

## Appendix 1

---

**Suggested template for obtaining engagement specific independence confirmation from individuals who are going to be part of an audit engagement.**

**This template is based on compliance requirements under the Code of Ethics and Companies Act, 2013 for personal independence. If there are other restrictions applicable under separate regulations, the confirmations below should be amended as appropriate.**

To [Name of Firm],

I confirm, as applicable, that I am in compliance with the applicable independence rules with respect to [Name of audit client] and all of its related entities including those indicated on the listing provided to me and have read and understood the independence rules, including the rules specified below:

1.
  - (a) I do not hold a security or interest in the audit client's holding company or associate company or subsidiary of such holding company.
  - (b) My immediate family members do not hold a security or interest in the audit client or its related entities (as defined under the ICAI Code of Ethics).
  - (c) My relatives (other than immediate family) do not hold a security or interest in the audit client or its subsidiary companies or its holding company or associate company or subsidiary of such holding company in excess of face value of Rs. 100,000.
2.
  - (a) I or my immediate family members do not have any loans (including guarantees of loans) to or from this audit client or any of its related entity which is not under normal lending procedures, terms and conditions. (This restriction shall apply when the audit client or any of its related entities is a bank or similar institutions).
  - (b) I or my immediate family members do not have any loans (including guarantees of loans) to or from this audit client or any related entity that is material to either myself/ immediate family or to the client. (This restriction shall apply when the audit client or any of its related entities are not banks or similar institutions).
  - (c) I or my relatives are not indebted to the audit client or its subsidiary companies, or its holding company or associate

## **Personal Independence for Audit and Assurance Engagements**

---

company or a subsidiary of such holding company other than for commercial transactions which are in the ordinary course of business of the audit client at arm's length price in excess of Rs. 500,000.

4. I or my relatives have not provided a guarantee or security in connection with the indebtedness of any third person to the audit client, or its subsidiary companies, or its holding company or associate company or a subsidiary of such holding company for an amount exceeding Rs. 100,000.
5. None of my relatives are directors or in the employment of the audit client as director or key managerial personnel or are an employee in a position to exert significant influence over the preparation of the client's accounting records or financial statements on which the firm will express an opinion or was in such a position during the relevant audit engagement period.
6.
  - (a) I or my immediate family members have not served as a trustee of a trust or as an executor of an estate that has or is committed to acquire a direct or material indirect financial interest in this audit client or any related entity.
  - (b) To the best of my knowledge, I am not aware of any relative (other than an immediate family member) who has served as a trustee of a trust or as an executor of an estate that has or is committed to acquire a direct or material indirect financial interest in this audit client or any related entity.
7. I or my immediate family members are not the beneficiaries of any estate or trust (over which I or my immediate family members have control) which has a direct financial interest in this audit client or any related entity.
8. I or my immediate family members do not have any bank deposits or accounts, brokerage accounts or insurance arrangements with this audit client or any related entity other than under normal commercial terms.
9. I do not have a close personal relationship with a director, officer or any employee of the audit client or related entity that is in a position to exert direct and significant influence over the financial statements.
10. No close family member (other than an immediate family member) is a significant shareholder of this audit client or its related entity.

## **Appendix 1**

---

11. I shall not accept/ have not accepted any gifts or favours (including hospitality) from the audit client, or a related entity other than that of a token nature.

12. I was not employed by this audit client or any related entity at any point during the audit or the professional engagement period.

13. I will not entertain an offer of employment with the audit client or a related entity where acceptance of such an offer would result in the firm having to resign as auditor under external independence standards.

Name and Membership Number:

Sign:

Date:

Place:

## Appendix 2

---

**Suggested template for obtaining engagement specific independence confirmation from individuals who are going to be part of an assurance engagement.**

**This template is based on compliance requirements under the Code of Ethics for personal independence. If there are other restrictions applicable under other laws and regulations (eg Income Tax Act, 1961), the confirmations below should be amended as appropriate.**

**To [Firm Name]**

1. I confirm, as applicable, that I am in compliance with the applicable independence rules with respect to the **[Assurance Client Name]** and have read and understand the independence rules, including the rules specified below:
2. I or my immediate family members (spouse, spousal equivalent, and dependents) do not have a direct or material indirect financial interest in this client or a related entity.
3. I or my immediate family members have not served as a trustee or as an executor over any interest that has or is committed to acquire a direct or material indirect financial interest in this client.
4. I or my immediate family members are not the beneficiaries of any estate or trust (over which I or my immediate family members have control) which has a direct financial interest in this client.
5. I or my immediate family members do not have any loans to or a loan from this client that is material to me and the client (none of which are financial institutions).
6. I or my immediate family members do not have any loans, other than those extended under normal lending procedures and within the ordinary course of business with this client (which is a financial institution).
7. I or my immediate family members do not have any bank deposits or accounts, brokerage accounts with this client other than within the ordinary course of business.
8. I or my immediate family members do not have a financial interest in a joint venture, closely held business investment or business

relationship (or commitment to do so) with the client or any officer, director, or substantial stockholder thereof or other individual who performs senior managerial activities for the client.

9. I do not have a close personal relationship with a director, officer or any employee of the client that is in a position to exert direct and significant influence over the subject matter information of the assurance engagement.
10. I shall not accept any gifts or favours (including hospitality) from the client, other than that of a token nature.
11. None of my immediate family member is a director or officer of the assurance client, or is an employee of the client in a position to exert significant influence over the subject matter information of the assurance engagement.
12. No close family member is a director, officer or is in a position to exert direct and significant influence over the subject matter of this client, or was employed in such a role during the professional engagement period.
13. I was not employed by this client at any point during the professional engagement period nor the period of one year prior to the period covered by the financial statements.

Name and Membership Number:

Sign:

Date:

Place: