



Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

SECTION – A (Compulsory)

1. Choose the correct option from the four alternatives given: [15 × 2 = 30]

(i) In India, accounting of a company is guided by which of the following regulatory sources?

- A. Companies Act, 2013.
- B. Company Rules.
- C. Accounting Standards.
- D. All of these.

(ii) _____ is the amount of share capital that a that a company is permitted to issue.

- A. Issue Share Capital.
- B. Authorized Share Capital.
- C. Subscribed Capital.
- D. Paid up Capital.

(iii) The net profit on forfeiture and reissue of Equity Shares is transferred to _____

- A. Capital Reserve.
- B. General Reserve.
- C. Dividend Equilisation Reserve.
- D. Revaluation Reserve.

(iv) The following figures drawn from Trial Balance as at 31.03.2026 of AB Ltd.:

Machinery A/c	₹ 3,00,000
Furniture A/c	₹ 12,200
Premises A/s	₹ 3,60,000

It has been observed that wages paid wages paid during the year 2025-26 included ₹50,000 on account of construction of a Boundary Wall. Machinery is depreciated at the rate of 5% and furniture at the rate of 10%.

The property, plant and equipment to be shown in the Balance Sheet as at 31.03.2026 will be :-

- A. ₹ 6,55,980
- B. ₹ 7,05,980
- C. ₹ 6,89,760
- D. ₹ 6,72,220

(v) Under which activities cash paid for preferred stock dividends should be shown on the statement if cash flows?

- A. Investing Activities.
- B. Financing Activities.
- C. Non Cash investing and Financing Activities.



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D. Operating Activities

(vi) Number of basic types of Bonuses paid by Insurance Company to the policy holders are:-

- A. Four types
- B. Five types
- C. Three types
- D. One type.

(vii) Ordinary shares are 1,00,000 nos of ₹10 each.
10% Preference Shares are 50,000 of ₹ 10 each.
Profit after Tax ₹ 50,00,000
Calculate Basic EPS.

- A. ₹50
- B. ₹45
- C. ₹30
- D. ₹60

(viii) Closing Stock of a Company includes 20,000 units of an old unused item costing @ ₹25 per unit amounting to ₹50,000. However, due to efflux of time and deterioration of quality, the current market price has been estimated @ ₹15 per unit. The valuation of the item in closing stock should be:

- A. ₹ 5,00,000
- B. ₹ 3,00,000
- C. ₹ 2,00,000
- D. ₹ 0

(ix) Ind AS 2, Inventories, does not apply to

- A. Financial Instruments
- B. Biological Assets
- C. Both the above
- D. Work in progress

(x) As per SQC 1, the audit working papers must be retained by the statutory auditors for a period of _____ years.

- A. Five
- B. Six
- C. Seven
- D. Eight

(xi) Benefits of Audit Sampling are _____

- A. It reduces the workload of the auditor.
- B. It saves time and cost.
- C. It gives dependable result as it is based on statistical sampling methods.



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D. All of the above.

(xii) No individual shall be appointed or reappointed as auditor for more than one term of _____ consecutive years.

- A. 4
- B. 5
- C. 6
- D. 3

(xiii) When the financial statements are found to be misstated and the auditor feels that the effects of the same is material as well as pervasive, he shall submit _____.

- A. Unqualified opinion
- B. Qualified opinion
- C. Adverse opinion
- D. Disclaimer of opinion

(xiv) Which of the following is not part of urban self-governance system in India?

- A. Municipal Corporation
- B. Town Panchayat
- C. Municipality
- D. Municipal Society

(xv) The auditor of a co-operative society is appointed by the _____ of Co-operative Societies.

- A. Registrar
- B. Director
- C. Chairman
- D. Manager

Answer:

i	ii	iii	iv	v	vi	vii	viii	ix	x	xi	xii	xiii	xiv	xv
D	B	A	B	A	B	B	B	C	C	D	B	C	D	A

Section – B

(Answer any 5 questions out of 7 questions given. Each question carries 14 Marks)

[5 × 14 = 70]



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2. (a) XYZ Ltd. Forfeited 1000 equity shares of ₹10 each fully called up. The shares were issued at a premium of 20%. Amount payable on shares were as under:

	₹
On application	2
On allotment	5
On first and Final Call	5

Only application money was paid in respect of forfeited shares. 600 Equity Shares out of the forfeited shares were reissued at ₹ 9 per share fully paid.

