

# Transparency Report 2020

S.R. Batliboi & Affiliates, India

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# Message from the Managing Partner and Assurance Leader of S.R. Batliboi & Affiliates, India



Welcome to the 2020 Transparency Report of S.R. Batliboi & Affiliates. We believe that how we advance sustainable audit quality, manage risk and maintain our independence as auditors should be transparent to our stakeholders. This S.R. Batliboi & Affiliates' 2020 Transparency Report is of the S.R. Batliboi affiliates network of firms, whose members are: S.R. Batliboi & Co. LLP, S.R. Batliboi & Associates LLP, S R B C & CO LLP, S R B C & Associates LLP and S.V. Ghatalia & Associates LLP (collectively "S.R. Batliboi"), which complies with the European Union's 8th Company Law Directive to the extent permitted by professional regulations in India, and covers the fiscal year ended 31 March 2020.

Executing high-quality audits continues to be our top priority and is at the heart of our commitment to serve the public interest. It enables us to grow our network successfully and responsibly, while achieving our purpose of building a better working world. The need for trust and confidence in financial reporting in our capital markets has never been greater and the auditors play a vital role in the functioning of capital markets by promoting transparency and supporting investor confidence. Companies, regulators and other stakeholders count on us to deliver excellence in every engagement.

We are focused on investing in tools to improve what we do, creating high-performing teams, and building trust and confidence in the audits we perform.

S.R. Batliboi's reputation is based on and grounded in providing high-quality professional audit services objectively and ethically to every company we audit. We embrace the transparency objectives of the European Union's 8th Company Law Directive, having due regard to the relevant regulations applicable to our practice in India, which require us as statutory auditors of public interest entities (PIEs) to publish annual transparency reports.

S.R. Batliboi is focused on enhancing audit quality and upholding our independence, informed by several matters including external and internal inspection results. Continuous improvement of audit quality requires us to challenge approaches to audit execution, and we focus on this by evaluating all inspection findings and taking responsive actions.

Our Leadership Team is directed towards driving more sharply operational efficiency and innovation. The Leadership Team comprises of 7 senior partners, who have experience in various industry sectors or are responsible for areas of specific professional or operational importance.

The audit profession continues to play a pivotal role in the financial markets and economy at large. The fundamental of what we bring to our clients, regulators and other stakeholders is Trust. It is for this very reason that the role of auditors is being critically examined. Circumstances have highlighted the need for all audit firms to actively engage with clients, investors, regulators and other stakeholders to address concerns raised and to ensure a better understanding of the role of auditors and what needs to change to meet public expectations. We can assure you that it is our absolute priority to serve and protect public interest. At S.R. Batliboi, we are committed to continuous improvement, and we provide an environment in which our auditors can thrive. We recruit, develop and retain the right people, embrace innovation, encourage simplification and monitor closely what we do. Our aim is to produce audits of the highest quality which helps to fulfill our Firm's purpose.

One of the significant developments in India, apart from the enactment of the Companies Act, 2013 (the "Act"), is in accounting - the application of International Financial Reporting Standards (IFRS) converged Standards known as 'Ind AS' for Indian corporates and NBFCs. Ind-AS is a body of accounting literature designed to significantly bridge the gap between Indian GAAP as it currently stands and IFRS, further aligning Indian corporates to international standards. Ind AS 116, the equivalent of IFRS 16 was notified on March 30, 2019 was applicable for annual periods beginning on or after April 1, 2019. There also continues to be a focus by the Institute of Chartered Accountants of India ("ICAI") on matters related to both accounting and auditing. The ICAI has issued guidance from time to time to assist audit firms with implementation of various reporting requirements under the Act.

Regulators in India continue to be active in their oversight of the auditing profession. The establishment of the National Financial Reporting Authority ("NFRA") creates an independent regulator for the auditing profession which was one of the key changes brought in by the Companies Act, 2013. NFRA commenced audit inspections in the year 2018-19. We renewed our Peer Review Certification by the ICAI, where required, and these certificates are valid as at March 31, 2020 (refer page 15) further demonstrating our commitment to quality in providing consistent and exceptional client service.

Our transformational Sustainable Audit Quality Program continues to be part of our strategies to improve the audit quality. We continue to undertake initiatives to improve audit quality which include improvement in partner workload by reviewing partner portfolio; more focus on learning and development; communicating tone from the top to our people to keep quality as the top priority in face of changing regulations and increasing regulatory and stakeholder expectations; increasing use of data analysis, technology and automation in our audits; focus on messaging and monitoring of archival of work papers, timely and effective executive involvement and timing of audits; and sharper focus on engagement quality review program. The firm and the leadership are confident that we will successfully embrace the changes required of our profession to serve our purpose – to provide confidence to the capital markets. We also believe that the renewed focus on the audit profession will continue to provide great opportunities for our people to learn and grow.

In this report, you can learn more about our internal quality control system: how we instill professional values, how we perform an audit, our review and consultation processes, our approach to audit quality reviews, and our independence practices. We value regular dialogue and this report is one of the ways in which we advise our stakeholders on what we are doing in each of these areas. We encourage all our stakeholders – including our clients and their investors, audit committee members and regulators – to continue to engage with us on our strategy as well as any of the matters covered in this report.

Sudhir Soni  
Managing Partner  
S.R. Batliboi & Affiliates, India

# About us

## Legal structure, ownership and governance

In India, the S.R. Batliboi affiliate network of audit firms are registered as such with the ICAI. This network comprises of the following firms:

- S.R. Batliboi & Co. LLP
- S.R. Batliboi & Associates LLP
- S R B C & CO LLP
- S. V. Ghatalia & Associates LLP
- S R B C & Associates LLP

Each of these firms is a limited liability partnership firm ("LLP") incorporated in India and is a member firm of Ernst & Young Global Limited, a UK company limited by guarantee (EYG). In this report, we refer to ourselves collectively as "S.R. Batliboi & Affiliates", "S.R. Batliboi", the "Network", "we", "us" or "our". EY refers collectively to the global organization of the member firms of EYG and more information about the member firms of EYG can be found at [www.ey.com](http://www.ey.com).

Each of the five firms is an LLP and is owned entirely by the partners of that firm in accordance with the requirements of laws and regulations applicable to them in India.

All firms are engaged primarily in providing audit and assurance services, and tax services to clients. We also provide select advisory services.

