**AUDIT RERPOT FOR THE YEAR 2016-2017 ONLY.**

* **APPLICABILITY OF CARO (Companies (Auditor's Report) Order,2016)**

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **CARO Not Applicable to following companies** | **APPLICABLE TO FOLLOWING COMPANIES** |
| 1 | A banking company | Listed Company |
| 2 | An insurance company | Public Limited Company |
| 3 | Company licensed under section 8 | Foreign Company |
| 4 | a One Person Company [2(62)] | A Private Limited company\* |
| 5 | a small company [2(85)] |  |
| 6 | A Private Limited company\* |  |

Note\*

A Private Limited Company with

* paid up capital and reserves not more than rupees One Crore and
* does not have loan outstanding exceeding rupees One Crore from any bank or financial institution at any point of time during the financial year and
* does not have turnover exceeding rupees Ten crore

CARO, 2016 shall not apply to Consolidated Financial Statement of the company.

* **APPLICABILITY OF INTERNAL FINANCIAL CONTROL SYSTEM**

**(Section 143 (3) (i) of companies act 2013)**

1. It is applicable to all Public companies and section 8 companies
2. It is applicable to Private company if it fulfills following conditions
3. Turnover of company as per latest Audited financial statement is Rs. 50 crore or more

or

1. Aggregate Borrowing from Banks or Financial Institutions or anybody corporate is Rs. 25 cr or more at any point of time during the financial year

**(If applicable then provide the annexure for the same)**

* **SPECIFIED BANK NOTES** :-

***(Applicable to all Companies, Provide the schedule in Notes on accounts or along with the schedules of Financial statements)***

The following are the details of specified bank notes (SBN) held and transacted during the period from 08-11-2016 to 30-12-2016.

|  |  |  |  |
| --- | --- | --- | --- |
|  | SBNs | Other Denomination Notes | Total |
| Closing Cash In Hand as on 08.11.2016 |  |  |  |
| (+)Permitted Receipts |  |  |  |
| (+)Cash withdrawal From Bank |  |  |  |
| (-) Permitted Payments |  |  |  |
| (-) Amount Deposited in Banks |  |  |  |
| Closing Cash in hand as on 30.12.2016 |  |  |  |

**INDEPENDENT AUDITOR’S REPORT**

TO

THE MEMBERS OF

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Limited

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statement of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ PVT. LTD.

(“the company”), Which comprise the Balance Sheet as at 31stMarch 2017, the Statement of Profit and Loss and the Cash Flow for the year ended, and a summary of significant accounting policies and, other explanatory information.

**MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on financial statement based on our audit. We have taken into account the provisions of the Act, the accounting and standards and matters which are required to be included in the report under the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company’s Directors, as well as evaluating the overall presentation of the financial statements.

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

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017

b) in the case of the Statement of Profit and Loss, of the profit/Loss for the year ended on that date.

c) in the case of the Cash Flow for the year ended on that date.

# Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

**REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS**

The said private limited company with a paid up capital and reserves not more than Rupees One Crore and explanation given to me company has not accepted any public deposit and does not have outstanding loan exceeding Rs. One Crore or more from any bank or financial institution and does not have a turnover exceeding rupees Ten crores therefore Companies (Auditor’s Report) order, 2016 is not applicable

**OR**

As required by the Companies (Auditors Report) Order, 2016 issued by the Central Government of India in terms of Section 143(3) of the Companies Act 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 & 4 of the Order:

1. We have sought and obtained all the information and explanation to the best of our knowledge and belief where necessary for the purpose of our audit.
2. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
3. The Balance Sheet and the Statement of Profit & Loss dealt with by this Report are in agreement with the books of account.
4. In our opinion the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
6. With respect to the adequacy of the **internal financial controls** over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” ( Subject to conditions given on page No. 1 and annexure format is given on page No. 10)
7. The Company has properly maintained the accounts as required under applicable laws, rules & regulations.
8. In our opinion and according to the information and explanations given to us, the Company has adequate internal financial controls system and the said system is working effectively.
9. With respect to the other matters included in the Auditor’s Report and to best of our information and according to the explanations given to us:
10. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to best of our information and according to the explanations given to us:

1. The Company does not have any pending litigations which would impact its position.

2. The Company did not have any long-term contracts including derivatives contracts of which there were any material foreseeable losses.

3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

4. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 in accordance with the books of accounts maintained by the company.”

For, **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Chartered Accountant

Proprietor

Place : Membership No:

Date :

**\_\_\_\_\_\_\_\_Limited\***

**Annexure ‘A’ to the Auditors’ Report**

The Annexure referred to in our report to the members of \_\_\_\_\_\_\_\_\_\_\_\_\_\_the Company’) for the year Ended on \_\_\_\_\_\_\_\_\_. We report that:

1 (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c). The company does not have any immoveable property, or

The title deeds of immoveable properties are held in the name of the company, or

The title deeds of immoveable properties are not held in the name of the company as per details given here under

1. As explained to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material. (The discrepancies have been properly dealt with in the books of accounts)

Or

Physical verification of inventory has been conducted at reasonable intervals by the management;

1. As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act., or

The company had granted loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

1. The terms and conditions of the grant of such loans are not prejudicial to the company’s interest.
2. No Schedule of repayment of principal and payment of interest has been stipulated.
3. No Schedule of repayment of principal and payment of interest has been stipulated and therefore the question of overdue amounts does not arise. Though Company has informed that the reasonable steps have been taken for recovery of the principal and interest.
4. The company has not given any loans, investments guarantees, and security, or

In respect of loans, investments guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with, or

If not complied with………….

1. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable . No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, or

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable except for\_\_\_\_\_\_.

No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

1. It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act, or

We have broadly reviewed the books of accounts and records maintained by the company pursuant to the rules prescribed under section 148(1) of the Act for maintenance of cost records in respect of\_\_\_and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of records.

7 (a) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees’ state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable, or

According to the information and explanations given to us, undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and Cess that were in arrears, as 31st March, 2017 for a period of more than six months from the date they became payable are given below.

(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess which have not been deposited on account of any dispute, or

According to the information and explanations given to us, the dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess that have not been deposited with appropriate authorities on account of any dispute and the forum where the disputes are pending are given below

1. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders, or

Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders. The detail of period and the amount of default as ascertained by the management is as follows: –

1. The company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans, or

The company has not raised moneys by way of initial public offer or further public offer (including debt instrument). However the moneys were raised by way of term loans which were applied for the purposes for which those were raised.

1. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
2. The Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, or

No Managerial remuneration has been paid or provided.

1. The company is not a Nidhi Company hence this clause is not applicable.
2. Based upon the audit procedures performed and according to the information and explanations given to us, All transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
3. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, or

The company has made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. The requirement of Section 42 of the Companies Act, 2013 have been complied with and the amounts raised have been used for the purposes for which the funds were raised.

1. The company has not entered into any non-cash transactions with directors or persons connected with him, or

The company has entered into non-cash transactions with directors or persons connected with him. The provisions of section 192 of Companies Act, 2013 have been complied with.

1. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For, **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Chartered Accountant

Place: Proprietor

Date : \_\_\_\_\_\_\_ Membership No:

**INTERNAL FINANCIAL CONTROL REPORT**

**Annexure – ‘B’ to the Auditors’ Report**

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

We have audited the internal financial controls over financial reporting of Infosys Limited (“the Company”) as of 31stMarch 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Chartered Accountants

Firm’s Registration Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_W

Partner

Membership Number: