

Qualified Audit Report

To the Shareholders of XYZ Ltd.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of XYZ Ltd. (â€œthe Companyâ€), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2024;
- In the case of the Statement of Profit and Loss, of the profit/loss for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for Qualified Opinion

The Company has not provided for the doubtful debts amounting to Rs. X,XXX,XXX, which, in our opinion, should have been recognized as an expense in accordance with applicable accounting standards. Had the Company recognized this provision, the profit for the year would have been reduced by such amount, and trade receivables would have been reduced accordingly.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditorâ€™s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

The Companyâ€™s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Companyâ€™s annual report, but does not include the financial statements and our auditorâ€™s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance

The Companyâ€™s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 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.

Auditorâ€™s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditorâ€™s report that

includes our opinion.

For ABC & Co.
Chartered Accountants

[Signature]
(Name of Auditor)
(Membership Number)
(Firm Registration Number)
Place: [City]
Date: [Date]

Important Notes on Qualified Audit Reports:

- A qualified audit report is issued when the auditor encounters one or more specific issues that are material but not pervasive to the overall financial statements.
- The qualification does not affect the auditor's overall opinion except in relation to the specific matters described.
- Reasons for qualification must be clearly stated in the report's "Basis for Qualified Opinion" section.
- Such reports may affect stakeholders'™ perception and can have regulatory or financial implications for the company.
- Management is encouraged to address and rectify the issues leading to the qualification in subsequent periods.