The operations of S.R. Batliboi are led by a Leadership Team, comprised of 7 senior partners who have experience in various industry sectors, or are responsible for areas of specific professional or operational importance such as accounting and technical matters, audit quality, and human resources. The Leadership Team is headed by the Managing Partner of S.R. Batliboi.

Members of the five S.R. Batliboi firms have a total partner strength of 99 partners, operating across offices in 12 cities in India.

EYG member firms are grouped into three geographic Areas: Americas, Asia-Pacific and Europe, Middle East, India and Africa (EMEIA). Japan was a separate fourth Area, but on 1 July 2019 became part of Asia-Pacific. The Areas comprise a number of Regions, which consist of member firms or sections of those firms.

S.R. Batliboi is part of the EMEIA Area.

# Commitment to sustainable audit quality

## Infrastructure supporting quality

### Quality in our service lines and Risk Management

Our Vision, which sets out our purpose, ambition and strategy, calls for us to provide exceptional service to our stakeholders worldwide. This is supported by an unwavering commitment to quality and service that is professionally and globally consistent, and means service that is based on objectivity, professional skepticism and adherence to professional standards.

Our service lines are accountable for delivering quality engagements. Our service lines manage the overall process for quality reviews of completed engagements and input for the quality of in-process engagements, which helps achieve compliance with professional standards and our policies.

Our Vision has reinforced the ownership of quality by the service lines, including audit. It has also resulted in increased clarity around the role of risk management in policies and practices that support and improve audit quality.

The Risk Management Leader ("RM Leader") has the responsibility of oversight of the quality of our assurance services.

The RM Leader is supported by other staff and professionals. The RM Leader is also responsible for establishing consistent risk management execution priorities for S.R. Batliboi.

The Managing Partner of the Network coordinates compliance with our policies and procedures for assurance services.

### Professional Practice

The leader of the Professional Practice function, referred to as the Professional Practice Director (PPD), works to establish audit quality control policies and procedures, and monitor their implementation. The PPD is a senior professional with wide experience in accounting and auditing matters. The PPD, a member of the Leadership Team, works in collaboration with the RM Leader.

Both the PPD function and the RM function are overseen by the Managing Partner of the Network. This helps provide greater assurance as to the objectivity of audit quality and consultation processes.

The PPD also leads and oversees the Professional Practice group. This is a network of technical subject matter specialists in accounting and auditing standards, who consult on accounting, auditing, and financial reporting matters and perform various practice monitoring and engagement risk management activities.

As a member firm of EYG, we are also required to comply with common standards, methodologies and policies, including those regarding audit methodology, quality and risk management, independence, knowledge sharing, human resources and technology. Our Global Audit Methodology (GAM) is supplemented with Indian auditing standards as issued by the ICAI in the execution of our audits.

We also apply certain policies of EYG, and related procedures, processes and tools, in the implementation and monitoring of our quality, independence and risk management objectives. These are described in the following sections.

The PPD also oversees the implementation of GAM and related technologies so that they are consistent with relevant professional standards and regulatory requirements, including the requirements of the ICAI and other regulators. The Professional Practice group oversees the development of relevant guidance, training and monitoring programs, and processes used by our professionals to execute audits consistently and effectively. The PPD, together with other professionals in the Professional Practice group, are knowledgeable about our people, clients and processes and they are readily accessible for consultations with audit engagement teams.

Additional resources often augment the Professional Practice group, including networks of professionals focused on:

- Adoption and implementation of new accounting standards such as Ind AS
- Internal-control reporting and related aspects of our audit methodology
- Accounting, auditing and risk issues for specific industries and sectors
- Event-specific issues involving areas of civil and political unrest; or non-performing assets and related accounting, auditing, reporting and disclosure implications
- General engagement matters and how to work effectively with audit committees

## Instilled professional values

### Components of the audit quality control program

In the following sections, we describe the principal components of the audit quality control program, which S.R. Batliboi follows:

- Instilled professional values
- Internal quality control system
- Client acceptance and continuance
- Performance of audits
- Review and consultation
- Rotation and long association
- Audit quality reviews
- External quality assurance reviews
- Compliance with legal requirements

### Sustainable Audit Quality

Quality is the foundation of our work and central to S.R. Batliboi's responsibility to provide confidence to the capital markets. This is reflected in the Sustainable Audit Quality (SAQ) program, which continues to be the highest priority for our Assurance practice.

SAQ establishes a strong governance structure that enables each member firm to provide high-quality audits. It is implemented locally, and coordinated and overseen globally. The word "sustainable" in SAQ is used to demonstrate that this is not a one-off, short-term initiative, but an ongoing process of improvement.

There are six SAQ pillars: tone at the top, people capabilities, simplification and innovation, audit technology and digital, enablement and quality support, and accountability. The pillars are supported by a foundation of serving the public interest.

Significant progress has been made through SAQ and there is greater consistency in execution. We have deployed world-class technological tools that enhance the quality and value of our audits, including the EY Canvas online audit platform, the EY Helix analytics platform and the EY Atlas research platform.

A key feature of EY Canvas is the Client Portal, which enables clients to communicate with audit teams and confirm what information auditors have requested and whether that information has been provided. EY Canvas also facilitates the use of the Milestones project management program, which helps audit teams keep on track and highlights potential matters to be addressed during the audit process.

When Milestones is combined with the EY Client Portal, engagement teams have more time to focus, to be curious and to be skeptical. As a result, audit quality is enhanced.

Other recent SAQ initiatives include: a new approach to depict a company's internal controls and processes; the Personal Workload Tool, which reviews personal responsibilities and assesses whether there is sufficient time to execute high-quality audits; Purpose-Led Outcome Thinking (PLOT), a framework that focuses on the behaviors that drive high quality audits; and Key Findings Review, which helps coach our teams.

SAQ Program is led by Quality Enablement Leader (QEL), who is supported by the Audit Quality Committee which constitutes members from the audit practice with roles in professional practice, audit methodology, audit transformation and people matter. They help us in executing and reviewing root-cause analysis and understanding the impact of our initiatives in driving quality outcomes, better behaviors and a continuous improvement mindset.

Audit quality is something that every team member must understand and be committed to implementing locally. SAQ is essential to all our goals and ambitions, and Regional Assurance Leader, PPD, QEL and our Market Segment Leaders have oversight of the efforts to achieve those goals together with the audit partners.

The SAQ infrastructure demonstrates that audit quality is the single most important factor in our decision-making and the key measure on which our professional reputation stands.

