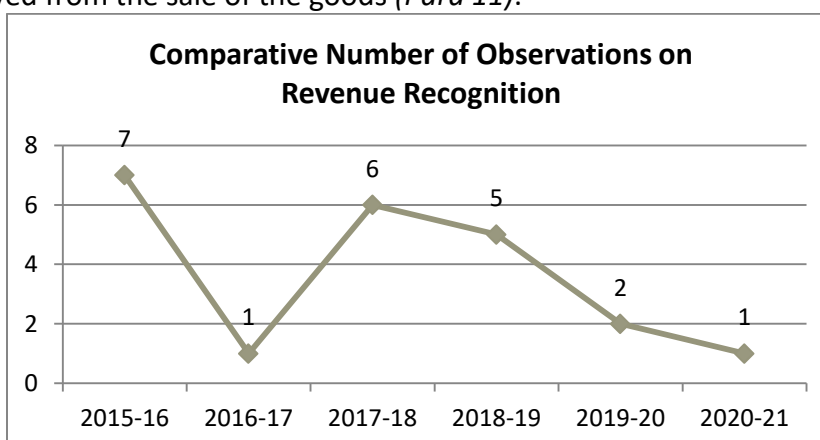
- Not disclosing the impact of change in the policy for recognizing revenue from contracts for price escalation and additional claims in the financial statements (*Para 32*).

Construction Contracts (AS 7)

- Not recognizing the expected loss as an expense when it was probable that total contract costs will exceed total contract revenue in respect of certain projects as the projected cost of the projects had increased substantially, which was not considered while calculating the estimated loss as per AS 7 (*Para 35*).

Revenue Recognition (AS 9)

- Recognizing revenue from export sale of products when goods are handed over to the shipper instead of on the basis of transferring to the buyer the property in the goods for a price or all significant risks and rewards of ownership have been transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods (*Para 11*).



Property, Plant and Equipment (AS 10)

- Accounting policy for Property, Plant and Equipment not in line with the requirements of Para 7 & 10 of AS 10.
- Accounting policy for tangible fixed assets and depreciation did not capture revaluation substituting for historical cost of certain land and buildings (*Para 81a*).
- Not disclosing the depreciation method used for each class of property, plant and equipment (*Para 81b*).

The Effects of Changes in Foreign Exchange Rates (AS 11)

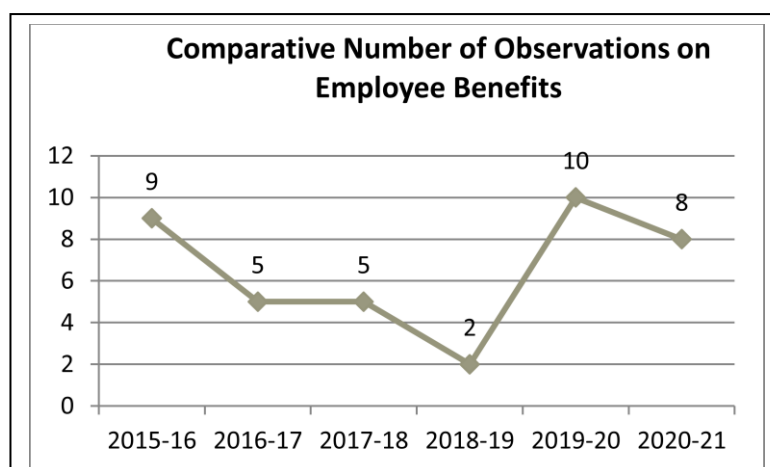
- Not keeping the accounting policy for its integral foreign operations exactly in line with the requirements of AS 11 as it did not state that all other monetary items of assets and liabilities are translated at year end closing rate (*Para 11, 21*).
- Not disclosing the amount of exchange differences included in the net profit or loss for the period (*Para 40a*).
- Not stating in the significant accounting policy for foreign exchange transactions, the treatment of gain/loss on foreign exchange transactions in the Statement on Profit & Loss (*Para 40a*).

Accounting for Investments (AS 13)

- Not disclosing the accounting policy and not valuing the shares, bonds and Govt. securities held as stock in trade on the same lines as current investments (*Footnote 2 to Para 1*).
- Not disclosing accounting policy for determination of carrying amount of current investments (*Para 25a*).
- Capitalising interest as cost of investments of a subsidiary in the consolidated financial statements (*Para 28, 29*).

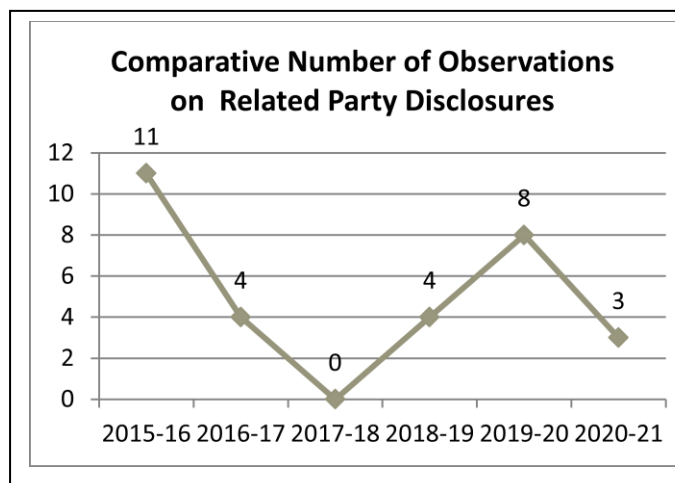
Employee Benefits (AS 15)

- Not accounting defined benefit plan for gratuity on actuarial basis (*Para 51a*).
- Not disclosing about defined benefit plans the enterprise's accounting policy for recognizing actuarial gains and losses (*Para 120 a*).
- Not disclosing for each major category of plan assets and all other assets, the percentage or the amount that each major category constitutes to the fair value of the total plan assets (*Para 120 h*).
- Not disclosing amounts for the current annual period and previous four annual periods of the present value of the defined benefit obligation and fair value of the plan assets and the surplus or deficit in the plan and experience adjustments arising out of plan assets and plan liabilities as an amount or percentage of the respective amounts as at the balance sheet date (*Para 120 n*).
- Not disclosing, for defined benefit plans, the experience adjustments for the amounts for the current annual period and previous four annual periods (*Para 120(n)(ii)*).



