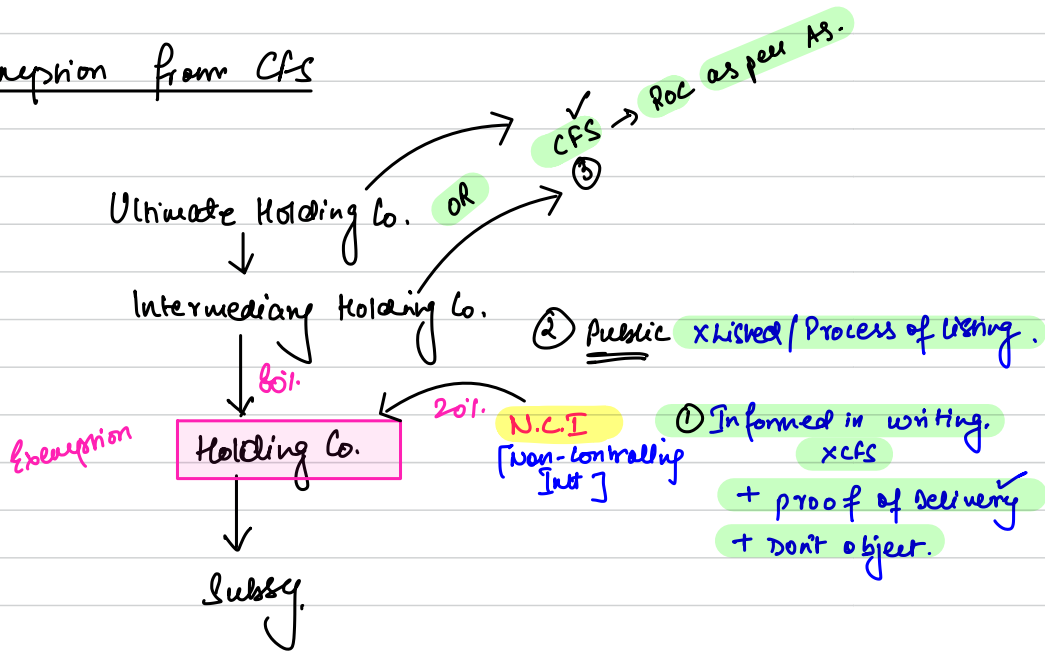


Group Audit [Audit of consolidated FS.] [5M]

- ① Co. → 1 or more Subsidiary, Associates or JVs → prepare CFS. (CA JV) ?
- ② Provision related to PAA of Parent Co. shall apply ^{FS} mutatis mutandis (as it is) to CFS. [Preparation, Adoption & Audit]
- ③ Also be approved by BOD & laid in AGM. [Attach Subsidiary FS details in AOC-1]
- ④ As per Sched III & A.P.
- ⑤ If exempt from preparing CFS, comply with Sched. III.

Exemption from CFS

I.



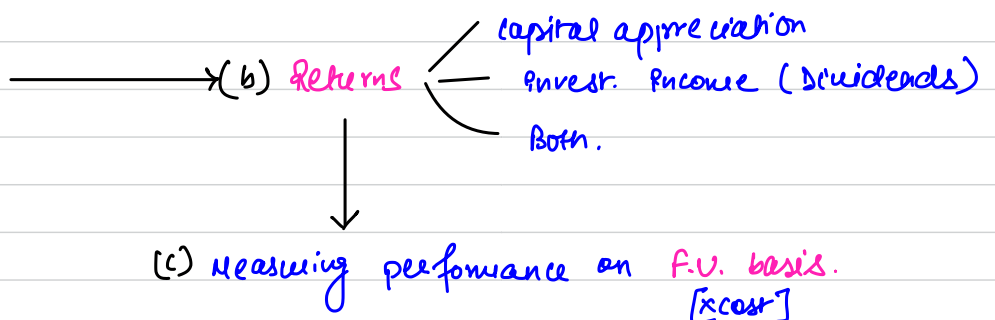
II. Investment Entry [e.g. mutual funds]

Measure Investments ⇒ F.V. T. PL [Fair value through P&L] x consol.

3 conditions:

(a) obtain funds

↓
for providing investment mgr services

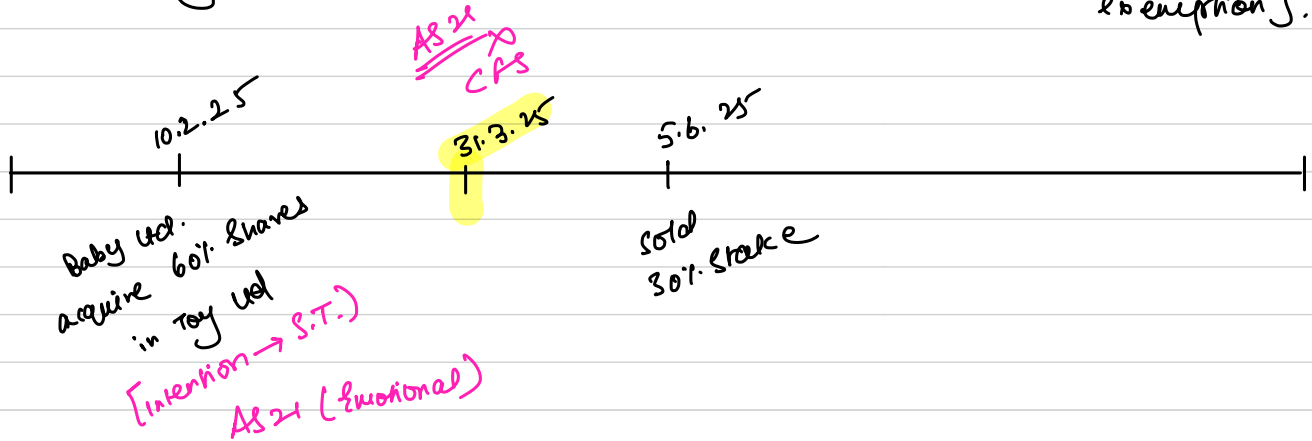


H $\rightarrow$ CFS? Yes unless it's also an Investment Entry.
 ↓
 Investment Entry

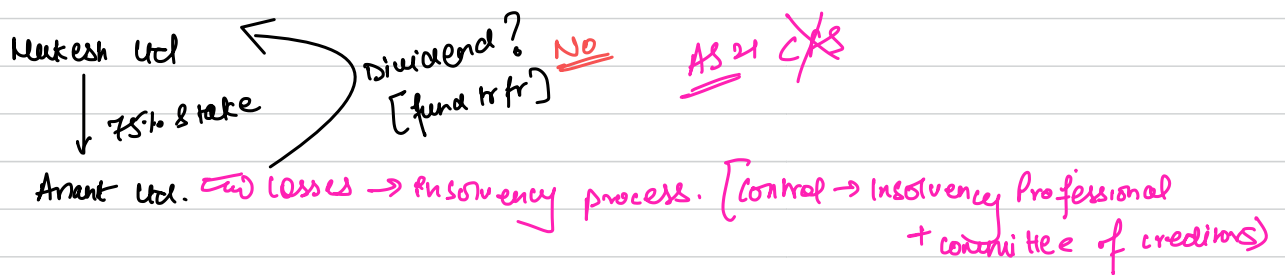
Exemption from CFS (AS 21)

① Temporary Control

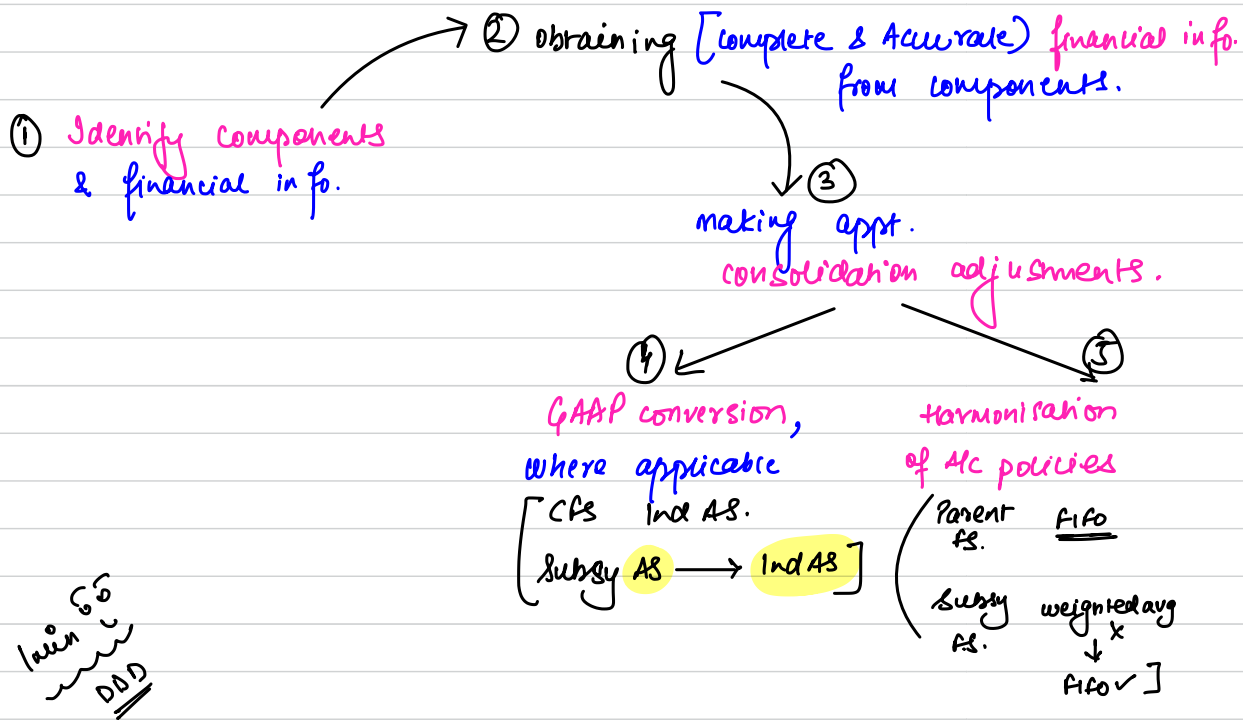
[Ind AS 110 $\rightarrow$ No such exemption].



② Severe Long Term Funds Trfr Restriction (LTFR) [Ind AS 110 $\rightarrow$ No exemption]