Tone at the top

Our leadership is responsible for setting the right tone at the top and demonstrating our commitment to building a better working world through behavior and actions. While the tone at the top is vital, our people also understand that quality and professional responsibility starts with them. Our shared values, which inspire our people and guide them to do the right thing, and our commitment to quality are embedded in who we are and in everything we do.

Our approach to business ethics and integrity is contained in the Code of Conduct and other policies and is embedded in our culture of consultation, training programs and internal communications. Senior management regularly reinforces the importance of performing quality work, complying with professional standards, adhering to our policies, leading by example and through various communications. Also, our quality review programs assess professional service as a key metric in evaluating and rewarding all professionals.

Our culture strongly supports collaboration and places special emphasis on the importance of consultation in dealing with complex or subjective accounting, auditing, reporting, regulatory and independence matters. We believe it is important to determine that engagement teams and clients correctly follow consultation advice, and we emphasize this when necessary.

The consistent stance of S.R. Batliboi has been that no client is more important than our professional reputation – the reputation of S.R. Batliboi and the reputation of each of our professionals.

Code of Conduct

We promote a culture of integrity among our professionals. The Global Code of Conduct provides a clear set of principles that guide our actions and our business conduct, and are to be followed by all our personnel. This Code of Conduct is divided into five categories:

- Working with one another
- Working with clients and others
- Acting with professional integrity
- Maintaining our objectivity and independence
- Respecting intellectual capital

Through our procedures to monitor compliance with the Global Code of Conduct and through frequent communications, we strive to create an environment that encourages all personnel to act responsibly, including reporting misconduct without fear of retaliation.

The Ethics Hotline provides our people, clients and others outside of the organization with a means to confidentially report activity that may involve unethical or improper behavior and that may be in violation of professional standards or otherwise inconsistent with the Global Code of Conduct. The hotline is operated by an external organization that provides confidential and, if desired, anonymous hotline reporting services worldwide.

When a report comes into the Ethics Hotline, either by phone or internet, it receives prompt attention. Depending on the content of the report, appropriate individuals from Risk Management, Talent, Legal or other functions are involved to address the report. The same procedures are followed for matters that are reported outside of the Ethics Hotline.

Our values: who we are

People who demonstrate integrity, respect and teaming

People with energy, enthusiasm and the courage to lead

People who build relationships based on doing the right thing



# Internal quality control system

## Structure

S.R. Batliboi's reputation for providing high-quality professional audit services independently, objectively and ethically is fundamental to our success as independent auditors. We continue to invest in initiatives to promote enhanced objectivity, independence and professional skepticism. These are fundamental attributes of a high-quality audit.

At S.R. Batliboi, our role as auditors is to provide assurance on the fair presentation of the financial statements of the companies we audit. We bring together qualified teams to provide our services, drawing on our broad experience across industry sectors and services. We continually strive to improve our quality and risk management processes so that the quality of our service is at a consistently high level.

We recognize that in today's environment – characterized by continuing globalization, the rapid movement of capital and the impact of technology changes – the quality of our audit services has never been more important. As part of our Vision, we continue to invest heavily in developing and maintaining our audit methodology, tools and other resources needed to support quality service.

While the market and stakeholders continue to demand high-quality audits, they also demand increasingly effective and efficient delivery of audit services. In addition to the investments mentioned, we continue to seek ways to improve the effectiveness and efficiency of its audit methodology and processes, while improving audit quality.

We work to understand where our audit quality may not be up to our own expectations and those of stakeholders, including independent audit regulators. We seek to learn from external and internal inspection activities and to identify root causes of adverse quality occurrences to enable us continually to improve audit quality. We believe that taking effective and appropriate actions to improve quality is important.

## Effectiveness of the quality control system

S.R. Batliboi has designed and implemented a comprehensive set of audit quality control policies and practices. These policies and practices meet the requirements of the Standards on Quality Control issued by the Auditing and Assurance Standards Board (AASB) of the ICAI. S.R. Batliboi has adopted these policies and procedures and has supplemented them as necessary to comply with local laws and professional guidelines, and to address specific business needs.

We also execute the Audit Quality Review (AQR) program in order to evaluate whether our system of audit quality control has operated effectively so as to provide reasonable assurance that S.R. Batliboi and our people comply with applicable professional standards, internal policies and regulatory requirements.

The results of the AQR program and external inspections are evaluated and communicated within S.R. Batliboi to provide the basis for continual improvement in audit quality, consistent with the highest standards in the profession.

The Leadership Team has oversight of the implementation of quality improvement. As such, it reviews the results of the internal AQR program and external audit firm regulatory reviews, as well as any key actions designed to address areas for improvement.

The recent results of such monitoring, together with feedback from independent audit regulators, provide S.R. Batliboi with a basis to conclude that our internal control systems are designed appropriately and are operating effectively.

# Client acceptance and continuance

## Our policy

The policy on Client and Engagement Acceptance sets out principles for us to determine whether to accept a new client or a new engagement, or to continue with an existing client or engagement. These principles are fundamental to maintaining quality, managing risk, protecting our people and meeting regulatory requirements. The objectives of the policy are to:

- Establish a rigorous process for evaluating risk and making decisions to accept or continue clients or engagements
- Meet applicable independence requirements
- Identify and deal appropriately with any conflicts of interest
- Identify and decline clients or engagements that pose excessive risk
- Require consultation with designated professionals to identify additional risk management procedures for specific high-risk factors
- Comply with legal, regulatory and professional requirements

In addition, the global policy on conflicts of interest defines global standards for addressing categories of potential conflicts of interest and a process for identifying them. It also includes provisions for managing potential conflicts of interest as quickly and efficiently as possible using appropriate safeguards. Such safeguards may include obtaining client consent to act for another party where a conflict of interest may exist, establishing separate engagement teams to act for two or more parties, implementing “Chinese Walls” between engagement teams or declining an engagement in order to avoid an identified conflict.

The global policy on Conflicts of Interest and associated guidance take into account the increasing complexity of engagements and client relationships, and the need for speed and accuracy in responding to clients. They also align with the latest International Ethics Standards Board for Accountants (IESBA) standards, while continuing to comply with the Code of Ethics of the ICAI.

## Putting policy into practice

We use the Process for Acceptance of Clients and Engagements Tool (PACE), an intranet-based system, for efficiently coordinating client and engagement acceptance and continuance activities in line with firm wide policies. PACE takes users through the acceptance and continuance requirements, and identifies the policies and references to professional standards needed to assess both business opportunities and associated risks.