You are required to calculate and pass Journal entries for the forfeiture and re-issue.

[7]

- (b) Given below are the extracts of Balance Sheet of Shell Chemicals Limited as on 31st March, 2025:

Particulars	Amount in ₹
9% Redeemable Preference Share Capital	10,00,000
Calls in arrears (Redeemable Preference Shares)	20,000
General Reserve	7,00,000
Securities Premium	80,000

It is provided that:

Preference Shares are of ₹100 each fully-called, due for immediate redemption.

- Calls-in-arrears are on account of final call on 1000 Preference shares held by four members whose whereabouts are not known.
- Balance of General Reserve to be fully utilised for the purposes of redemption and the shortfall to be made good by issue of equity shares of ₹10 each at par.
- The redemption of preference shares was duly carried out.

Analyze the given information and pass the required journal entries to record the redemption.

[7]

Answer:

(a)

Journal Entries

	₹	₹
1) Equity Share Capital A/c Dr.	10000	
Securities Premium A/c Dr.	2000	
To Equity Share Capital A/c 1000x5		5000
To Equity Share final Call A/c 1000x5		5000
To forfeited Share A/c 1000x2		2000

(Being the forfeiture of 1000 equity shares of ₹ 10 Each at a premium of 20% fully called up for non payment of Allotment and final Call money as per Board resolution)



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2) Bank A/c Dr.	5400	
Forfeited Shares Dr.	600	
To Equity Share Capital		6000
(Being reissued of 600 Equity Shares fully paid up as per Board Resolution)		
3) Forfeited Share A/c Dr.	600	
To Capital Reserve A/c		600
(Being net profit on forfeiture and reissue of 600 shares Transferred to Capital Reserve)		

(b) Working Note:

Number of Shares to be issued for redemption of Preference Shares:

Face value of shares redeemed = ₹ 9,00,000

Less: Profit available for distribution as dividend:

General Reserve = ₹7,00,000

Shortfall = ₹ 2,00,000

Therefore, number of shares to be issued = ₹ 2,00,000/ ₹10 = 20,000 shares

Journal of Shell Chemicals Limited:

Date	Particulars		L.F.	Dr.(₹)	Cr. (₹)
1	9% Preference Share Capital A/c To Call Arrears A/c To Shares Forfeited A/c (Being Shares Forfeited because of non – payment of calls as holders are unknown)	Dr.		1,00,000	20,000 80,000
2	Bank A/C (Refer W/N) To Equity Share Capital A/c (Being the issue of 20,000 Equity Shares of ₹10 each at par as per Board’s Resolution No. ----- dated	Dr.		2,00,000	2,00,000
3	General Reserve A/c To Capital Redemption Reserve A/c (Being transfer to CRR for the amount not covered by the process of fresh issue of equity shares)	Dr.		7,00,000	7,00,000
4	9% Preference Share Capital A/c To Preference Shareholders A/c (Being amount payable to preference shareholders)	Dr.		9,00,000	9,00,000
5	Preference Shareholders A/c To Bank A/c	Dr.		9,00,000	9,00,000



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(Being amount paid to preference shareholders)				
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3. Alpha Ltd. provides the following Trial Balance as on 31st March 2025:

Particulars	Dr. Balances (₹)	Cr. Balances (₹)
Equity Share Capital: 300000 shares of ₹ 10 each fully paid		30,00,000
General reserve		2,00,000
Profit and Loss Balance (Cr.)		3,00,000
10% Debentures		3,00,000
Motor Van	4,00,000	
Machinery	20,00,000	
Building	12,00,000	
12% Long Term Govt. Securities	2,00,000	
Sales		60,00,000
Sales Return	3,00,000	
Interest on Debenture	22,500	
Purchase	36,00,000	
Purchase Returns		4,00,000
Opening Stock	3,00,000	
Discount Allowed	7,500	
Carriage Outward	1,50,000	
Rent and Rates	50,000	
Income from Govt. Securities		24,000
Trade Receivables	10,00,000	
Trade Payables		2,00,000
Advertisement	1,50,000	
Bad Debt	20,000	
Salaries	6,72,000	
Misc. Expenditure	30,000	
Contribution to P.F. and Gratuity Funds	1,00,000	
Cash at Bank and in hand	2,22,000	
Total	1,04,24,000	1,04,24,000

Additional Information:

- Closing Stock as on 31st March 2025 was ₹3,50,000.
- Depreciation Rates: Motor Vehicle 10%, Machinery 20% and Building 5%.
- Interest on debenture is payable quarterly and the last quarter's interest is yet to be paid.
- Trade receivables include a sum of ₹25,000 due from Mr. X who has become insolvent and only 25 paise in a rupee is expected to be recoverable from him. Create a provision for doubtful debt @ 2% on trade receivables.
- Provide for income tax ₹1,50,000.



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(vi) The directors proposed a dividend @ 10% on paid-up capital for the year ended 2024-25. Transfer to be made to General reserve ₹1,00,000.

Prepare the Statement of Profit and Loss for the year ended on 31.03.2025 and a Balance Sheet as on that date. Notes should form part of the answer.

[14]

Answer:

Alpha Ltd.
Statement of Profit and Loss for the year ended 31st March, 2025

Particulars	₹
I. Revenue from operations (60,00,000 – 3,00,000)	57,00,000
II. Other income (Income from Govt. Securities)	24,000
III. Total Revenue [I + II]	57,24,000
IV. Expenses:	
Cost of purchase (36,00,000 – 4,00,000)	32,00,000
Changes in inventories [300000-350000]	(50000)
Employee Benefits Expense	7,72,000
Finance Costs	30,000
Depreciation and Amortization Expenses	5,00,000
Other Expenses	4,45,750
Total Expenses	48,97,750
V. Profit before Tax (III-IV)	8,26,250
VI. Provision for Tax	1,50,000
VII. Profit for the period	6,76,250

Balance Sheet as on 31.03.2025

	Note No.	₹
I EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
Share Capital	1	30,00,000
Reserves and Surplus	2	11,76,250
(2) Non-Current Liabilities		
Long-term Borrowings (10% debentures)		3,00,000
(3) Current Liabilities		
Trade Payable		2,00,000
Other Current Liabilities (O/s Interest on Debentures)		7,500
Short-Term Provisions (Provision for tax)	4	1,50,000
	Total	48,33,750
II ASSETS		
(1) Non-Current Assets		



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(a) PPE	5	31,00,000
(b) Non-current Investments (12% L T Govt. Securities)		2,00,000
(2) Current Assets		
Inventories		3,50,000
Trade Receivables (10,00,000 – 38,250)	7	9,61,750
Cash and bank balances		2,22,000
Total		48,33,750

Note: Contingent Liability for Proposed Dividend (3000000 x 10%) = ₹3,00,000.

Notes to Accounts:

		₹
1.	Share Capital	
	Subscribed and Paid-up Capital	
	350000 Equity Shares of ₹10 each	30,00,000
2.	Reserve and Surplus	
	General Reserve (2,00,000 + 1,00,000)	3,00,000
	Balance of Statement of Profit & Loss Account	
	Opening Balance	3,00,000
	Add: Profit for the period	6,76,250
		9,76,250
	Appropriations	
	Transfer to General Reserve	(1,00,000)
		8,76,250
		11,76,250
3.	Other Current Liabilities	
	Interest accrued on Debentures	7,500
4.	Short Term Provision	
	Provision for Tax	1,50,000
5.	PPE	
	Buildings	1200000
	Less: Depreciation	60000
		1140000
	Machinery	2000000
	Less: Depreciation	400000
		1600000
	Motor van	400000
	Less: Depreciation	40000
		360000
		31,00,000
6.	Total depreciation (60000 + 400000 + 40000)	5,00,000
7.	Trade Receivables	
	Sundry Debtors	10,00,000
	Less: Provision for Doubtful Debts (See Note 10)	38,250
		9,61,750

**INTERMEDIATE EXAMINATION****SET 2****MODEL ANSWERS****TERM – JUNE 2026****PAPER – 10****SYLLABUS 2022****CORPORATE ACCOUNTING AND AUDITING**

8.	Employee Benefit Expenses		
	Salaries	6,72,000	
	Contribution to P.F. and Gratuity Funds	1,00,000	
			7,72,000
9.	Finance Cost		
	Interest on Debenture	22,500	
	Outstanding Interest on Debenture (300000 x 10% x 1/4)	7,500	
			30,000
10.	Other Expenses		
	Discount Allowed	7,500	
	Carriage Outward	1,50,000	
	Rent and Rates	50,000	
	Advertisement	1,50,000	
	Bad Debt	20,000	
	Misc. Expenditure	30,000	
	Provision for Doubtful Debts [75% of 25,000 + (1000000 - 25000) x 2%]	38250	4,45,750

