FAQs
on
Unique Document Identification Number (UDIN)

UDIN Directorate
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

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Foreword of sixth edition

The global financial and regulatory landscape continues to evolve at an unprecedented pace, driven by digital transformation, expanding compliance requirements, and growing expectations of stakeholders for transparency and trust. In this dynamic environment, the role of Chartered Accountants has become even more pivotal, reinforcing their responsibility as custodians of integrity and credibility in financial reporting.

Since its introduction in 2019, the Unique Document Identification Number (UDIN) has emerged as one of ICAI's most impactful digital governance initiatives. Conceived not just to curb misuse of Chartered Accountants' signatures and prevent the circulation of unauthenticated documents, UDIN has transformed into a widely trusted instrument for verification, regulatory assurance, and decision-making across sectors. Its adoption has strengthened confidence in the profession and enhanced the reliability of certified documents within the national compliance ecosystem.

In the current Council year, the UDIN framework has witnessed significant advancements, including API integrations with regulators and government bodies, refined field-level validations, enhanced categorisation features, and improved functionalities for member facilitation. These developments reflect ICAI's ongoing commitment to leveraging technology to enhance transparency, efficiency, and stakeholder trust.

It is particularly encouraging to note that UDIN generation has crossed the milestone of 10 crore, with more than 3.26 crore UDINs verified and validated through the portal, an affirmation of the system's wide acceptance, relevance, and impact.

This Sixth Edition of the **FAQs on UDIN** incorporates the latest policy developments, technical enhancements, and practical clarifications. I am confident it will serve as an insightful and user-friendly reference for members and stakeholders alike.

I express my sincere appreciation to CA. Satish Kumar Gupta, Convenor, and CA. Chandrashekhar Vasant Chitale, Deputy-Convenor, UDIN Directorate, along with all the members and the Secretariat, for their dedicated efforts in bringing out this updated publication.

CA. Charanjot Singh Nanda
President, ICAI

Preface of sixth edition

The Unique Document Identification Number (UDIN), conceptualized and implemented by the Institute of Chartered Accountants of India (ICAI), continues to stand as a transformative landmark in strengthening trust, transparency, and authenticity in financial reporting and professional certification. Over the years, UDIN has evolved from a vigilance tool against document falsification to a robust digital governance mechanism relied upon by regulators, Government bodies, financial institutions, international delegations, and the public at large. Its growing acceptance underscores the profession's steadfast commitment to integrity, ethical conduct, and technological advancement.

The current Council year has been particularly remarkable, marked by significant strides in deepening UDIN's relevance across institutions and expanding its utility within India's governance and regulatory architecture. ICAI's presentation before His Majesty's Revenue and Customs (HMRC), UK, under the CBDT–HMRC collaborative initiative, highlighted global recognition of UDIN as a best practice in regulatory assurance. The ongoing engagement with the Reserve Bank of India for real-time UDIN verification through API integration reflects the system's increasing use as a decision-support parameter in the financial ecosystem.

A major milestone was achieved on 6th November 2025 with the signing of the historic Memorandum of Understanding between ICAI and the Army Purchase Organisation/Director General of Supplies and Transport (APO/DGST), Indian Army, Ministry of Defence. This first-ever collaboration with the Indian Army for integrating UDIN through secure APIs signals the profession's growing engagement beyond traditional civilian institutions and reinforces national efforts towards transparent procurement and vendor verification.

Further, the Ministry of Electronics and Information Technology (MeitY) has acknowledged UDIN as a best practice in digital governance and proposed its incorporation into the upcoming "Entity-Locker" platform—an initiative aimed at enhancing document integrity across entities, MSMEs, and trusts. These recognitions reaffirm UDIN's role in strengthening public trust in certified documents and improving process efficiencies across the regulatory spectrum.

On the member-facilitation front, the Directorate organized webinars on emerging functionalities such as Auditor's Opinion, preliminary guidance for bank audits, and updates on statutory selections within the UDIN ecosystem. The development of the new UDIN Portal by TCS at ICAI's DigiCA platform along with mobile applications for Android and iOS, marks a major technological upgrade. The new portal incorporates key Council decisions, including restrictions under Section 44AB, field-level validations, validation of UDIN at efiling portal including PAN of the assessee as fifth parameter, and the introduction of the Auditor's Opinion functionality. These enhancements collectively aim at streamlining UDIN generation, reinforcing compliance, and supporting members in professional service delivery.

As of 2nd December 2025, more than 10 crore UDINs have been generated, and over 1.57 lakh members are registered on the platform demonstrating the profession's scale of engagement and the system's unparalleled reach.

The present Sixth Edition of the FAQ on UDIN incorporates the latest developments, member feedback, statutory updates, evolving use cases, and technological enhancements. This edition aims to serve as a comprehensive guide for practicing members and an authoritative reference for stakeholders who rely on CA-certified documents.

We extend our sincere appreciation to the members of the UDIN Directorate for their continuous guidance and to the UDIN Secretariat team for their dedication and support. Their collective efforts have enabled the timely compilation of this updated edition.

We are confident that this Sixth Edition will prove insightful, facilitative, and beneficial to the fraternity of practicing Chartered Accountants and other stakeholders who engage with UDIN as a trusted authentication mechanism.

CA. Satish Kumar Gupta
Convenor, UDIN Directorate

CA. Chandrashekhar Vasant Chitale
Deputy-Convenor, UDIN Directorate

January, 2026

New Delhi

Foreword to fifth edition

The world is changing rapidly, and our best chance for the future is to enhance human potential with advanced technology to meet the needs of a new era of social progress. As the financial landscape evolves quickly, the role of Chartered Accountants (CAs) is also transforming to adapt to the opportunities and challenges of these changing times.

Since, 2019, when ICAI introduced the concept of Unique Document Identification Number (UDIN) for the first time in India, its utility and usages have leapfrogged from instrument of verification to the instrument of decision support. Even though we endorse the success of UDIN as one of the important pillars of decision support, we can barely remain contented for the ever increasing expectations from UDIN.

UDIN directorate has taken up several new initiatives during 2024-25, namely, change in data type from alphanumeric to numeric, modifications in the listing of forms under various categories to name a few, which among other have been elaborated in this edition of FAQ.

I am encouraged to inscribe that this year UDINs are on the verge of reaching the impressive milestone of 8 crores, marking another significant achievement for the Institute.

I am thankful to CA. Kemisha Soni, Convenor and CA. Abhay Chajed, Deputy-Convenor and other members of the directorate for their relentless efforts in making this publication an indispensable user-oriented reference material for the fraternity.

20th January, 2025
New Delhi

CA. Ranjeet Kumar Agarwal
President, ICAI

Preface of fifth edition

UDIN is an endeavour of the Institute to provide a universal verification mechanism for ascertaining the authenticity of the documents signed by Indian Chartered Accountants. It enjoys the distinction of being one of its kinds supplementing various initiatives of ICAI in pursuit of transparent financial reporting in India. Since, its inception, UDIN has become a *sine qua non* for trust and credibility. It strengthens the Government, regulatory bodies, banking and financial intermediaries among other stakeholders in ensuring the genuineness of the document received from Chartered Accountants (CAs), consequently helping them in policy and decision-making processes.

The Chartered Accountancy profession provides for breeding ground where the trust, transparency, and accountability coexist. With a view to ensure public trust in financial reporting, Institute of Chartered Accountants of India (ICAI) introduced the concept of Unique Document Identification Number (UDIN) and made it mandatory for various certificates and audits with effect from different dates in 2019. The authentication mark of a CA on any of the documents, carries the highest standards of probity, absolute veracity of information, unconditional autonomy of insights and irrevocable dependability of professional ethics.

The UDIN Directorate invigorates the members about the contemporary developments in the fields of accounting, taxation, legislation etc. and their implications on UDIN through the telecalls, advisories/ announcements through the portals, and the Frequently Asked Questions (FAQs) almost regularly. Consequent upon various evolution emerging from several venues of interaction of the members, including their relevant feedbacks, important changes and commonly asked queries, among others, have been included in the present edition of the FAQs for the benefit of the members as a handy compilation.

We are further thankful to all the members of the UDIN Directorate for their active and timely indulgence in providing suggestions as articulated in the FAQ. The team of UDIN Secretariat, led by its Secretary, deserves accolades for facilitating the members.

We sincerely hope that the 5th edition of this publication will be meaningful, illuminating and instrumental for all the practicing CAs in particular and to the stakeholders in general.

CA. Kemisha Soni
Convenor, UDIN Directorate

CA. Abhay Chajed
Deputy-Convenor, UDIN Directorate

January, 2025

New Delhi

Foreword to fourth edition

The Institute of Chartered Accountants of India (ICAI) had introduced the concept of generation of Unique Document Identification Number (UDIN) and made it mandatory for various certificates and audits with effect from different dates in 2019. I am pleased to note that this year, generation of the same has crossed a significant mark of 6 crores. It is quite satisfying to inscribe that UDIN, as a mark of authentication, has acted as a catalyst in augmenting the trust and degree of faith on to the certification/attestation of any document by the Chartered Accountants.

In this regards, I am thankful to CA. (Dr.) Raj Chawla, Convenor and CA. Dayaniwas Sharma Deputy Convenor of the UDIN Directorate, along with all the other members, for their efforts in bringing out the updated version of this Publication and a user-oriented reference material for the fraternity.

New Delhi
Dated: 17th January, 2024

CA. Aniket Sunil Talati
President, ICAI

Preface to fourth edition

A single constant since the time immemorial is the change, however, the fear of change is also a constant. The inability to change, progress, or grow can result in stagnation. Stagnation rejects realizing one's full potential. Stagnation is not a healthy flowing river; it is an idle and stale pond.

The UDIN instrument since, 2019 has been serving as irreplaceable apparatus of authenticating the documents relied on by the relevant regulators, financial institutions and third parties. Whereas we proudly vouch for the success of UDIN instrument in its present form, we can hardly remain complacent for our achievements. Besides, the features, functionalities and scalability of the UDIN system would be dependent on the relevant modifications in the system, processes, and protocols of the regulators, its periodic introspection on the basis of certain inherent inconsistencies is a must.

We are committed to take the UDIN system to it pinnacle, wherein its usages expand much beyond the document generation and authentication processes. We wish to see the UDIN system become the ultimate decision support system in the years to come.

The UDIN Directorate **stimulate the members about the contemporary developments in the fields of accounting, taxation, legislation etc. and their implications on UDIN through the telecalls, advisories/ announcements through the portals, and the Frequently Asked Questions (FAQs) almost regularly.** Consequent upon various evolution emerging from several venues of interaction of the members including the CBDT's e-filing portal for UDIN updation, new and commonly asked queries, among others, have been included in the present edition of the FAQs for the advantage of the members.

We are further thankful to all the members of the UDIN Directorate for their active and timely indulgence in providing suggestions as articulated in the FAQ. The team of UDIN Directorate also deserves accolades for facilitating the members.

We sincerely hope that the 4th edition of this publication will be meaningful, illuminating and instrumental for all the practicing CAs in particular and to the stakeholders in general.

CA. (Dr.) Raj Chawla
Convenor, UDIN Directorate

CA. Dayaniwas Sharma
Deputy Convenor, UDIN Directorate

January, 2024, New Delhi

Foreword to third edition

The new normal is characterized by significant changes that have been taking place world-wide pressing all the professionals to be accountable for their efficiency and productivity. The same is true with the accountancy professionals. Today, the nation expects the accountancy professionals as not merely be the conscious keepers of the business world, but also safeguarding the public interest thus contributing to the welfare of the economy and society in general.

The Institute of Chartered Accountants of India (ICAI) is playing a pioneering role in steering the Indian economy successfully throughout all the recent reforms and legislations introduced by the Government from time to time.

The signature of a Chartered Accountant carries high value and signifies the independence, credibility, and integrity of a professional. ICAI, the first accountancy body in the world, has conceptualized this innovative concept of UDIN for establishing the authenticity of documents certified by CAs.

The concept of UDIN was envisaged by ICAI to counter misrepresentation of Chartered Accountants and forgeries of signatures of CA's that mislead the authorities and stakeholders relying upon such documents or certificates. It has been mandated for CAs in full time practice to generate the UDINs for all the certificates, reports and documents issued / certified by them. The authenticity of documents can also be verified online anytime and anywhere through the UDIN portal.

I am pleased that more than 3 crore UDINs have been generated by the practicing Chartered Accountants till date. It is also noteworthy that various Regulators, banks, state governments have acknowledged the usefulness of the UDIN and have been actively utilizing the services of UDIN Portal to verify the authenticity of the documents received by them.

I am thankful to CA. Shriniwas Y. Joshi, Convenor and CA Rajendra Kumar P, Deputy-Convenor of the Directorate alongwith all the other members for their efforts in updating this informative and handy publication for benefit of all.

New Delhi
January, 2022

CA. Nihar N. Jambusaria
President, ICAI

Preface to third edition

Improvisation is an integral part of sustenance of any innovation. This is apt for the system of UDIN as well. The Institute has been improvising the system of UDIN from time to time. This year has also witnessed certain significant steps towards betterment of profession.

The Institute has increased the time limit of generating UDIN to 60 days from the date of the signing of certificates/reports /document instead of 15 days with effect from 17th September 2021. This shift in the time limit is to align the UDIN generation with Standard on Quality Control (SQC 1) and Standard on Auditing (SA)- 230 on Audit Documentation. The Standard on Quality Control (SQC 1) on Retention Period for Engagement Documentation (Working Papers) requires firms to establish policies and procedures for the timely completion of the assembly of audit files. It further provides for an appropriate time limit within which the assembly of the final audit file is to be completed, ordinarily in not more than 60 days after the date of auditor's report. Further, due reference was also given to the related clauses of the Standard on Auditing (SA)- 230 on Audit Documentation, paragraphs A21 to A24 on assembly of the audit file, for increasing the time limit of UDIN generation to 60 days.

The system of UDIN has been well received and appreciated by various Regulators like SEBI, IBA, CBDT, RERA by mandating UDIN in their formats. Now the UDIN is also receiving acknowledgement from various State Governments which are utilizing its services for verifying the authenticity of the documents received by them during the course of events.

The UDIN Directorate **also sensitises its members on the matters relating to UDIN** by way of various **advisories and Frequently Asked Questions (FAQs) from time to time**. Owing to the recent developments at the e-filing portal for UDIN updation, new and commonly asked queries, among others, new questions have been included in this edition of the Frequently Asked Questions (FAQs) for guiding the members.

We are further thankful to all the members of the UDIN Directorate for their expertise and untiring efforts in all its endeavours and the team of UDIN Directorate for facilitating the members.

We sincerely hope that the 3rd edition of this publication will be useful and informative for all the Practicing Chartered Accountants and the stakeholders at large.

CA. Shriniwas Y Joshi
Convenor, UDIN Directorate

CA. Rajendra Kumar P
Deputy Convenor, UDIN Directorate

February, 2022
New Delhi

Foreword to second edition

By introducing and implementing UDIN, ICAI has made a historic achievement not only in India but across the globe, being the first Accounting body for conceptualizing such an innovative concept. It is facilitating not only the members of ICAI in securing their documents but also providing a platform to the Regulators, Banks or third Party Stakeholders where they can easily verify the credentials of the document on real-time basis on a single click.

With the mandate of generation of UDIN by all the Chartered Accountants in practice for all their certificates and documents and realization of the importance of the same by the stakeholders, UDIN is now being widely accepted as a Seal of authentication.

ICAI is committed to serve and uphold the trust of the regulators and stakeholders through its various endeavors. UDIN is proving as one of the effective tool in this fast changing digital world for strengthening the profession and will also facilitate for economic development of our Country.

Gradually awareness has been created and regulators, banks and other stakeholders are now insisting upon UDINs on the documents pertaining to CAs. Now it has become mandatory to update UDIN on all IT Forms, only then these will be treated as valid by CBDT. To make the members and regulators aware about the impact of recent developments in UDIN, the ICAI under the aegis of UDIN Directorate has revised its Publication namely FAQs on UDIN and I hope that it will be helpful for the members and other stakeholders.

I heartily appreciate CA. Ranjeet Kumar Agarwal, Convenor and CA. Shriniwas Y. Joshi, Deputy-Convenor of the Directorate alongwith all the other members of the Directorate for their efforts for updating this informative booklet.

New Delhi
January, 2021

CA. Atul Kumar Gupta
President, ICAI

Preface to second edition

Banks, Regulators, Government and other stakeholders trust the Chartered Accountancy Profession and rely on their certification due to its objectivity and integrity. With the prevalent malpractice of non- CAs by impersonation, the fake certification as were misleading the Banks, stakeholders etc., was a menace to the profession. ICAI, as a regulator of the CA Profession came out with the innovative concept of Unique Document Identification Number (UDIN) for eradicating such malpractices.

UDIN has been made mandatory based on the decision of the Council taken at its 379th Meeting for all the Practicing Chartered Accountants for all the certificates, reports and documents issued / certified by them. Concurring upon the need of the UDIN, various regulators have adopted it by including a mandatory column in their forms and reports and are verifying the authenticity of such documents through UDIN Portal. Recently, CBDT has made it compulsory to update UDIN on all IT Forms and Tax Audit Reports for treating these forms and reports valid. Further the UDIN so quoted is being validated by e-filing portal through API linked with UDIN Portal of ICAI.

The vision and guidance extended by CA S.B. Zaware, Past Council Member for contemplating the concept of UDIN and all Central Council Members for taking it to such a heights is praiseworthy.

I offer my sincere gratitude to CA. Prafulla P. Chhajed, Immediate Past President, ICAI under whose guidance the UDIN was mandated and CA. Atul Kumar Gupta, President ICAI and CA. Nihar N Jambusaria, Vice President ICAI for their vision and guidance for making the UDIN a successful initiative

I am further thankful to all the members of the UDIN Directorate for their full cooperation and the team of UDIN Directorate for their efforts for facilitating the members.

I sincerely hope that this revised edition of this booklet will be helpful to the Practicing Members and the Regulators.

CA. Ranjeet Kumar Agarwal
Convenor, UDIN Directorate

CA. Shriniwas Y. Joshi
Deputy Convenor, UDIN Directorate

February, 2021
New Delhi

Foreword to first edition

The Institute of Chartered Accountants of India (ICAI), being a proactive regulator of accountancy profession in India, has conceptualized and developed an innovative concept of Unique Document Identification Number (UDIN) under which a unique number is now generated for every document certified/attested by a Chartered Accountant in practice and registered with the UDIN portal. UDIN has led to stoppage in issuance of financial statements and certificates/documents by third persons (who are not Chartered Accountants) in lieu of ICAI members thereby aiding the regulators, banks and other stakeholders who rely upon the certificates /documents issued by Chartered Accountants.

ICAI has mandated UDIN for all practicing Chartered Accountants in a phased manner as follows:

For all Certificates w.e.f. 1st February, 2019.

For all GST and Tax Audit Reports w.e.f. 1st April, 2019.

For all other Audit, Assurance and Attestation functions w.e.f. 1st July, 2019.

UDIN is an important step in ushering transparency and combat malpractices in the industry. The regulators, banks and other third part stakeholders having UDIN number, on a single click, can verify the credentials of Chartered Accountant and can authenticate that the documents issued by a CA only.

Through UDIN we are moving ahead towards transforming and reinvigorating the profession as one of the strongest pillars of nation building, a role we have donned for more than 70 years now and will continue to play a strategic role for economic development of our Country.

In an endeavor to facilitate the members and regulators in smooth generation and verification of UDIN, the ICAI under the aegis of UDIN Monitoring Group has come out with this booklet to provide guidance in the form of FAQs.

I would like to place on record, my deep appreciation for the efforts put in by CA. Ranjeet Kumar Agarwal- Convenor of the Group, CA. Jay Chhaira - Deputy-Convenor, together with all the other members of the Group in bringing out this informative booklet.

New Delhi
November, 2019

CA. Prafulla P. Chhajed
President

Preface to first edition

UDIN is one of the landmark reforms and ICAI is the pioneer in the world to conceptualize the concept of UDIN.

As per the decision of the Council taken at its 379th Meeting held on 17th -18th December, 2018, UDIN was made compulsory for all practicing Chartered Accountants in phased manner i.e on all Certificates wef 1st Feb., and from 1st April, 2019 onwards on GST & Tax Audit Reports. In final phase, from 1st July, 2019 onwards UDIN was made mandatory for all Audit, Assurance & Attest functions rendered by CAs.

Every document or report signed either digitally or manually by a full-time practicing CA will require UDIN, thereby making it possible for Regulators, Banks or third Party Stakeholders to verify the credentials of the document resulting into reduced bad loans/NPAs. With this concept, frauds and forgery of CAs signature by unscrupulous elements will now be a thing of past.

The UDIN operates on secured platform as it does not require uploading of any document or sharing of any confidential details. Further, it is OTP based system wherein data are validated from ICAI records.

ICAI is going to be true Regulators through data mining and submit various MIS reports to the Government as a Partner in nation building.

I wish to place on record my gratitude to CA S.B. Zaware, Past Council Member for giving the concept of UDIN and all CCMs of ICAI.

I do wish to place on record my sincere gratitude to CA. Naveen N.D. Gupta, Immediate Past President, under whose leadership UDIN was introduced by ICAI and CA. Prafulla P. Chhajed, President, ICAI and CA. Atul Kumar Gupta, Vice President, ICAI whose continuous guidance has made UDIN so successful.

I also would like to put on records my gratitude to CA. Jay Chhaira, Deputy Convenor, CA. Dayaniwas Sharma and CA. Aniket Talati, members of the UDIN Monitoring Group, CA. Turan Jain, Secretary of UDIN Monitoring Group, Ms. Susmita Sen of Kolkata and UDIN Team for helping and making UDIN successful.

I sincerely hope that this booklet will prove to be very useful to the Practicing Members and the Regulators.

November, 2019
New Delhi

CA. Ranjeet Kumar Agarwal
Convenor, UDIN Monitoring Group

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Disclaimer

The UDIN System has been developed by ICAI to facilitate its members for securing the documents, reports, certificates signed/ certified/ issued by them so as to prevent the misrepresentation/forgery caused by Non-Chartered Accountants. The Portal provides ease of e-verification to the Regulators, Banks, other stakeholders etc. whereby they can verify the documents and ascertain the authenticity thereof as to whether such documents have been certified by full-time Practicing Chartered Accountants. However, ICAI assumes no responsibility of the certification / opinion / report issued / certified by the Chartered Accountants and the concerned Chartered Accountant shall alone be responsible therefor.

Needless to mention that mere generation of UDIN in respect of any document/ report/ certificate would not make it authentic unless the applicable provisions of Code of Ethics, Accounting and Auditing Standards, Guidance Notes and other Guidelines/ Notifications issued by ICAI have not been complied with while certifying/issuing such document/ report/ certificate.

Chapter 1
Introduction

Q1. What is Unique Document Identification Number (UDIN)?

Ans. Unique Document Identification Number (UDIN) is 18-Digits system generated unique number for every document certified/attested by Full time Practicing Chartered Accountants.

Q2. Why UDIN?

Ans. It has been noticed that financial documents/certificates attested by third person misrepresenting themselves as CA Members are misleading the Authorities and Stakeholders. ICAI is also receiving number of complaints of signatures of CAs being forged by non CAs.

Q3. What is the objective of UDIN?

Ans. To curb the malpractices of certification by non-CAs by impersonating themselves as CAs, the ICAI has come out with an innovative concept of UDIN i.e. Unique Document Identification Number which has been implemented in phased manner. It will secure the certificates/reports/ document attested/certified by practicing CAs. This will also enable the Regulators/Banks/Third parties to check the authenticity of the certificates/reports/documents.

Q4. What is the syntax of 18-Digits of UDIN?

Ans. The 18- digits UDIN is a system generated random number with specific syntax i.e YY MMMMMM AAAAAANNNN. For e.g. 19304576AKTSBN1359, where

First 2 Digits are YY - Last 2 digits of the Current Year (19 for the year 2019)

Next 6 Digits are MMMMMM – ICAI's Membership No. (304576 in this case)

Last 10 Digits are AAAAAANNNN – Alpha-numeric generated randomly by the system (AKTSBN1359)

Q5. When has UDIN been made Mandatory?

Ans. Unique Document Identification Number (UDIN) has been made mandatory for all kinds of Certifications, GST and Tax Audit Reports and other Audit, Assurance and Attestation functions undertaken/signed by full-time Practicing Chartered Accountants.

As per the Council decision taken at its 379th Meeting held on 17th & 18th December, 2018, UDIN has been made mandatory in phased manner as per following schedule:

- For all Certificates w.e.f. 1st February, 2019.
- For all GST and Tax Audit Reports w.e.f. 1st April, 2019.
- For all other Audit, Assurance and Attestation functions w.e.f. 1st July, 2019.

Q6. Who has to generate UDIN?

Ans. All Practicing CAs having full-time Certificate of Practice (CoP) have to generate UDIN after login on UDIN Portal.

Q7. Who can register/login on UDIN Portal?

Ans. Since the "First Time Registration for Members" has been discontinued, only practicing CAs holding a full-time CoP can login using the same credentials as used for SSP. Members may refer to the user manual at the link: https://udin.icai.org/assets/images/ICAI-igiCA%20UDIN%20Portal%20Manual.pdf.

However, members who have generated UDINs in the past but do not currently hold a full-time CoP can also log in to the UDIN portal using the same SSP credentials.

Q8. Is any person other than CA allowed to register/login at UDIN portal?

Ans. No, Only CAs who is having full-time Certificate of Practice (CoP) can login on UDIN portal to generate UDIN.

However, members who have generated UDINs in the past but do not currently hold a full-time CoP can also log in to the UDIN portal using the same SSP credentials.

Q9. Can a Partner generate UDIN for attestation functions done by another Partner?

Ans. No, only signing Partner has to generate UDIN.

Q10. Whether a Firm can register/login on UDIN Portal?

Ans. No, only members of ICAI having full-time Certificate of Practice and the members who have generated UDINs in the past but do not currently hold a full-time CoP can login to the UDIN portal using the same SSP credentials.

Q11. Who will generate UDIN for the assignment carried out by CA firm?

Ans. Only the Partner/ Proprietor signing the document for such assignment will have to generate UDIN. In case, more than one Partner has signed for that assignment, then all such signing partners have to generate UDIN separately.

Q12. Is UDIN applicable for Members in Industry?

Ans. No, as UDIN is applicable only on Practicing CAs with full-time CoP.

Q13. Can Part Time CoP holder generate UDIN?

Ans. No, since part-time CoP holders cannot certify the documents. Hence, they have no access to UDIN Portal.

Chapter 2
Registration/Login

Q14. How to register/login on UDIN Portal?

Ans. Since the "First Time Registration for Members" has been discontinued, only practicing CAs holding a full-time Certificate of Practice (CoP) and the members who have generated UDINs in the past but do not currently hold a full-time CoP can login to the UDIN portal using the same SSP credentials.

To login on UDIN Portal, please follow the below steps:

Click on the "Login" button available at the top-right corner of the page.

- On the login page, enter your Username in the format <MRN>@icai.org (same as entered for SSP login).
- Enter the Password used for SSP login.
- Enter the Captcha displayed on the screen. (If the captcha is unclear, please refresh it.)
- Click on "Send OTP". An OTP will be sent on registered Mobile number and email ID.
- On confirmation of OTP as received, the Dashboard will appear on the screen by default.

Q15. Is Firm Registration Number (FRN) a compulsory field? What should I write in case there is no FRN?

Ans. Yes, Firm Registration Number (FRN) is a compulsory field for generating UDIN **(Refer the Annexure 6.1 of this booklet).** If the member is not carrying out the assignment on behalf of any firm, member can select NA/Not Applicable/Individual Capacity in the place of FRN from the drop down.

Q16. How to generate a Unique Document Identification Number (UDIN)?

Ans. To generate UDIN, a member has to login by entering the SSP credentials and follow the below steps:

- "Generate UDIN" page will be displayed which will contain pre-filled details of Name, MRN, Email-id and PAN Number of the member and Pincode.
- Select the FRN of the firm on behalf of which the UDIN is being generated. If the member is not carrying out the assignment on behalf of any firm, member can mention NA/Not Applicable/ Individual Capacity in the place of FRN.
- Please Select "Document type".
- Enter the Type of Certificates/ Particulars of Section / Form under which Report issued / Type of Audit / Under Act / Law / Statute / Regulation etc. depending upon the document type.
- Enter "Date of Signing of Document" i.e. the date of signing/ certifying the document.
- Enter appropriate key fields.
- Then mention the description/ details about the Document in 5 to 250 characters under "Document Description".
- Then enter the details in the "Remarks" field. This field is meant for internal reference for the member only and is not visible to the third-party verifier.
- Then Click the button "Send OTP".
- After this an OTP will be received on Registered Mobile and Email of the Member. The received OTP remains valid for 5 minutes and can be entered within 90 seconds.
- Then Enter OTP as received and click on "Verify OTP" Button. If OTP is not entered within time frame, member can click on "Resend OTP" button. Member can try option of resending OTP for maximum 5 attempts.

- After clicking on "Verify OTP" button click "Preview" button. In Preview, details as entered for generating the UDIN will be displayed. If there is any change/error in the content, click "Edit/Back" button, or else, click "Submit".

Thereafter, 18 Digit UDIN will be generated having a QR Code, that UDIN can be used for mentioning on the Document for which it has been generated either by printing the same or by handwritten. If it is being handwritten, it is to be mentioned after Signatures and Membership Number of the Member.

Q17. What is UDIN QR code?

Ans. UDIN QR code is a codified array of information relating to a UDIN. After scanning the QR code, user will be redirected to Verify UDIN page with a pre-filled UDIN.

Q18. What is the significance of the UDIN QR Code?

Ans. The QR code embedded with the UDIN provides a secure way to verify the document's authenticity by redirecting the verifier to the UDIN verification page

Q19. When to generate UDIN?

Ans. UDIN is to be generated at the time of signing the Documents. However, in alignment with SQC-1 and SA 230, the same can be generated within 60 days **(refer the Annexure 6.1 of this booklet)** from the signing of the same (both the dates i.e signing of the document and date of generation of UDIN are included in the time allowed). Further, for the documents where the respective Regulator/(s) or other stakeholders require UDIN immediately on signing or within a specified period, the same shall be provided by the member.

Q20. For generating UDIN, is any document required to be uploaded on UDIN Portal?

Ans. No document is required to be uploaded for generating UDIN.

Q21. How to change the Password?

Ans. Since SSP credentials are used to login to the UDIN Portal, please visit the ICAI Self Service Portal (SSP) to change the password.

Q22. What to do in case I forget the password?

Ans. A member has to follow the below steps; in case he forgets the password:

- Please Click "Forgot Password".
- A pop-up message will appear on the screen requesting you to kindly visit the ICAI Self Service Portal (SSP) to update/reset your password.
- Click "OK" to proceed to SSP.
- Follow the Forgot Password process on SSP to reset your password.

Q23. How can I change my Mobile Number and/or Email-id in UDIN? When would I be able to generate UDIN in case of change of Mobile Number and Email-id?

Ans. In UDIN, the details of Members are fetched from ICAI records in SSP. In case any member wants to update his Mobile No. and / or Email-id, he has to update the same at SSP (Self Service Portal). Only after the approval of these details at SSP, these will be updated at UDIN Portal automatically from SSP.

Q24. Is Details of Preceding year's of Audit a compulsory field? What should I write in this field?

Ans. Yes, Details of Preceding Year's Audit is a compulsory field for two categories only — Tax Audit and Audit & Assurance Functions. The members may refer to the related announcements at the link: https://udin.icai.org/ICAI/announcement/6/146/UDIN_20-12-2025 **(refer the Annexure 6.4 of this booklet).**

The system first displays the preliminary question: **"Is capturing details of the preceding auditor applicable to this audit/form?"** The member is required to select 'Yes' or 'No' from the drop-down menu.

Select **'Yes'** where details of the preceding year's audit are applicable, such as Tax Audit, Statutory Audit, etc., irrespective of whether the audit was conducted by the same member.

Select **'No'** where details of the preceding auditor are not applicable, such as Form 15CB Certificate, Stock Audit, Internal Audit, Valuation Report, etc.

If '**Yes'** is selected: The system displays another question on the screen: **"Have you issued the audit report to the client previous/last year?"** Four options are available in the drop-down: Yes / Audit done by partner in the same firm / No / First Year of Audit. The member is to select one option.

- If **Yes:** Another field appears for entering the UDIN of the previous year.
- If **Audit done by partner in the same firm:** Enter the Membership Registration Number (MRN) of the previous auditor.
- If **No:** Another field appears on the screen for entering the MRN of the previous year's auditor. The system then asks: **"Have you communicated with the previous auditor for your appointment?"** Two options are available: *Yes / No.*
    - If **Yes,** an additional field appears for entering the date of communication.
    - If **No,** an additional field appears on the screen to enter 'Reason for Non-Communication'.

  The system further asks: **"Is there any outstanding audit fee related to the previous year's audit as per the financial statements audited by you?"** Three options are provided: Yes / No / Not Known and the member is required to select one option.
- If **First Year of Audit:** Proceed further.

If '**No'** is selected in the initial question, the member may proceed further, and no additional fields appear on the screen.

Chapter 3

Stakeholders/Third Party Verification

Q25. How can Authorities/Regulators/Banks/Others verify UDIN?

Ans. The UDIN can be verified through the "Verify UDIN" option on the UDIN Portal by following below steps:

- Please click on "Verify UDIN".
- A window will open to enter the required details for verification.
- Select the appropriate option from the drop-down list based on the verifier's category (e.g., Authority, Regulator, Bank, Others).
- Enter the details such as Name of the verifier, Mobile Number and Email-id of the person verifying the UDIN.
- Select the Type of UDIN Verification:
  - **Single Verify** – Only one UDIN can be verified at a time.
  - **Bulk Verify** – A minimum of 2 and a maximum of 10 UDINs can be verified in a single attempt.
- Enter the UDIN(s) as per the selected option.
- Enter the captcha, tick the declaration, and click on "Send OTP".
- Separate OTPs will be sent to the entered email ID and mobile number.
- Validate both OTPs.
- Once validated, the Authorities/Regulators/Banks/Others will be able to view specific details of the document for which the UDIN has been generated.

Q26. For verifying UDIN, whether a regulator/third party requires to register on UDIN portal?

Ans. No, registration is not required for regulator/third party for verification. For verifying the UDIN, regulator/third party has to mention the UDIN, Mobile no., Email ID and Name of the verifier verifying the UDIN.

Q27. Which type of Regulators/third parties can ask for UDIN?

Ans. All Regulators / Stakeholders like RBI, SEBI, CBDT, CBIC, RERA, MCA, IBA etc. can ask for UDIN as it has become mandatory to generate UDIN by every full-time practicing member vide 379th Council Meeting dated 17th and 18th December 2018. ICAI has also approached various Regulators informing about the UDIN mandate and requested them to insist upon UDIN on all documents certified by CAs.

Q28. How will members be informed when third Party verifies UDIN?

Ans. Whenever a regulator/third party verifies UDIN through the UDIN Portal, the concerned member would get an email and SMS alert (providing the name and contact number of the verifier as entered by him at the time of verification) conveying that the Third Party has verified his UDIN.

Q29. What is the process of verifying the UDIN in bulk?

Ans. After entering the required details like Name of the Verifier, Mobile Number, and Email ID, select the type of UDIN Verification as **'Bulk Verify'**. A minimum of 2 and a maximum of 10 UDINs can be verified using this procedure. Enter up to 10 UDINs manually or through Excel upload.

- **Manually:** By default, two rows appear on the screen.
  - Enter UDIN in the field.
  - Click Add Row to insert a new row.
- **Through Excel Upload:**
  - To upload through excel, the template can be downloaded by using Download Template button. Please note that the .xlsx file can be opened in Excel 2007 and later versions.
  - Enter UDINs in the Excel file.
  - Save the file.
  - Click on Upload File.
  - Select the file just saved.
  - Verify the UDINs so populated.

- Enter the Captcha displayed on the screen and tick on declaration.
- Click on send OTP button.
- Separate OTPs will be sent to the entered email ID and mobile number.
- Validate both OTPs.
- Once validated, the Authorities/Regulators/Banks/Others will be able to view specific details of the document for which the UDIN(s) has/have been generated.

Q30. Whether UDIN is mandatory for each certification done by CAs?

Ans. As directed by the 379th ICAI Council Meeting held on 17th and 18th December, 2018, UDIN is mandatory w.e.f. **1st February, 2019** for all Certificates certified by Practicing CAs.

Q31. UDIN is mandatory for all the certificates from 1st February 2019? What is meant by Certificates?

Ans. It is mandatory to obtain UDIN for all Certificates* issued where the Financial Information/related contents is certified as True and Fair / True and Correct.

Members' attention is drawn that AASB (Auditing and Assurance Standard Board) of ICAI has already issued Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) with illustrative formats, to be followed by the Practicing Chartered Accountants.

A dropdown illustrative list as below appears on the Portal from which the Member can select the certificate they are going to issue. In case the certificate is not matching with the list provided, he is advised to select "Others" and mention the nomenclature of the Certificate under "Document Description".

1. Additional Certification by Concurrent Auditors not forming part of Concurrent Audit Assignment
2. Capital Contribution Certificate/Net Worth Certificate
3. Certificate issued by Statutory Auditors of Banks
4. Certificate issued by Statutory Auditors of Insurance Companies
5. Certificate issued for KYC purpose to banks confirming sole proprietorship
6. Certificate issued under RERA
7. Certificate of Liquid Asset U/S 45-IB of RBI Act, 1945

8. Certificate of physical verification of securities issued by Concurrent Auditors of Treasury Department of Banks
9. Certificate of Short Sale of Securities issued by Concurrent Auditors of Treasury Department of Banks
10. Certificate Regarding Sources of Income
11. Certificates for Claiming Deductions and Exemptions under various Rules and Regulations
12. Certificates for Funds/ Grants utilisation Charitable Trust/Institution
13. Certificates for Funds/ Grants utilisation for NGO's
14. Certificates for Funds/ Grants utilisation for Statutory Authority
15. Certificates for Funds/ Grants utilisation under FERA/FEMA/ Other Laws
16. Certificates in form 15CB
17. Certificates in relation to initial Public Issue/compliances under ICDR and LODR
18. Certificates issued on basis of Statutory Records under Companies Act, 2013 & applicable provisions
19. Certificates issued under LLP Act
20. Certification for claim of refund other Indirect Taxes
21. Certification for claim of refund under GST
22. Certification of arms length price u/s 92 of the Income Tax Act, 1961
23. Certification of Fair Values of Shares of Company for Buy Back
24. Certification of Fair Values of Shares of Company for the scope of merger / de-merger
25. Certification of Fair Values of Shares of Company for transfer of shares from resident to non-resident

26. Certification of Fair Values of Shares of Company for Allotment of further shares
27. Certification under Exchange Control legislation
28. Certification under the Income-Tax Laws for various Deductions etc.
29. Net worth Certificates for Bank finances
30. Net worth Certificates for Bank Guarantee
31. Net worth Certificates for Student Study Loan
32. Net worth Certificates for Visa by Foreign Embassy
33. RBI Statutory Auditor Certificate for NBFCs
34. Turnover Certificate
35. Working Capital Certificate/Net Working Capital Certificate
36. Others
37. MGT-7 / MGT-7A
38. AOC-4 / AOC-4 XBRL
39. DIR-12
40. MGT-14

*Certificates includes Reports issued in lieu of a Certificate in terms of Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)

Q32. What is required to generate UDIN for Certificates?

Ans. For generating UDIN, the Document type is to be selected as Certificates. Then choose the appropriate *Type of Certificate* from the drop-down list and mention the date of signing of document. There are 3 fields for entering the particulars description (up to 500 characters) and the figures/values from the certificate. Out of these, 2 fields are mandatory.

Based on members' suggestions, Dynamic Input Fields based on Certificate Content have been introduced. The following options are now available:

Figures/Values to be entered in:

- **Numeric –** All mandatory and non-mandatory rows accept only numeric figures/values.
- **Alphanumeric –** All mandatory and non-mandatory rows accept alphanumeric figure/values.
- **Numeric and Alphanumeric –** The first two mandatory rows accept only numeric values, and non-mandatory rows accept alphanumeric values.

Q33. What is meant by "Date of signing of Document"?

Ans. The date on which the Document is signed/ certified by the member is to be mentioned under this head.

Q34. What is meant by "Document Description"?

Ans. Under "Document Description", the details of the document for which the UDIN is being generated are to be filled in 5 to 250 characters only.

Q35. Is UDIN required for certified true copies also?

Ans. As it is not an attestation function, UDIN is not required for certified true copies.

Q36. Whether UDIN is applicable for manually signed documents only or for digitally signed certificates being uploaded online also such as Form 15 CB or MCA Forms viz. DIR 12, AOC 4, MGT 7?

Ans. UDIN will be applicable both for manually as well as digitally signed Certificates / uploaded online such as Form 15 CB, MCA Forms viz. DIR 12, AOC 4, MGT 7 etc. In case of digitally/manually signed documents, UDIN has to be generated and communicated to "Management" or "Those Charged with Governance" for disseminating it to the stakeholders from their end.

Q37. Whether I can certify the Income Tax Return of an individual which is required for bank loan purposes?

Ans. For the certification of ITR, Members are advised not certify to ITR as true copy. However, they can make an opinion/ certificate/ report about ITR based on its source, location and authenticity of data from which ITR is being prepared and UDIN is required while doing so.

Q38. Is UDIN applicable on resignation of Auditor?

Ans. No, UDIN is not required.

Q39. Is UDIN required for Non-Objection Certificate (NOC) given by previous Auditor?

Ans. UDIN is not required on NOC from previous Auditor.

Q40. Whether one UDIN can be used for multiple certificates generated on same day?

Ans. No, separate UDIN is required for each assignment and is to be used for all documents issued under that assignment.

Q41. Can UDINs be generated for Multiple Certificates in bulk?

Ans. Yes, for Certificates, UDINs can be generated in bulk (uptil 300) for various types of Certificates in one go.

It can also be done through uploading of excel file.

Q42. What is the process for generating UDIN in bulk?

Ans. After login, from the Menu bar, click on Bulk UDIN Tab. Minimum 3 and Maximum 300 certificates can be generated using this procedure.

1. To upload through excel, the template can be downloaded by using Download Template button. Please note that the .xlsx file can be opened in Excel 2007 and later versions.
2. Select Certificate type from drop down list.
3. Input dates in the format as per your system/computer (generally it is in mm/dd/yyyy or as 10 Jan 2021). Excel will format dates automatically in required format i.e dd-mm-yyyy. Do not use copy & paste in this cell.

4. Fill in all the parameters and values.
5. Save the file.
6. Click Upload File.
7. Select the file just saved now.
8. Portal will populate the data on the screen. Verify the data so populated.
9. If correct, click Send OTP, verify the OTP and click Submit.
10. A new functionality allows saving Bulk UDINs in draft. By clicking Save Draft, all UDINs can be saved as drafts.
11. Alternatively, the option of filling the details of Type of Certificates, Dates and key fields etc. is also available on the screen itself.

Chapter 5
Tax Audit

Q43. ICAI has mandated UDIN on which types of Reports with effect from 1st April, 2019?

Ans. As directed by the 379th ICAI Council Meeting held on 17th and 18th December, 2018, with effect from **1st April, 2019,** UDIN is made mandatory for all Tax Audit Reports issued under IT Act, 1961 and GST Audit Reports issued under CGST Act, 2017. UDIN is mandatory even in cases where the Tax Audit Reports and GST Audit related to period prior to 1st April, 2019 are issued after such date. Since GST Audit is only applicable up to Financial Year 2019-20, for any belated filing of GST Audit Report for period up to Financial Year 2019-20, in any subsequent Financial Year, UDIN shall be generated.

Q44. What is the process to generate UDIN for Tax Audits under IT Act, 1961?

Ans. For generating UDIN, the "Document type" is to be selected as "Tax Audit".

Relevant Form No. and Section of the Income Tax Act, 1961 is to be chosen under the heading "Particulars of Section / Form under which Report issued" from the drop-down list, which contains an illustrative list.

A mandatory new field has been introduced for entering the PAN of the assessee/auditee, which will be used for validation at the e-filing portal, and will not be visible to the verifier. The members may refer to the related announcements at the link:
https://udin.icai.org/ICAI/announcement/6/145/UDIN_20-12-2025
(refer the Annexure 6.4 of this booklet).

Thereafter, the date of signing of the Report is to be mentioned.

Then details of preceding year's of audit is to be filled.

For reports issued under any other section of the Income Tax Act, 1961 which is not appearing in the list, UDIN can be generated by

choosing "Other Report under IT Act, 1961" and mention the details under "Document Description."

Thereafter, the key fields "Particulars Description/Figure/Value" are to be filled for generating UDIN.