As part of this process, we carefully consider the risk characteristics of a prospective company or engagement and the results of several due diligence procedures. Before we take on a new engagement or company, we determine whether we can commit sufficient resources to deliver quality service, especially in highly technical areas, and if the services the client wants are appropriate for us to provide. The approval process is rigorous, and no new audit engagement may be accepted without the approval of our PPD.

In the S.R. Batliboi's annual client and engagement continuance process, we review our service and ability to continue to provide a quality service and confirm that companies we serve share S.R. Batliboi's commitment to quality and transparency in financial reporting. The partner in charge of each audit, together with our leadership team, annually reviews our relationship with the audit client to determine whether continuance is appropriate.

As a result of this review, certain audit engagements are identified as requiring additional oversight procedures during the audit (close monitoring), and some audit clients are discontinued. As with the client acceptance process, our PPD is involved in the client continuance process and must agree with the continuance decisions.

Decisions about acceptance or continuance of clients and engagements consider the engagement team's assessment of whether the company's management may pressure us to accept inappropriate accounting, auditing and reporting conclusions to undermine quality. Considerations and conclusions on the integrity of management are essential to acceptance and continuance decisions.

## Performance of audits

There has been significant investment in S.R. Batliboi in improving audit methodologies and tools, with the goal of performing the highest-quality audits in the profession. This investment reflects S.R. Batliboi's commitment to building trust and confidence in the capital markets and in economies the world over.

### Audit methodology

GAM provides a global framework for delivering high-quality audit services through the consistent application of thought processes, judgments and procedures in all audit engagements, regardless of size. GAM also requires compliance with relevant ethical requirements, including independence from the entity we audit. Making risk assessments, reconsidering and modifying them as appropriate, and using these assessments to determine the nature, timing and extent of audit procedures are fundamental to GAM. The methodology also emphasizes applying appropriate professional skepticism in the execution of audit procedures. GAM is based on International Standards on Auditing (ISAs) and is supplemented in India to comply with the local Indian Standards on Auditing, issued by the ICAI and other regulatory or statutory requirements.

Using an online tool, EY Atlas, our personnel are presented with a version of GAM organized by topic and designed to focus the audit strategy on the financial statement risks and the design and execution of the appropriate audit response to those risks. GAM consists of two key components: requirements and guidance, and supporting forms and examples. The requirements and guidance reflect both auditing standards and our policies. The forms and examples include leading practice illustrations and assist in performing and documenting audit procedures.

GAM can be "profiled" or tailored to present the relevant requirements and guidance, depending on the nature of the entity being audited. For example, there are profiles for listed entities and for those considered non-complex entities.

Enhancements to the audit methodology are made regularly to address new standards, emerging auditing issues and matters, implementation experiences, and external and internal inspection results.

In addition, we monitor current and emerging developments and issue timely audit planning and execution communications that emphasize areas noted during inspections as well as other key topics of interest to our local audit regulators (or regulators) and the International Forum of Independent Audit Regulators (IFIAR).

### Technology

Our audit engagement teams use technology to assist in executing and documenting the work performed in accordance with GAM.

EY Canvas, the global audit platform, lies at the heart of the audit and enables us to provide a high-quality audit. EY Canvas is built using state-of-the-art technology for web applications. This allows us to provide data security and to evolve our software to respond to changes in the accounting profession and regulatory environment.

Through the use of profile questions, audit engagements in EY Canvas are automatically configured with information relevant to an entity's listing requirements and industry. This helps to keep our audit plans customized and up-to-date, and provides direct linkage to our audit guidance, professional standards and documentation templates. EY Canvas is built with a user interface that allows the team to visualize risks and their relationship to the planned response and work performed in key areas.

EY Canvas includes a Client Portal to assist teams in communicating with clients and streamlining their client requests. Mobile applications are integrated with EY Canvas to help our people in their audit work; for example, in monitoring the status of the audit, capturing audit evidence securely and performing inventory observations.

Audit engagement teams use other applications, data analyzers and forms during various phases of an audit to assist in executing procedures, making and documenting audit conclusions, and performing analysis. This includes EY Smart Automation, a collection of applications that are being developed and deployed through EY Canvas to digitally enable our audit professionals in executing audit procedures and processes.

At S.R. Batliboi, we are making data analysis integral to our audits. Our use of data and analysis is not about additive procedures or visualizations. It is about taking large populations of company data, and applying our globally consistent technology (EY Helix) and methodology (GAM) to audit that data. EY Helix is a library of data analyzers for use in audits.

These data analyzers are transforming the audit through the analysis of larger populations of audit-relevant data, identifying unseen patterns and trends in that data, and helping to direct our audit efforts. The use of data analytics also allows us to obtain better perspectives, richer insights and a deeper understanding of transactions and areas of risk.

S.R. Batliboi is deploying data analyzers to analyze the business operating cycles of the companies that we audit, supported by analytics-based audit programs to aid the application of these data analyzers.

Using the EY Helix library of data analyzers, our engagement teams can enhance their audit risk assessment, enabling the audit of higher-risk transactions, and assisting our people in asking better questions about audit findings and evaluating the outcomes.

EY Atlas is a global technology platform that enables our auditors to access the latest accounting and auditing content, including external standards, our interpretations and thought leadership.

#### Formation of audit engagement teams

S.R. Batliboi policies require an annual review of partner assignments by our Leadership Team and PPD. This is carried out to make sure that the professionals leading listed-company audits possess the appropriate competencies (i.e., the knowledge, skills and abilities) to fulfill their engagement responsibilities and are in compliance with applicable auditor rotation regulations.

The assignment of professionals to an audit engagement is also made under the direction of our Leadership Team. Factors considered when assigning people to audit teams include engagement size and complexity, specialized industry knowledge and experience, timing of work, continuity and opportunities for on-the-job training. For more complex engagements, consideration is given to whether specialized or additional expertise is needed to supplement or enhance the audit engagement team.

In many situations, internal specialists are assigned as part of the audit engagement team to assist in performing audit procedures and obtaining appropriate audit evidence. These professionals are used in situations requiring special skills or knowledge, such as information systems, asset valuation and actuarial analysis.

## Review and consultation

#### Reviews of audit work

Our policies describe the requirements for timely and direct senior professional participation as well as the level of review required for the work performed. Supervisory members of an audit engagement team perform a detailed review of the audit documentation for accuracy and completeness. Senior audit executives and engagement partners perform a second-level review to determine adequacy of the audit work as a whole and the related accounting and financial statement presentation. A tax professional reviews the significant tax and other relevant working papers. For listed and certain other companies, an engagement quality reviewer (described below) reviews important areas of accounting, financial reporting and audit execution, as well as the financial statements of the company we audit and our auditor's report.