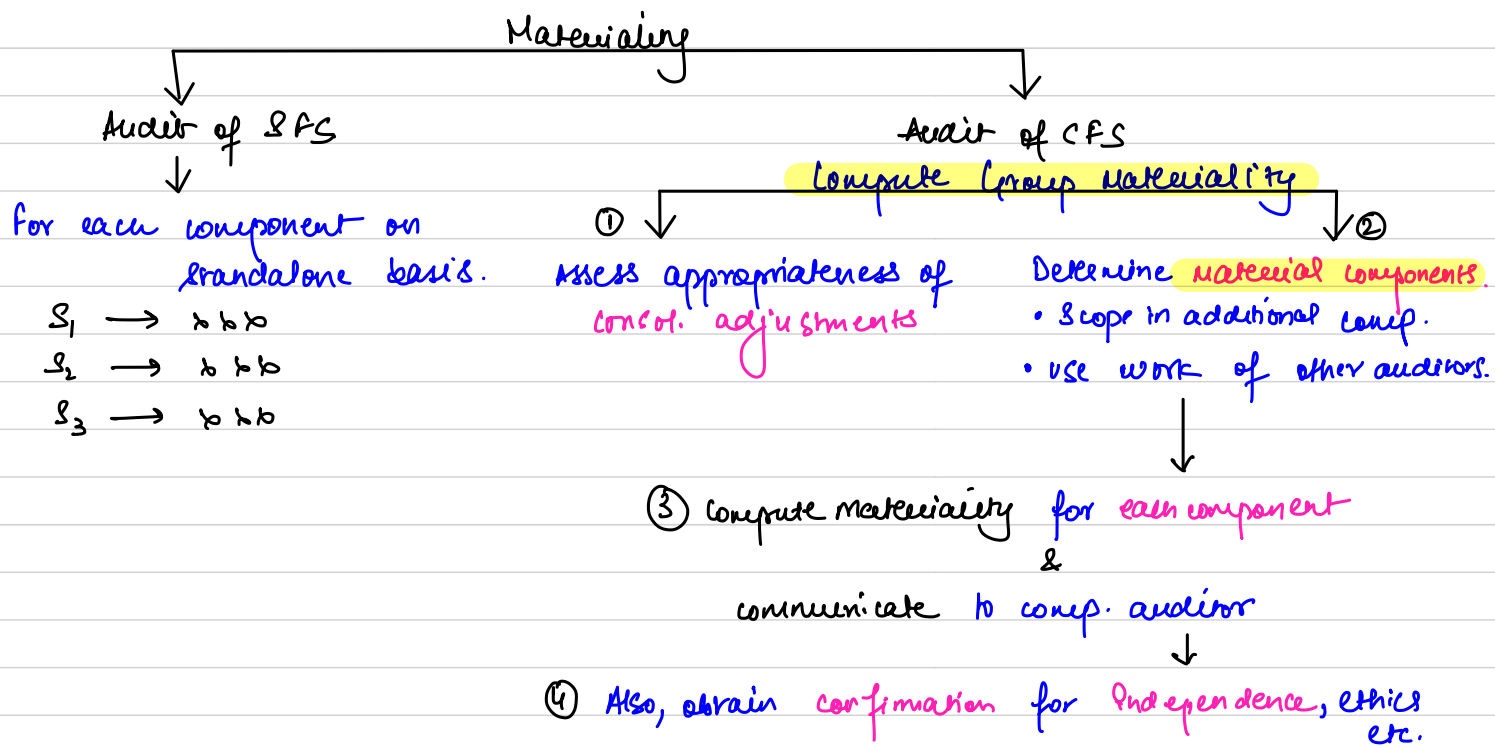


Responsibility of Parent P.P. of CFS



Auditor's objective in audit of CFS.

1. [R.A.] Satisfy that CFS. prepared as per AFRF.
 2. Express opinion on true & fair view of CFS
 3. [143(1)] Enquire on 143(1) matters. [ABCDEF]
 4. [143(3)] Report on 143(3) matters.
 5. validate requirements of preparing CFS as per AFRF.
[confirm → exempt?]
- min 60

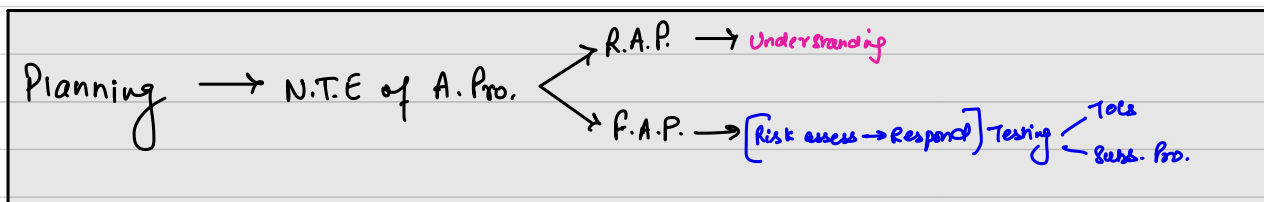


Note: While considering observations [modified opinion / Em / ou Para] in comp. A/R, consider materiality as per SAG 600.

