

Announcement by Auditing and Assurance Standards Board under the authority of the  
Council of ICAI (01-05-2015)

**ANNOUNCEMENT**  
**AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**  
**UNDER THE COMPANIES ACT, 2013**

The Auditing and Assurance Standards Board, under the authority of the Council, has already issued the illustrative formats of the auditor's report on standalone financial statements of a company under the Companies Act 2013 in December 2014. While reporting on the consolidated financial statements (CFS) of a company under the Companies Act 2013, the auditors may draw guidance from the aforementioned formats and suitably reword the same, as required, to meet the circumstances of audit of CFS. The auditors of CFS, while reporting in respect of the provisions of, *inter alia*, section 143(3) and section 143(11) of the Companies Act, 2013 in their report on CFS, are also advised to:

- consider the observations and comments as given in this regard in the auditors' reports of the component auditors.
- include in their report or draw suitable reference to, negative/adverse comments, if any, in respect of section 143(3) and section 143(11) of the Act relating to a component, as appearing in the component auditors' report.

The auditors of CFS are also advised to apply concept of materiality and professional judgment as provided in the Standards on Audit while reporting on the Consolidated Financial Statements.

The following illustrative formats of an auditors' report on CFS, covering some of the clauses of section 143(3) of the Companies Act, 2013 (and where the auditor does not have the responsibility for reporting on internal financial controls over financial reporting under section 143(3)(i) of the Companies Act, 2013), are being issued herewith just to provide a broad guidance on how such a report may be prepared. These formats may be applied for the FY 2014-15 and until further announcement. It is reiterated that the auditors of CFS may suitably reword/redraft these formats to suit the circumstances of their audit engagement.

Type of Format	
Unmodified opinion on the consolidated financial statements <a href="#">(click here to download the format)</a>	This format will be added in the Appendix to SA 700
Modified opinion on the consolidated financial statements <a href="#">(click here to download the format)</a>	This format will be added in the Appendix to SA 705

This document has been compiled as service to our clients. We recommend that you seek professional advise prior to initiating action on specific issues.

**Lunawat & Co.**

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**CA ABHIJIT BANDYOPADHYAY**  
**Chairman, Auditing & Assurance Standards Board**

Note: The links have been amended to link to our website [www.lunawat.com](http://www.lunawat.com)

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