The nature, timing and extent of the reviews of audit work depend on many factors, including:

- The risk, materiality, subjectivity and complexity of the subject matter
- The ability and experience of the audit team members preparing the audit documentation
- The level of the reviewer's direct participation in the audit work
- The extent of consultation employed

Our policies also describe the roles and responsibilities of each audit engagement team member for managing, directing and supervising the audit, as well as the requirements for documenting their work and conclusions.

#### Consultation requirements

S.R. Batliboi's consultation policies are built upon a culture of collaboration, whereby audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting issues. Consultation requirements and related policies are designed to involve the right resources so that audit teams reach appropriate conclusions.

Consultation is built into the decision-making process; it is not just a process to provide advice.

For complex and sensitive matters, we have a formal process requiring consultation outside of the audit engagement team with other personnel who have more experience or specialized knowledge, primarily Professional Practice and Independence personnel. In the interests of objectivity and professional skepticism, our policies require members of Professional Practice, Independence and certain others to withdraw from a consultation if they currently serve, or have recently served, the client to which the consultation relates. In this circumstance, other appropriate individuals would be assigned.

S.R. Batliboi's policies also require that all consultations are documented, including written concurrence from the person

or persons consulted, to demonstrate their understanding of the matter and its resolution.

### Engagement quality reviews

Engagement quality reviews are performed by audit partners in compliance with professional standards for audits of all listed companies and those considered to need close monitoring. Engagement quality reviewers are experienced professionals with significant subject matter knowledge. They are independent of the engagement team and able to provide objective evaluation of significant accounting, auditing and reporting matters. In no circumstances may the responsibility of the engagement quality reviewer be delegated to another individual.

The engagement quality review spans the entire engagement cycle, including planning, risk assessment, audit strategy and execution. Policies and procedures for the performance and documentation of engagement quality reviews provide specific guidelines on the nature, timing and extent of the procedures to be performed and the required documentation evidencing their completion. Our PPD approves all engagement quality review assignments.

### Audit engagement team resolution process for differences of professional opinion

S.R. Batliboi has a collaborative culture that encourages and expects people to speak up, without fear of reprisal, if a difference of professional opinion arises or if they are uncomfortable about a matter relating to a client engagement. Policies and procedures are designed to empower members of an audit engagement team to raise any disagreements relating to significant accounting, auditing or reporting matters.

These policies are made clear to people as they join S.R. Batliboi, and we continue to promote a culture that reinforces a person's responsibility and authority to make their own views heard and seek out the views of others.

Differences of professional opinion that arise during an audit are generally resolved at the audit engagement team level. However, if any person involved in the discussion of an issue is not satisfied with the decision, they refer it to the next level of authority until agreement is reached or a final decision is made.

Furthermore, if the engagement quality reviewer makes recommendations that the engagement partner does not accept or the matter is not resolved to the reviewer's satisfaction, the auditor's report is not issued until the matter is resolved. Our policies require documentation of disagreements and their resolution.

## Rotation and long association

S.R. Batliboi supports mandatory audit partner rotation to help reinforce auditor independence. S.R. Batliboi complies with the audit partner rotation requirements of the IESBA code, the Code of Ethics of the ICAI, Reserve Bank of India (RBI) and the Companies Act 2013, as well as the U.S. Securities and Exchange Commission (SEC), where required. S.R. Batliboi supports audit partner rotation because it provides a fresh perspective and promotes independence from company management while retaining expertise and knowledge of the business. Audit partner rotation, combined with independence requirements, enhanced systems of internal quality controls and independent audit oversight, helps strengthen independence and objectivity and are important safeguards of audit quality.

For PIEs, our Independence Policy requires the lead engagement partner, the engagement quality reviewer and other audit partners who make key decisions or judgments on matters significant to the audit (together, the "key audit partners") to be rotated after seven years. For a new PIE (including a newly listed company), key audit partners may remain in place for an additional two years before rotating off the team if they have served the company for six or more years prior to the listing. Further, in case of certain non-banking finance companies defined under Master Directions issued by the RBI, the audit partners are required to rotate out after three years and serve three years cool-off period after rotation before they can function as audit partner for that specific audit client.

Upon completing the maximum service period for rotation, a key audit partner may not lead or coordinate professional services to the PIE audit client until after completing a cooling-off period. This period is five years for a lead audit engagement partner, three years for an engagement quality reviewer, and two years for other partners subject to rotation.

In addition to the audit partner rotation requirements applicable to PIE audit clients, S.R. Batliboi has established a long association safeguards framework that, consistent with the requirements of the IESBA Code includes consideration of the threats to independence created by involvement of professionals over a long period of time on an audit and a safeguards framework to address such threats.

We employ tools to effectively monitor compliance with internal rotation and requirements for audit partners and other professionals who have had long association with the audit client. There is also a process for rotation planning and decision-making that involves consultation with, and approvals by, our Professional Practice and Independence professionals.

### External rotation

For listed entities and certain other class of companies as prescribed in India, we comply with the rotation requirements of Section 139 of the Companies Act, 2013.

## Audit quality reviews

The AQR program is the cornerstone of our process to monitor audit quality. S.R. Batliboi executes the AQR program, reports results of such inspection and develops responsive actions plans. The primary goal of the program is to determine whether systems of quality controls, including those of S.R. Batliboi, are appropriately designed and followed in the execution of audit engagements to provide reasonable assurance of compliance with policies and procedures, professional standards, and regulatory requirements. The AQR program complies with guidelines in the International Standard on Quality Control (ISQC) 1, as amended and is supplemented where necessary to comply with Indian professional standards and regulatory requirements. It also aids S.R. Batliboi's continual efforts to identify areas where we can improve our performance or enhance our policies and procedures.

Executed annually, the program is coordinated and monitored by representatives of the PPD network, with oversight by the Leadership team.

The engagements reviewed each year are selected on a risk-based approach emphasizing audit engagements that are large, complex or of significant public interest, including elements of unpredictability. The AQR program includes detailed, risk-focused file reviews covering a large sample of listed and non-listed audit engagements, and public interest entities and non-public interest entities, to measure compliance with internal policies and procedures, GAM requirements, and relevant local professional standards and regulatory requirements. It also includes reviews of a sample of non-audit engagements. These measure compliance with the relevant professional standards and internal policies and procedures that should be applied in executing non-audit services. In addition, practice-level reviews are performed to assess compliance with quality control policies and procedures in the functional areas set out in ISQC 1. The AQR program complements external practice monitoring and inspection activities, such as inspection programs executed by audit regulators and external peer reviews.