Q45. What is the process to generate UDIN for GST Audits?

Ans. For generating UDIN, the "Document type" is to be selected as "GST & Tax Audit".

Relevant Section of Central Goods & Services Act, 2017 is to be chosen under the Heading "Particulars of Section / Form under which Report issued" from the drop-down box which contains an illustrative list.

Thereafter, date of signing of Report is to be mentioned.

For reports issued under any other section of Central Goods & Services Act, 2017 which is not appearing in the list, UDIN can be generated by choosing "Form GST ITC-02 -Section 18(3) of the CGST Act, 2017 read with Rule 41 of the CGST Rules, 2017" and mention the details under "Document Description".

Thereafter, the key fields "Figure/Value/Description" are to be filled for generating UDIN.

Q46. What are the Key fields under "Figures / Values Description" in Tax Audits as per IT Act, 1961?

Ans. A. Under Section 44AB, the following 4 key fields are mandatory:

(1) Total Turnover as per Form 3CD

(2) Net Profit/ Turnover (ratio) as per Form 3CD

(3) WDV of Fixed Assets as per Form 3CD

(4) Assessment Year

In case where there is no figure/value available in the report related to above mandatory key fields from Sl. No. 1 to 3, mention "0". The Assessment Year at Sl. No. 4 is to be filled in YYYY-YYYY format.

Apart from above, one additional key field of PAN is there which is optional.

After this there is one more mandatory field as Document Description wherein text between 5 to 250 Characters from some portion of the report has to be mandatorily filled.

B. For Other Tax Audit Reports other than Section 44AB, following 2 key fields are mandatory;

(1) Assessment Year

(2) Any Figure/Value from the Report

The Assessment Year at Sl. No. 1 is to be filled in YYYY-YYYY format. In case, there is no figure/value available in the report related to key fields at Sl. No. 2, mention "0" and proceed.

Apart from these, there are 3 additional key fields including PAN of the Assessee which are optional.

After this there is one more mandatory field as Document Description wherein text between 5 to 250 Characters from some portion of the report has to mandatorily filled.

Q47. What are the Key fields under "Figures / Values / Description" in GST Audits?

Ans. A. For Section 35(5) of CGST Act, 2017 - Form GSTR 9C, the mandatory key fields are as under:

(1) Turnover (incld. exports) as per Audited Financial Statements under Clause 5 (A) of Form 9C

(2) Turnover as declared in Annual Return (GSTR 9) under Clause 5 (Q) of Form 9C

(3) Financial Year

(4) Additional GST(CGST Plus SGST or/and IGST) declared in Annual Return GSTR 9

(5) Additional Interest on account of above accrued to the Government

(6) Total Input Tax Credit Reversed if any

In case where there is no figure available in the form related to above mandatory key fields from Sl. No. 1 to 2, mention "0". The Financial Year at Sl. No. 3 is to be filled in YYYY-YYYY format. At Sl. No. 4 -

Additional GST (CGST Plus SGST or/and IGST) declared in Annual Return GSTR 9- In case the member has also assisted the client in the preparation and filing of GSTR 9 the amount of additional tax paid through DRC03 may be disclosed here. In case you have not assisted the client, please fill NA. At Sl. No. 5, Additional Interest on account of above accrued to the Government - In case the member has also assisted the client in the preparation and filing of GSTR9 the amount of interest accrued on account of additional tax paid through DRC03. In case you have not assisted the client, please fill NA. At Sl. No. 6 Total Input Tax Credit Reversed if any- The total amount of Input Tax Credit reversed through GSTR 9 and/or GSTR9C is to be filled.

Apart from the above, there are 2 more key fields including GSTIN of the Assessee which are optional.

There is one more mandatory field as Document Description wherein text between 5 to 250 Characters from some portion of the report has to mandatorily filled.

B. For Section 66(1) of CGST Act, 2017 -Form ADT-04, the mandatory key fields are as under:

(1) Short payment of Tax as per Form ADT-04

(2) Any other amount as per Form ADT-04

(3) Financial Year

In case where there is no figure available in the form related to above mandatory key fields from Sl. No. 1 to 2, mention "0". The Financial Year at Sl. No. 3 is to be filled in dd-mm-yyyy-dd-mm-yyyy format.

Apart from the above, there are 2 more key fields including GSTIN of the Assessee which are optional.

There is one more mandatory field as Document Description wherein text between 5 to 250 Characters from some portion of the report has to mandatorily filled.

Q48. How to enter alphanumeric values during UDIN generation for Tax Audit?

Ans. Since the data type has been changed from alphanumeric to numeric under Tax Audit category, the mandatory fields will accept numeric

values, whereas the optional/non-mandatory field will accept alphanumeric values. Extra fields can be added by "Add More" option, which will accept alphanumeric values.

Q49. Whether UDIN is also mandatory for Tax Audit Reports that are filed online using Digital Signature?

Ans. Yes, UDIN will be applicable. In case where there is no field for mentioning UDIN on digitally signed online reports, UDIN has to be generated and communicated to "Management" or "Those Charged with Governance" for disseminating it to the stakeholders from their end.

Q50. Is separate UDIN required for Minimum Alternate Tax (MAT) Audit reporting in Form 29B and how it is to be generated?

Ans. Yes, separate UDIN is required to be generated and the same can be generated under the Category Tax Audit by selecting Section 115JB(4) of IT Act, 1961 under the caption "Particulars of Section / Form under which Report issued".

Q51. For Tax Audit under Section 44AB, whether separate UDIN is required for Audit Reports like Form 3CA, 3CB and Form 3CD?

Ans. UDIN has to be generated per assignment per signatory, signed at a time. Hence one UDIN is to be generated and same UDIN to be mentioned in all the Forms such as 3CA and 3CD or 3CB and 3CD.

Q52. For other GST and/ or Tax Audit Reports, whether separate UDINs are required for various annexures?

Ans. No separate UDINs are required. As UDIN has to be generated per assignment per signatory, hence, one UDIN is to be generated which can be mentioned in all Annexures, if they are part of the Report.

Q53. Who has to generate UDIN while signing the Tax Audit Report, u/s 44AB of IT Act, 1961?

Ans. The member who is signing the Tax Audit Report whether as individual or as partner, has to generate UDIN by adhering to the permissible limit of the number of Tax Audits. The members may refer to the related announcements at the link: https://www.icai.org/post.html?post_id=10656 and https://resource.cdn.icai.org/51421councilaffairs-dtc41150.pdf .

Q54. If a partner is signing the Tax Audit by utilizing the limit of another partner of the same firm, then who has to generate UDIN?

Ans. The partner who is signing the Tax Audit Report has to generate UDIN irrespective of the fact whose limit is being utilized but should be within the permissible limit available to the firm.

Q55. For signing the Tax Audit Reports and Financials Statements which are not subject to Statutory Audit, do I need to take separate UDINs?

Ans. No UDIN is required for such Financial Statements which is not to be audited under any statute. Only for the Tax Audit is UDIN to be generated.

Chapter 6
UDIN on E-Filing Portal

The Press Release made by Central Board of Direct Taxes (CBDT)- to validate Unique Document Identification Number (UDIN) generated from ICAI portal at the time of upload of Tax Audit Reports is available at **Annexure 7.**

Q56. Is UDIN mandatory on upload of the Audit Report and CA certification forms in e-filing portal?

Ans. Yes, it is mandatory.

Q57. Is it possible to upload the form on e-filing Portal without UDIN being quoted?

Ans. Yes, it is possible if a UDIN for the form has not been generated and the CA desires to upload the same without UDIN. However, within 60 calendar days of uploading, UDIN generated for the form should be updated to avoid the form uploaded being treated as invalid.

Q58. A form has been uploaded with valid UDIN. However, UDIN status indicates, "Update UDIN". What does this mean?

Ans. As long as Taxpayer has not accepted the uploaded form, the CA would be able to modify the UDIN by using "Update UDIN".

Q59. How to update the UDIN in case form is uploaded without UDIN?

Ans. The same can be updated by using the link 'View/Update UDIN details' available under 'My Account' tab.

Q60. How to correct the error in a form where UDIN has already been updated?

Ans. In case an error has been identified after the upload of the form, please ensure that the taxpayer does not accept the form that has been uploaded. Upload the corrected form with the same UDIN and ensure that the taxpayer accepts the corrected form.

Q61. How to correct the error in the form with valid UDIN after it has been accepted by the taxpayer?

Ans. If the mistake or error in the form or attachment has been noticed subsequent to taxpayers' accepting the form linked to a valid UDIN, the form may be corrected by revising it, followed by generating a new UDIN and validating the form with the newly generated UDIN at the e-filing portal.

Q62. What will happen to the form if the CA uploads without UDIN or fails to update the UDIN within 60 calendar days, but the form uploaded has been accepted by the taxpayer?

Ans. As per the CBDT Press release, the form uploaded will be treated as invalid with all due consequences of law attracted.

Q63. What will happen to the form uploaded by the CA with UDIN and not accepted by the taxpayer?

Ans. As per the CBDT Press release, the form uploaded will not be considered as valid submission by the taxpayer till it is accepted by the taxpayer.

Q64. What will be considered as the date of submission of the form by the taxpayer?

Ans. The date of submission of the form by the taxpayer will be the date on which the taxpayer accepts the form uploaded by the CA or the date on which the CA has furnished the UDIN, whichever event takes place later as the case may be.

Q65. What will happen to the form in case UDIN is revoked?

Ans. In case UDIN of a form is revoked after its acceptance by the taxpayer, then as per press release of CBDT, the form submitted with that UDIN will be treated as invalid on the date on which the UDIN is revoked with due consequences of law attracted.

Q66. What will be considered as the date of submission of the form by the taxpayer in case UDIN is revoked?

Ans. In case UDIN of a form is revoked after its acceptance by the taxpayer, and a revised form with fresh UDIN is uploaded, then the date on which the taxpayer accepts the revised uploaded form will be considered as the date of submission.

Q67. What does the status 'Consumed' indicates under 'UDIN status'?

Ans. It indicates that the form uploaded by the CA with a UDIN has been accepted by the taxpayer and the UDIN linked to the form cannot be used for upload of another form or the revision or correction of the form already uploaded without its revocation.

Q68. What does the status 'Unconsumed' indicates under 'UDIN status'?

Ans. It indicates that the form uploaded by the CA with a UDIN has been rejected by the taxpayer and the form can be re-uploaded using the same UDIN.

Q69. How to modify the UDIN in case UDIN is linked to a form but the form is not accepted or rejected by the taxpayer?

Ans. A link 'View/Update UDIN details' will be available under My Account tab. User must click the link and shall be redirected to 'View/Update UDIN details' for further action.

Q70. I've been served a notice u/s 148 of the Income Tax Act 1961 for the Tax Audit Report u/s 44AB of the AY-2013-14 wherein I have to submit the report in the current date. Is UDIN required?

Ans. Yes, UDIN is required. In such case, the report is to be reviewed/submitted/uploaded in current date and updation of UDIN is mandated by the CBDT from 26th November 2020. Hence, UDIN can be generated in current date while choosing the respective AY from the drop down.

Q71. How to update UDINs at the new e-filing portal?

Ans. For updating the UDIN at the new e-filing portal, please follow the below steps:

- Login to e-Filing portal
- Select e-File Menu
- Select -> Income Tax Forms -> 'File Income Tax Form' sub-menu
- Select tile for the respective Form e.g. 56F, 15CB
- Fill the Form and Submit

- Provide UDIN in the UDIN screen, click on Validate button.
- After successful validation of UDIN, e-Verify the Form

Q72. What is the procedure of bulk updation of UDIN at the e-filing portal?

Ans. For bulk updation of the UDINs at the e-filing portal, please follow the below steps:

- Login to e-Filing Portal and then select the **e-File** menu
- Click on **View/Update UDIN Details** menu option
- Click on **Bulk UDIN Update** tab and download the .CSV Format
- Fill the requisite details and go to Home Menu
- Select Column e – Filed Date
  - Select Number Format and click on '**More number formats'** option.
  - Select '**Custom**' option, then select format as dd-mm-yyyy and edit it to make dd-mmm-yyyy, then click on **OK** button
- Select **Acknowledgement Number** column
  - Select Number Format and click on '**More number formats'** option.
  - Select **Number** option and make '**Decimal Places'** field **0.** Then click on **OK** button**.**
- Select **UDIN** column
  - Select Number Format and click on '**More number formats'** option.
  - Select **Number** option and make '**Decimal Places'** field **0.** Then click on **OK** button**.**
- To fill the **Form Code**, refer the instruction sheet available on Bulk UDIN Update screen, under the link – 'Things you should know before proceeding'.

- Fill the CSV file, all mandatory columns, with the format as mentioned in the CSV file and save the CSV file in your Desktop/Laptop.
- Go to Bulk UDIN Update screen on e-Filing Portal. (Follow steps 1 to 3)
- Upload the saved CSV file. Make sure that the file size do not exceed 5MB size and the file format is CSV.
- Select the declaration and click on **Upload** button.
- After the file is submitted successfully, you will get a token number. Save that Token number and check the status of file after 24 hours.

Q73. CBDT has started validating UDIN through e-filing portal, what does it mean?

Ans. When UDIN is updated at the e-filing portal, the same is validated from the UDIN Portal automatically at the backend. Only upon successful validation, the form is being treated as valid.

Q74. Why my UDIN gets invalidated at the e-filing portal?

Ans. When UDIN is updated at the e-filing portal, the same is validated from the UDIN Portal on five parameters namely MRN, UDIN, AY/FY, Form No. and PAN of the assessee/auditee. In case of mismatch in any of the given parameters, the UDIN will get invalidated.

Also, in case when the UDIN is generated in "Others" category and updated against any Form No. at the e-filing portal, then the UDIN will get invalidated.

Q75. How can the members withdraw 15CB forms at e-filing portal?

Ans. Withdrawal facility for 15CB forms has now been enabled on the e-filing portal, facilitating the CAs to withdraw the 15CB forms by recording appropriate reasons, therein. The CAs however, have to withdraw the form 15CB within 7 days of its filing.

Member may like to refer the user manual for withdrawal of 15 CB form at:

https://docs.google.com/document/d/1mpRJuVqTl5PTXEgtT5elAofbeFenuc8k/edit

The members may refer to the related announcements at the link: https://udin.icai.org/articles/cbdt_2022-09-10 **(refer the Annexure 6.2 of this booklet)**

Q76. I have revised my report and validated UDIN for my revised report at the e-filing portal, but my original report is still showing as pending. What should I do?

Ans. Separate UDINs are required for both the original and revised reports. If your original report is still showing as pending, generate a fresh UDIN for the original report within the stipulated time and try to validate the new UDIN on the e-filing portal.

Chapter 7
Bank Audit

Q77. While conducting Bank Audit, whether separate UDINs are required to be generated for LFAR, Tax Audit and Statutory Audit Report etc.?

Ans. No, since UDIN has to be generated per Assignment per Signatory on a given date, so one UDIN will suffice for the Bank Audit Report including LFAR and Certificates. However, separate UDIN will be required for Tax Audit Report being separate assignment.

Q78. Under Bank Audit, whether separate UDINs have to be generated for Certificates signed?

Ans. Since Certificates are part of Bank Audit assignment and are issued with Bank Audit Report along with LFAR, one UDIN will suffice, and no separate UDIN is required to be generated for Certificates.

However, while generating UDIN, the details of multiple reports and certificates can be entered by "Add more" button.

Q79. In case the Certificate (s) / Report (s) issued under bank audit are signed on different dates, whether separate UDIN will be required?

Ans. Yes, Separate UDIN will be required as UDIN has to be generated per Assignment per Signatory on a given date.

Q80. In case if some Certificate (s) / Report (s) is signed by one Partner while others are signed by another Partner, whether different UDIN is required for each such Partner?

Ans. If different partners are signing different certificates / reports then separate UDINs have to be taken as UDIN is to be generated per signatory.

Q81. Whether UDIN is applicable to both Statutory Central Auditors (SCAs) and Statutory Branch Auditors (SBAs)?

Ans. Yes, UDIN is applicable to both SCAs and SBAs for Bank (Branch) Audit Report and Tax Audit Reports while conducting Bank (Branch) Audit.

Q82. Whether UDIN is mandatory for Bank Audit Report and Tax Audit Report that is/ are filed online using Digital Signature?

Ans. UDIN will be applicable both for manually as well as digitally signed Reports uploaded online.

Q83. What is Memorandum of Changes (MOC) in Bank Audit?

Ans. It is an important document enclosed with the Bank Audit Report whenever the Auditor observes significant issues affecting the Financial Statements of the Bank.

Members are now required to fill-in the value of the Memorandum of Change (MOC) while generating UDIN for the Audit Report in respect of Statutory Audit of a Bank Branch under the category Audit & Assurance Functions for "Statutory Audit-Bank Branch" at the UDIN portal without any disclosure of the details of the client.

The relevant information regarding MOC to be provided at the UDIN portal is mandatory and will be totally encrypted. It will not be visible to any third-party verifier.

The members may refer to the related announcements at the link: https://udin.icai.org/articles/moc_2022-04-12 **(refer the Annexure 6.2 of this booklet)**

Chapter 8
Audit and Assurance Functions

Q84. ICAI has mandated UDIN on which types of Reports & Document with effect from 1st July, 2019?

Ans. As per the decision of the Council from **1st July, 2019** onwards, UDIN is mandatory on all Audit, Assurance and Attestation functions rendered by full-time Practicing Chartered Accountants.

Q85. What is meant by Audit, Assurance and other Attestation Services?

Ans. It includes engagement as per Standards on Auditing (SAs), Review Engagements as per Standards on Review Engagements (SREs), Other Assurance Services as per Standards on Assurance Engagements (SAEs) /Guidance Note on Reports or Certificates for Special Purposes and other Engagements as per Standards on Related Services (SRSs) and any Assurance services rendered by Full Time Practicing Chartered Accountants.

To know more about details of these engagements, please visit at link https://www.icai.org/new_post.html?post_id=450 **(refer the Annexure 1 of this booklet)**

Q86. What is the process to generate UDIN for all Audit, Assurance and Attestation Function?

Ans. For generating UDIN, the "Document type" is to be selected as "Audit & Assurance Functions". Thereafter, "Type of Audit" is to be selected from the dropdown list based on the assignment. The Act/ Statute/Law under which the assignment is being carried is to be selected from the dropdown list under the caption "Under Act / Law / Statute / Regulation".

In case the assignment is not included in the dropdown lists of "Type of Audit", "Any other Audit not covered above" can be selected and details regarding Assignment can be mentioned under Document Description.

In case the law/Act is not included in the dropdown lists of "Under Act/ Law / Statute / Regulation", "Other Act / Regulation /Law / Statute not covered above" can be selected and details regarding Law can be mentioned under Document Description.

Once the date of signing the document is mentioned, thereafter details of preceding year's of audit is to be filled.

The key fields are to be filled for generating UDIN.

After this there is one more mandatory field, as Document Description wherein text between 15 to 250 Characters from some portion of the report has to be mandatorily filled.

Q87. What is meant by Financial Year/ Period of Audit?

Ans. In this field, the period for which the engagement is accepted is to be mentioned.

Q88. What is to be mentioned under Shareholder Fund/Owner's Fund?

Ans. Under the Keyword "Shareholders Fund/ Owner's Fund" figures appearing under Owner Funds / Shareholding / Capital Investment / Equity Share / Equity Interests / Share Ownership / Capital Account / Partners' Capital /Capital Providers / Stockholder / Venture Capitalists / Own Capital / Endowment Fund/ Corpus Fund /General Fund etc. inclusive of Reserve and Surplus is to be mentioned irrespective of the term used in the Financial Statement.

Members are advised to mention the figure in numbers against this keyword as applicable under the respective Statutes while generating UDIN.

Q89. What is to be mentioned under Gross Turnover/Gross Receipts?

Ans. Under the Keyword "Gross Turnover/Gross Receipts", figure appearing under Gross Turnover/Gross Income/ Gross Proceeds/ Gross Earnings/ Gross Receipts/ Gross Sales/ Gross Revenue etc. is to be mentioned irrespective of the term used in the Financial Statements.

Q90. What is included in Net Block of Property, Plant, Equipment and Intangible assets?

Ans. Under the Keyword "Net Block of Property, Plant, Equipment and Intangible Assets", figure appearing under Total of Net Block of Fixed

Asset that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than a period of twelve months such as machinery, equipment, vehicles, buildings, land, office space, office equipment, and furnishings etc. after depreciation is to be mentioned irrespective of the term used in the Financial Statements.

Members are advised to mention the figure in numbers against this keyword as applicable under the respective Statutes while generating UDIN.

Q91. What is meant by Major Comment / Observation (Adverse/ Favourable)?

Ans. In this field, the major observation made by the auditor, either Adverse or Favourable is to be mentioned. Corresponding Financial Implication, either negative or positive, is also to be mentioned. In case of no Financial Implication, please mention Nil / Zero.

Q92. What is included in Cash and Cash equivalents?

Ans. Under the Keyword Cash and Cash equivalents (CCE) the most liquid current assets found on a business's balance sheet, all Cash equivalents i.e short-term commitments "with temporarily idle cash and easily convertible into a known cash amount is to be included. Any investment which has a short maturity period i.e 90 days or less is to be included.

Members are advised to mention the figure in numbers against this keyword as applicable under the respective Statutes while generating UDIN.

Q93. What is meant by Type & Units of Fuel Consumed in Energy Audit?

Ans. In this field, the name of any major type of Fuel (energy) used such as water, electricity energy, steam etc. is to be mentioned. Its consumption in Units is to be mentioned.

Q94. What is meant by Method used for Valuation in Valuation Reports?

Ans. In this field, the Valuation Method such as Comparable Companies Multiple (CCM) Method, Comparable Transaction Multiple (CTM) Method, Discounted Cash Flow (DCF) Method, etc. is to be mentioned.

Q95. Under various Key Fields, the figures pertaining to which date are to be entered for generating UDIN?

Ans. The figures for the closing date of the Financial Year (Audit / Engagement Period) or the reporting date (as on date) as the case may be, should be filled in the key fields while generating UDIN.

Q96. Is it mandatory to mention UDIN on Financial Statements in addition to Audit Reports?

Ans. No, UDIN has to be mentioned on Audit Reports.

Q97. How to enter alphanumeric values during UDIN generation for Audit & Assurance Functions?

Ans. Since the data type has been changed from alphanumeric to numeric under Audit & Assurance Functions category, the mandatory fields will accept numeric values, whereas the optional/non- mandatory field will accept alphanumeric values. Extra fields can be added by "Add More" option, which will accept alphanumeric values.