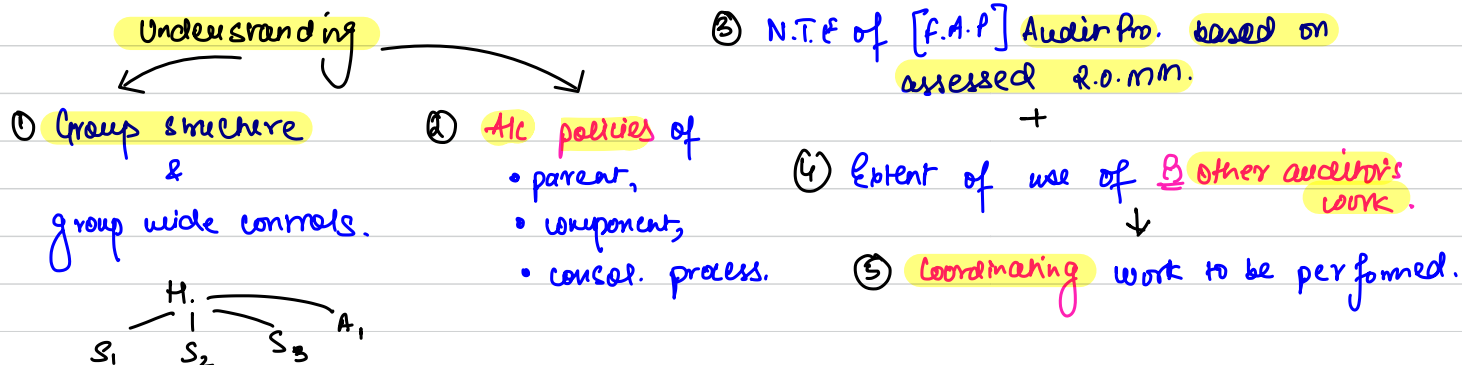
eg CFS Revenue ₹10,000 Cr.
Group materiality 500 cr @ 5%.

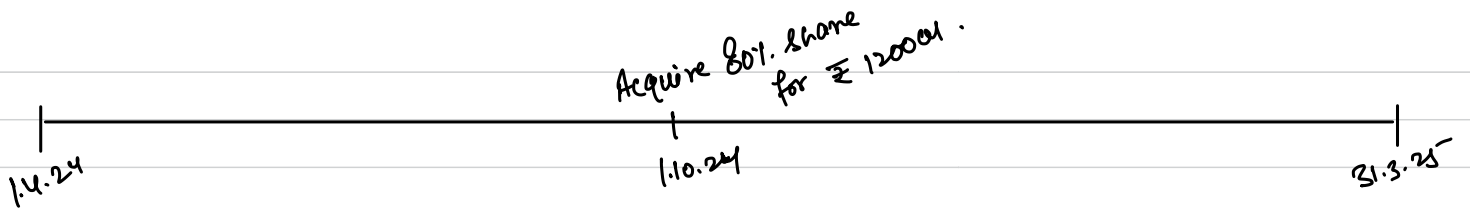
Sussy A/R → modified opinion → M.M. ₹ 120 cr.

C.F.S. Are modify? NO [Immaterial].



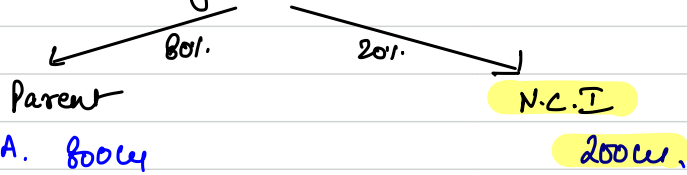
Planning Audit of CFS.





[Pre-acquisition Reserve]

Identifiable Net Assets: ₹ 1,000 cr



Goodwill 400 cr (Extra paid).

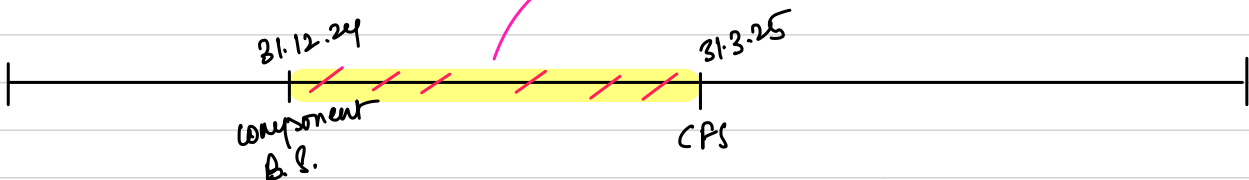
Permanent Consol. Adj.

S₁ Goodwill ₹ 800
S₂ Cap. Reserve ₹ 600

B.S.	
	₹
Goodwill (Note)	200

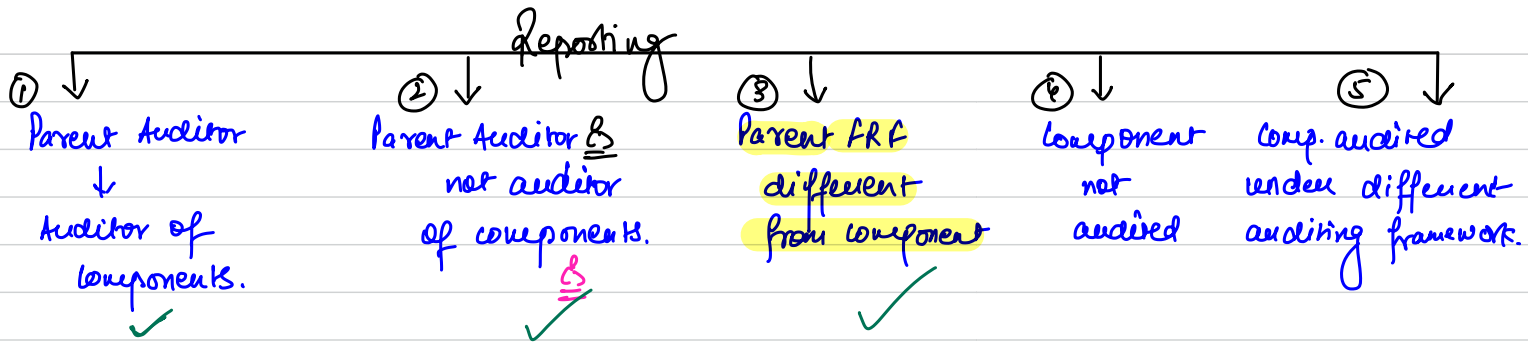
Notes
G/W 800
(-) Cap Res (600) 200

Sig. event / transⁿ [Component]
[Sale of division / major penalty]



GAP?

AS → 6 months
Ind AS → 3 months.

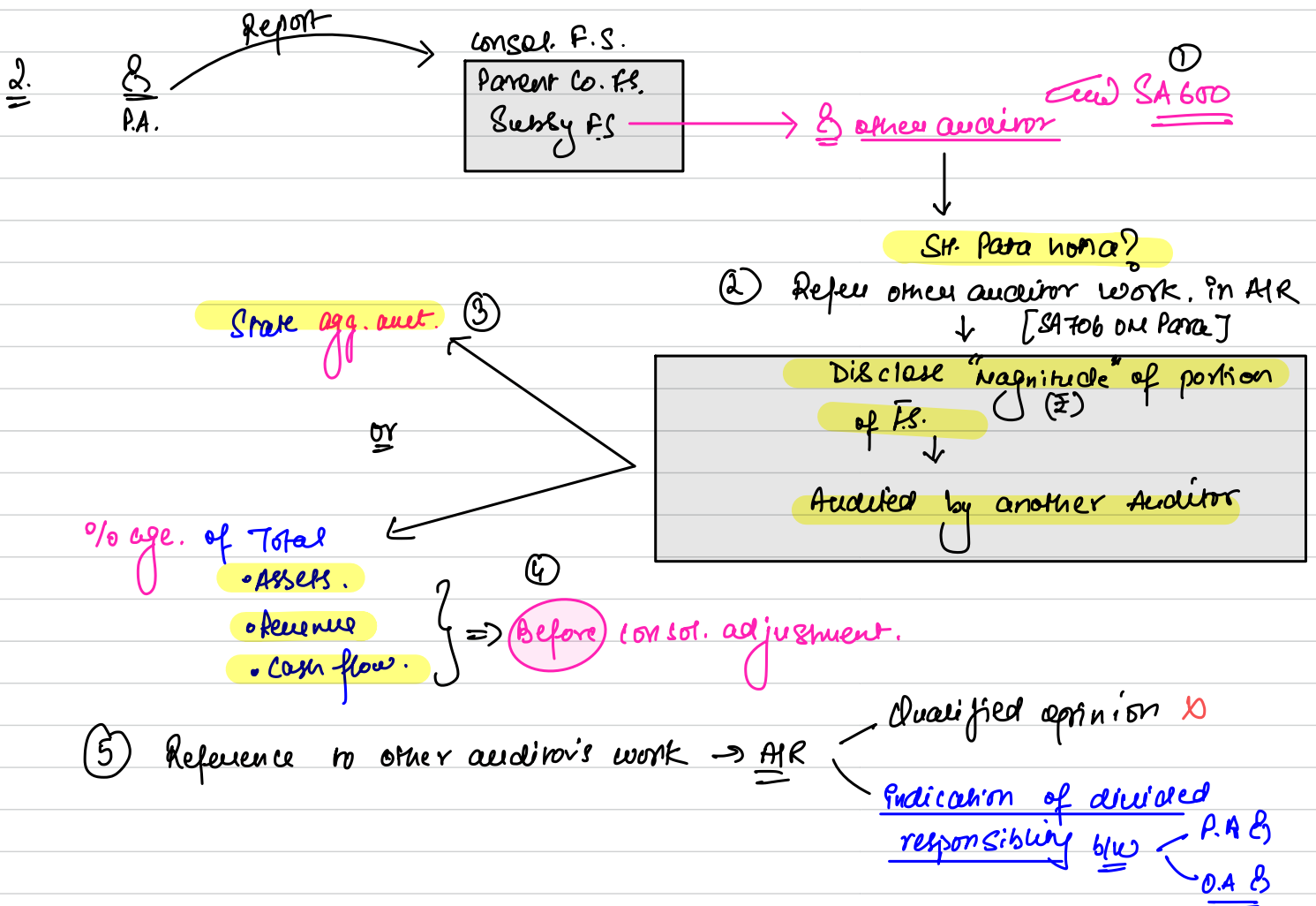


1. Parent auditor also auditor of components.

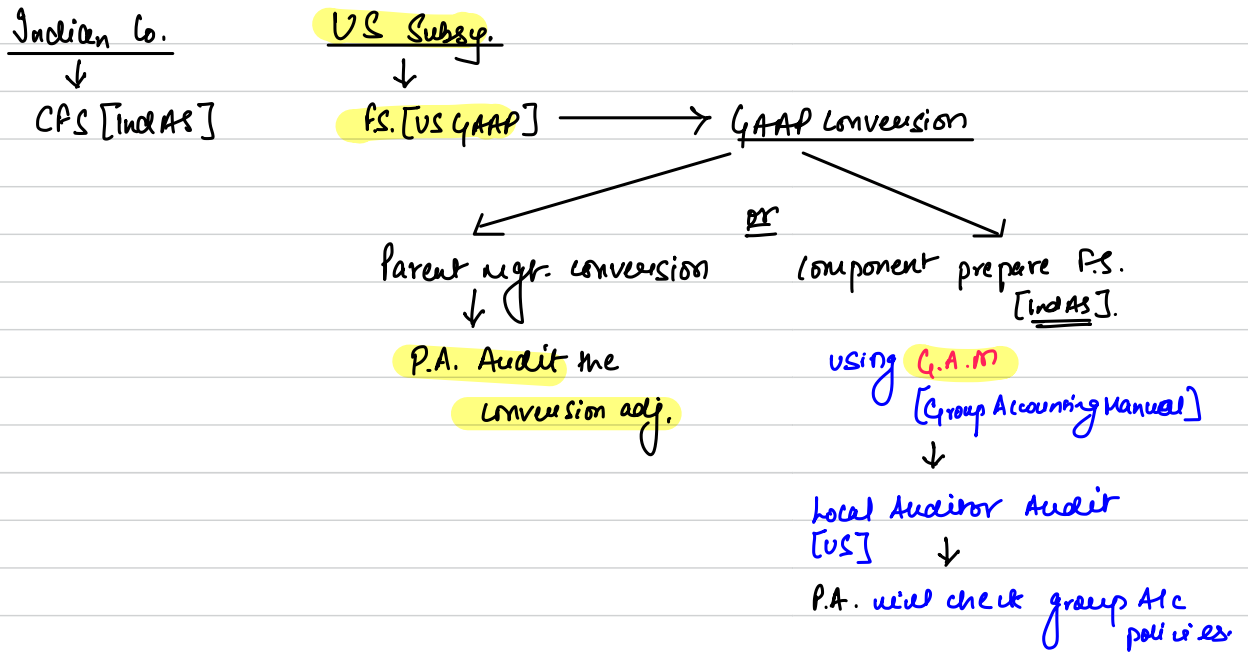
Report whether CFS prepared & presented as per AS. [AFRF]
↓ x

For any departure / deviation, consider SA 705.

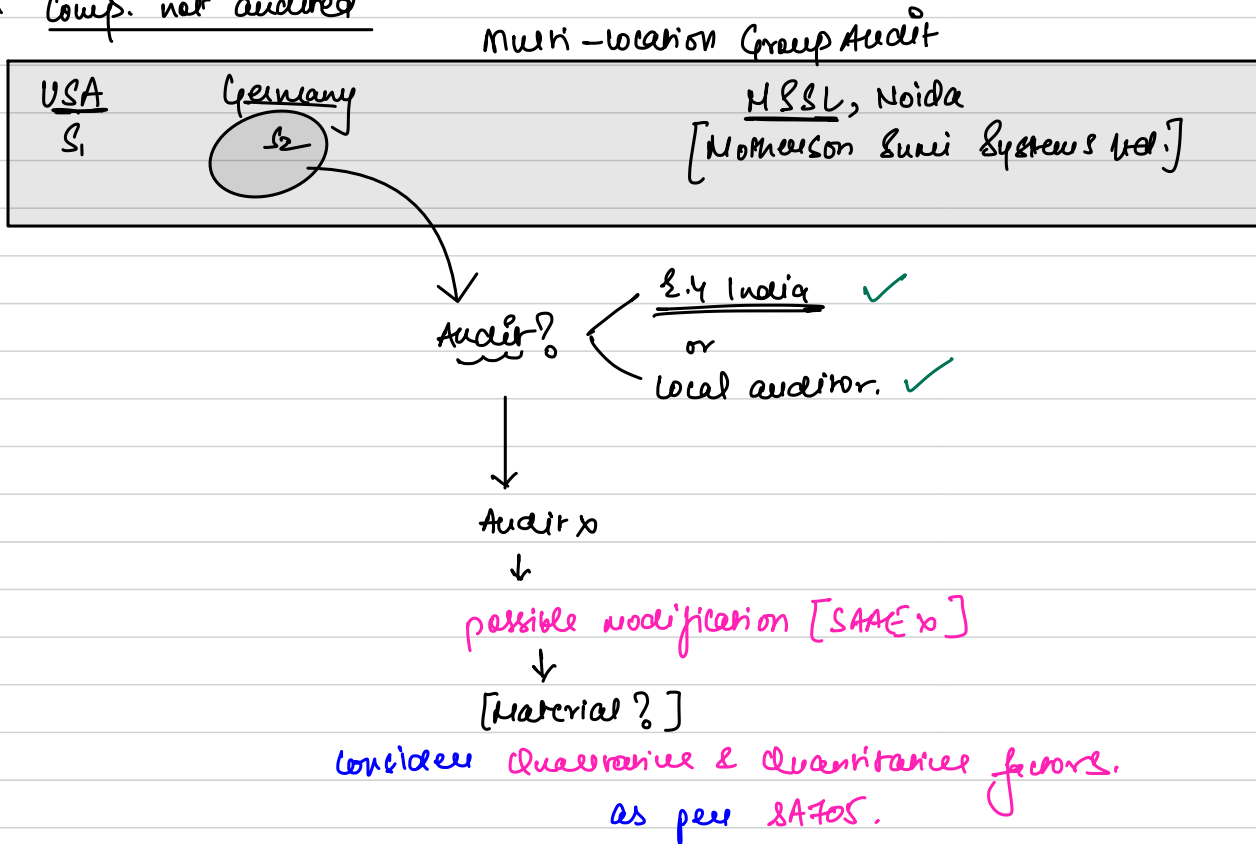
Express opinion whether CFS give true & fair view of {
 State of affairs [A.S].
 consol. P&L
 consol. cash flows
 of Group.



III.



IV. Comp. not audited



V. Audit of CS | CFS. → Indian GAAS. [Generally Accepted Auditing Std. in India]
 other auditor (Bahar) → Auditing framework should correspond to Indian GAAS. [similar]