4. (a) From the following information of details of advances of X Bank Limited calculate the amount of provisions to be made in Profit and Loss Account for the year ended 31.3.2025:

Asset Classification	₹ in Lakhs
Standard	6,000
Sub-standard	4,400
Doubtful:	
For One Year	1,800
For Two Years	1,200
For Three Years	800
For more than Three Years	600
Loss Assets	1,600

[7]

- (b) Consider the following estimated information provided by XYZ Power Supply Company Ltd. (₹ in Lakhs) for the next 5 years:

Cost of Coal: ₹ 2500 per year

Cost of Secondary fuel oil: ₹ 200 per year for first 2 years and ₹300 per year for 3-5 years.

O and M expenses: ₹ 250 per year for first 2 years and ₹300 per year for 3-5 years.

Maintenance spares: ₹ 150 per year

Receivables: ₹ 1800 per year

Rate of Interest: 12%

Calculate the Interest on working capital.

[7]

Answer:

- (a) Statement showing provisions on various performing and non-performing assets:



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Asset Classification	Amount (₹ in Lakhs)	Provision (%)	Amount of Provision (₹ in lakhs)
Standard	6,000	0.40	24
Sub-standard	4,400	15	660
Doubtful			
One Year	1,800	25	450
2 Years	1,200	40	480
3 Years	800	40	320
More than 3 Years	600	100	600
Loss Assets	1,600	100	1,600
Total			4,134

(b) Statement Showing Interest on Working Capital (₹ in Lakhs)

Sl.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Cost of Coal	2500	2500	2500	2500	2500
2	Cost of Main Secondary Fuel	200	200	300	300	300
3	Fuel cost					
4	Liquid Fuel Cost					
5	O& M Expenses	250	250	300	300	300
6	Maintenance Spares	150	150	150	150	150
7	Receivables	1800	1800	1800	1800	1800
8	Total working capital	4900	4900	5050	5050	5050
9	Rate of Interest %	12	12	12	12	12
10	Interest on Working capital	588	588	606	606	606

5. (a) The following information applies to a company's defined benefit pension plan for the year:
FMV of plan assets (beginning of the year): ₹ 2,00,000
FMV of plan assets (end of the year): ₹ 2,85,000
Employer's contribution : ₹ 70,000
Benefit paid: ₹ 50,000
Calculate the actual return on plan assets.

[7]

- (b) The following information has been provided by Galaxy Ltd. for the year ended on 31.03.2025.
- Sales for the year ₹ 96,00,000 entirely made in cash.
 - Cost of goods sold was 75% of the sales.
 - Trade payables on 31.03.2025 was ₹ 2,00,000 more than the balance on 31.03.2024.
 - Closing inventory was higher than the opening inventory by ₹ 75,000.
 - Suppliers were paid ₹ 71,00,000 during the year.
 - Operating expense of ₹ 7,20,000 were paid during the year.
 - Taxes paid during the year were ₹ 3,00,000
 - The company paid equity dividend of ₹ 2,40,000 during the year.



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- (ix) The company acquired a land for ₹ 8,00,000 and bought a new machinery for ₹4,00,000 during the year.
- (x) Interest was received on investment for ₹ 20,000
- (xi) Cash and cash equivalent on 01.04.2024 was ₹ 80,000
- (xii) Cash and cash equivalent on 31.03.2025 was ₹ 1,40,000

Analyze and determine cash flow from operating activities, investing activities and financing activities for the year ended 31st March, 2025.

[7]

Answer:

- (a) Calculation of actual return on plan assets:

Particulars	₹	₹
Change in plan assets (2,85,000 – 2,00,000)		85,000
Adjustments:		
Employer's contribution	70,000	
Less: Benefit paid	<u>50,000</u>	20,000
Actual return on plan assets		65,000

- (b) Cash Flow Statement for the year ended 31st March, 2025:

Particulars	₹	
A. Cash Flow from Operating Activities:		
Sales (all in cash)	96,00,000	
Less: Payment to suppliers	71,00,000	
Less: Operating expenses	7,20,000	
Less: Taxes paid	<u>3,00,000</u>	14,80,000
B: Cash Flow from Investing Activities:		
Purchase of land	(8,00,000)	
Purchase of Machinery	(4,00,000)	
Interest received on investment	<u>20,000</u>	(11,80,000)
C: Cash Flow from Financing Activities:		
Equity Dividend Paid		<u>(2,40,000)</u>
Cash Flow during the year (A+ B+C)		60,000
Add: Opening Balance of Cash & Cash Equivalents		80,000
Closing balance of Cash & Cash Equivalents		1,40,000

- (i) Cash flow from operating activities = ₹14,80,000
- (ii) Cash flow from investing activities = ₹ (11,80,000)
- (iii) Cash flow from financing activities = ₹ (2,40,000)



6. (a) Prepare a list of the factors that influence auditor's judgement while obtaining audit evidence. What generalizations can be made regarding reliability of audit evidence following SA 500? [7]
- (b) Can a statutory auditor rely on the work of an internal auditor? Relate your response to the relevant SA. [7]

Answer:

(a) The auditor should evaluate whether he has obtained sufficient appropriate audit evidence so that reasonable conclusions can be drawn therefrom. It is to be noted that sufficiency and appropriateness are interrelated and apply to evidence obtained from both substantive and compliance procedures. Sufficiency refers to the quantum of audit evidence obtained and appropriateness relates to its relevance and reliability. The following factors influence auditor's judgement while obtaining audit evidence:

- a. the nature of the item;
- b. the adequacy of internal controls;
- c. the nature and size of the business carried on by the entity;
- d. Situations which may exert an unusual influence on the management;
- e. The financial position of the entity;
- f. The materiality of the item;
- g. The experience gained during the previous audits;
- h. The results of auditing procedures, including fraud or error which may have been found;
- i. The type of information available;
- j. The trend indicated by accounting ratios and analysis.

As per SA 500, the reliability of audit evidence depends on its source - internal or external and on its nature - visual, documentary or oral. While the reliability of audit evidence is dependent on the circumstances under which it is obtained, the following generalizations may be useful in assessing the reliability of audit evidence:

- a. External evidence (e.g., confirmation received from a third party) is generally more reliable than internal evidence;
- b. Internal evidence is more reliable when related internal control is satisfactory;
- c. Evidence in the form of documents and written representation is usually more reliable than oral representations;



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d. Evidence obtained by the auditor himself is more reliable than that obtained through the entity.

- (b) As per SA 610, using the work of Internal Auditor, the External Auditor can use the work of an Internal Auditor after conducting an evaluation of Internal Audit functions.

Accordingly, the External Auditor shall consider the following factors to determine the extent to which he can rely on the work of an Internal Auditor:

- i. Whether Internal Audit is undertaken by an outside agency or by a separate audit department within the entity.
- ii. The scope of Internal audit, Management action and the Internal Audit report
- iii. Experience and qualification of the Internal Auditor.
- iv. The technical compliance by the Internal Auditor.
- v. Authority vested by Internal Auditor and level of Management to whom is accountable.
- vi. Whether professional care has been taken by the Internal Auditor in conducting audit work.

After the evaluation if the external Auditor is satisfied with all the above criteria and if the law does not prohibit he can decide to rely upon the work of the Internal Auditor.

Whatever is the nature and the extent of use of direct assistance from an Internal Auditor, an External Auditor cannot escape his liability for his opinion in the Audit report. His reliance on the work of the Internal Auditor can in no way reduce his responsibility and he will be held responsible for all damages arising out of any material misstatement in the Accounts remaining undetected because of his reliance on the work of the Internal Auditor and the External Auditor cannot be relieved by the law under the law that he relied upon the work of an Internal Auditor.

7. (a) A good audit report plays an important role in boosting the stakeholders' confidence in making a decision regarding a firm? – In the light of the given statement, demonstrate the essential characteristics that a good audit report must possess.

[7]

- (b) Explain the composition, objectives, and powers of the National Financial Reporting Authority.

[7]

Answer:

- (a) The following are the essential characteristics of a good audit report:

1. Simplicity: An audit report should be simple and easily understandable to the users. It should be written in simple language and should be self-explanatory.
2. Clarity: The audit report should be clear and unambiguous. The auditor must clearly mention, in his report, the purpose of audit, sources of information, his findings and overall opinion.
3. Brevity: The report should be brief and specific. While everything relevant must be disclosed, the report should avoid unnecessary detailing.

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4. Firmness: The report should firmly state whether, in the opinion of the auditor, the financial statements represent the true and fair view of the performance and state of affairs of the business.
5. Objectivity: The audit report should always be based on objective evidences. It is very much required to reduce or eliminate biases, prejudices, or subjective evaluations by relying on verifiable data.
6. Disclosure: The audit report should properly disclose all relevant facts and the truth. The relevance should be decided based on materiality of the concerned item.
7. Impartiality: The report should be unbiased. The recommendations must be impartial and objective.
8. Information-based: Only relevant and accurate information should be included in the audit report.
9. Timeliness: The report should be prepared and presented within the stipulated time. This will help in timely decision making.

(b) In order to incorporate governance, the quality of accounting and auditing is critical. Keeping this in mind, the Central Government established the 'National Advisory Committee on Accounting Standards' (NACAS) under Section 210A of the Companies Act of 1956. The NACAS was replaced by the National Financial Reporting Authority (NFRA) under the new Companies Act of 2013.

As per Section 132(2) of the Companies Act, 2013, the duties of the NFRA are to:

- Recommend accounting and auditing policies and standards to be adopted by companies for approval by the Central Government;
- Monitor and enforce compliance with accounting standards and auditing standards;
- Oversee the quality of service of the professions associated with ensuring compliance with such standards and suggest measures for improvement in the quality of service;
- Perform such other functions and duties as may be necessary or incidental to the aforesaid functions and duties.

Sub Rule (1) of Rule 4 of the NFRA Rules, 2018, provides that the Authority shall protect the public interest and the interests of investors, creditors and others associated with the companies or bodies corporate governed under Rule 3 by establishing high quality standards of accounting and auditing and exercising effective oversight of accounting functions performed by the companies and bodies corporate and auditing functions performed by auditors.

8. (a) Develop a procedure to conduct the audit of Municipalities and Panchayats. [7]

(b) Discuss the duties of a company auditor in relation to reporting of fraud. [7]

Answer:

(a) The major objective of audit of Municipalities and Panchayats are enumerated below;

- (i) To ensure on the fairness and correctness of contents in the Financial Statement



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- (ii) To report on adequacy of internal control
- (iii) To ensure value of money is fully received on amount spent.
- (iv) To detect the frauds and errors.

The following points are to be considered necessary for carrying on audit of Municipalities and Panchayats (Local Bodies);

- (v) To ensure that the expeditors incurred conform to the relevant provision of the law and is in accordance with the financial Rules and regulation formed by the compliant authority.
 - (vi) To ensure that sanction is accorded by the competent authority either special or general.
 - (vii) To ensure that there is provision of funds for expenditure and is authorized by competent Authority.
 - (viii) To ensure that where huge financial expenditure is made is run economically and is expected to contribute growth.
- (b)** For the purpose of sub-section (12) of section 143, in case the auditor has sufficient reason to believe that an offence involving fraud, is being or has been committed against the company by officers or employees of the company, he shall report the matter to the Central Government immediately but not later than sixty days of his knowledge and after following the procedure indicated herein below.
- (i) The auditor shall forward his report to the Board or the Audit Committee, as the case may be, immediately after he comes to knowledge of the fraud, seeking their reply or observations within forty-five days;
 - (ii) On receipt of such reply or observations the auditor shall forward his report and the reply or observations of the Board or the Audit Committee along with his comments (on such reply or observations of the Board or the Audit Committee) to the Central Government within fifteen days of receipt of such reply or observations;
 - (iii) In case the auditor fails to get any reply or observations from the Board or the Audit Committee within the stipulated period of forty-five days, he shall forward his report to the Central Government along with a note containing the details of his report that was earlier forwarded to the Board or the Audit Committee for which he failed to receive any reply or observations within the stipulated time.

The report shall be sent to the Secretary, Ministry of Corporate Affairs in a sealed cover by Registered Post with Acknowledgement Due or by Speed post followed by an e-mail in confirmation of the same.

The report shall be on the letter-head of the auditor containing postal address, e-mail address and contact number and be signed by the auditor with his seal and shall indicate his Membership Number.

The report shall be in the form of a statement as specified in Form ADT-4.

The provision of this rule shall also, mutatis mutandis, to a cost auditor and a secretarial auditor during the performance of his duties under section 148 and section 204 respectively.