Related Party Disclosures (AS 18)

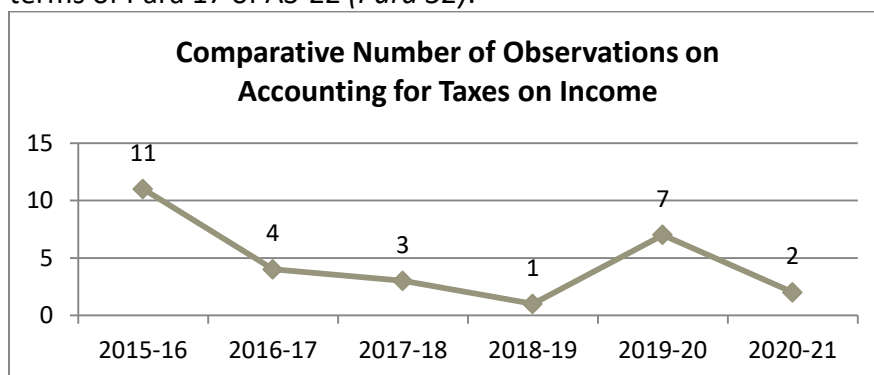
- Not separately disclosing the nature of the related party relationship in respect of Associates and Joint Ventures (*Para 21*).
- Not disclosing details of dividends paid to Key Management Personnel under disclosure for Related Party Transactions (*Para 23*).
- Not disclosing the managerial remuneration and investments in shares of Associates during the year under Related Party Disclosures (*Para 23*).

**Earnings Per Share (AS 20)**

- Significant accounting policy on diluted earnings per share did not state that the weighted average number of shares outstanding during the period should be adjusted for the effects of all dilutive potential equity shares (*Para 26*).

Accounting for Taxes on Income (AS 22)

- Accounting policy did not clearly bring out the basis of recognition of deferred tax in terms of Paras 13, 15 and 17 of AS-22.
- Not disclosing the nature of evidence supporting the recognition of deferred tax assets on business losses that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized in terms of Para 17 of AS-22 (*Para 32*).

**Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

- Disclosing provision for doubtful debts, diminution in value of investments as liability rather than deducting from the value of assets (*Para 7*).
- Not disclosing the movement at the beginning and end of the period in the carrying amount of provisions (*Para 66a*).

Indian Accounting Standards (Ind AS)

First-time Adoption of Indian Accounting Standards (Ind AS 101)

- Not properly disclosing the transition effects from the previous GAAP to Ind AS in the financial statements (*Para 23*).

Share-based Payment (Ind AS 102)

- Not disclosing for share options granted during the period (a) Option Pricing Model; (b) Expected Volatility (c) Risk Free Interest Rate; (d) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility (*Para 47*).

Financial Instruments: Disclosures (Ind AS 107)

- Not disclosing the nature of financial assets on which interest income was earned for financial assets that are measured at amortised cost or that are measured at fair value through other comprehensive income (*Para 20b*).
- Not providing information about the significant credit risk concentration in the credit risk disclosures (*Para 35B(c)*).
- Not disclosing the sensitivity analysis for:-
 - managing market risk; and/or
 - effect on equity for managing foreign currency risk (*Para 40*).

Operating Segments (Ind AS 108)

- Not disclosing information about geographical areas (*Para 33*).

Financial Instruments (Ind AS 109)

- Valuing investments in subsidiaries and partnership firms at amortised cost method even though conditions specified at Para 4.1.2 were not met.

Consolidated Financial Statements (Ind AS 110)

- Not preparing consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances (*Para 19*).

Fair Value Measurement (Ind AS 113)

- Not disclosing:-
 - for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the balance sheet after initial recognition, the valuation techniques and inputs used to develop those measurements.
 - for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period (*Para 91*).

Presentation of Financial Statements (Ind AS 1)

- Not disclosing in the summary of significant accounting policies the accounting policy for recognition of income from sale of spares, other income for income from corporate services, income from leases and for accounting for ESOPs (*Para 117*).
- Disclosing in the summary of significant accounting policies that depreciation on fixed assets has been provided on written down value method although depreciation on Property, Plant & Equipment was provided on straight line method (*Para 117*).

Inventories (Ind AS 2)

- Accounting policies adopted in measuring inventories did not include the cost formula used (*Para 36*).

Statement of Cash Flows (Ind AS 7)

- While using indirect method, the net cash flow from operating activities was determined by adjusting profit or loss for the movement from the previous year in the foreign exchange difference instead of adjusting profit or loss for non cash items such as unrealised foreign currency gains and losses (*Para 20b*).
- In the cash flow statement, under indirect method, the profit after tax was taken.
- Not separately disclosing investment / release of funds from fixed deposits (other than cash and cash equivalents) under cash flows from investing activities (*Para 21*).
- Showing the proceeds from sale of investments as payment for purchase of investments under cash flows from investing activities in the cash flow statement (*Para 21*).
- Not presenting separately the unrealised gains and losses arising from changes in foreign currency exchange rates on cash and cash equivalents held or due in foreign currency (*Para 28*).
- Non-cash adjustments under financing activities were shown as repayment of long term borrowings and infusion of short term borrowings (*Para 43*).
- Not disclosing the components of cash and cash equivalents (*Para 45*).

Accounting Policies, Changes in Accounting Estimates and Errors (Ind AS 8)

- Not disclosing accounting policy for sale of services.

Construction Contracts (Ind AS 11)

- Not making disclosures, as required as per *Para 40*.