Q98. Whether UDIN is required for Management Services?

Ans. From 1st July, 2019 onwards, since UDIN is mandatory on all sorts of Audit, Assurance, Attest and Review services, **UDIN is required for all Management Services.**

Q99. Whether single UDIN is required for one assignment which is to be conducted over a period?

Ans. One UDIN per assignment signature affixed at a time is required. In other words, in case where reports / certificates/ documents of an assignment are signed and submitted periodically or at different point of time such as Concurrent Audits/ Limited Review / Quarterly Review Reports etc. separate UDINs are to be generated.

In case of NBFC Audit also separate UDINs are required for Audit Report and Certificates issued from time to time during the year even if accepted as one assignment.

Q100. Do I need to take separate UDINs for Statutory Audit of Financial Statements and Tax Audit?

Ans. Yes, separate UDINs are required for audit of Financial Statements and Tax Audit because both are separate assignments and True and Fair view is given for Financial Statements and True and Correct view is given for Tax Audit assignment.

Q101. Is UDIN required in case of Audit/Limited Review Reports from a Component Auditor to Principal Auditor?

Ans. Yes, UDIN is required to be generated by Component Auditor also.

Q102. Is UDIN required in case of Consolidation of Financial Statements?

Ans. Yes, UDIN is required for consolidation of Financial Statements. However separate UDINs are required for Standalone and Consolidated Financial Statements.

Q103. Is UDIN mandatory for Concurrent / Internal Audit of Banks?

Ans. Yes, UDIN is mandatory for Concurrent and Internal Audit of banks.

Q104. Whether UDIN is required on Prospective Financial Statements / Information?

Ans. As per clause (3) of part-I of Second Schedule to the Chartered Accountants Act, 1949, a member in practice will be deemed to be guilty of professional misconduct if he engages in estimation of earnings contingent upon future transaction in a manner which may lead to the belief that he vouches for the accuracy of the forecast.

As per opinion of the Council, a Chartered Accountant can participate in the preparation of profit or financial forecasts and can review them, provided he indicates clearly in his report the sources of information, the basis of forecasts and also the major assumptions made in arriving at the forecasts and so long as he does not vouch for the accuracy of the forecasts. **The member has to comply with SAE 3400 while**

drafting the report for such engagements and has to obtain UDIN for the same. (Please refer to Annexure 2 of this booklet)

Q105. Whether UDIN is required on Provisional Financial Statements / Compilation of Information?

Ans. Standard on Related Services (SRS) 4410 "Compilation Engagements" deals with the concept. Provisional Financial Statements / Compilation of Information may be prepared as per this standard. The purpose of this Standard is to establish standards on professional responsibilities of an accountant when an engagement to compile financial statements or other financial information is undertaken and the form and content of the report to be issued in connection with such a compilation so that the association of the name of the accountant with such financial statements or financial information is not misconstrued by a user of those statements or information as having been audited by him.

The member has to comply with SRS 4410 while preparing Provisional Financial Statements / Compilation of Information and has to obtain UDIN for the same. (Please refer to Annexure 4 of this booklet)

Q106. Whether UDIN is required for Non-Corporate entities which are not subject to Audit?

Ans. UDIN is required to be generated for the Audit Report of the Financial Statements of Non-Corporate entities which are not subject to Audit, prepared in accordance with General Purpose Compliance Framework.

Members are also advised to refer **Illustration 5 given in SA 700** in this regard. **(Please refer Annexure 3 of this booklet)**

Q107. Whether UDIN is required while giving consent letter & Certificate pursuant to Section 139 read with relevant rules for appointment as Auditor under the Companies Act, 2013

Ans. UDIN is not required for such certification.

Q108. Whether UDIN is applicable on Stock Audit?

Ans. Yes, UDIN is required for Stock Audit.

Q109. Is UDIN mandatory for Audit of Trust under Trust Act only? The Trust is having nil income.

Ans. Yes, UDIN is required.

Q110. Whether UDIN is also mandatory for Corporate/ Non- Corporate Audit, Attest and Assurance Functions that are filed online using Digital Signature?

Ans. UDIN is applicable both manually as well as digitally signed Reports/ Certificates/ Documents which are uploaded online like MCA Forms, Form 15 CB etc. In case of no field for mentioning UDIN on digitally signed online reports, UDIN has to be generated and retained for providing the same on being asked by the stakeholders.

Q111. Whether UDIN is required on Reports given by Registered Valuer/ Insolvency Professional?

Ans. Yes, UDIN is required for practicing CAs registered as Valuer / Insolvency Professional on their Reports.

Q112. Is UDIN required on Peer Review Report?

Ans. UDIN is not required on Peer Review Report.

FAQs based on Auditor's Opinion on financial statements

Q113. Is Auditor's Opinion on financial statements a compulsory field?

Ans. Yes, Auditor's Opinion on financial statements is a compulsory field for two categories only – 'GST & Tax Audit' and 'Audit & Assurance Functions'.

Q114. What details need to be entered in Auditor's Opinion on financial statements functionality?

Ans. The portal displays the question: *"Is Auditor's Opinion on financial statements applicable to this audit?"* Two options are available: *Yes / No.*

- **If "Yes"**:
  - Select ***any one type of opinion*** from the dropdown (Unmodified, Qualified, Adverse, *or* Disclaimer).

- Select **Yes/No** for one or more of the additional reporting in Auditor's Report — Key Audit Matter (KAM), Emphasis of Matter (EOM), Other Matter, and Material Uncertainty related to Going Concern.
- Select **Entity Type** from the dropdown — Listed or Non-Listed Entity.
- If **Listed Entity** is selected, proceed further.
- If **Non-Listed Entity** is selected, another dropdown will appear. Choose the appropriate type from the list, or select **"Others"** if not listed, and proceed further.

- **If "No"**:
  - No additional fields will appear, and the member can proceed further.

Q115. What would be a modified opinion?

Ans. In accordance with SA 705 (Revised) - Modifications to the Opinion in the Independent Auditor's Report, a modified opinion can be of three types – "Qualified Opinion", "Adverse Opinion", or "Disclaimer of Opinion" for giving a true and fair view on financial statements.

The following is an extract from SA 705 (Revised):

Types of Modified Opinions (Ref: Para. 2)

A1. The table below illustrates how the auditor's judgment about the nature of the matter giving rise to the modification, and the pervasiveness of its effects or possible effects on the financial statements, affects the type of opinion to be expressed.

Nature of Matter Giving Rise to the Modification	***Auditor's Judgement about the Pervasiveness of the Effects or Possible Effects on the Financial Statements***	
	Material but Not Pervasive	***Material and Pervasive***
Financial statements are materially misstated	Qualified opinion	Adverse opinion
Inability to obtain sufficient appropriate audit evidence	Qualified opinion	Disclaimer of opinion

Q116. While generating UDIN, the portal asks whether 'Opinion is applicable to this audit.' In which situation it is appropriate to select 'No"?

Ans. The option "No" should be selected only where true and fair view of the financial statements is not required. SA 700 (Revised) – Forming an Opinion and Reporting on Financial Statements deals with the auditor's responsibility to form an opinion on the financial statements. In order to form that opinion, the auditor shall conclude as to whether the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error.

Q117. Whether auditor's opinion is required in case of concurrent audit/ stock audit/ revenue audit/ Internal audit/ valuation report/ system audit/ compilation engagements under SRS 4410?

Ans. No, auditor's opinion is not required in case of above assignments.

Q118. Whether Auditor's Opinion on financial statements is required for tax audit u/s 44AB of the Income Tax Act, 1G61?

Ans. In case of tax audit, the auditor is required to give an opinion on the financial statements under Clause 3(b) of Form 3CB. Hence, in this case, the detail on Auditor's Opinion on financial statements is required to be provided while generating UDIN.

Under Clause 3 of Form 3CA and Clause 5 of Form 3CB, the auditor expresses an opinion on the particulars given in Form 3CD. These clauses do not require an Auditor's Opinion on the financial statements as is required under this functionality of UDIN.

Q119. Whether Auditor's Opinion on financial statements is required for audits under Maharashtra Charitable Trust Act?

Ans. Yes, an auditor is required to frame his opinion on the financial statements under Maharashtra Charitable Trust Act.

Q120. How should the auditor comply with the requirements, where material uncertainty exists regarding the entity's ability to continue as a going concern?

Ans. The reporting on Material Uncertainty relating to Going Concern in the Auditor's Report shall be in accordance with SA 570 (Revised) – Going Concern and related technical literature of ICAI.

Q121. Whether a modification in reporting under audit trail is required to be reported under this functionality of UDIN?

Ans. Under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the auditor is required to report on certain aspects of audit trail by making specific assertion in the audit report under 'Report on Other Legal and Regulatory Requirements'. While reporting on audit trail, the auditor may modify his opinion under this clause. However, the same may not require modification under the main Auditor's Opinion on the financial statements and hence, would not be required to be reported under this functionality of UDIN.

Q122. Whether a modification in reporting under Internal Financial Controls over Financial Reporting is required to be reported under this functionality of UDIN?

Ans. Section 143(3)(i) requires the auditor's report to state whether the company has adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. If there are deficiencies that, individually or in combination, result in one or more weaknesses, the auditor must evaluate the need to express a modified opinion on the company's internal financial controls over financial reporting. A modified report on internal financial controls over financial reporting does not in effect imply that the audit report on financial statements should also be modified and hence, would not be required to be reported under this functionality of UDIN.

Chapter 9
Revocation/Cancellation of UDIN

Q123. Can UDIN be revoked? If yes, how to Revoke?

Ans. The Council, in its 420th meeting held on 23rd-24th March, 2023, decided that revocation of UDINs would now be possible within 48 hours from the time of its generation.

To revoke UDIN, a member has to login by entering the MRN and Password and follow the below steps:

- Click on "List UDIN", a list of generated UDINs will appear.
- On right side, under Action- there are two buttons namely "Print" and "Revoke".
- Click on Revoke button of the UDIN which is to be revoked.
- Revoked UDIN document will open with text field namely "Enter reason to revoke this document". Please fill the reason of revocation under this textfield.

Q124. What if a member forgets to revoke UDIN within 48 Hrs?

Ans. If a member forgets to revoke UDIN within 48 hours, he has to generate a fresh UDIN within the permissible time limit.

Q125. What will happen if the Regulator / Stakeholder has verified UDIN before revocation?

Ans. The Council, in its 420th meeting held on 23rd-24th March, 2023, decided that revocation of UDINs would now be possible within 48 hours from the time of its generation.

The authorities/regulators/banks/others, who verify the authenticity of the UDINs would be provided with information that the UDIN, which is being verified, could only be revoked within 48 hours from the time it has been generated.

Accordingly, the following specific messages would be displayed to the verifier:

- CA is entitled to revoke the UDIN, if he so desires, on or before "Date/Time". You may like to verify this particular UDIN after "Date/Time".

If UDIN verified after 48 hours, following specific messages would be displayed to the verifier:

- This UDIN can't be revoked any more".

Q126. What is the time limit of Revocation/ Cancellation of UDIN?

Ans. The Council, in its 420th meeting held on 23rd-24th March, 2023, decided that revocation of UDINs would now be possible within 48 hours from the time of its generation. The members may refer to the related announcements at the link: https://udin.icai.org/announcement/udin_2023-06-23 **(refer the Annexure 6.3 of this booklet).**

Q127. Whether UDIN once revoked/cancelled can be generated again in old signature date?

Ans. No. Revoked UDIN cannot be generated again in old signature date beyond the permissible time i.e 60 days. **(Refer the Annexure 6.1 of this booklet)**

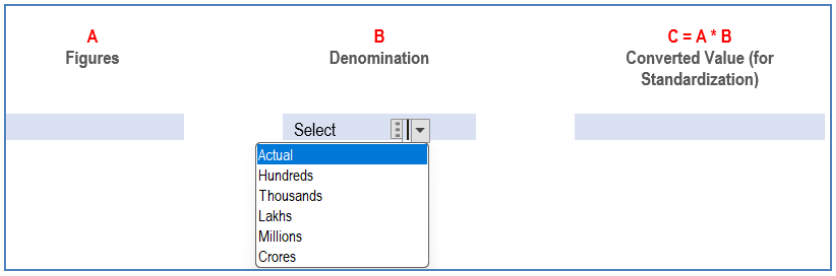
Chapter 10
Miscellaneous

Q128. The data type for capturing figure has been changed from alphanumeric to numeric. What are the effects of this change?

Ans. The data type for capturing figure of the parameters has been changed from alphanumeric to numeric under all categories, namely, Certificate, GST & Tax Audit and Audit & Assurance Functions in the phased manner at UDIN portal. They have come to the force from the dates as under:

- For Certificates w.e.f. 6th December, 2024
- For GST & Tax Audit w.e.f. 13th December, 2024
- For Audit & Assurance Functions w.e.f. 20th December, 2024

The functionality to be used by the members is demonstrated as:



The following example is demonstrated for better clarity:

A	B	C
Figures	**Denomination**	**Converted value (for Standardization)**
123456.78	Actual	1,23,456.78
123456.78	Hundreds	1,23,45,678
123456.78	Thousands	12,34,56,780
123456.78	Lakhs	12,34,56,78,000
123456.78	Millions	123,456,780,000
123456.78	Crores	12,34,56,78,00,000

This change will enable members to enter absolute numbers up to two decimal places and select the denomination from a dropdown menu. The entered figure will be multiplied by the chosen denomination, and the third column, labelled as "Converted Value (for standardization)," will display the final value.

The figures will be displayed in this format under the List UDIN, and the same format will also be shown to the verifier in the Verifier panel.

Q129. Will change in data type affect other parameters as well, such as those where we enter comments and other details related to the document?

Ans. No, the change specifically pertains to the data type for capturing numerical figures only. Other parameters, including those for comments and additional details related to the document, will remain unchanged. Members can continue to enter comments and other relevant information in the existing format.

Q130. Will change in data type apply retroactively to previously issued UDINs?

Ans. No, the change will apply only to new entries made after the transition is implemented for each category.

Q131. What is the process for generating a UDIN for "Original" and "Revised" assignments following the implementation of the 48-hour revocation?

Ans. If the need arises to revoke a UDIN after 48 hours, a new UDIN may be generated by referencing the old UDIN.

Q132. Whether UDIN can be edited? If yes, how?

Ans. UDIN once generated cannot be edited. However, a preview option is available before Generation for verifying the correctness of the details as entered for generating UDIN.

Q133. How many UDINs can be generated by a CA? Is there any limit? Or is there any restriction on the number of UDIN to be generated in a Day/ Month/ Year?

Ans. There is no limit on generation of UDINs and there is no restriction on the number of UDINs to be generated.

Q134. Is UDIN required to be mentioned on every page of the Document or can it be mentioned at the last?

Ans. UDIN shall be mentioned after Signature and Membership Number of the Member on the Report/ Certificate.

Q135. How UDIN generated earlier can be tracked?

Ans. UDIN generated by the members can be tracked through "List UDIN".

The Council has decided to archive UDINs after one year of their generation to ease off the load on the server. Implementation of archiving UDINs has been scheduled in the phased manner beginning for the year 2019 in the first phase, followed for the years 2020, 2021, 2022 and 2023, thereafter.

In order to search archived UDINs on the Portal, members are required to select the Document Generation Year from the drop-down menu.

Q136. Earlier, the complete list of UDINs generated from registration to till date was appearing under "List UDIN". Now only current year UDINs are appearing under "List UDIN". How can we view old UDINs?

Ans. The Council, in its 420th meeting held on 23rd & 24th March, 2023 suggested that the UDINs may be archived after one year of their generation to ease off the load from the servers.

Implementation of archiving UDINs has been scheduled in the phased manner beginning for the year 2019 in the first phase, followed for the years 2020, 2021, 2022 and 2023, thereafter.

Please refer to the link on the UDIN website - https://udin.icai.org/announcement/udin_2023-10-25 **(refer the Annexure 6.3 of this booklet).**

In order to search archived UDINs on the Portal, members are required to select the Document Generation Year from the drop-down menu.

Q137. What is the role of dashboard?

Ans. It shows the graphical representation of the UDINs generated by the member.

Q138. Is it possible to generate UDIN before issuing the certificates/reports?

Ans. There is no option to generate UDIN in advance.

Q139. What is the validity of UDIN generated?

Ans. Generated UDIN has no expiry, unless it is revoked.

Q140. Whether separate UDIN would be required by Joint Auditor in case of Joint Audits?

Ans. In case of joints audits, all the signing Auditors have to obtain UDIN separately and mention their UDINs individually on the reports signed by them. Auditors may use the same or different keywords/figures while generating such UDINs.

Q141. Whether UDIN is required on the attestation of the Examination Form/Mark Sheet/Documents of CA Students?

Ans. No. UDIN is not required for such attestation.

Q142. Is UDIN required for original Certificate only or for duplicate also?

Ans. UDIN is to be generated once, only for Original Certificate. In case, duplicate certificate is being issued at the request of the client, same UDIN (earlier generated) is to be mentioned.

Q143. If UDIN could not be generated at the time of signing the Audit Reports/Certificates, what steps should I follow?

Ans. It is mandatory to generate UDIN while signing the Audit Reports / Certificates / Document. However, if any member is unable to generate UDIN as desired above, it has to generated within 60 days **(refer the Annexure 6.1 of this booklet)** of signing the same. The UDIN so generated has to be communicated to "Management" or "Those Charged with Governance" for disseminating it to the stakeholders from their end.

Q144. What is the consequence of not generating UDIN which is made mandatory by ICAI in respective phases?

Ans. UDIN generation is being made mandatory as per the Council Decision hence not generating UDIN for mandatory documents will amount to non-adherence of the Council Decision and may attract

disciplinary proceedings as per the Second Schedule Part II of The Chartered Accountants Act, 1949. **(refer the Annexure 5 of this booklet).**

Q145. I have conducted the Stock Audit of a company at different locations. Whether single UDIN is required or different UDINs have to be generated?

Ans. Separate UDINs for different locations will be required as UDIN has to be generated per Assignment per Signatory on a given date.

In case Stock Audit is conducted at different locations belonging to a Single entity, but a consolidated report is given to the appointing authority, one UDIN for the said consolidated report will suffice.

Q146. We have conducted an audit of Special Purpose Financial Statements in accordance with International Standards on Auditing. The financials are prepared as per USGAAP. Since in our case, international standards on auditing are applicable, is UDIN required?

Ans. Yes, UDIN is applicable for all the GST and Tax Audit Reports, Audit, Assurance and attestation functions and all the certificates issued wherein contents are certified as true and fair/ true and correct by CAs in full time practice.

Q147. In case, I am a partner in multiple firms, which FRN should I select from drop down while generating UDIN?

Ans. The FRN of the Firm on behalf of which the member is signing the Report has to be selected from the drop-down. If the member is not carrying out the assignment on behalf of any firm, member can select NA/Not Applicable/Individual Capacity in the place of FRN from the drop down.

Q148. Can I change the FRN/Firm Name wrongly selected during generation of UDIN?

Ans. Prior to final generation of the UDIN, the portal prompts the Firm Name/FRN for which the UDIN is being generated. UDIN once generated cannot be edited. In case of wrong selection of Firm Name /FRN, a fresh UDIN needs to be generated.

Q149. I am a partner in multiple firms. Are the UDINs generated by me viewable to all the firms I am associated with?

Ans. No, the head in charge of the firm, as per the SSP database, can only view the list of UDINs generated on behalf of the Firm. One firm cannot view the UDINs generated for another firm by a common partner.

Q150. How can I, as the Head Incharge of the firm, get the details of UDINs generated on behalf of the firm?

Ans. The Firm Registration Number (FRN) was made a mandatory field for UDIN generation from 12.00 am on 1st February 2022 **(Refer the Annexure 6.1 of this booklet).** This requirement facilitates firms in consolidating the UDINs generated by their partners on behalf of the firm.

To access the details of UDINs generated for the firm, Head Incharge has to follow the below steps:

- Please login.
- Navigate to the "List UDIN" tab.
- Select the appropriate FRN from the dropdown menu.

Q151. Can my partner revoke the UDINs generated by me?

Ans. No, only the member who has generated UDIN can revoke it. The head in charge of the firm, as per the SSP database, can only view the list of UDINs generated on behalf of the Firm.

Q152. I have surrendered my CoP. Now my earlier client is insisting me to provide the UDIN generated by me for its Audit report. How to proceed?

Ans. You can only view the UDINs generated at the "List UDIN" option at the UDIN Portal. Only full-time practicing CAs can generate/revoke UDINs.