AQR reviewers and team leaders are selected for their skills and professional competence in accounting and auditing, as well as their industry specialization; they often work in the AQR program for a number of years and are highly skilled in the execution of the program. Team leaders and reviewers are assigned to inspections outside of their home location and are independent of the audit teams reviewed.

The results of the AQR program and external practice-monitoring and inspection activities are evaluated and communicated to improve quality. Any quality improvement plans describe the follow-up actions to be taken, the people responsible, the timetable and deadlines, and sign-off on completed actions. Measures to resolve audit quality matters noted from the AQR program, regulatory inspections and peer reviews are addressed by our Leadership Team and our PPD. The actions are monitored by our PPD and Leadership Team. These programs provide important practice monitoring feedback for our continuing quality improvement efforts.

## External quality assurance review

### Peer Review by the ICAI

S.R. Batliboi's network firms and their audit practices is subject to periodical inspection by the Peer Review Board of the ICAI. As part of its inspections, the Peer Review Board evaluates quality control systems and reviews selected engagements. Only those auditors and audit firms that possess valid peer review certificates can audit listed companies in India.

The quality assurance inspection by the Peer Review Board takes place on audits of financial statements in blocks of three years, usually ending with the most recent fiscal year (ended March 31). The final report on last such inspections were issued as follows:

- S.R. Batliboi & Co. LLP: July 2018
- S.R. Batliboi & Associates LLP: July 2018
- S R B C & CO LLP: January 2020

S R B C & Associates LLP and S.V. Ghatalia & Associates LLP currently do not provide audit services and as such does not have a requirement for Peer Review certification.

Peer Review Certificates are issued to signify successful completion of the peer review process to the firm being reviewed. These certificates are valid for a period of three years from the date of the certificate, after which another peer review needs to be performed in order to renew the Peer Review certification.

We respect and benefit from the Peer Review Board's inspection process. We thoroughly evaluate points raised during the inspection in order to identify areas where we can improve audit quality.

S.R. Batliboi network firms have maintained peer review certification since 2005/2006, where applicable, when the Peer Review process was notified by the ICAI.

Information on the Peer Review process of the regulator can be found on its website at

[http://www.icaa.org/new\\_post.html?post\\_id=972&c\\_id=64](http://www.icaa.org/new_post.html?post_id=972&c_id=64).

### Inspections by QRB

In 2019-20, the Quality Review Board ("QRB") of the Government of India notified and inspected our work in relation to audit of one client of member firms of the S.R. Batliboi network.

We respect and benefit from the QRB inspection process. We thoroughly evaluate points raised during the inspection in order to identify areas where we can improve audit quality. Together with the AQR process, external inspections aid us in making our audits and related control processes of the highest quality in the interests of our clients, investors and other stakeholders.

### Inspections by National Financial Reporting Authority

In 2018-19, the NFRA has notified our audit firms to inspect our work in relation to 4 audit clients of the member firms of the S.R. Batliboi network, for which audit files have been submitted to NFRA during 2018-19.

We respect and would benefit from the NFRA inspection process which started during 2019-20 in case of one of these audit engagements, while inspection process has started subsequent to March 31, 2020 in case of two of these audit engagements.

### Financial Reporting Council

S.R. Batliboi's network firm is subject to inspection by the Financial Reporting Council ("FRC"). As part of its inspections, the FRC evaluates quality control systems and reviews selected engagements. The public inspection reports rate audits in three categories as follows: 'good or limited improvements required', 'improvements required' or 'significant improvements required'.

The first quality assurance inspection by FRC took place in 2017-18, while no inspection was due and conducted in current year.

## Compliance with legal requirements

The Global Code of Conduct provides a clear set of standards that guide our actions and business conduct. S.R. Batliboi complies with applicable laws and regulations, and S.R. Batliboi's values underpin our commitment to doing the right thing. This important commitment is supported by a number of policies and procedures, explained in the paragraphs below.

### Anti-bribery

The Anti-bribery Policy provides our people with direction around certain unethical and illegal activities. It emphasizes the obligation to comply with anti-bribery laws and provides greater definition of what constitutes bribery. It also identifies reporting responsibilities when bribery is discovered. In recognition of the growing global impact of bribery and corruption, efforts have been increased to embed anti-bribery measures across S.R. Batliboi.

### Insider trading

The Insider Trading Policy reaffirms the obligation of our people not to trade in securities with insider information, provides detail on what constitutes insider information and identifies with whom our people should consult if they have questions regarding their responsibilities.

### Trade sanctions

It is important that we are aware of the ever-changing situation with respect to international trade sanctions. S.R. Batliboi monitors sanctions issued in multiple geographies and provides guidance to our people on impacted activities.

### Data privacy

The Personal Data Privacy Policy, revised and reissued in 2018, sets out the principles to be applied to the collection, use and protection of personal data, including that relating to current, past and prospective personnel, clients, suppliers and business associates. This policy is consistent with the strict requirements of the European Union's General Data Protection Regulation and other applicable laws and regulations concerning data protection and privacy.

### Confidentiality policy

Protecting confidential information is ingrained in the everyday activities of S.R. Batliboi. Respect for intellectual capital, and all other sensitive and restricted information is required by the Global Code of Conduct, which provides a clear set of principles expected of all personnel. In order to further enhance this approach to protecting information, and to reflect the ever-increasing use and distribution of restricted data, we launched a new Confidentiality Policy in 2015-16. This policy provides added clarity to our people and forms the fundamental element of a wider approach that includes other key policies on conflicts of interest, personal data privacy and records retention. Other elements of the approach include:

- Social media guidance
- Information-handling requirements

In addition, the global policy on Reporting Fraud, Illegal Acts and Other Non-compliance with Laws, Regulations and EY's Code of Conduct require Firm's professionals to speak up on seeing any behaviour that is believed to be a violation of applicable law or regulation, applicable standard or the Firm's Global Code of Conduct. This includes the unauthorized or improper disclosure of confidential information.

Furthermore, the global policy on Personal Data Protection supports and builds upon provisions within the Firm's Global Code of Conduct regarding respecting and protecting personal information, in accordance with local law and professional standards, and was recently updated to comply with the EU General Data Protection Regulation (GDPR).

### Cybersecurity

Managing the risk of major and complex cybersecurity attacks is a part of doing business for all organizations. While no systems are immune from the threat of cyber attacks, we are vigilant in the steps it takes to secure and protect client data. Our approach to cybersecurity is proactive and includes the implementation of technologies and processes necessary to manage and minimize cybersecurity risks. Our information security and data privacy programs, consistent with industry practices and applicable legal requirements, are designed to protect against unauthorized disclosure of data. There is a dedicated team of internal and external cybersecurity specialists who actively monitor and defend our systems.

Beyond technical and process controls, all our people are required to affirm in writing their understanding of the principles contained in the Global Code of Conduct and their commitment to abide by them and to participate in an annual security awareness learning activity. There are various policies outlining the due care that must be taken with technology and data, including but not limited to the Global Information Security Policy, and a global policy on the Acceptable Use of Technology. Our cybersecurity policies and processes recognize the importance of timely communication. Our people receive regular and periodic communications reminding them of their responsibilities on these policies and general security awareness practice.

### Document retention

S.R. Batliboi's record retention policy applies to all engagements and personnel. This policy addresses document preservation whenever any person becomes aware of any actual or reasonably anticipated claim, litigation, investigation, subpoena or other government proceeding involving us or one of our clients that may relate to our work. It also addresses Indian legal requirements applicable to the creation and maintenance of working papers relevant to the work performed.



# Independence practices

Our Independence policies requires S.R. Batliboi and our people to comply with the independence standards applicable to specific engagements, including, for example, the IESBA Code of Ethics and also the rules and guidelines of the ICAI, and the Companies Act, 2013.

We consider and evaluate independence with regard to various aspects including: our financial relationships and those of our people; employment relationships; business relationships; the permissibility of services we provide to audit clients; applicable firm and partner rotation requirements; fee arrangements; audit committee pre-approval, where applicable; and partner remuneration and compensation.

Failure to comply with applicable independence requirements will factor into decisions relating to a person's promotion and compensation, and may lead to other disciplinary measures, including separation from S.R. Batliboi.

S.R. Batliboi has implemented applications, tools and processes to support us, our professionals and other employees in complying with independence policies.

## Independence Policy

The Independence Policy contains the independence requirements for member firms, professionals and other personnel. It is a robust policy predicated on the IESBA Code and supplemented by more stringent requirements in jurisdictions where prescribed by local legislative body, regulator or standard setting body, including ICAI regulations and those prescribed by the Companies Act, 2013. The policy also contains guidance designed to facilitate an understanding and the application of the independence rules. The Independence Policy is readily accessible and easily searchable on the intranet.

## Global Independence System

The Global Independence System (GIS) is an intranet-based tool that helps our professionals identify the entities from which independence is required and the independence restrictions that apply. Most often, these are listed audit clients and their affiliates, but they can also be other types of attest or assurance clients. The tool includes family-tree data relating to affiliates of listed audit clients and is updated by client-serving engagement teams. The entity data includes notations that indicate the independence rules that apply to each entity, helping our people determine the type of services that can be provided or other interests or relationships that can be entered into.

## Global Monitoring System

The Global Monitoring System (GMS) is another important tool that assists in identifying proscribed securities and other impermissible financial interests. Professionals ranked as manager and above are required to enter details about all securities they hold, or those held by their immediate family, into the GMS. When a proscribed security is entered or if a security, they hold becomes proscribed, they receive a notice and are required to dispose of the security. Identified exceptions are reported through the Global Independence Incident Reporting System (GIIRS) for regulatory matters.

GMS also facilitates annual and quarterly confirmation of compliance with independence policies, as described below.

## Independence compliance

S.R. Batliboi has established a number of processes and programs aimed at monitoring the compliance with independence requirements of S.R. Batliboi and their people. These include the following activities, programs and processes:

### Independence confirmations

Annually, S.R. Batliboi is included in a global process to confirm compliance with the Independence Policy and process requirements and to report identified exceptions, if any.

All S.R. Batliboi personnel, and certain others based on their role or function, are required to confirm compliance with independence policies and procedures at least once a year. All partners are required to confirm compliance quarterly.

### Independence compliance reviews

S.R. Batliboi conducts internal procedures to assess member firm compliance with independence matters. These reviews include aspects of compliance related to non-audit services, business relationships with the companies we audit and financial relationships of member firms.

### Personal independence compliance testing

Each year, Independence team establishes a program for testing compliance with personal independence confirmation requirements and with reporting of information into GMS. For the 2019-20 testing cycle, S.R. Batliboi tested more than 49 partners and other personnel.

### Non-audit services

We monitor compliance with professional standards, laws and regulations governing the provision of non-audit services to audit clients through a variety of mechanisms. These include the use of tools such as PACE (see page 10) and Service Offering Reference Tool (SORT) (see below), and training and required procedures completed during the performance of audits and internal inspection processes. We also have a process in place for the review and approval of certain non-audit services in advance of accepting the engagement.

### Independence learning

S.R. Batliboi develops and deploys a variety of independence earning programs. All professionals and certain other personnel are required to participate in annual independence learning to help maintain our independence from the companies we audit.

The goal is to help our people understand their responsibility and to enable each of them, and their member firms, to be free from interests that might be regarded as incompatible with objectivity, integrity and impartiality in serving an audit client.

The annual independence learning program covers independence requirements focusing on recent changes to policy, as well as recurring themes and topics of importance. Timely completion of annual independence learning is required and is monitored closely.

In addition to the annual learning program, independence awareness is promoted through a number of events and materials, including new-hire programs, milestone programs and core service line curricula.

#### Service Offering Reference Tool (SORT)

We assess and monitor our portfolio of services on an ongoing basis to confirm that they are permitted by professional standards, laws and regulations, and to make sure that we have the right methodologies, procedures and processes in place as new service offerings are developed. We restrict services from being provided that could present undue independence or other risks. SORT provides our people with information about our service offerings. It includes guidance around which services can be delivered to audit and non-audit clients, as well as independence and other risk management issues and considerations.

#### Business Relationship Evaluation Tool (BRET)

Our people are required to use BRET in many circumstances to identify evaluate and obtain advance approval of a potential business relationship with an audit client, thereby supporting our compliance with independence requirements.

#### Audit committees and oversight of independence

We recognize the important role audit committees and similar corporate governance bodies undertake in the oversight of auditor independence. Empowered and independent audit committees perform a vital role on behalf of shareholders in protecting independence and preventing conflicts of interest. We are committed to robust and regular communication with audit committees or those charged with governance. Through our quality review programs, we monitor and test compliance with our standards for audit committee communications, as well as the pre-approval of non-audit services, where applicable.

## Continuing education of audit professionals

### Professional development

The continuous development of our people's skills and knowledge is critical to achieving our purpose of enhancing confidence in the capital markets.

Providing opportunities for the right experiences, learning and coaching helps them grow and achieve their potential at a variable pace of progression that suits them. The day-to-day experiences gained are assigned locally in a systematic way while the Firm's audit learning core curriculum is globally consistent. This is supported throughout by on-the-job coaching from more experienced professionals that helps to transform knowledge and experience into practice.

Learning is delivered through the award-winning Audit Academy, which combines interactive classroom-based simulations and "on-demand" e-learning modules with relevant reinforcement and application support. This is supplemented by learning programs that are developed in response to changes in accounting and reporting standards, independence and professional standards, new technology and emerging practice issues.

Where S.R. Batliboi audits and reviews IFRS and U.S. GAAP financial statements, relevant team members undertake learning to become IFRS and US GAAP accredited, as relevant.

S.R. Batliboi requires our audit professionals to obtain at least 40 hours of continuing professional education each year and at least 120 hours over a three-year period. Of these hours, annually minimum 24 hours each year must cover technical subjects related to accounting and auditing. This requirement is stricter than the applicable Continuing Professional Education (CPE) requirements established by the ICAI.

### Knowledge and internal communications

In addition to professional development and performance management, we understand the importance of providing client engagement teams with up-to-date information to help them perform their professional responsibilities.

S.R. Batliboi makes significant investments in knowledge and communication networks to enable the rapid dissemination of information to help people collaborate and share best practices. Some of our initiatives include:

- EY Atlas, which includes local and international accounting and auditing standards as well as interpretive guidance.
- Publications such as Ind AS developments and illustrative financial statements.
- *Spotlight* is a fortnightly newsletter that covers global and local topics of technical importance, auditing and accounting development, reminders of key internal policies and announcements, and periodic updates on risk management and learning and development matters.
- Practice alerts, quality alerts and webcasts covering a range of global and country-specific matters designed for continuous improvement in the Assurance practices.

Quality-control policy and practice manuals and other guidance materials are included on EY Atlas – India Channel. These promote consistency, accuracy, quality and accessibility in our internal and external communications, and they function as a risk management tool. This information, along with guidance materials from outside organizations, is updated regularly and maintained in an electronically searchable format.

### Performance management

LEAD is our forward-looking approach to people's career, development and performance focusing on continuous feedback resulting in better conversations built around 90-day cycles. Feedback is aggregated and used as an input to compensation and reward programs.

It is designed to support the growth and development of our people at all stages of their career. An individual's personal dashboard provides an easy to interpret snapshot of their performance against the Leadership at the Firm's dimensions, and assessed performance against peers.

LEAD retains components that were also included in the previous Performance Management and Development Process approach. Those were providing our people with clear work expectations and the opportunity to self-assess their performance. During the course of the year, every professional, in conjunction with their counselor, identifies opportunities for further development.

# Revenue and remuneration

## Financial information

Revenue is presented in accordance with accounting policies generally adopted by us in the preparation of our financial statements in India. Revenue amounts disclosed in this report represent consolidated professional services revenues of the network firms forming part of S.R. Batliboi & Affiliates. It excludes expenses billed to clients and includes revenues related to billings to other EYG member firms.

Revenue amounts disclosed in this report include revenues from both audit and non-audit clients and represents revenues from:

1. Revenues from audit and directly related services to audit clients that are listed in the EU,
2. Revenues from audit and directly related services to other entities,
3. Revenues from permitted non-audit services to audit clients that are listed in the EU, and
4. Revenues from non-audit services to other entities

Financial information for the period ended 31 March 2020:

Service	Percent
Audits and directly related services for companies we audit listed in EU	0.1%
-----	-----
Other audits and directly related services	94.8%
-----	-----
Non-audit services provided to companies we audit listed in EU	0.0%
-----	-----
Non-audit services provided to other entities	5.1%
-----	-----
Total revenue	100%

## Partner remuneration

Quality is at the centre of S.R. Batliboi's business strategy and a key component of our performance management systems. S.R. Batliboi's partners and other professionals are evaluated and compensated based on criteria that include specific quality and risk management indicators, covering both actions and results.

LEAD for partners and associate partners applies to all partners in S.R. Batliboi. LEAD reinforces the business agenda by continuing to link performance to wider goals and values. The process includes goal setting, ongoing feedback, personal development planning and performance review, and is tied to partners' recognition and reward. Documenting partners' goals and performance is the cornerstone of the evaluation process. A partner's goals are required to reflect various global priorities, one of which is quality.

S.R. Batliboi policies prohibits evaluating and compensating lead audit engagement partners and other key audit partners on an engagement based on the sale of non-Assurance services to companies they audit. This reinforces to our partners their professional obligation to maintain our independence and objectivity.

Specific quality and risk performance measures have been developed to account for:

- Providing technical excellence
- Living our values as demonstrated by behaviors and attitude
- Demonstrating knowledge of, and leadership in, quality and risk management
- Complying with policies and procedures
- Complying with laws, regulations and professional duties
- Contributing to protecting and enhancing the EY brand

The S.R. Batliboi partner compensation philosophy calls for meaningfully differentiated rewards based on a partner's level of performance, as measured within the context of LEAD. Partners are assessed annually on their performance in delivering quality, exceptional client service and people engagement alongside financial and market metrics.

We operate under a system that requires quality to be a significant consideration in a partner's overall year-end rating.

To recognize different market values for different skills and roles, and to attract and retain high-performing individuals, the following factors are also considered when we determine our partners' total reward:

- Experience

- Role and responsibility
- Long-term potential

Instances of non-compliance with quality standards result in remedial actions, which may include compensation adjustment, additional training, additional supervision or reassignment. A pattern of non-compliance or particularly serious non-compliance may result in actions that include separation from S.R. Batliboi.

# Appendix:

## S.R. Batliboi public interest entity audit clients

In the financial year ended 31 March 2020, the network firms forming part of S.R. Batliboi & Affiliates performed statutory audits of the following public interest entity\* whose security is listed on a regulated stock exchange in European Union.

- Great Eastern Energy Corporation Limited

*\* The definition of a public interest entity for this purpose is that given under the provisions of the Directive 2006/43/EC of the European Union, as amended by Directive 2014/56/EU of the European Union.*

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