Income Taxes (Ind AS 12)

- Not recognizing the deferred tax related to items that are recognised outside profit or loss in other comprehensive income (*Para 61A*).
- Not disclosing separately the amount (and expiry date, if any) of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognized in the balance sheet (*Para 81e*).

Property, Plant & Equipment (Ind AS 16)

- Specifying in the summary of significant accounting policy for depreciation the policy for certain leased furniture, fittings and equipments though company did not have any such leased assets (Para 73).

Leases (Ind AS 17)

- Not making disclosures as required under Para 35 (c & d).

Employee Benefits (Ind AS 19)

- Not determining the gratuity liability for defined benefit plan as per actuarial valuation method (Para 66).
- Not recognizing the actuarial gains/losses for net defined benefit liability (asset) in the other comprehensive income (Para 120, 127a).
- Not making disclosures for defined benefit plans in terms of Para 139-145 for other post employment benefits such as leave encashment.
- Not making disclosures as required under Para 145 & 147.
- Not disclosing the expected contributions to the plan for the next annual reporting period to provide an indication of the effect of the defined benefit plan on the entity's future cash flows (Para 147).

The Effects of Changes in Foreign Exchange Rates (Ind AS 21)

- Not showing the tax effect on foreign currency translation reserve in other comprehensive income (Para 50).

Related Party Disclosures (Ind AS 24)

- Not disclosing the relationship between the parent and its subsidiary under disclosures for Related Party transactions (Para 13).
- Not disclosing certain transactions with one associate company (Para 18).
- Not disclosing outstanding balances of related party transactions (Para 18).
- Not disclosing payment of sum to a related trust towards CSR expenses under related party transactions (Para 18).
- Not disclosing the terms and conditions of loans to its subsidiary (Para 18 (b)(i)).
- Not disclosing one of the related party and the transactions with it during the financial year (Para 18 & 19).
- Not disclosing the buy back of shares by the parent company at one place under related party disclosures (Para 18).
- Not disclosing the details of corporate guarantee given by the parent company for a short term loan obtained by the company under disclosures for related party transactions in the financial statements (Para 18).
- Not disclosing the allowance for doubtful debts created on the Trade Receivables from related parties under related party transactions in the financial statements (Para 18).

- Not disclosing the amount of loan repaid during the current year to one of its fellow subsidiary company under Related Party Transactions in the financial statements (*Para 21*).
- Wrong classification of Trade Receivable and Trade Payable under Related Party Transactions in the financial statements as parties with negative figures were included under them.

Earnings Per Share (Ind AS 33)

- Not disclosing the policy for diluted earnings per share.
- Not making disclosures as required under Para 70.

Provisions, Contingent Liabilities and Contingent Assets (Ind AS 37)

- Not providing for the Auditor's remuneration and Tax Auditor's remuneration for the year under audit (*Para 14*).
- Not disclosing the indication of uncertainties relating to the amount or timing of any outflow and the possibility of any reimbursement w.r.t contingent liabilities in the financial statements. Further, if the above disclosure was not possible, the fact is not disclosed that it is not practicable to disclose the information as above (*Para 86, 91*).
- Accounting policy for contingent assets not in line with the requirements of Ind AS 37 (*Para 89*).

c) Other Relevant Laws and Regulations

Companies Act, 2013

- Accounting policy for accounting for fixed assets was not on accrual basis of accounting as fixed assets were accounted on the basis of receipt of invoices (*Sec. 128(1)*).
- Not disclosing full particulars of the loan including the purpose for which the loan is proposed to be utilized by the recipient of the loan (*Sec. 186(4)*).

Companies (Audit and Auditors) Rules, 2014

- Disclosing that there was no delay in transferring amount required to be transferred to the Investor Education and Protection Fund (IEPF) by the Company though there was no amount required to be transferred to IEPF as no dividend was declared (*Rule 11c*).

Schedule II of Companies Act, 2013

- Additional charge of depreciation for the year on account of revaluation of land & building carried out in the past has been drawn from the Revaluation Reserve instead of being charged to the Statement of Profit & Loss for the year. *Schedule II to the Companies Act, 2013* notified wef 01.04.2014 requires that the depreciable amount of an asset is the cost of an asset or other amount substituted for cost, less its residual value (*Part A, Para 1*). However, the company continued to charge incremental depreciation on account of revaluation of fixed assets by drawing similar amount from Revaluation Reserve as per the practice permitted by the ICAI Guidance Note on Treatment of Reserve Created on Revaluation of Fixed Assets which was later on withdrawn by the ICAI in view of the requirements of the Companies Act, 2013 which had already become operational since 01.04.2014.
- Not adopting useful lives of Buildings other than Factory Buildings, Roads and Servers as specified in Part C of Schedule II of Companies Act, 2013 and also not disclosed the difference and not provided justification duly supported by technical advice (*Part A, Para 3*).

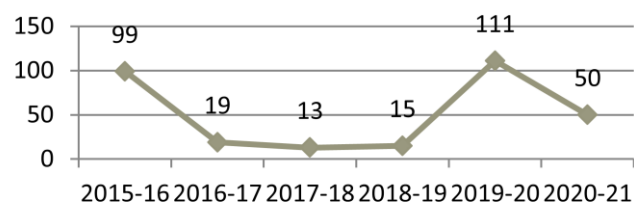
Schedule III of Companies Act, 2013 (Div. I & II)/ Guidance Note on Schedule III of Companies Act, 2013/ Guidance Note on Div. II Ind AS Schedule III to the Companies Act, 2013

Schedule III of Companies Act, 2013 (Div.I)/ Guidance Note on Schedule III of Companies Act, 2013

General Instructions

- Earnings per share disclosed on the face of Statement of Profit and Loss was not cross referenced to notes of the financial statements (*Para 3(ii) of Schedule III*).
- Stating wrong amount for the sum incurred towards corporate social responsibility in respect of previous year (*Para 5 of Schedule III*).