ANNEXURES

Annexure 1
(REFERENCE–CHAPTER 8 (Question 85)

List of Engagement and Quality Control Standards issued by ICAI (Applicable as on April 1, 2019)

Quality Control		
S. No.	**Standard Number (SQC) (1-99)**	**Standards on Quality Control (SQCs)**
1	1	Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements
Audits and Reviews of Historical Financial Information		
	Standard Number (SA) (100-999)	**Standards on Auditing (SAs)**
	100-199	***Introductory Matters***
	200-299	***General Principles and Responsibilities***
2	200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing
3	210	Agreeing the Terms of Audit Engagements
4	220	Quality Control for an Audit of Financial Statements
5	230	Audit Documentation
6	240	The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
7	*250*	Consideration of Laws and Regulations in an Audit of Financial Statements

8	260(Revised)	Communication with Those Charged with Governance
9	265	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management
10	299(Revised)	Joint Audit of Financial Statements
	300-499	**Risk Assessment and Response to Assessed Risks**
11	300	Planning an Audit of Financial Statements
12	315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment
13	320	Materiality in Planning and Performing an Audit
14	330	The Auditor's Responses to Assessed Risks
15	402	Audit Considerations Relating to an Entity Using a Service Organisation
16	450	Evaluation of Misstatements Identified during the Audit
	500–599	**Audit Evidence**
17	500	Audit Evidence
18	501	Audit Evidence - Specific Considerations for Selected Items
19	505	External Confirmations
20	510	Initial Audit Engagements—Opening Balances
21	520	Analytical Procedures
22	530	Audit Sampling
23	540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
24	550	Related Parties
25	*560*	Subsequent Events
26	570(Revised)	Going Concern
27	580	Written Representations

	600-699	**Using Work of Others**
28	600	Using the Work of Another Auditor
29	610(Revised)	Using the Work of Internal Auditors
30	620	Using the Work of an Auditor's Expert
	700-799	**Audit Conclusions and Reporting**
31	700(Revised)	Forming an Opinion and Reporting on Financial Statements
32	701	Communicating Key Audit Matters in the Independent Auditor's Report
33	705(Revised)	Modifications to the Opinion in the Independent Auditor's Report
34	706(Revised)	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
35	710	Comparative Information - Corresponding Figures and Comparative Financial Statements
36	720(Revised)	The Auditor's Responsibilities Relating to Other Information
	800-899	**Specialized Areas**
37	800	Special Considerations-Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks
38	805	Special Considerations-Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement
39	810	Engagements to Report on Summary Financial Statements
	Standard Number (SRE) (2000-2699)	**Standards on Review Engagements (SREs)**
40	2400(Revised)	Engagements to Review Historical Financial Statements

41	2410	Review of Interim Financial Information Performed by the Independent Auditor of the Entity
Assurance Engagements Other Than Audits or Reviews of Historical Financial Information		
	Standard Number (SAE) (3000-3699)	**Standards on Assurance Engagements (SAEs)**
	3000-3399	**Applicable to all Assurance Engagements**
	3400-3699	**Subject Specific Standards**
42	3400	The Examination of Prospective Financial Information
43	3402	Assurance Reports on Controls at a Service Organisation
44	3420	Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus
Related Services		
	Standard Number (SRS) (4000-4699)	**Standards on Related Services (SRSs)**
45	4400	Engagements to Perform Agreed-upon Procedures Regarding Financial Information
46	4410(Revised)	Compilation Engagements
General Clarifications issued		
	General Clarification (GC)-AASB/2/2004 on SA 210	
	General Clarification (GC)-AASB/1/2002 on SA 620	

Annexure 2
(REFERENCE–CHAPTER 8 (Question 104)
SAE 3400
The Examination of Prospective Financial Information

(Effective in relation to reports on projections/forecasts issued on or after April 1, 2007)

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Standard on Assurance Engagements (SAE) 3400*, "The Examination of Prospective Financial Information" should be read in the context of the "Preface to the Standards on Quality Control, Auditing, Review, Other Assurance and Related Services", which sets out the authority of the Engagement Standards.

* Issued in February, 2007. Pursuant to issuance of SAE 3400, the *Guidance Note on Accountant's Report on Profit Forecasts and/or Financial Forecasts*, issued in September, 1982 has been withdrawn.

Introduction

1. The purpose of this Standard on Assurance Engagement (SAE) is to establish standards and provide guidance on engagements to examine and report on prospective financial information including examination procedures for best-estimate and hypothetical assumptions. This SAE does not apply to the examination of prospective financial information expressed in general or narrative terms, such as that found in management's discussion and analysis in an entity's annual report, though many of the procedures outlined herein may be suitable for such an examination[1]. Further, the principles laid down in the other Standards on Auditing, issued by the Institute of Chartered Accountants of India, should be used by the auditor, to the extent practicable, in applying this SAE.

2. In an engagement to examine prospective financial information, the auditor[2] should obtain sufficient appropriate evidence as to whether:

(a) management's best-estimate assumptions on which the prospective financial information is based are not unreasonable and, in the case of hypothetical assumptions, such assumptions are consistent with the purpose of the information;

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[1] The guidance provided in this Standard is in line with the provisions of clause (3) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 [as amended by the Chartered Accountants (Amendment) Act, 2006]. This clause provides that a chartered accountant in practice shall be deemed to be guilty of professional misconduct "if he permits his name or the name of his firm to be used in connection with an estimate of earnings contingent upon future transactions in a manner which may lead to the belief that he vouches for the accuracy of the forecast." As per the opinion of the Council while finalising the Guidance Note on Accountant's Report on Profit Forecasts and/or Financial Forecasts at its 100th meeting held on 22nd through 24th July 1982, a chartered accountant can participate in the preparation of profit or financial forecasts and can review them, provided he indicates clearly in his report **the sources of information, the basis of forecasts** and also the **major assumptions** made in arriving at the forecasts and so long as he does not vouch for the accuracy of the forecasts. The Council has further opined that the same opinion would also apply to projections made on the basis of hypothetical assumptions about future events and management actions which are not necessarily expected to take place so long as the auditor does not vouch for the accuracy of the projection. (*emphasis added*)

[2] The term "auditor" is used throughout this SAE when describing services involving examination of prospective financial information. Such reference is not intended to imply that a member performing such services need necessarily be the statutory auditor of the entity's financial statements.

(b) the prospective financial information is properly prepared on the basis of the assumptions;

(c) the prospective financial information is properly presented and all material assumptions are adequately disclosed, including a clear indication as to whether they are best-estimate assumptions or hypothetical assumptions; and

(d) the prospective financial information is prepared on a consistent basis with historical financial statements, using appropriate accounting principles.

3. "*Prospective financial information*" means financial information based on assumptions about events that may occur in the future and possible actions by an entity. It is highly subjective in nature and its preparation requires the exercise of considerable judgment. Prospective financial information can be in the form of a forecast, a projection, or a combination of both, for example, a one year forecast plus a five year projection.

4. A "*forecast*" means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions management expects to take as of the date the information is prepared (best-estimate assumptions).

5. A "*projection*" means prospective financial information prepared on the basis of:

(a) hypothetical assumptions about future events and management actions which are not necessarily expected to take place, such as when some entities are in a start-up phase or are considering a major change in the nature of operations; or

(b) a mixture of best-estimate and hypothetical assumptions.

Such information illustrates the possible consequences as of the date the information is prepared if the events and actions were to occur (a "what-if" scenario).

6. Prospective financial information can include financial statements or one or more elements of financial statements and may be prepared:

(a) as an internal management tool, for example, to assist in evaluating a possible capital investment; or

(b) for the distribution/submission to third parties in, for example:

- *a prospectus to provide potential investors with information about future expectations.*
- *an annual report to provide information to shareholders, regulatory bodies and other interested parties.*
- *a document, for example, cash flow forecasts, for the information of lenders.*

7. Management is responsible for the preparation and presentation of the prospective financial information, including the identification and disclosure of the sources of information, the basis of forecasts and the underlying assumptions. The auditor may be asked to examine and report on the prospective financial information to enhance its credibility, whether it is intended for use by third parties or for internal purposes.

The Auditor's Assurance Regarding Prospective Financial Information

8. Prospective financial information relates to events and actions that have not yet occurred and might not occur. While evidence may be available to support the assumptions on which the prospective financial information is based, such evidence is itself generally future- oriented and, therefore, speculative in nature, as distinct from the evidence ordinarily available in the examination of historical financial information. The auditor is, therefore, not in a position to express an opinion as to whether the results shown in the prospective financial information will be achieved.

9. Further, given the types of evidence available in assessing the assumptions on which the prospective financial information is based, it may be difficult for the auditor to obtain a level of satisfaction sufficient to provide a positive expression of opinion that the assumptions are free of material misstatement. Consequently, in this SAE, when reporting on the reasonableness of management's assumptions, the auditor provides only a moderate level of assurance.

Acceptance of Engagement

10. Before accepting an engagement to examine prospective financial information, the auditor would consider, amongst other things:

- *the intended use of the information;*
- *whether the information will be for general or limited distribution;*
- *the nature of the assumptions, that is, whether they are best-estimates or hypothetical assumptions;*
- *the elements to be included in the information; and*
- *the period covered by the information.*

11. The auditor should not accept, or should withdraw from, an engagement when the assumptions are clearly unrealistic or when the auditor believes that the prospective financial information will be inappropriate for its intended use.

12. In accordance with SA 210, "*Terms of Audit Engagement*", it is necessary that the auditor and the client should agree on the terms of the engagement. It is in the interest of both client and auditor that the auditor sends an engagement letter to help in avoiding misunderstandings regarding the engagement. An engagement letter would address the matters in paragraph 10 and set out the management's responsibilities for the assumptions and for providing the auditor with all relevant information and source data used in developing the assumptions.

Knowledge of the Business

13. The auditor should obtain a sufficient level of knowledge of the business to be able to evaluate whether all significant assumptions required for the preparation of the prospective financial information have been identified. The auditor would also need to become familiar with the entity's process for preparing prospective financial information, for example, by considering:

(a) The internal controls over the system used to prepare prospective financial information and the expertise and experience of those persons preparing the prospective financial information.

(b) The nature of the documentation prepared by the entity supporting management's assumptions.

(c) The extent to which statistical, mathematical and computer-assisted techniques are used.

(d) The methods used to develop and apply assumptions.

(e) The accuracy of prospective financial information prepared in prior periods, if any, and the reasons for any significant variances therein.

14. The auditor should consider the extent to which reliance on the entity's historical financial information is justified. The auditor requires knowledge of the entity's historical financial information to assess whether the prospective financial information has been prepared on a basis consistent with the historical financial information and to provide a historical yardstick for considering management's assumptions. The auditor will need to establish, for example, whether relevant historical information was audited or reviewed and whether acceptable accounting principles were used in its preparation.

15. If the audit or review report on prior period historical financial information was other than a clean report[3] or if the entity is in a start-up/expansion phase, the auditor would consider the relevant facts and the effect on the examination of the prospective financial information.

Period Covered

16. The auditor should consider the period of time covered by the prospective financial information. Since assumptions become more speculative as the length of the period covered increases, as that period lengthens, the ability of management to make best-estimate assumptions decreases. The period would not extend beyond the time for which management has a reasonable basis for the assumptions. The following are some of the factors that are relevant to the auditor's consideration of the period of time covered by the prospective financial information:

(a) The operating cycle, for example, in the case of a major construction project undertaken by a construction company, the time required to complete the project may dictate the period covered.

(b) The degree of reliability of assumptions, for example, if the entity is introducing a new product, the prospective period covered could be short and broken into small segments, such as weeks or months. Alternatively, if for example, the entity's sole business is owning a property under long-term lease, a relatively long prospective period might be reasonable.

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[3] Alternatively known as the unmodified report in terms of the Standard on Auditing (SA) 700(Revised), "Forming an Opinion and Reporting on Financial Statements".

(c) The needs of users, for example, prospective financial information may be prepared in connection with an application for a loan for the period of time required to generate sufficient funds for repayment. Alternatively, the information may be prepared for investors in connection with the issue of securities to illustrate the intended use of the proceeds in the subsequent period.

Examination Procedures

17. When determining the nature, timing and extent of examination procedures, the auditor should consider matters such as:

(a) the knowledge obtained during any previous engagements;

(b) management's competence regarding the preparation of prospective financial information;

(c) the likelihood of material misstatement;

(d) the extent to which the prospective financial information is affected by the management's judgment;

(e) the sources of information considered by the management for the purpose, their adequacy, reliability of the underlying data, including data derived from third parties, such as industry statistics, to support the assumptions;

(f) the stability of entity's business; and

(g) the engagement team's experience with the business and the industry in which the entity operates and with reporting on prospective financial information.

18. The auditor would assess the source and reliability of the evidence supporting management's best-estimate assumptions. Sufficient appropriate evidence supporting such assumptions would be obtained from internal and external sources including consideration of the assumptions in the light of historical information and an evaluation of whether they are based on plans that are within the entity's capacity. Examples of external sources are government publications, industry publications, economic forecast, existing or proposed legislation, and reports of changing technology. Examples of internal sources are budgets, the economic substance and viability of the entity and/or transaction or project of the entity, reputation of management

responsible for assumptions underlying the prospective financial information, wage agreements, patents, royalty agreements and records, sales backlog records, debt agreements, and actions of the board of directors involving entity plans, etc.

19. The auditor would consider whether, when hypothetical assumptions are used, all significant implications of such assumptions have been taken into consideration. For example, if sales are assumed to grow beyond the entity's current plant capacity, the prospective financial information will need to include the necessary investment in the additional plant capacity or the costs of alternative means of meeting the anticipated sales, such as subcontracting production.

20. The auditor would need to be satisfied that the hypothetical assumptions are consistent with the purpose of the prospective financial information and that there is no reason to believe they are clearly unrealistic.

21. The auditor will need to be satisfied that the prospective financial information is properly prepared from management's assumptions by, for example, making checks such as recomputation and reviewing internal consistency, that is, the actions management intends to take are compatible with each other and there are no inconsistencies in the determination of the amounts that are based on common variables such as interest rates.

22. The auditor would focus on the extent to which those areas that are particularly sensitive to variation will have a material effect on the results shown in the prospective financial information. This will influence the extent to which the auditor will seek appropriate evidence. It will also influence the auditor's evaluation of the appropriateness and adequacy of disclosure.

23. When engaged to examine one or more elements of prospective financial information, such as an individual financial statement, it is important that the auditor considers the interrelationship of other components in the financial statements.

24. When any elapsed portion of the current period is included in the prospective financial information, the auditor would consider the extent to which procedures need to be applied to the historical information. Procedures will vary depending on the circumstances, for example, how much of the prospective period has elapsed.

25. The auditor should obtain written representations from management regarding the intended use of the prospective financial information, the completeness of significant management assumptions and management's acceptance of its responsibility for the prospective financial information. The management is also responsible for identification and disclosure of uncontrollable factors, outstanding litigations, commitments, or any other material factors that are likely to affect the prospective financial information.

Presentation and Disclosure

26. When assessing the presentation and disclosure of the prospective financial information and the underlying assumptions, in addition to the specific requirements of any relevant statutes, regulations as well as the relevant professional pronouncements, the auditor will need to consider whether:

(a) the presentation of prospective financial information is informative and not misleading;

(b) the accounting policies are clearly disclosed in the notes to the prospective financial information;

(c) the assumptions are adequately disclosed in the notes to the prospective financial information. It needs to be clear whether assumptions represent management's best-estimates or are hypothetical and, when assumptions are made in areas that are material and are subject to a high degree of uncertainty, this uncertainty and the resulting sensitivity of results needs to be adequately disclosed;

(d) the date as of which the prospective financial information was prepared is disclosed. Management needs to confirm that the assumptions are appropriate as of this date, even though the underlying information may have been accumulated over a period of time;

(e) the basis of establishing points in a range is clearly indicated and the range is not selected in a biased or misleading manner when results shown in the prospective financial information are expressed in terms of a range; and

(f) there is any change in the accounting policy of the entity from that disclosed in the most recent historical financial statements and whether

reason for the change and the effect of such change on the prospective financial information has been adequately disclosed.

Documentation

27. The auditor should document matters, which are important in providing evidence to support his report on examination of prospective financial information, and evidence that such examination was carried out in accordance with this SAE. The working papers will include the sources of information, basis of forecasts and the assumptions made in arriving the forecasts, hypothetical assumptions, evidence supporting the assumptions, management representations regarding the intended use and distribution of the information, completeness of material assumptions, management's acceptance of its responsibility for the information, audit plan, the nature, timing and extent of examination procedures performed, and, in case the auditor expresses a modified opinion or withdraws from the engagement, the reasons forming the basis of such decision.

Report on Examination of Prospective Financial Information

28. The report by an auditor on an examination of prospective financial information should contain the following:

(a) Title;

(b) Addressee;

(c) Identification of the prospective financial information;

(d) Reference to the Standards on Auditing applicable to the examination of prospective financial information;

(e) Statement that management is responsible for the prospective financial information including the underlying assumptions;

(f) When applicable, a reference to the purpose and/or restricted distribution of the prospective financial information;

(g) Statement that the examination procedures included examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the forecast or projection;

(h) Statement of negative assurance as to whether the assumptions

provide a reasonable basis for the prospective financial information;

(i) Opinion as to whether the prospective financial information is properly prepared on the basis of the assumptions and is presented in accordance with the relevant financial reporting framework;

(j) Appropriate caveats concerning the achievability of the results indicated by the prospective financial information;

(k) Date of report (which should be the date procedures have been completed);

(l) Place of signature; and

(m) Signature.

29. Such a report would:

- *State whether, based on the examination of the evidence supporting the assumptions, anything has come to the auditor's attention, which causes the auditor to believe that the assumptions do not provide a reasonable basis for the prospective financial information.*
- *Express an opinion as to whether the prospective financial information is properly prepared on the basis of the assumptions and is presented in accordance with the relevant financial reporting framework.*
- *State that:*
  - *Actual results are likely to be different from the prospective financial information since anticipated events frequently do not occur as expected and the variation could be material. Likewise, when the prospective financial information is expressed as a range, it would be stated that there can be no assurance that actual results will fall within the range; and*
  - *In the case of a projection, the prospective financial information has been prepared for (intended use), using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that the prospective financial information should not be used for purposes other than the abovementioned intended use.*

30. The following is an example of an extract from an unmodified report on a projection:

> We have examined the projection of _____ (project)_____ (name of the entity) for the period from _____ to _____ as given in[4] ____ to the Prospective Financial Information from page __to ___in accordance with Standard on Assurance Engagement 3400, "The Examination of Prospective Financial Information", issued by the Institute of Chartered Accountants of India. The preparation and presentation of the projection including the underlying assumptions, set out in note ____ to _____ to the prospective financial information, is the responsibility of the Management and has been approved by the Board of Directors[5] of the company. Our responsibility is to examine the evidence supporting the assumptions (excluding the hypothetical assumption) and other information in the prospective financial information. Our responsibility does not include verification of the accuracy of the projections. Therefore, we do not vouch for the accuracy of the same.
>
> This projection has been prepared for (describe purpose). As the entity is in a start-up phase the projection has been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that this projection may not be appropriate for purposes other than that described above.
>
> We have carried out our examination of the prospective financial information on a test basis. Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the projection, assuming that _____ (state or refer to the hypothetical assumptions).
>
> Further, in our opinion the projection is properly prepared on the basis of the assumptions as set out in Note _____ to the Prospective Financial Information and on a consistent basis in accordance with the

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[4] Provide suitable identification, such as by reference to page numbers or by identifying the individual schedule.

[5] Other corresponding approving authority in the case of entities other than companies.

historical financial statements, using appropriate accounting principles. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the projection since other anticipated events frequently do not occur as expected and the variation may be material.

A complete illustrative format of an unmodified report on a projection is given in **Appendix 1**.

31. The following is an example of an extract from an unmodified report on a forecast:

We have examined the forecast of _____ (*project*) of the _____ (*name of the entity*) for the period from _____ to _____ in accordance with the Standard on Assurance Engagements (SAE) 3400, "The Examination of Prospective Financial Information", issued by the Institute of Chartered Accountants of India. The preparation and presentation of the forecast including the underlying assumptions, set out in Note _____ to the Prospective Financial Information is the responsibility of the management and has been approved by the Board of Directors of the Company. The sources of information are set out in Annexure _____ to the prospective financial information. Our responsibility is to examine the evidence supporting the forecast. Our responsibility does not include verification of the accuracy of the forecasts. Therefore, we do not vouch for the accuracy of the same.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the forecast. Further, in our opinion the forecast is properly prepared on the basis of the assumptions as set out in Note ____ and on consistent basis with historical financial statements, using appropriate accounting principles.

Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material.

A complete illustrative format of an unmodified report on a forecast is given in **Appendix 2**.

32. When the auditor believes that the presentation and disclosure of the prospective financial information is not adequate, the auditor should express a qualified or adverse opinion in the report on the prospective financial information, or withdraw from the engagement as appropriate. An example would be where financial information fails to disclose adequately the consequences of any assumptions, which are highly sensitive.

33. When the auditor believes that one or more significant assumptions do not provide a reasonable basis for the prospective financial information prepared on the basis of best-estimate assumptions or that one or more significant assumptions do not provide a reasonable basis for the prospective financial information given the hypothetical assumptions, the auditor should either express an adverse opinion setting out the reasons in the report on the prospective financial information, or withdraw from the engagement.

34. When the examination is affected by conditions that preclude application of one or more procedures considered necessary in the circumstances, the auditor should either withdraw from the engagement or disclaim the opinion and describe the scope limitation in the report on the prospective financial information.

Effective Date

35. This SAE is effective in relation to reports on projections/forecasts, issued on or after April 1, 2007. However, earlier application of the Standard is encouraged.

Compatibility with International Standard on Assurance Engagement (ISAE) 3400

Except for the matters noted below, the basic principles and essential procedures of this SAE and International Standard on Assurance Engagement (ISAE) 3400 "The Examination of Prospective Financial Information", are consistent in all material respects:

(a) SAE precludes the auditor from expressing positive assurance regarding the assumptions as it may tantamount to vouching for the accuracy of the forecast/projection/hypothetical assumptions. Whereas, the ISAE 3400 permits the auditor to express positive assurance when in his judgment an appropriate level of satisfaction has been obtained.

(b) The sub points in paragraph 17 (corresponding to paragraph 17 of the ISAE 3400) have been rearranged. Sub point (e) has been elucidated for the sake of better understanding of the readers. The sub points (f) and (g) have been added in the SAE as additional factors to be considered by the auditor.

(c) In paragraph 20 of the SAE, the phrase "although evidence supporting hypothetical assumptions need not be obtained" has been deleted since it is felt that such a phrase is inconsistent with the necessity for the auditor to obtain evidence to support his conclusions.

(d) In paragraph 26 (corresponding to paragraph 26 of the ISAE 3400), the term "professional standards" has been changed to "professional pronouncements" since pronouncements would include standards as well as other relevant documents, such as Guidance Notes, announcement(s), issued by the ICAI.

(e) In line with requirement of SA 700(Revised), "Forming an Opinion and Reporting on Financial Statements" this SAE requires the auditor to include a scope section in the examination report to explain the nature and extent of the auditor's work. ISAE 3400 does not contain an equivalent requirement.

(f) SAE specifically provides for the documentation required to be done by the auditor in regard to any engagement of examination of prospective financial information. However, ISAE 3400 does not contain such explicit provision.

Appendix 1

Illustrative Format of an Unmodified Report on a Projection
Report on Examination of Prospective Financial Information

To the …(addressee)……

We have examined the projection of _____ (project)_____ (name of the entity) for the period from _____ to _____ as given in[6] ____ to the Prospective Financial Information from page __to ___in accordance with Standard on Assurance Engagement 3400, "The Examination of Prospective Financial Information", issued by the Institute of Chartered Accountants of India. The preparation and presentation of the projection including the underlying assumptions, set out in note ____ to _____ to the prospective financial information, is the responsibility of the Management and has been approved by the Board of Directors[7] of the company. Our responsibility is to examine the evidence supporting the assumptions (excluding the hypothetical assumption) and other information in the prospective financial information. Our responsibility does not include verification of projections. Therefore, we do not vouch for the accuracy of the same.

This projection has been prepared for _____ (intended use). The projection has been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, users are cautioned that this projection may not be appropriate for purposes other than that described above.

We have carried out our examination of the prospective financial information on a test basis. Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the projection, assuming that _____ (state or refer to the hypothetical assumptions).

Further, in our opinion the projection is properly prepared on the basis of the

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[6] Provide suitable identification, such as by reference to page numbers or by identifying the individual schedule.

[7] Other corresponding approving authority in the case of entities other than companies.

assumptions as set out in Note _____ to the Prospective Financial Information and on a consistent basis with the historical financial statements, using appropriate accounting principles. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the projection since other anticipated events frequently do not occur as expected and the variation may be material.

For ABC & Co.,
Chartered Accountants

Signature
(Name of the member signing the report)
(Designation)[8]
Membership Number

Date

Place of Signature

[8] Partner or proprietor, as the case may be.

Appendix 2

Illustrative Format of an Unmodified Report on a Forecast

Report on Examination of Prospective Financial Information

To the ……(addressee)…….

We have examined the forecast of _____(project)_____of the _____ (name of the entity) for the period from ___ to ___ as given[9] in ____ to ____ of the prospective financial information in accordance with Standard on Assurance Engagement __, The Examination of Prospective Financial Information, issued by the Institute of Chartered Accountants of India. The preparation and presentation of the forecast including the underlying assumptions, set out in Note _____ to the Prospective Financial Information, is the responsibility of the management and has been approved by the Board of Directors of the company[10]. The sources of information are set out in Annexure ____ to the prospective financial information. Our responsibility is to examine the evidence supporting the forecast. Our responsibility does not include verification of the forecasts. Therefore, we do not vouch for the accuracy of the same.

This forecast has been prepared for _____ (intended use). The forecast has been prepared using a set of assumptions as set out in Note ____ to the prospective financial information.

We have carried out our examination of the prospective financial information on a test basis.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that assumptions do not provide a reasonable basis for the forecast. Further, in our opinion the forecast, read with the notes thereon, is properly prepared on the basis of the assumptions as set out in Note _____ and on a consistent basis with the historical financial statements, using appropriate accounting principles.

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[9] Provide suitable identification, such as by reference to page numbers or by identifying the individual schedule.

[10] Other corresponding approving authority in the case of entities other than companies.

Actual results are likely to be different from the forecast since anticipated events might not occur as expected and the variation might be material.

For ABC & Co.,
Chartered Accountants

Signature
(Name of the member signing the report)
(Designation)[11]
Membership Number

Place of Signature:

Date:

[11] Partner or proprietor, as the case may be.

Annexure 3
(REFERENCE–CHAPTER 8 (Question 106)

Illustration 5 of SA-700 (Revised), Forming an Opinion and Reporting on Financial Statements

Illustration 5 – Auditor's Report on Financial Statements of a Non-Corporate Entity Prepared in Accordance with a General Purpose Compliance Framework

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of a non-corporate entity, required by law or regulation. The audit is not a group audit (i.e., SA 600 does not apply).
- The financial statements are prepared by management of the entity in accordance with the Financial Reporting Framework (XYZ Laws) of Jurisdiction X (that is, a financial reporting framework, encompassing law or regulation, designed to meet the common financial information needs of a wide range of users, but which is not a fair presentation framework).
- The terms of the audit engagement reflect the description of management's responsibility for the financial statements in SA 210.
- The auditor has concluded an unmodified (i.e., "clean") opinion is appropriate based on the audit evidence obtained.
- The relevant ethical requirements that apply to the audit are the Code of Ethics issued by ICAI[12].
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with SA 570 (Revised).

[12] Specify any applicable ethical requirements under the relevant laws or regulations applicable to the entity.

- The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with SA 701.
- Those responsible for oversight of the financial statements differ from those responsible for the preparation of the financial statements.
- The auditor has no other reporting responsibilities required under local law.

INDEPENDENT AUDITOR'S REPORT

[Appropriate Addressee]

Opinion

We have audited the financial statements of ABC & Associates (the entity), which comprise the balance sheet as at March 31, 20X1, and the Profit and Loss Account *(and the cash flow statement)*[13] for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the entity are prepared, in all material respects, in accordance with XYZ Laws.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

[13] Where applicable.

Responsibilities of Management and Those Charged with Governance for the Financial Statements[14]

Management is responsible for the preparation of the financial statements in accordance with XYZ Laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor'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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Paragraph 41(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 41(c) explains that when law, regulation or applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

As part of an audit in accordance with SAs, we exercise professional

[14] Or other terms that are appropriate in the context of the legal framework of the particular entity.

judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.[15]
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[15] This sentence would be modified, as appropriate, in circumstances when the auditor also has responsibility to issue an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For XYZ & Co
Chartered Accountants
(Firm's Registration No.)

Signature
(Name of the Member Signing the Audit Report)
(Designation[16])
(Membership No.)

Place of Signature:

Date:

[16] Partner or Proprietor, as the case may be.

Annexure 4
(REFERENCE–CHAPTER 8 (Question 105)

SRS 4410 (Revised)
Compilation Engagements

(Effective for compilation engagements undertaken after March 31, 2016)

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Material Modifications *vis-a-vis* ISRS 4410 (Revised), Compilation Engagements

Appendix 1: Illustrative Engagement Letter for a Compilation Engagement

Appendix 2: Illustrative Practitioners' Compilation Reports

Standard on Related Services (SRS) 4410 (Revised), *Compilation Engagements*, should be read in conjunction with the *Preface to the Standards on Quality Control, Auditing, Review, Other Assurance, and Related Services.*

Introduction

Scope of this SRS

1. This Standard on Related Services (SRS) deals with the practitioner's responsibilities when engaged to assist management with the preparation and presentation of historical financial information without obtaining any assurance on that information, and to report on the engagement in accordance with this SRS. (Ref: Para. A1–A2)

2. This SRS applies to compilation engagements for historical financial information. The SRS may be applied, adapted as necessary, to compilation engagements for financial information other than historical financial information, and to compilation engagements for non-financial information. Hereinafter in this SRS, reference to "financial information" means "historical financial information." (Ref: Para. A3–A4)

3. When the practitioner is requested to assist management with the preparation and presentation of financial information, appropriate consideration may need to be given to whether the engagement should be undertaken in accordance with this SRS. Factors that indicate that it may be appropriate to apply this SRS, including reporting under this SRS, include whether:

- The financial information is required under provisions of applicable law or regulation, and whether it is required to be publicly filed.
- External parties other than the intended users of the compiled financial information are likely to associate the practitioner with the financial information, and there is a risk that the level of the practitioner's involvement with the information may be misunderstood, for example:
    - If the financial information is intended for use by parties other than management or those charged with governance, or may be provided to, or obtained by, parties who are not the intended users of the information; and
    - If the practitioner's name is identified with the financial information. (Ref: Para. A5)

Relationship with SQC 1[17]

4. Quality control systems, policies and procedures are the responsibility of the firm. SQC 1 applies to firms of professional accountants in respect of a firm's compilation engagements.18 The provisions of this SRS regarding quality control at the level of individual compilation engagements are premised on the basis that the firm is subject to SQC 1. (Ref: Para. A6–A10)

The Compilation Engagement

5. Management may request a professional accountant in public practice to assist with the preparation and presentation of financial information of an entity. The value of a compilation engagement performed in accordance with this SRS to users of financial information results from the application of the practitioner's professional expertise in accounting and financial reporting and compliance with professional standards, including relevant ethical requirements, and the clear communication of the nature and extent of the practitioner's involvement with the compiled financial information. (Ref: Para. A11–A14)

6. Since a compilation engagement is not an assurance engagement, a compilation engagement does not require the practitioner to verify the accuracy or completeness of the information provided by management for the compilation, or otherwise to gather evidence to express an audit opinion or a review conclusion on the preparation of the financial information.

7. Management retains responsibility for the financial information and the basis on which it is prepared and presented. That responsibility includes application by management of the judgment required for the preparation and presentation of the financial information, including the selection and application of appropriate accounting policies and, where needed, developing reasonable accounting estimates. (Ref: Para. A11–A12)

8. This SRS does not impose responsibilities on management or those charged with governance, or override laws and regulations that govern their responsibilities. An engagement performed in accordance with this SRS is

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[17] Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

[18] SQC 1, paragraph 1.

conducted on the premise that management, or those charged with governance where appropriate, have agreed certain responsibilities that are fundamental to the performance of the compilation engagement. (Ref: Para. A11–A12)

9. Financial information that is the subject of a compilation engagement may be required for various purposes including:

(a) To comply with mandatory periodic financial reporting requirements established in law or regulation, if any; or

(b) For purposes unrelated to mandatory financial reporting under relevant law or regulation, including for example:

- For management or those charged with governance, prepared on a basis appropriate for their particular purposes (such as preparation of financial information for internal use).
- For periodic financial reporting undertaken for external parties under a contract or other form of agreement (such as financial information provided to a funding body to support provision or continuation of a grant).
- For transactional purposes, for example to support a transaction involving changes to the entity's ownership or financing structure (such as for a merger or acquisition).

10. Different financial reporting frameworks can be used to prepare and present financial information, ranging from a simple entity-specific basis of accounting to established financial reporting standards. The financial reporting framework adopted by management to prepare and present the financial information will depend on the nature of the entity and the intended use of the information. (Ref: Para. A15–A17)

Authority of this SRS

11. This SRS contains the objectives of the practitioner in following the SRS which provide the context in which the requirements of this SRS are set, and are intended to assist the practitioner in understanding what needs to be accomplished in a compilation engagement.

12. This SRS contains requirements, expressed using "shall," that are designed to enable the practitioner to meet the stated objectives.

13. In addition, this SRS contains introductory material, definitions, and application and other explanatory material, that provide context relevant to a proper understanding of the SRS.

14. The application and other explanatory material provides further explanation of the requirements and guidance for carrying them out. While such guidance does not in itself impose a requirement, it is relevant to the proper application of the requirements. The application and other explanatory material may also provide background information on matters addressed in this SRS that assists in the application of the requirements.

Effective Date

15. This SRS is effective for compilation engagements undertaken after March 31, 2016.

Objectives

16. The practitioner's objectives in a compilation engagement under this SRS are to:

(a) Apply accounting and financial reporting expertise to assist management in the preparation and presentation of financial information in accordance with an applicable financial reporting framework based on information provided by management; and

(b) Report in accordance with the requirements of this SRS.

Definitions

17. The Glossary of Terms (the Glossary) includes the terms defined in this SRS and also includes descriptions of other terms found in this SRS, to assist in consistent interpretation. The following terms have the meanings attributed below for the purposes of this SRS:

(a) *Applicable financial reporting framework* – The financial reporting framework adopted by management and, where appropriate, those charged with governance in the preparation of the financial information that is acceptable in view of the nature of the entity and the objective of the financial information, or that is required by law or regulation. (Ref: Para. A29–A31)

(b) *Compilation engagement* – An engagement in which a practitioner

applies accounting and financial reporting expertise to assist management in the preparation and presentation of financial information of an entity in accordance with an applicable financial reporting framework, and reports as required by this SRS. Throughout this SRS, the words "compile", "compiling" and "compiled" are used in this context.

(c) *Engagement partner* – The partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.

(d) *Engagement team* – All partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes external experts engaged by the firm or a network firm.

(e) *Misstatement* – A difference between the amount, classification, presentation, or disclosure of a reported item in the financial information, and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. Misstatements can arise from error or fraud.

Where the financial information is prepared in accordance with a fair presentation framework, misstatements also include those adjustments of amounts, classifications, presentation, or disclosures that, in the practitioner's judgment, are necessary for the financial information to be presented fairly, in all material respects, or to give a true and fair view.

(f) *Practitioner* – A professional accountant in public practice19 who conducts the compilation engagement. The term includes the engagement partner or other members of the engagement team, or, as applicable, the firm. Where this SRS expressly intends that a requirement or responsibility be fulfilled by the engagement partner, the term "engagement partner" rather than "practitioner" is used.

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[19] Attention is also drawn to footnote 1 to the Framework for Assurance Engagements, which clarifies that a "practitioner" refers to the members of the Institute of Chartered Accountants of India who is in practice in terms of section 2 of the Chartered Accountants Act, 1949.The term is also used to refer to a firm of chartered accountants in public practice.

(g) *Relevant ethical requirements* – Ethical requirements the engagement team is subject to when undertaking compilation engagements. These requirements comprise the Code of Ethics issued by ICAI together with other relevant pronouncements issued by ICAI. (Ref: Para. A20)

Requirements

Conduct of a Compilation Engagement in Accordance with this SRS

18. The practitioner shall have an understanding of the entire text of this SRS, including its application and other explanatory material, to understand its objectives and to apply its requirements properly.

Complying with Relevant Requirements

19. The practitioner shall comply with each requirement of this SRS unless a particular requirement is not relevant to the compilation engagement, for example if the circumstances addressed by the requirement do not exist in the engagement.

20. The practitioner shall not represent compliance with this SRS unless the practitioner has complied with all requirements of this SRS relevant to the compilation engagement.

Ethical Requirements

21. The practitioner shall comply with relevant ethical requirements. (Ref: Para. A18–A20)

Professional Judgment

22. The practitioner shall exercise professional judgment in conducting a compilation engagement. (Ref: Para. A21–A23)

Engagement Level Quality Control

23. The engagement partner shall take responsibility for:

(a) The overall quality of each compilation engagement to which that partner is assigned; and

(b) The engagement being performed in accordance with the firm's quality control policies and procedures, by: (Ref: Para. A24)

  (i) Following appropriate procedures regarding the acceptance and continuance of client relationships and engagements; (Ref: Para. A25)

(ii) Being satisfied that the engagement team collectively has the appropriate competence and capabilities to perform the compilation engagement;

(iii) Being alert for indications of non-compliance by members of the engagement team with relevant ethical requirements, and determining the appropriate action if matters come to the engagement partner's attention indicating that members of the engagement team have not complied with relevant ethical requirements; (Ref: Para. A26)

(iv) Directing, supervising and performing the engagement in compliance with professional standards and applicable legal and regulatory requirements; and

(v) Taking responsibility for appropriate engagement documentation being maintained.

Engagement Acceptance and Continuance

Continuance of Client Relationships, Engagement Acceptance and Agreeing the Terms of the Engagement

24. The practitioner shall not accept the engagement unless the practitioner has agreed the terms of engagement with management, and the engaging party if different, including:

(a) The intended use and distribution of the financial information, and any restrictions on either its use or its distribution where applicable; (Ref: Para. A19, A27–A28, A31–A32)

(b) Identification of the applicable financial reporting framework; (Ref: Para. A19, A29–A32)

(c) The objective and scope of the compilation engagement; (Ref: Para. A19)

(d) The responsibilities of the practitioner, including the requirement to comply with relevant ethical requirements; (Ref: Para. A19)

(e) The responsibilities of management for: (Ref: Para. A33–A35)

(i) The financial information, and for the preparation and presentation thereof, in accordance with a financial reporting framework that is

acceptable in view of the intended use of the financial information and the intended users;

(ii) Design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

(iii) The accuracy and completeness of the records, documents, explanations and other information provided by management for the compilation engagement; and

(iv) Judgments needed in the preparation and presentation of the financial information, including those for which the practitioner may provide assistance in the course of the compilation engagement; and (Ref: Para. A21)

(f) The expected form and content of the practitioner's report.

25. The practitioner shall record the agreed terms of engagement in an engagement letter or other suitable form of written agreement, prior to performing the engagement. (Ref: Para. A36–A38)

Recurring Engagements

26. On recurring compilation engagements, the practitioner shall evaluate whether circumstances, including changes in the engagement acceptance considerations, require the terms of engagement to be revised and whether there is need to remind management of the existing terms of engagement. (Ref: Para. A39)

Communication with Management and Those Charged with Governance

27. The practitioner shall communicate with management or those charged with governance, as appropriate, on a timely basis during the course of the compilation engagement, all matters concerning the compilation engagement that, in the practitioner's professional judgment, are of sufficient importance to merit the attention of management or those charged with governance, as appropriate. (Ref: Para. A40)

Performing the Engagement

The Practitioner's Understanding

28. The practitioner shall obtain an understanding of the following matters sufficient to be able to perform the compilation engagement: (Ref: Para. A41–A43)

(a) The entity's business and operations, including the entity's accounting system and accounting records; and

(b) The applicable financial reporting framework, including its application in the entity's industry.

Compiling the Financial Information

29. The practitioner shall compile the financial information using the records, documents, explanations and other information, including significant judgments, provided by management.

30. The practitioner shall discuss with management, or those charged with governance as appropriate, those significant judgments, for which the practitioner has provided assistance in the course of compiling the financial information. (Ref: Para. A44)

31. Prior to completion of the compilation engagement, the practitioner shall read the compiled financial information in light of the practitioner's understanding of the entity's business and operations, and of the applicable financial reporting framework. (Ref: Para. A45)

32. If, in the course of the compilation engagement, the practitioner becomes aware that the records, documents, explanations or other information, including significant judgments, provided by management for the compilation engagement are incomplete, inaccurate or otherwise unsatisfactory, the practitioner shall bring that to the attention of management and request the additional or corrected information.

33. If the practitioner is unable to complete the engagement because management has failed to provide records, documents, explanations or other information, including significant judgments, as requested, the practitioner shall withdraw from the engagement and inform management and those charged with governance of the reasons for withdrawing. (Ref: Para. A51)

34. If the practitioner becomes aware during the course of the engagement that:

(a) The compiled financial information does not adequately refer to or describe the applicable financial reporting framework; (Ref: Para. A46)

(b) Amendments to the compiled financial information are required for the financial information not to be materially misstated; or (Ref: Para. A47–A49)

(c) The compiled financial information is otherwise misleading, (Ref: Para. A50)

the practitioner shall propose the appropriate amendments to management.

35. If management declines, or does not permit the practitioner to make the proposed amendments to the compiled financial information, the practitioner shall withdraw from the engagement and inform management and those charged with governance of the reasons for withdrawing. (Ref: Para. A51)

36. If withdrawal from the engagement is not possible, the practitioner shall determine the professional and legal responsibilities applicable in the circumstances. (Ref: Para A52)

37. The practitioner shall obtain an acknowledgement from management or those charged with governance, as appropriate, that they have taken responsibility for the final version of the compiled financial information. (Ref: Para. A62)

Documentation

38. The practitioner shall include in the engagement documentation: (Ref: Para. A53–A55)

(a) Significant matters arising during the compilation engagement and how those matters were addressed by the practitioner;

(b) A record of how the compiled financial information reconciles with the underlying records, documents, explanations and other information, provided by management; and

(c) A copy of the final version of the compiled financial information for which management or those charged with governance, as appropriate, has acknowledged their responsibility, and the practitioner's report. (Ref: Para. A62)

The Practitioner's Report

39. An important purpose of the practitioner's report is to clearly communicate the nature of the compilation engagement, and the practitioner's role and responsibilities in the engagement. The practitioner's report is not a vehicle to express an opinion or conclusion on the financial information in any form.

40. The practitioner's report issued for the compilation engagement shall be in writing, and shall include the following elements: (Ref: Para. A56–A57, A63)

(a) The report title;

(b) The addressee(s), as required by the terms of the engagement; (Ref: Para. A58)

(c) A statement that the practitioner has compiled the financial information based on information provided by management;

(d) A description of the responsibilities of management, or those charged with governance as appropriate, in relation to the compilation engagement, and in relation to the financial information;

(e) Identification of the applicable financial reporting framework and, if a special purpose financial reporting framework is used, a description or reference to the description of that special purpose financial reporting framework in the financial information;

(f) Identification of the financial information, including the title of each element of the financial information if it comprises more than one element, and the date of the financial information or the period to which it relates;

(g) A description of the practitioner's responsibilities in compiling the financial information, including that the engagement was performed in accordance with this SRS, and that the practitioner has complied with relevant ethical requirements;

(h) A description of what a compilation engagement entails in accordance with this SRS;

(i) Explanations that:

  (i) Since a compilation engagement is not an assurance engagement, the practitioner is not required to verify the accuracy

or completeness of the information provided by management for the compilation; and

(ii) Accordingly, the practitioner does not express an audit opinion or a review conclusion on whether the financial information is prepared in accordance with the applicable financial reporting framework.

(j) If the financial information is prepared using a special purpose financial reporting framework, an explanatory paragraph that: (Ref: Para. A59–A61)

(i) Describes the purpose for which the financial information is prepared and, if necessary, the intended users, or contains a reference to a note in the financial information that discloses this information; and

(ii) Draws the attention of readers of the report to the fact that the financial information is prepared in accordance with a special purpose framework and that, as a result, the information may not be suitable for other purposes;

(k) The date of the practitioner's report;

(l) The practitioner's signature; and

(m) The Place of signature.

41. The practitioner shall date the report on the date the practitioner has completed the compilation engagement in accordance with this SRS. (Ref: Para. A62)

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Application and Other Explanatory Material

Scope of this SRS

General Considerations (Ref: Para. 1)

A1. In a compilation engagement where the engaging party is someone other than management or those charged with governance of the entity, this SRS may be applied adapted as necessary.

A2. A practitioner's involvement with services or activities in the course of assisting management of an entity with the preparation and presentation of

the entity's financial information can take many different forms. When the practitioner is engaged to provide such services or activities for an entity under this SRS, the practitioner's association with the financial information is communicated through the practitioner's report provided for the engagement in the form required by this SRS. The practitioner's report contains the practitioner's explicit assertion of compliance with this SRS.

Application to Compilation Engagements Other than for Historical Financial Information (Ref: Para. 2)

A3. This SRS addresses engagements where the practitioner assists management in the preparation and presentation of historical financial information. The SRS may, however, also be applied, adapted as necessary, when the practitioner is engaged to assist management in preparing and presenting other financial information. Examples include:

- Pro forma financial information.
- Prospective financial information, including financial budgets or forecasts.

A4. Practitioners may also undertake engagements to assist management in the preparation and presentation of non-financial information, for example, greenhouse gas statements, corporate social responsibility reporting, environmental reporting, sustainability reporting, integrated reporting, statistical returns or other information returns. In those circumstances, the practitioner may apply this SRS, adapted as necessary, as relevant to those types of engagements.

Considerations Relevant to Application of the SRS (Ref: Para. 3)

A5. Mandatory application of this SRS may be specified in national settings for engagements where practitioners undertake services relevant to the preparation and presentation of financial information of an entity (such as in relation to preparation of historical financial statements required for public filing). If mandatory application is not specified, either under law or regulation, or under applicable professional standards or otherwise, the practitioner may nevertheless conclude that applying this SRS is appropriate in the circumstances.

Relationship with SQC 1 (Ref: Para. 4)

A6. SQC 1 deals with the firm's responsibilities to establish and maintain its

system of quality control for related services engagements, including compilation engagements. Those responsibilities are directed at establishing:

- The firm's quality control system; and
- The firm's related policies designed to achieve the objective of the quality control system and its procedures to implement and monitor compliance with those policies.

A7. Under SQC 1, the firm has an obligation to establish and maintain a system of quality control to provide it with reasonable assurance that:

(a) The firm and its personnel comply with professional standards and applicable legal and regulatory requirements; and

(b) Reports issued by the firm or engagement partners are appropriate in the circumstances.20

A8. Within the context of the firm's system of quality control, engagement teams have a responsibility to implement quality control procedures applicable to the engagement.

A9. Unless information provided by the firm or other parties suggests otherwise, the engagement team is entitled to rely on the firm's system of quality control. For example, the engagement team may rely on the firm's system of quality control in relation to:

- Competence of personnel through their recruitment and formal training.
- Maintenance of client relationships through acceptance and continuance systems.
- Adherence to legal and regulatory requirements through the monitoring process.

In considering deficiencies identified in the firm's system of quality control that may affect the compilation engagement, the engagement partner may consider measures taken by the firm to rectify the situation that the engagement partner considers are sufficient in the context of that compilation engagement.

A10. A deficiency in the firm's system of quality control does not necessarily indicate that a compilation engagement was not performed in accordance

[20] SQC 1, paragraph 3.

with professional standards and applicable legal and regulatory requirements, or that the practitioner's report was not appropriate.

The Compilation Engagement

Use of the Terms "Management" and "Those Charged with Governance" (Ref: Para. 5, 7–8)

A11. The respective responsibilities of management and those charged with governance will differ between entities of various types. These differences affect the way the practitioner applies the requirements of this SRS regarding management or those charged with governance. Accordingly, the phrase "management and, where appropriate, those charged with governance" used in various places throughout this SRS is intended to alert the practitioner to the fact that different entity environments may have different management and governance structures and arrangements.

A12. Various responsibilities relating to the preparation of financial information and external financial reporting fall to either management or those charged with governance according to factors such as:

- The resources and structure of the entity.
- The respective roles of management and those charged with governance within the entity as set out in relevant law or regulation or, if the entity is not regulated, in any formal governance or accountability arrangements established for the entity (for example, as recorded in contracts, or a constitution or other type of document by which an entity is established).

  In many small entities, there is often no separation of the management and governance roles for the entity, or those charged with governance of the entity may also be involved in managing the entity. In most other cases, especially in larger entities, management is responsible for execution of the business or activities of the entity and reporting thereon, while those charged with governance have oversight of management. In larger entities, those charged with governance will often have or assume responsibility for approving the financial information of the entity, particularly when it is intended for use by external parties. In large entities, often a subgroup of those charged with governance, such as an audit committee, is charged with certain oversight responsibilities.

Involvement in Other Activities Relating to Preparation and Presentation of Financial Information (Ref: Para. 5)

A13. The scope of a compilation engagement will vary depending on the circumstances of the engagement. However, in every case it will involve assisting management in the preparation and presentation of the entity's financial information in accordance with the financial reporting framework, based on information provided by management. In some compilation engagements, management may have already prepared the financial information itself in a draft or preliminary form.

A14. A practitioner may also be engaged to undertake certain other activities on behalf of management, additional to the compilation engagement. For example, the practitioner may be requested to also collect, classify and summarize the underlying accounting data of the entity and process the data in the form of accounting records through to preparation of a trial balance. The trial balance would then be used as the underlying information from which the practitioner can compile the financial information that is the subject of a compilation engagement undertaken in accordance with this SRS. This is often the case for smaller entities that do not have well-developed accounting systems, or entities that prefer to outsource the preparation of accounting records to external providers. This SRS does not address such additional activities that the practitioner may perform to assist management in other areas, in advance of compiling the entity's financial statements.

Financial Reporting Frameworks (Ref: Para. 10)

A15. The financial information may be prepared in accordance with a financial reporting framework designed to meet:

- The common financial information needs of a wide range of users (that is, a "general purpose financial reporting framework"); or
- The financial information needs of specific users (that is, a "special purpose financial reporting framework").
- The requirements of the applicable financial reporting framework determine the form and content of the financial information. The financial reporting framework may, in some cases, be referred to as the "basis of accounting."

A16. Examples of commonly used general purpose financial reporting frameworks are:

- International Financial Reporting Standards (IFRS) and established national financial reporting standards applicable to publicly-listed entities.
- International Financial Reporting Standards for Small- and Medium-Sized Entities (IFRS for SMEs) and established national financial reporting standards applicable to small- and medium-sized entities.
- Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006.
- Indian Accounting Standards (Ind AS) issued by ICAI.
- Accounting Standards (AS) issued by ICAI.

A17. Examples of special purpose financial reporting frameworks that may be used, depending on the particular purpose of the financial information, are:

- The cash receipts and disbursements basis of accounting for cash flow information that an entity may be requested to prepare for creditors;
- The financial reporting provisions established by a regulator to meet the requirements of that regulator; or
- The financial reporting provisions of a contract, such as a bond indenture, a loan agreement, or a project grant.

Ethical Requirements (Ref: Para. 21)

A18. Chapter 1 of the ICAI's Code of Ethics establishes the fundamental principles of professional ethics that practitioners must comply with, and provides a conceptual framework for applying those principles. The fundamental principles are:

(a) Integrity;

(b) Objectivity;

(c) Professional competence and due care;

(d) Confidentiality; and

(e) Professional behavior.

Chapter 2 of the ICAI's Code of Ethics illustrates how the conceptual framework is to be applied in specific situations. In complying with the Code of Ethics, threats to the practitioner's compliance with relevant ethical requirements are required to be identified and appropriately addressed.

Ethical Considerations Regarding the Practitioner's Association with Information (Ref: Para. 21, 24(a)–(d))

A19. Under the Code of Ethics,21 in applying the principle of integrity, a professional accountant is required to not be associated with reports, returns, communications or other information where he believes that the information:

(a) Contains a materially false or misleading statement;

(b) Contains statements or information furnished negligently; or

(c) Omits or obscures any information required to be included where such omission or obscurity would be misleading.

Independence (Ref: Para. 17(g), 21)

A20. Notwithstanding that Section 290, Independence–Assurance Engagements of the ICAI's Code of Ethics does not apply to compilation engagements, laws or regulations may specify requirements or disclosure rules pertaining to independence.

Professional Judgment (Ref: Para. 22, 24(e)(iv))

A21. Professional judgment is essential to the proper conduct of a compilation engagement. This is because interpretation of relevant ethical requirements and the requirements of this SRS, and the need for informed decisions throughout the performance of a compilation engagement, require the application of relevant knowledge and experience to the facts and circumstances of the engagement. Professional judgment is necessary, in particular, when the engagement involves assisting management of the entity regarding decisions about:

- The acceptability of the financial reporting framework that is to be used to prepare and present the financial information of the entity, in view of the intended use of the financial information and the intended users thereof.

[21] Code of Ethics, paragraph 110.2.

- The application of the applicable financial reporting framework, including:
    - Selection of appropriate accounting policies under that framework;
    - Development of accounting estimates needed for the financial information to be prepared and presented under that framework; and
    - Preparation and presentation of financial information in accordance with the applicable financial reporting framework.

      The practitioner's assistance to management is always provided on the basis that management or those charged with governance, as appropriate, understand the significant judgments that are reflected in the financial information, and accept responsibility for those judgments.

A22. Professional judgment involves the application of relevant training, knowledge and experience, within the context provided by this SRS and accounting and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances of the compilation engagement.

A23. The exercise of professional judgment in individual engagements is based on the facts and circumstances that are known to the practitioner up to the date of the practitioner's report on the engagement, including:

- Knowledge acquired from performance of other engagements undertaken for the entity, where applicable (for example, taxation services).
- The practitioner's understanding of the entity's business and operations, including its accounting system, and of the application of the applicable financial reporting framework in the industry in which the entity operates.
- The extent to which the preparation and presentation of the financial information requires the exercise of management judgment.

Engagement Level Quality Control (Ref: Para. 23(b))

A24. The actions of the engagement partner and appropriate messages to the other members of the engagement team, in taking responsibility for the

overall quality on each engagement, emphasize the importance to achieving the quality of the engagement of:

(a) Performing work that complies with professional standards and regulatory and legal requirements;

(b) Complying with the firm's quality control policies and procedures as applicable; and

(c) Issuing the practitioner's report for the engagement in accordance with this SRS.

Acceptance and Continuance of Client Relationships and Compilation Engagements (Ref: Para. 23(b)(i))

A25. SQC 1 requires the firm to obtain such information as it considers necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client. Information that assists the engagement partner in determining whether acceptance or continuance of client relationships and compilation engagements is appropriate may include information concerning the integrity of the principal owners, key management and those charged with governance. If the engagement partner has cause to doubt management's integrity to a degree that is likely to affect proper performance of the engagement, it may not be appropriate to accept the engagement.

Compliance with Relevant Ethical Requirements in Conducting the Engagement (Ref: Para. 23(b)(iii))

A26. SQC 1 sets out the responsibilities of the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel comply with relevant ethical requirements. This SRS sets out the engagement partner's responsibilities with respect to the engagement team's compliance with relevant ethical requirements.

Engagement Acceptance and Continuance

Identifying the Intended Use of the Financial Information (Ref: Para. 24(a))

A27. The intended use of the financial information is identified with reference to applicable law, regulation, or other arrangements established concerning the provision of financial information of the entity, bearing in mind the

financial information needs of parties internal or external to the entity who are the intended users. Examples are financial information required to be provided by an entity in connection with undertaking transactions or financing applications with external parties such as suppliers, banks or other providers of finance or funding.

A28. The practitioner's identification of the intended use of the financial information also involves understanding such factors as the particular purpose(s) of management, or those charged with governance, where applicable, that are intended to be served through requesting the compilation engagement, and those of the engaging party where different. For example, a grant funding body may require the entity to provide financial information compiled by a professional accountant to obtain information about certain aspects of an entity's operations or activities, prepared in a specified form, to support provision of a grant or continuation of an existing grant.

Identification of the Applicable Financial Reporting Framework (Ref: Para. 17(a), 24(b))

A29. The decision about the financial reporting framework that management adopts for the financial information is made in the context of the intended use of the information as described in the agreed terms of engagement, and the requirements of any applicable law or regulation.

A30. The following are examples of factors that indicate it may be relevant to consider whether the financial reporting framework is acceptable:

- The nature of the entity, and whether it is a regulated form of entity, for example, whether it is a profit-oriented business enterprise, a public sector entity or a not-for-profit organization.
- The intended use of the financial information and the intended users. For example, the financial information could be intended to be used by a wide range of users or, alternatively, could be for use by management or by certain external users in the context of a particular purpose specified as part of agreeing the terms of the compilation engagement.
- Whether the applicable financial reporting framework is prescribed or specified, either in applicable law or regulation, or in a contract or other form of agreement with a third party, or as part of governance or accountability arrangements adopted voluntarily by the entity.

- The nature and form of the financial information that is to be prepared and presented under the applicable financial reporting framework, for example, a complete set of financial statements, a single financial statement, or financial information presented in another format agreed between parties to a contract or other form of agreement.

Relevant Factors When Financial Information is Intended for a Particular Purpose (Ref: Para. 24(a) –(b))

A31. The engaging party generally agrees the nature and form of financial information that is intended for a particular purpose with the intended users, for example as specified under the financial reporting provisions of a contract or a project grant or as needed to support the entity's transactions or activities. The relevant contract may require use of an established financial reporting framework, such as a general purpose financial reporting framework established by an authorized or recognized standard-setting body or by law or regulation. Alternatively, the parties to the contract may agree on the use of a general purpose framework with modifications or adaptions that fit their particular needs. In that case, the applicable financial reporting framework may be described in the financial information and in the practitioner's report as being the financial reporting provisions of the specified contract rather than with reference to the modified financial reporting framework. In such cases, notwithstanding that the compiled financial information may be made more broadly available, the applicable financial reporting framework is a special purpose framework, and the practitioner is required to comply with the relevant reporting requirements of this SRS.

A32. When the applicable financial reporting framework is a special purpose financial reporting framework, the practitioner is required by this SRS to record any restrictions on either the intended use or distribution of the financial information in the engagement letter, and to state in the practitioner's report that the financial information is prepared using a special purpose financial reporting framework, and as a result may not be suitable for other purposes.

Responsibilities of Management (Ref: Para. (24(e))

A33. Under this SRS, the practitioner is required to obtain the agreement of management, or where applicable those charged with governance, on management's responsibilities in relation to both the financial information and

the compilation engagement as a condition precedent to accepting the engagement. In smaller entities, management, or those charged with governance where applicable, may not be well-informed about what those responsibilities are, including those arising in applicable law or regulation. In order to obtain management's agreement on an informed basis, the practitioner may find it necessary to discuss those responsibilities with management in advance of seeking management's agreement on its responsibilities.

A34. If management does not acknowledge its responsibilities in the context of a compilation engagement, the practitioner is not able to undertake the engagement, and it is not appropriate for the practitioner to accept the engagement unless required to do so under applicable law or regulation. In circumstances where the practitioner is nevertheless required to accept the engagement, the practitioner may need to communicate with management about the importance of these matters and the implications for the engagement.

A35. The practitioner is entitled to rely on management to provide all relevant information for the compilation engagement on an accurate, complete and timely basis. The form of the information provided by management for the purpose of the engagement will vary in different engagement circumstances. In broad terms, it will comprise records, documents, explanations and other information relevant to the compilation of the financial information using the applicable financial reporting framework. The information provided may include, for example, information about management assumptions, intentions or plans underlying development of accounting estimates needed to compile the information under the applicable financial reporting framework.

Engagement Letter or Other Form of Written Agreement (Ref: Para. 25)

A36. It is in the interest of both management, and the engaging parties where different, and the practitioner that the practitioner sends an engagement letter to management and, where applicable, to the engaging parties prior to performing the compilation engagement, to help avoid misunderstanding with respect to the compilation engagement. An engagement letter confirms the practitioner's acceptance of the engagement and confirms such matters as:

- The objectives and scope of the engagement, including the understanding of the parties to the engagement that the engagement is not an assurance engagement.

- The intended use and distribution of the financial information, and any restrictions on its use or distribution (where applicable).
- The responsibilities of management in relation to the compilation engagement.
- The extent of the practitioner's responsibilities, including that the practitioner will not express an audit opinion or a review conclusion on the financial information.
- The form and content of the report to be issued by the practitioner for the engagement.

Form and Content of the Engagement Letter

A37. The form and content of the engagement letter may vary for each engagement. In addition to the matters required by this SRS, an engagement letter may make reference to, for example:

- Arrangements concerning the involvement of other practitioners and experts in some aspects of the compilation engagement.
- Arrangements to be made with the predecessor practitioner, if any, in the case of an initial engagement.
- The possibility that management or those charged with governance, as appropriate, may be requested to confirm in writing certain information or explanations conveyed orally to the practitioner during the engagement.
- Ownership of the information used for purposes of the compilation engagement, distinguishing between documents and information of the entity provided for the engagement and the practitioner's engagement documentation, having regard to applicable law and regulation.
- A request for management, and the engaging party if different, to acknowledge receipt of the engagement letter and to agree to the terms of the engagement outlined therein.

Illustrative Engagement Letter

A38. An illustrative engagement letter for a compilation engagement is set out in Appendix 1 to this SRS.

Recurring Engagements (Ref: Para. 26)

A39. The practitioner may decide not to send a new engagement letter or other written agreement each period. However, the following factors may indicate that it is appropriate to revise the terms of the compilation engagement, or to remind management or the engaging party, where applicable, of the existing terms of the engagement:

- Any indication that management or the engaging party, where applicable, misunderstands the objective and scope of the engagement.
- Any revised or special terms of the engagement.
- A recent change of senior management of the entity.
- A significant change in ownership of the entity.
- A significant change in nature or size of the entity's business.
- A change in legal or regulatory requirements affecting the entity.
- A change in the applicable financial reporting framework.

Communication with Management and Those Charged with Governance (Ref: Para. 27)

A40. The appropriate timing for communications will vary with the circumstances of the compilation engagement. Relevant circumstances include the significance and nature of the matter and any action expected to be taken by management or those charged with governance. For example, it may be appropriate to communicate a significant difficulty encountered during the engagement as soon as practicable if management or those charged with governance are able to assist the practitioner to overcome the difficulty.

Performing the Engagement

The Practitioner's Understanding (Ref: Para. 28)

A41. Obtaining an understanding of the entity's business and its operations, including the entity's accounting system and accounting records, is an ongoing process that occurs throughout the compilation engagement. The understanding establishes a frame of reference within which the practitioner exercises professional judgment in compiling the financial information.

A42. The breadth and depth of the understanding the practitioner has or obtains about the entity's business and operations is less than that possessed by management. It is directed at the level that is sufficient for the practitioner to be able to compile the financial information under the terms of the engagement.

A43. Examples of matters the practitioner may consider in obtaining an understanding of the entity's business and operations and the applicable financial reporting framework include:

- The legal and regulatory requirements applicable to the entity.
- The size and complexity of the entity and its operations.
- The complexity of the financial reporting framework.
- The entity's financial reporting obligations or requirements, whether they exist under applicable laws and regulation, under the provisions of a contract or other form of agreement with a third party, or in the context of voluntary financial reporting arrangements.
- The level of development of the entity's management and governance structure regarding management and oversight of the entity's accounting records and financial reporting systems that underpin the preparation of financial information of the entity.
- The level of development and complexity of the entity's financial accounting and reporting systems and related controls.
- The nature of the entity's assets, liabilities, revenues and expenses.

Compiling the Financial Information

Significant Judgments (Ref: Para.30)

A44. In some compilation engagements, the practitioner does not provide assistance to management with significant judgments. In other engagements, the practitioner may provide such assistance, for example, in relation to a required accounting estimate or helping management with its consideration of appropriate accounting policies or estimating the useful life of fixed assets or ascertaining the condition of inventory. Where assistance is provided, discussion is needed so that management and those charged with governance, as appropriate, understand the significant judgments reflected in the financial information, and accept their responsibility for those judgments.

Reading the Financial Information (Ref: Para. 31)

A45. The practitioner's reading of the financial information is intended to assist the practitioner in fulfilling the practitioner's ethical requirements relevant to the compilation engagement. (Also refer Para. A19)

Proposing Amendments to the Financial Information

Reference to or description of the applicable financial reporting framework (Ref: Para. 34(a))

A46. There may be circumstances when the applicable financial reporting framework is an established financial reporting framework with significant departures therefrom. If the description of the applicable financial reporting framework in the compiled financial information makes reference to the established framework with significant departures, the practitioner may need to consider whether the reference to the established framework is misleading in the circumstances of the engagement.

Amendment for material misstatements, and for the information not to be misleading (Ref: Para. 34(b)–(c))

A47. The practitioner's consideration of materiality is made in the context of the applicable financial reporting framework. Some financial reporting frameworks discuss the concept of materiality in the context of the preparation and presentation of financial information. Although financial reporting frameworks may discuss materiality in different terms, they generally explain that:

- Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial information;
- Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- Judgments about matters that are material to users of the financial information are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.

For example, in case of companies, the Schedule III to the Companies Act, 2013 gives the following materiality threshold:

A company shall disclose by way of notes additional information regarding aggregate expenditure and income on any item of income or expenditure which exceeds one percent of the revenue from operations or Rs. 1,00,000 whichever is higher.

A48. If present in the applicable financial reporting framework, such a discussion provides a frame of reference for the practitioner in understanding materiality for the purpose of the compilation engagement. If not present, the above considerations provide the practitioner with a frame of reference.

A49. The practitioner's perception of the needs of users of the financial information affects the practitioner's view of materiality. In this context, it is reasonable for the practitioner to assume that users:

- Have a reasonable knowledge of business and economic activities and accounting, and a willingness to study the financial information with reasonable diligence;
- Understand that financial information is prepared and presented to levels of materiality;
- Recognize the uncertainties inherent in the measurement of amounts based on the use of estimates, judgment and the consideration of future events; and
- Make reasonable economic decisions on the basis of the information in the financial information.

A50. The applicable financial reporting framework may include the premise that the financial information is prepared on the going concern basis. If the practitioner becomes aware that uncertainties exist regarding the entity's ability to continue as a going concern, the practitioner may, as appropriate, suggest a more appropriate presentation under the applicable financial reporting framework, or appropriate disclosures concerning the entity's ability to continue as a going concern, in order to be in compliance with that framework, and to avoid the financial information being misleading.

Conditions that Require the Practitioner to Withdraw from the Engagement (Ref: Para. 33, 35)

A51. In circumstances addressed by the requirements of this SRS where withdrawal from the engagement is necessary, the responsibility to inform

management and those charged with governance of the reasons for withdrawing provides an opportunity to explain the practitioner's ethical obligations.

A52. The professional and legal responsibilities of the practitioner may include, for example:

- Reporting to the appointing authority,
- Reporting to the regulatory authority,
- Seeking legal advice,
- Describing the facts in the compilation report.

Documentation (Ref: Para. 38)

A53. The documentation required by this SRS serves a number of purposes, including the following:

- Providing a record of matters of continuing relevance to future compilation engagements.
- Enabling the engagement team, as applicable, to be accountable for its work, including recording the completion of the engagement.

A54. The practitioner may consider also including in the engagement documentation a copy of the entity's trial balance, summary of significant accounting records or other information that the practitioner used to perform the compilation.

A55. In recording how the compiled financial information reconciles with the underlying records, documents, explanations and other information provided by management for the purpose of the compilation engagement, the practitioner may, for example, keep a schedule showing the reconciliation of the entity's general ledger account balances to the compiled financial information, including any adjusting journal entries or other amendments to the financial information that the practitioner has agreed with management in the course of the engagement.

The Practitioner's Report (Ref: Para. 40)

A56. The written report encompasses reports issued in hard copy format and those issued using an electronic medium.

A57. When the practitioner is aware that the compiled financial information and the practitioner's report will be included in a document that contains other information, such as a financial report, the practitioner may consider, if

the form of presentation allows, identifying the page numbers on which the financial information is presented. This helps users to identify the financial information to which the practitioner's report relates.

Addressees of the Report (Ref: Para. 40(b))

A58. Law or regulation may specify to whom the practitioner's report is to be addressed in the particular jurisdiction. The practitioner's report is normally addressed to the party who engaged the practitioner under the terms of the engagement, ordinarily the management of the entity.