Comparative Number of Observations on Schedule III of Companies Act, 2013



- Not showing the corresponding amounts for the immediately preceding reporting period for some items shown in the schedule on Property, Plant & Equipment in the Financial Statements (*Para 5 of Schedule III*).

Balance Sheet

Share Capital

- Not disclosing the rights, preferences and restrictions attached to each class of shares (*Note No.6A(e) of Part I of Schedule III*).
- Reconciliation was not given in the notes to the financial statements for difference in the subscribed capital and paid-up share capital (*Note No. 6A of Part I of Schedule III*).

Long-Term Borrowings

- Repayment schedule of NCDs and other loans were stated in ascending order in the notes to financial statements instead of stating NCDs in descending order of maturity starting from farthest redemption (*Note No. 6C(iv) of Part I of Schedule III*).
- Not disclosing the terms of repayment of term loans, loans from related parties and other loans from Banks (*Note No. 6C(vi) of Part I of Schedule III*).

Other Long-term Liabilities

- 'Other long term liabilities' were wrongly shown as 'Long term liabilities' on the face of the balance sheet (*Part I of Schedule III*).
- Not disclosing on the face of the balance sheet the total outstanding dues of micro enterprises and small enterprises under trade payables as required under Sec. 22 of Micro, Small and Medium Enterprises Development Act, 2006 (*Para 8.4.2/8.4.3 of Guidance Note on Schedule III*).
- Disclosure made in the notes to the financial statements in terms of the requirements of Sec.22 of MSMED Act, 2006 also stated that the details provided have been relied upon by the auditors which indicated that these details were not duly verified by the auditors.

Short-term Borrowings

- Short term borrowings were not further sub-classified as secured and unsecured and nature of security was also not specified separately in each case (*Note No. 6F(ii) of Part I of Schedule III*).
- The amount of unpaid dividend was wrongly shown as 'unclaimed dividend' as part of other current liabilities in notes to the financial statements (*Note No. 6G(f) of Part I of Schedule III*).

Non-current/current Investments

- Not disclosing the names of partners, total capital of firm and shares of each partner for investments in capital of partnership firms in the notes to financial statements (*Note No.6K(i)/6N(i) of Part I of Schedule III*).
- Name of a subsidiary was wrongly mentioned in the notes to the financial statements (*Note No.6K(i)/6N(i) of Part I of Schedule III*).

Cash and cash equivalents

- Not disclosing separately cash and cash equivalents (*Note No. 6Q(i) of Part I of Schedule III*).
- Not disclosing separately the bank deposits with more than 12 months maturity (*Note No. 6Q(v) of Part I of Schedule III*).
- Credit bank balance was netted off against cash and bank balances.

Contingent liabilities & commitments

- Not disclosing in the notes to the financial statements the corporate guarantees given on behalf of its subsidiaries under 'Contingent Liabilities and Commitments (to the extent not provided for)' (*Note No. 6T(i)(b) of Part I of Schedule III*).

Statement of Profit and Loss

- Profit on sale of scrap was wrongly shown as gain on sale of fixed assets in the Statement of Profit & Loss (*Para 9.1.8 of Guidance Note on Schedule III*).
- The amount of contribution to 'provident and other funds' was wrongly shown as contribution to 'retirement funds' in the notes to the financial statements (*Note No. 5(i)(a)(ii) of Part II of Schedule III*).
- Payment made to cost auditor was included in the disclosure for payment to auditors in the notes to financial statements (*Note No.5(i)(j) of Part II of Schedule III / Para 10.3 of Guidance Note on Schedule III*).
- The expenditure on corporate social responsibility was shown as 'Appropriation' in the Reserves and Surplus instead of being charged to the Statement of Profit & Loss as a separate line item with additional information by way of notes to financial statements providing the expenditure incurred on CSR and break-up under major heads in the manner prescribed (*Para 10.13 of Guidance Note on Schedule III in terms of Note No. 5(i)(k) of Part II of Schedule III*).
- Not disclosing break-up of various heads of expenses included in the line item CSR Expenditure and other disclosures such as gross amount required to be spent and the amount spent during the year on CSR activities, details of related party transactions (*Para 10.13 of Guidance Note on Schedule III to the Companies Act, 2013 and Guidance Note on Accounting for Expenditure on CSR activities*).
- Not disclosing raw materials under broad heads in notes to consolidated financial statements (*Note No.5(ii)(a)(1) of Part II of Schedule III and Note No. 1 of General Instructions for Preparation of the Consolidated Financial Statements of Schedule III*).

Division II – Ind AS Schedule III of Companies Act, 2013/ Guidance Note on Div. II Ind AS Schedule III to the Companies Act, 2013**General Instructions**

- Not rounding off the figures appearing in the financial statements to the nearest, lakhs, millions or crores, or decimals thereof even though turnover of the company was more than rupees one hundred crore (*Para 5 of Div.II Ind AS Schedule III*).

Balance Sheet**Non-Current Assets**

- Interest accrued on non-current fixed deposit was shown under current assets.

Current Assets

- Wrongly classifying the advance given to vendor being a current asset as a Non-current asset under security deposits in the Balance Sheet (*Note No. 1 of Part I of Div. II Ind AS Schedule III*).
- Investment in partnership firm was wrongly shown as investment in equity instrument (*Note No. 6B II of Part I of Div. II Ind AS Schedule III / Para 8.1.14 of Guidance Note on Div. II Ind AS Schedule III*).
- Name of investment in mutual fund series was wrongly given (*Note No. 6B II (i) of Part I of Div. II Ind AS Schedule III / Para 8.1.14 of Guidance Note on Div. II Ind AS Schedule III*).
- Fixed deposit with original maturity of more than 3 months – held as security was wrongly shown as non current financial asset instead of current financial asset (*Note No. 6C(b) of Part I of Div. II Ind AS Schedule III / Para 8.1.16 of Guidance Note on Div. II Ind AS Schedule III*).
- The disclosure regarding ‘bank balances other than cash and cash equivalents’ included deposits with ‘remaining maturity’ of more than three months but less than 12 months instead of ‘original maturity’ of more than three months but less than 12 months (*Para 8.1.16 of Guidance Note on Div. II Ind AS Schedule III*).
- Current Tax Assets (Net) was not shown as a separate line item (*Part I of Div. II Ind AS Schedule III*).
- Nature of items shown as “others” was not specified for current financial assets and other current assets in the notes to the financial statements (*Note No. 6B VI of Part I of Div. II Ind AS Schedule III / Para 8.1.19 of Guidance Note on Div. II Ind AS Schedule III*).

Equity

- Using the heading ‘Shareholder’s Funds’ instead of ‘Equity’ for disclosing Equity share capital and other equity in the Balance Sheet (*Part I of Div. II Ind AS Schedule III*).
- The number of preference shares in the Authorised share capital were not correctly mentioned (*Note No. 6DI(a) of Part I of Div. II Ind AS Schedule III / Para 8.2.11 of Guidance Note on Div. II Ind AS Schedule III*).

Current Liabilities

- Not classifying the working capital loan obtained from Banks as loans repayable on demand from Banks under “Current Borrowings” in the balance sheet (*Note No. 6F I(i)(a) (I) of Part I of Div. II Ind AS Schedule III / Para 8.2.8 (i)(a) of Guidance Note on Div. II Ind AS Schedule III*).
- Disclosing current borrowings under sub-head loans repayable on demand from banks instead of from other parties (*Note No. 6F1(i)(a)(II) of Part I of Div. II Ind AS Schedule III*).
- Showing Credit balance as Deferred Tax Assets (Net) rather than as Current Tax Liabilities (Net) (*Part I of Div. II Ind AS Schedule III*).

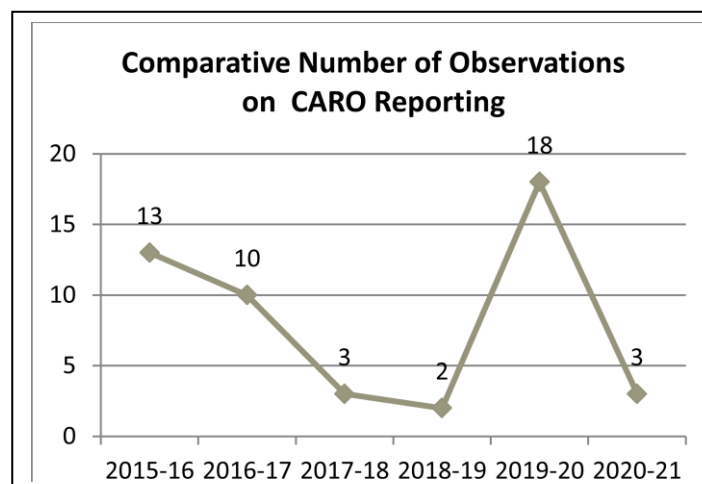
- Current maturities of long term loans were shown under other current liabilities instead of under current other financial liabilities (*Note No. 6F II of Part I of Schedule III*).
- Overdraft bank balance was not shown under Borrowings rather was deducted from balance with banks (*Para 8.1.16 of Guidance Note on Div. II Ind AS Schedule III*).

Statement of Profit & Loss

- Not classifying interest income from related party under Interest income as part of Other income but was rather clubbed under miscellaneous income (*Para 9.2 of Guidance Note on Div. II Ind AS Schedule III*).
- Not showing net gain or loss on foreign currency transaction and translation (other than considered as finance cost) under other expenses rather these were wrongly shown under financial expenses (*Note No. 7(h) of Part II of Div. II Ind AS Schedule III / Para 11.3 of Guidance Note on Div. II Ind AS Schedule III*).
- Disclosing "Losses on account of Foreign Currency Transaction and Translation other than finance cost" and "Loss on disposal of Property, Plant and Equipment" under the heading of "Other gains/ (losses) - net" included in the heading of "Total Income" instead of showing them separately under Other expenses (*Note No. 7(h) of Part II of Div. II Ind AS Schedule III / Para 11.3 of Guidance Note on Div. II Ind AS Schedule III*).
- Disclosure for payment made to auditors was not made in the manner required (*Note No. 7(i) of Part II of Guidance Note on Div. II Ind AS Schedule III*).
- Not disclosing Earnings per Share (EPS) in the Statement of Profit & Loss (*Part II of Div. II Ind AS Schedule III*).

Companies Auditor's Report Order (CARO), 2016/ Guidance Note on CARO, 2016

- Not reporting on the basis of audit procedure carried out in accordance with Para 34 of the Guidance Note on CARO, 2016 while reporting on Para 3(i)(a) of CARO, 2016 but reported 'on the basis of available information'.
- Not keeping adequate evidence on the basis of which to arrive at a conclusion for reporting that fixed assets have been physically verified by the management at reasonable intervals (*Para 35b of the Guidance Note on CARO, 2016/ Para 3(i)(b) of CARO, 2016*).

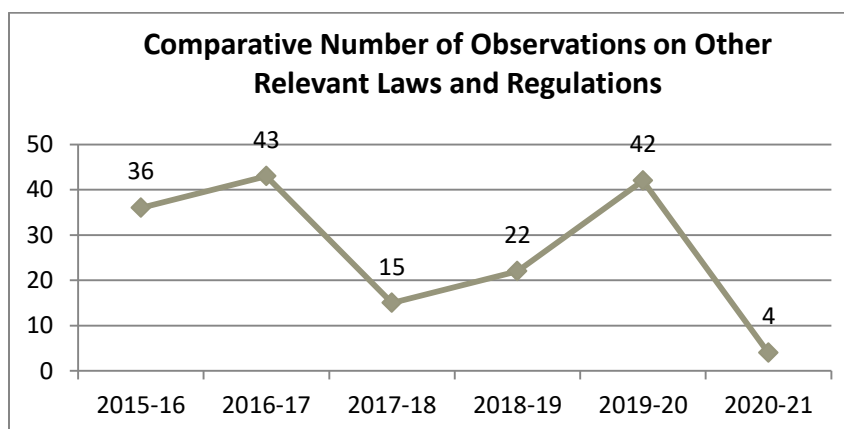


- In Annexure B to Independent Auditors' Report on financial statements, the auditor commented that the Company has not defaulted in repayment of loans or borrowings to any

financial institution or Bank or Government or dues to debenture holders as at the balance sheet date even though the Company did not have any loans or borrowings from any financial institution or Government or dues to debenture holders as at the balance sheet date (*Para 3(i)(viii) of CARO, 2016*).

Others

- Not communicating to management in writing all deficiencies in Internal Financial Controls over Financial Reporting including complying with the requirements of SA-260 (*Para 139 to 142 of Guidance Note on Audit of Internal Financial Controls over Financial Reporting*).
- Not obtaining written representation from the management in an audit of internal financial controls over financial reporting (*Para 150 of Guidance Note on Audit of Internal Financial Controls*).
- Recognizing MAT credit without convincing evidence on record that the company will pay normal income tax during the specified period (*Para 11 of Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961*).
- Not making required disclosures as per *Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002* in respect of:-
 - Extent of risk retained and reinsured.
 - Bases of allocation of investments and income thereon between Policyholders' Account and Shareholders' Account.



Key Takeaways for Audit Firms

Standard on Quality Control –I (SQC-I)

- Improve implementation and documentation for various elements of the system of quality control as per SQC-1.
- Maintain policy & procedure to notify breaches of independence requirements.
- Provide eligibility and maintain objectivity of Engagement Quality Control Reviewer (EQCR).
- Maintain policies and procedures with regard to engagement performance, engagement documentation and archival process.
- Improve monitoring mechanism and take corrective action for any of the deficiency identified during inspection process and communicate to its partner.

Audit Documentation

- Prepare audit documentation on a timely basis duly recording who performed and reviewed audit work and the date/s of completion and review.
- Prepare audit documentation to understand:
 - nature, timing and extent of audit procedures performed to comply with SAs and applicable legal and regulatory requirements;
 - results of audit procedures performed and audit evidence obtained; and
 - significant matters arising during the audit, conclusions reached and significant professional judgments made.
- Comply with policies and procedures for assembly and archival of work papers within stipulated time.

Risk Assessment and Response to Assessed Risk

- Document overall audit strategy and audit plan.
- Document the design and effectiveness of controls and performing appropriate test of controls to obtain sufficient appropriate audit evidence.
- Test IT related controls, IT generated reports and have appropriate planned procedures including changes to IT systems and have appropriate IT personnel on engagement.

- Determine materiality for the financial statements as a whole while establishing overall audit strategy.

Audit Evidence

- Appropriately identify and assess risks of material misstatement in accounting estimates, and perform appropriate audit procedures to address such risks.
- Do not be over-reliant on, or readily accept, the explanations and representations of the management without challenging matters such as key underlying assumptions, or seek out evidence to corroborate estimates or treatments. If written representations are inconsistent with other audit evidence, perform audit procedures to attempt to resolve the matter. If the matter remains unresolved, reconsider the assessment of the competence, integrity, ethical values or diligence of management, and determine the effect that this may have on the reliability of representations and audit evidence, in general.
- Design and perform audit procedures that are appropriate in the circumstances for obtaining sufficient appropriate audit evidence.
- Maintain control over external confirmation requests while using external confirmation procedures.
- Select items for the sample in such a way that each sampling unit in the population has a chance of selection.
- Perform analytical procedures during planning stage, audit performance and when forming overall conclusion as to whether financial statements are consistent with auditor's understanding of entity.
- Evaluate adequacy of the work of the internal auditor.
- Evaluate relevance and reasonableness of the assumptions made by the expert; and completeness and accuracy of the source data.

Audit Conclusions and Reporting

- Prepare auditor's report as per prescribe format.
- Disclose financial impact of the misstatement in 'Basis of Qualified Opinion' para in auditors' report.
- Read the other information to identify inconsistencies with the audited financial statements.

Annex A

Number and % of Audit Firms having observations on Standards on Auditing (SA) in reviews conducted during FY 2020-21:

Standards on Auditing	Number of Observations	Number of Audit Firms having observations	% of Firms to Total Firms (Total Firms =33)
SQC-1 Standards on Quality Control	17	12	36
SA 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in accordance with Standards on Auditing	1	1	3
SA 210 Agreeing the Terms of Audit Engagements	2	2	6
SA 220 Quality Control for an Audit of Financial Statements	1	1	3
SA 230 Audit Documentation	17	9	27
SA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements	4	3	9
SA 250 Consideration of Other Laws and Regulations in an Audit of Financial Statements	1	1	3
SA 300 Planning an Audit of Financial Statements	1	1	3
SA 315 Identifying and assessing the risks of material misstatement through understanding the Entity and its environment	2	2	6
SA 320 Materiality in Planning and Performing an Audit	3	3	9
SA 330 Auditor's responses to assessed risks	5	3	9
SA 450 Evaluation of Misstatements Identified during the Audit	1	1	3
SA 500 Audit Evidence	2	2	6
SA 501 Audit Evidence- Specific considerations for Selected Items	1	1	3
SA 505 External Confirmations	6	6	18
SA 510 Initial Audit Engagements – Opening Balances	1	1	3
SA 520 Analytical Procedures	1	1	3
SA 530 Audit Sampling	3	3	9
SA 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	4	3	9

SA 550 Related Parties	1	1	3
SA 570 Going Concern	2	2	6
SA 580 Written Representations	4	4	12
SA 600 Using the Work of Another Auditor	1	1	3
SA 610 Using the Work of Internal Auditors	5	3	9
SA 700 Forming an Opinion and reporting on Financial Statements	3	3	9
SA 705 Modification to the opinion in the Independent Auditor's Report	2	2	6
SA 720 The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements	2	2	6

Annex B**Number and % of Audits having observations on Accounting Standards (AS) and Indian Accounting Standards (Ind AS) in reviews conducted during FY 2020-21:**

Accounting Standards	Number of Observations	Number of Entities having observations	% of Entities to Total Entities (Total Entities =33)
AS - 1 Disclosure of Accounting Policies	1	1	3
AS -2 Valuation of Inventories	1	1	3
AS -3 Cash Flow Statements	7	6	18
AS-5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	1	1	3
AS-7 Construction Contracts	1	1	3
AS - 9 Revenue Recognition	1	1	3
AS - 10 Property, Plant and Equipment	3	3	9
AS -11 The Effects of Changes in Foreign Exchange Rates	3	3	9
AS -13 Accounting for Investments	3	2	6
AS - 15 Employee Benefits	8	6	18
AS-18 Related Party Disclosures	3	3	9
AS - 20 Earnings Per Share	1	1	3
AS - 22 Accounting for Taxes on Income	2	2	6
AS - 29 Provisions, Contingent Liabilities and Contingent Assets	2	1	3

Indian Accounting Standards (Ind AS)	Number of Observations	Number of Entities having observations	% of Entities to Total Entities (Total Entities =33)
Ind AS-101 First-time Adoption of Indian Accounting Standards	1	1	3
Ind AS-102 Share-based Payment	1	1	3
Ind AS-107 Financial Instruments: Disclosures	4	3	9
Ind AS-108 Operating Segments	1	1	3
Ind AS-109 Financial Instruments	1	1	3
Ind AS-110 Consolidated Financial Statements	1	1	3
Ind AS-113 Fair Value Measurement	2	1	3
Ind AS-1 Presentation of Financial Statements	2	2	6
Ind AS-2 Inventories	1	1	3
Ind AS-7 Statement of Cash Flows	8	4	12
Ind AS-8 Accounting Policies, Changes in Accounting Estimates and Errors	1	1	3
Ind AS-11 Construction Contracts	1	1	3
Ind AS-12 Income Taxes	2	2	6
Ind AS-16 Property, Plant & Equipment	1	1	3
Ind AS-17 Leases	1	1	3
Ind AS-19 Employee Benefits	5	4	12
Ind AS-21 The Effects of Changes in Foreign Exchange Rates	1	1	3
Ind AS-24 Related Party Disclosures	12	6	18
Ind AS-33 Earnings Per Share	2	1	3
Ind AS-37 Provisions, Contingent Liabilities and Contingent Assets	3	3	9

Annex C

Number and % of Audits having observations on Other Relevant Laws and Regulations in reviews conducted during FY 2020-21:

Other Relevant Laws and Regulations	Number of Observations	Number of Entities having observations	% of Entities to Total Entities (Total Entities =33)
Companies Act, 2013	5	5	15
Schedule III of the Companies Act, 2013	50	15	45
CARO, 2016	3	3	9
Others	4	4	12

Annex D

Meetings Organised during FY 2020-21

The details of meetings held during the financial year 2020-21 of the Quality Review Board, constituted by the Government of India u/s 28A of the Chartered Accountants Act, 1949, and various Groups/Sub-Committees constituted by the Board are as follows:-

Quality Review Board

1. 63rd meeting of the Quality Review Board held on 28th July, 2020 via video-conferencing.
2. 64th meeting of the Quality Review Board held on 1st December, 2020 via video-conferencing.
3. 65th meeting of the Quality Review Board held on 10th March, 2021 via video-conferencing.

Quality Review Group-I

4. 49th meeting of the Quality Review Group-I, constituted by the QRB, held on 3rd September, 2020 via video-conferencing.
5. 50th meeting of the Quality Review Group-I, constituted by the QRB, held on 26th October, 2020 and continued on 28th October, 2020 and 5th November, 2020 via video-conferencing.
6. 51st meeting of the Quality Review Group-I, constituted by the QRB, held on 24th November, 2020 via video-conferencing.
7. 52nd meeting of the Quality Review Group-I, constituted by the QRB, held on 2nd March, 2021 and continued on 4th March, 2021 via video-conferencing.

Thematic Review Group

8. By circulation of the item on 20th October, 2020.

Sub-Committee-I

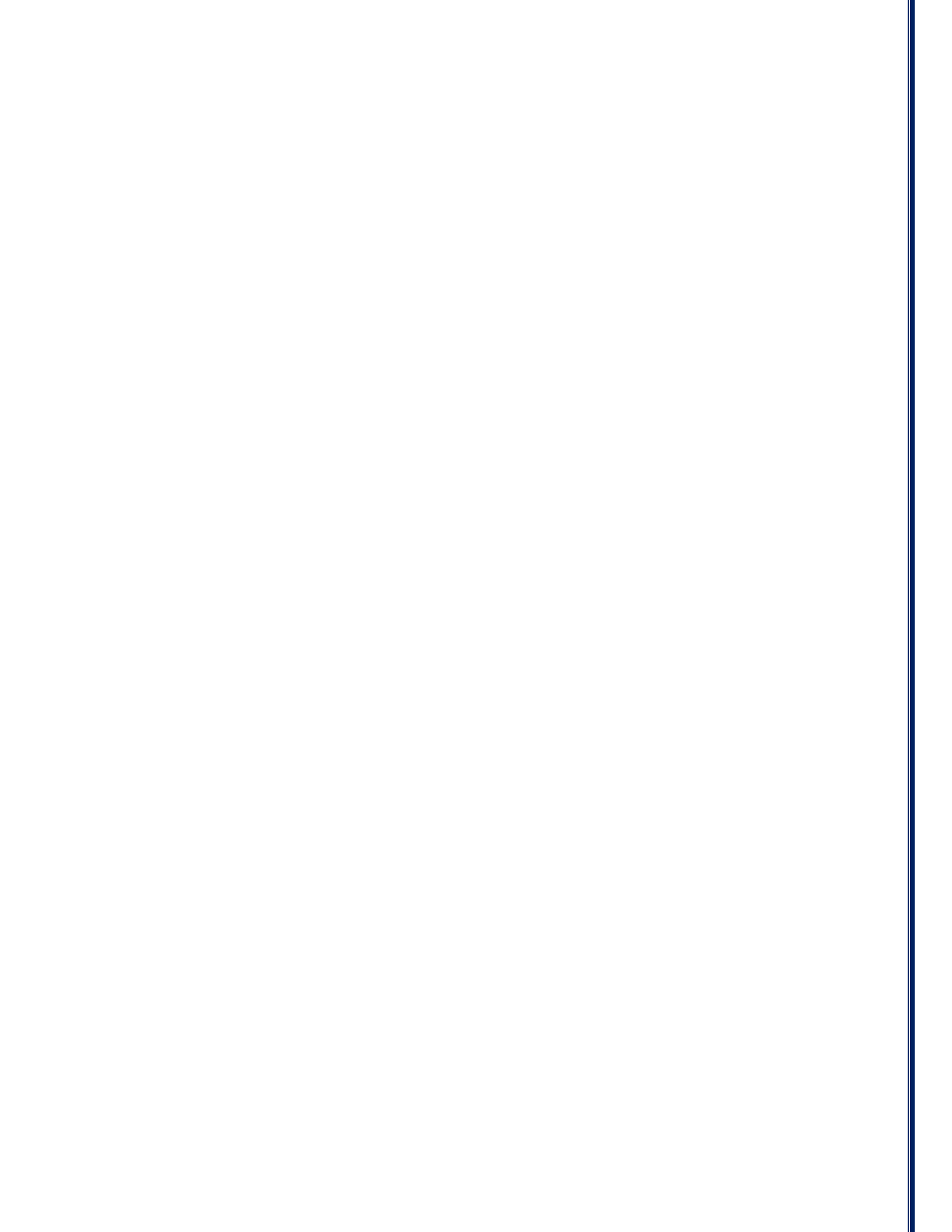
9. 20th meeting of the Sub-Committee-I, constituted by the QRB, held on 25th February, 2021 via video-conferencing.

Audit Committee of QRB

10. 8th Meeting of Audit Committee of QRB held on 15th September, 2020 via video-conferencing.

Glossary

AFUR	Audit Firm Under Review
AS	Accounting Standard
CA	Chartered Accountant
CARO	Companies Auditor's Report Order
CCM	Central Council Member
CSR	Corporate Social Responsibility
CS	Company Secretary
EPS	Earnings Per Share
EQCR	Engagement Quality Control Review
ESOP	Employees Stock Ownership Plan
FRRB	Financial Reporting Review Board
FY	Financial Year
HR	Human Resources
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
Ind AS	Indian Accounting Standards
IRS	Indian Revenue Services
IT	Information Technology
MAT	Minimum Alternate Tax
MSMED Act	Micro, Small and Medium Enterprises Development Act
NFRA	National Financial Reporting Authority
QRB	Quality Review Board
QRG	Quality Review Group
SA	Standard on Auditing
SQC	Standard on Quality Control
TR	Technical Reviewer
Wef	With effect from
Wrt	With respect to



क्यूआरबी के बारे में

चार्टर्ड एकाउंटेंट्स अधिनियम, १९४९ की धारा २८ए के अंतर्गत प्रदत्त शक्तियों का प्रयोग करते हुए, भारत की केंद्र सरकार ने २८ जून, २००७ की अधिसूचना संख्या जीएसआर ४४८ (ई) द्वारा एक क्वालिटी पुर्नविलोकन बोर्ड (क्यूआरबी) का, देश में चार्टर्ड एकाउंटेंट्स द्वारा प्रदान की जाने वाली सेवाओं की गुणवत्ता की समीक्षा करने के लिए, एक स्वतंत्र निकाय के रूप में अध्यक्ष और दस अन्य सदस्य सहित गठन किया। यह एक मजबूत व्यवस्था है जहां केंद्र सरकार अध्यक्ष और पांच सदस्यों को नामित करती है। सदस्यों को कानून, अर्थशास्त्र, व्यवसाय, वित्त या लेखा के क्षेत्र में अनुभव रखने वाले प्रतिष्ठित व्यक्तियों में से नामित किया जाता है। आईसीएआई अन्य पांच सदस्यों को नामित करता है। क्यूआरबी के अधिकांश सदस्य पेशे से स्वतंत्र हैं। वित्त वर्ष 2012-13 से, क्यूआरबी ने भारत में ऑडिट फर्मों की वैधानिक ऑडिट सेवाओं की स्वतंत्र समीक्षा की एक अलग और मजबूत प्रणाली को औपचारिक रूप दिया है। अधिक जानकारी के लिए, कृपया देखें www.grbca.in ।

About QRB

In exercise of the powers conferred u/s 28A of the Chartered Accountants Act, 1949, the Central Government of India, by Notification No. GSR 448 (E) dated 28th June, 2007, constituted a Quality Review Board (QRB) consisting of a Chairperson and ten other members as an independent body to review the quality of services rendered by chartered accountants in the country. It is a robust set-up where the Central Government nominates the Chairperson and five members. Members are nominated from amongst the persons of eminence having experience in the field of law, economics, business, finance or accountancy. ICAI nominates the other five members. Majority of members of QRB are independent of the profession. Since FY 2012-13, QRB has formalised a distinct and strong system of independent review of statutory audit services of the audit firms in India. For more details, please visit www.grbca.in