Financial Information Prepared Using a Special Purpose Financial Reporting Framework (Ref: Para. 40(j))

A59. Under this SRS, if the financial information is prepared using a special purpose financial reporting framework, the practitioner's report is required to draw the attention of readers of the report to the special purpose financial reporting framework used in the financial information, and to state that the financial information may therefore not be suitable for other purposes. This may be supplemented by an additional clause that restricts either the distribution or use, or both, of the practitioner's report to the intended users only.

A60. Financial information prepared for a particular purpose may be obtained by parties other than the intended users, who may seek to use the information for purposes other than those for which the information was intended. For example, a regulator may require certain entities to provide financial statements prepared using a special purpose financial reporting framework, and those financial statements to be on public record. The fact of the wider availability of those financial statements to parties other than the intended users does not mean the financial statements would then become general purpose financial statements. The practitioner's statements required to be included in the practitioner's report are needed to draw readers' attention to the fact that the financial statements are prepared under a special purpose financial reporting framework, and may not, therefore, be suitable for other purposes.

Restriction on Distribution and Use of the Practitioner's Report

A61. The practitioner may consider it appropriate to indicate that the practitioner's report is intended solely for the specified intended users of the financial information. Depending on the law or regulation of the particular

jurisdiction, this may be achieved by restricting either the distribution or use, or both, of the practitioner's report to the intended users only.

Completion of the Compilation Engagement and Dating of the Practitioner's Report (Ref: Para. 37, 38, 41)

A62. The process that exists within the entity for the approval of the financial information by management, or by those charged with governance as appropriate, is a relevant consideration for the practitioner when completing the compilation engagement. Depending on the nature and purpose of the financial information, there may be an established approval process that management or those charged with governance are required to follow, or that is prescribed in applicable law and regulation, for the preparation and finalization of financial information or financial statements of the entity.

Illustrative Reports (Ref: Para. 40)

A63. Appendix 2 to this SRS contains illustrations of practitioners' compilation reports incorporating the required elements of the report.

Material Modifications *vis-a-vis* ISRS 4410 (Revised), "Compilation Engagements"

There are no material modifications in SRS 4410 (Revised) *vis-a-vis* ISRS 4410 (Revised), 'Compilation Engagements' except addition of the following bullet point in paragraph 24(e):

- Design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Appendix 1
(Ref: Para. A38)

Illustrative Engagement Letter for a Compilation Engagement

The following is an example of an engagement letter for a compilation engagement that illustrates the relevant requirements and guidance contained in this SRS. This letter is not authoritative but is intended only to be a guide that may be used in conjunction with the considerations outlined in this SRS. It will need to be adapted according to the requirements and circumstances of individual compilation engagements. It is drafted to refer to the compilation of financial statements for a single reporting period and would require adaptation if intended or expected to apply to a recurring engagement as described in this SRS. It may be appropriate to seek legal advice that any proposed letter is suitable.

This engagement letter illustrates the following circumstances:

- The financial statements are to be compiled for sole use by the management of a company (ABC Company), and use of the financial statements will be restricted to management. Use and distribution of the practitioner's report is also restricted to management.
- The compiled financial statements will comprise only the balance sheet of the company as at March 31, 20XX and the Statement of Profit and Loss for the year then ended, without notes. Management has determined that the financial statements be prepared on an accrual basis as described.

***

To the Management[22] of ABC Company:

[The objective and scope of the compilation engagement]

You have requested that we provide the following services:

On the basis of information that you will provide, we will assist you in the preparation and presentation of the following financial statements for ABC

[22] Throughout this illustrative engagement letter, references to "you," "we," "us," "management," "those charged with governance" and "practitioner" would be used or amended as appropriate in the circumstances.

Company: the balance sheet of ABC Company as at March 31, 20XX and the Statement of Profit and Loss for the year then ended These financial statements will not include explanatory notes, other than a note describing the basis of accounting as set out in this engagement letter.

The purpose for which the financial statements will be used is to provide full-year financial information showing the entity's financial position at the financial reporting date of March 31, 20XX and financial performance for the year then ended. The financial statements will be solely for your use, and will not be distributed to other parties.

Our Responsibilities

A compilation engagement involves applying expertise in accounting and financial reporting to assist you in the preparation and presentation of financial information. Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provide to us for the compilation engagement, or otherwise to gather evidence to express an audit opinion or a review conclusion. Accordingly, we will not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the basis of accounting you have specified, as described above.

We will perform the compilation engagement in accordance with the Standard on Related Services (SRS) 4410 (Revised), *Compilation Engagements*. SRS 4410 (Revised) requires that, in undertaking this engagement, we comply with relevant ethical requirements. For that purpose, we are required to comply with the ICAI's Code of Ethics

Your Responsibilities

The compilation engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to assist you in the preparation and presentation of the financial statements in accordance with the financial reporting framework you have adopted for the financial statements. Accordingly, you have the following overall responsibilities that are fundamental to our undertaking the compilation engagement in accordance with SRS 4410 (Revised):

(a) Responsibility for the financial statements and the preparation and presentation thereof in accordance with a financial reporting framework

that is acceptable in view of the intended use of the financial statements and the intended users.

(b) Responsibility for the design, implementation and maintenance of such internal control as you determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(c) Responsibility for the accuracy and completeness of the records, documents, explanations and other information you provide to us for the purpose of compiling the financial statements.

(d) Responsibility for the judgments needed in the preparation and presentation of the financial statements, including those for which we may provide assistance in the course of the compilation engagement.

Our Compilation Report

As part of our engagement, we will issue our report attached to the financial statements compiled by us, which will describe the financial statements, and the work we performed for this compilation engagement [see attached]. The report will also note that the use of the financial statements is restricted to the purpose set out in this engagement letter, and that use and distribution of our report provided for the compilation engagement is restricted to you, as the management of ABC Company.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to compile the financial statements described herein, and our respective responsibilities.

[*Other relevant information*]

[*Insert other information, such as fee arrangements, billings and other specific terms, as appropriate*.]

XYZ & Co.

Acknowledged and agreed on behalf of the management of ABC Company by

(signed)

.....

Name and Title

Date

Appendix 2

(Ref: Para. A63)

Illustrative Practitioners' Compilation Reports

Compilation Engagement for General Purpose Financial Statements

- Illustration 1: Practitioner's report for an engagement to compile financial statements using a general purpose financial reporting framework.

Compilation Engagement for Financial Statements Prepared for a Special Purpose

- Illustration 2: Practitioner's report for an engagement to compile financial statements using a modified general purpose financial reporting framework.

Compilation Engagements for Financial Information Prepared for a Special Purpose where Use or Distribution of the Financial Information is Restricted to the Intended Users

- Illustration 3: Practitioner's report for an engagement to compile financial statements using the basis of accounting specified in a contract.
- Illustration 4: Practitioner's report for an engagement to compile financial statements using a basis of accounting selected by the management of an entity for financial information required for management's own purposes.
- Illustration 5: Practitioner's report for an engagement to compile financial information that is an element, account or item, being *[insert appropriate reference to information required for a regulatory compliance purpose].*

Illustration 1: Practitioner's report for an engagement to compile financial statements using a general purpose financial reporting framework.

- General purpose financial statements required under applicable law that specifies that the entity's financial statements are to be prepared applying accounting principles generally accepted in India.

ACCOUNTANT'S COMPILATION REPORT
[To Management of ABC Company]

We have compiled the accompanying financial statements of ABC Company based on information you have provided. These financial statements comprise the Balance Sheet of ABC Company as at March 31, 20XX, the statement of Profit and Loss, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with accounting principles generally accepted in India. We have complied with relevant ethical requirements.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with accounting principles generally accepted in India.

For XYZ and Co.
Chartered Accountants
Firm's Registration Number

Signature
(Name of the Member Signing the Compilation Report)
(Designation[23])
Membership Number

[23] Partner or Proprietor, as the case may be.

Illustration 2: Practitioner's report for an engagement to compile financial statements using a modified general purpose financial reporting framework.

- Financial statements prepared using a general purpose financial reporting framework adopted by management on a modified basis.
- The applicable financial reporting framework is accounting principles generally accepted in India excluding the treatment of current investments, which have been valued at fair value rather than being carried at the lower of cost and fair value.
- Use or distribution of the financial statements is not restricted.

ACCOUNTANT'S COMPILATION REPORT
[To Management of ABC Company]

We have compiled the accompanying financial statements of ABC Company based on information you have provided. These financial statements comprise the Balance Sheet of ABC Company as at March 31, 20XX, the statement of Profit and Loss, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements on the basis of accounting described in Note X to the financial statements. We have complied with relevant ethical requirements.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the basis of accounting described in Note X.

As stated in Note X, the financial statements are prepared and presented in accordance with accounting principles generally accepted in India excluding current investments which have been valued at fair value rather than being carried at the lower of cost and fair value. The financial statements are prepared for the purpose described in Note Y to the financial statements. Accordingly, these financial statements may not be suitable for other purposes.

For XYZ and Co.
Chartered Accountants
Firm's Registration Number

Signature
(Name of the Member Signing the Compilation Report)
(Designation[24])
Membership Number

[24] Partner or Proprietor, as the case may be.

Illustration 3: Practitioner's report for an engagement to compile financial statements using the basis of accounting specified in a contract.

- Financial statements prepared to comply with the provisions of a contract, applying the basis of accounting specified in the contract.
- The practitioner is engaged by a party other than management or those charged with governance of the entity.
- The financial statements are intended for use only by the parties specified in the contract.
- Distribution and use of the practitioner's report is restricted to the intended users of the financial statements specified in the contract.

ACCOUNTANT'S COMPILATION REPORT
[To the Engaging Party[25]]

We have compiled the accompanying financial statements of ABC Company ("the Company") based on information provided by the management of the Company ("management"). These financial statements comprise *[name all the elements of the financial statements prepared under the basis of accounting specified in the Contract and the period/date to which they relate*].

We performed this compilation engagement in accordance with Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist management in the preparation and presentation of these financial statements on the basis of accounting described in Note X to the financial statements. We have complied with relevant ethical requirements.

These financial statements and the accuracy and completeness of the information used to compile them are management's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on

[25] Alternatively, the appropriate addressee specified in the relevant contract.

whether these financial statements are prepared in accordance with the basis of accounting described in Note X.

As stated in Note X, the financial statements are prepared and presented on the basis described in Clause Z of the provisions of the Company's contract with XYZ Limited dated *[insert date of the relevant contract/agreement*] ("the Contract"), and for the purpose described in Note Y to the financial statements. Accordingly, these financial statements are intended for use only by the parties specified in the Contract, and may not be suitable for other purposes.

Our compilation report is intended solely for the parties specified in the Contract, and should not be distributed to other parties.

For XYZ and Co.
Chartered Accountants
Firm's Registration Number

Signature
(Name of the Member Signing the Compilation Report)
(Designation[26])
Membership Number

[26] Partner or Proprietor, as the case may be.

Illustration 4: Practitioner's report for an engagement to compile financial statements using a basis of accounting selected by management of an entity for financial information required for management's own purposes.

- Financial statements prepared using a special purpose financial reporting framework, intended for use only by the management of a company for management's own purposes.
- The financial statements incorporate certain accruals, and comprise only a balance sheet, a Statement of Profit and Loss, and a single note that refers to the basis of accounting used for the financial statements.
- The financial statements are intended for use only by management.
- Distribution and use of the practitioner's report is restricted to management.

ACCOUNTANT'S COMPILATION REPORT
[To Management of ABC Company]

We have compiled the accompanying financial statements of ABC Company based on information you have provided. These financial statements comprise the balance sheet of ABC Company as at March 31, 20XX and a Statement of Profit and Loss for the year then ended.

We performed this compilation engagement in accordance with Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements on the basis of accounting described in Note X to the financial statements. We have complied with relevant ethical requirements.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the basis of accounting described in Note X.

Note X states the basis on which these financial statements are prepared, and their purpose is described in Note Y. Accordingly, these financial statements are for your use only, and may not be suitable for other purposes.

Our compilation report is intended solely for your use in your capacity as management of ABC Company, and should not be distributed to other parties.

For XYZ and Co.
Chartered Accountants
Firm's Registration Number

Signature
(Name of the Member Signing the Compilation Report)
(Designation[27])
Membership Number

[27] Partner or Proprietor, as the case may be.

Illustration 5: Practitioner's report for an engagement to compile financial information that is an element, account or item, being [*insert appropriate reference to information required for a regulatory compliance purpose*].

- Financial information prepared for a special purpose, i.e., to comply with financial reporting requirements established by a regulator, in accordance with provisions established by the regulator prescribing the form and content of the financial information.
- The applicable financial reporting framework is a compliance framework.
- The financial information is intended to meet the needs of particular users, and use of the financial information is restricted to those users.
- Distribution of the practitioner's report is restricted to the intended users.

ACCOUNTANT'S COMPILATION REPORT
[To the Management of ABC Company[28]]

We have compiled the accompanying schedule of [*identify the compiled financial information*] of ABC Company as at March 31, 20XX ("the Schedule") based on information you have provided.

We performed this compilation engagement in accordance with Standard on Related Services 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the Schedule as prescribed by [*insert name of or reference to the relevant regulation*]. We have complied with relevant ethical requirements.

This Schedule and the accuracy and completeness of the information used to compile it are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the Schedule. Accordingly, we do not express an

[28] Alternatively, the appropriate addressee specified in the applicable financial reporting requirements.

audit opinion or a review conclusion on whether the Schedule is prepared in accordance with [*insert name of or reference to applicable financial reporting framework as specified in the relevant regulation*].

As stated in Note X, the Schedule is prepared and presented on the basis prescribed by [*insert name of or reference to the applicable financial reporting framework as specified in the relevant regulation*], for the purpose of ABC Company's compliance with [insert name of or reference to the relevant regulation] Accordingly, the Schedule is for use only in connection with that purpose and may not be suitable for any other purpose.

Our compilation report is intended solely for the use of ABC Company and Regulator F, and should not be distributed to parties other than ABC Company or Regulator F.

For XYZ and Co.
Chartered Accountants
Firm's Registration Number

Signature
(Name of the Member Signing the Compilation Report)
(Designation[29])
Membership Number

[29] Partner or Proprietor, as the case may be.

Annexure 5

(REFERENCE–CHAPTER 10, Question 144)
Notification on UDIN for Members of ICAI

असाधारण
EXTRAORDINARY
भाग III—खण्ड 4
PART III—Section 4
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं. 282] नई दिल्ली, शुक्रवार, अगस्त 2, 2019/ श्रावण 11, 1941
No. 282] NEW DELHI, FRIDAY, AUGUST 2, 2019/SHRAVANA 11, 1941

भारतीय चार्टर्ड अकाउंटेंट्स संस्थान

(संसद् के अधिनियम द्वारा स्थापित)

अधिसूचना

नई दिल्ली, 02 अगस्त, 2019

सं. 1-**सीए(**7)/192/2019.—संस्थान की परिषद् ने, अप्राधिकृत व्यक्तियों द्वारा मिथ्या प्रमाणन/अधिप्रमाणन के कदाचार को रोकने और झूठे प्रमाणपत्रों के व्यवहार को समाप्त करने और विभिन्न विनियामकों, बैंकों, पणधारियों आदि को गुमराह होने से बचाने के लिए यह विनिश्चय किया था कि सभी प्रकार के प्रमाणपत्रों/जीएसटी और कर संपरीक्षा रिपोर्टों और अन्य अधिप्रमाणन संबंधी कृत्यों के लिए एक समयबद्ध रीति में अनिवार्य रूप से अद्वितीय दस्तावेज पहचान संख्यांक (यूडीआईएन) के सृजन की एक नवीन अवधारणा को कार्यान्वित किया जाए, जिसके लिए सुसंगत समयों पर आईसीएआई की वेबसाइट www.icai.org पर प्रकाशित विभिन्न उद्घोषणाओं के माध्यम से आईसीएआई के सदस्यों को अधिसूचित किया गया था।

अतः, अब, भारतीय चार्टर्ड अकाउंटेंट्स संस्थान की परिषद्, चार्टर्ड अकाउंटेंट्स अधिनियम, 1949 की दूसरी अनुसूची के भाग 2 की मद सं. (1) के अधीन उसे प्रदत्त शक्तियों का प्रयोग करते हुए जनसाधारण की जानकारी के लिए और संस्थान के सदस्यों द्वारा आवश्यक अनुपालन के लिए निम्नलिखित दिशा-निर्देश जारी करती है,--

(i) संस्थान का व्यवसायरत कोई सदस्य, उसके द्वारा किए गए/हस्ताक्षरित सभी प्रकार के प्रमाणपत्रों/जीएसटी और कर संपरीक्षा रिपोर्टों और अन्य संपरीक्षा, आश्वासन और सत्यापन संबंधी कृत्यों के लिए अद्वितीय दस्तावेज पहचान संख्यांक (यूडीआईएन) का सृजन करेगा, जिसे सुसंगत समयों पर आईसीएआई की वेबसाइट www.icai.org पर प्रकाशित विभिन्न उद्घोषणाओं के माध्यम से निम्नलिखित तारीखों से आज्ञापक बनाया गया है :--

- सभी प्रकार के प्रमाणपत्रों के लिए 1 फरवरी, 2019 से।
- सभी प्रकार की जीएसटी और कर संपरीक्षा रिपोर्टों के लिए 1 अप्रैल, 2019 से।
- अन्य सभी संपरीक्षा, आश्वासन और सत्यापन संबंधी कृत्यों के लिए 1 जुलाई, 2019 से।

(ii) उपरोक्त दिशा-निर्देश विभिन्न सेवाओं के लिए क्रमशः उपरोक्त तारीखों से प्रवृत्त होंगे।

राकेश सहगल, कार्यकारी सचिव
[विज्ञापन-III/4// असा./170/19]

REGD. NO. D. L.-33004/99

THE GAZETTE OF INDIA

EXTRAORDINARY

PART III—Section 4

PUBLISHED BY AUTHORITY

No. 282] NEW DELHI, FRIDAY, AUGUST 2, 2019/SHRAVANA 11, 1941

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(set up by an Act of Parliament)

NOTIFICATION

New Delhi, the 2nd August, 2019

No.1-CA(7)/192/2019.—Whereas, to curb the malpractice of false certification/attestation by the unauthorized persons & to eradicate the practice of bogus certificates and to save various regulators, banks, stakeholders etc. from being misled, the Council of the Institute decided to implement an innovative concept to generate Unique Document Identification Number (UDIN) mandatorily for all kinds of the certificates/GST and tax audit reports and other attest function in phased manner, for which members of the ICAI were notified through the various announcements published on the website of ICAI www.icai.org at the relevant times.

Now, in exercise of the powers conferred on it under Item No.(1) of Part- II of the Second Schedule to the Chartered Accountants Act, 1949, the Council of the Institute of Chartered Accountants of India hereby issue the following guidelines for information of public and necessary compliance by members of the Institute -

(i) A member of the Institute in practice shall generate Unique Document Identification Number (UDIN) for all kinds of the certification, GST and Tax Audit Reports and other Audit, Assurance and Attestation functions undertaken/signed by him which made mandatory from the following dates through announcements published on the website of the ICAI www.icai.org at the relevant time: -

- For all Certificates w.e.f. 1st February, 2019.
- For all GST and Tax Audit Reports w.e.f. 1st April, 2019.
- For all other Audit, Assurance and Attestation functions w.e.f. 1st July, 2019.

(ii) The above Guidelines shall come into force from the above dates for the various services respectively.

RAKESH SEHGAL, Acting Secy.

[ADVT.III/4//Exty./170/19]

Annexure 6.1

(REFERENCE–CHAPTER 2, 9 & 10 Question 15, 19, 127, 143 & 150)

Announcement on UDIN for Members of ICAI (2021-22)

17th September 2021

ALIGNING THE TIME LIMIT OF GENERATING UDIN FROM 15 DAYS TO 60 DAYS

Standard on Quality Control (SQC 1) on Retention Period for Engagement Documentation (Working Papers) requires firms to establish policies and procedures for the timely completion of the assembly of audit files. It further provides for an appropriate time limit within which the assembly of the final audit file is to be completed, ordinarily in not more than 60 days after the date of auditor's report. Due attention is also drawn to Standard on Auditing (SA)- 230 on Audit Documentation, paragraphs A21 to A24 on assembly of the audit file.

With an aim to align the time limit for generating UDIN with the Standards on Auditing and Standard on Quality Control, the Council at its 405 th meeting held on 17th September 2021 has decided that the time limit of generating UDIN would be 60 days from the date of the signing of certificates/reports/ document instead of 15 days henceforth.

Further, for the documents where the respective Regulator/(s) or other stakeholders require UDIN immediately on signing or within a specified period, the same shall be provided by the member.

Also, UDIN so generated has to be communicated to "Management" or "Those Charged with Governance" for disseminating it to the stakeholders from their end.

UDIN Directorate

31st January 2022

FRN will be compulsory field for UDIN Generation from 12.00 am of 1st February 2022

This is to state that Firm Registration Number (FRN) will be a compulsory field for generating UDIN from 12.00 am of 1st February 2022. The FRN will be displayed in the dropdown which will be fetched from the SSP database on real-time basis. If the member is not carrying out the assignment on behalf of any firm, then member can mention NA/Not Applicable/Individual Capacity in the place of FRN. The purpose of mandating the FRN is to enable the firms to consolidate the total UDINs generated by its partners on its behalf for its clients, prospectively.

Further, the head in charge of the firm, as per the SSP database, can view the list of UDINs generated by the partners on behalf of the firm prospectively. It may be noted that one firm cannot view the UDINs generated for another firm by a common partner.

Members may take a note of aforesaid information. For queries, please write to us at udin@icai.in

UDIN Directorate

Annexure 6.2

(REFERENCE–CHAPTER 6 & 7 Question 75 & 83)

Announcement on UDIN for Members of ICAI (2022-23)

12th April 2022

Sub: Additional Information to be provided while generating UDIN for Audit Report for Statutory Audit of Bank Branches

This is to inform that the members are now required to fill the value of the MOC while generating UDIN for the Audit Report for Statutory Audit of Bank Branch under the category Audit & Assurance Functions for Statutory Audit-Bank Branch at the UDIN portal without any disclosure of the details of the client.

The information to be provided at the UDIN portal regarding MOC will be mandatory and will be totally encrypted. It will not be visible to any third-party verifier.

Members may take a note of aforesaid information.

For any clarification, please write us at udin@icai.in.

UDIN Directorate

10th September 2022

Withdrawal functionality of 15CB forms at e-filing portal

A large extent of pendency for updation of 15 CB forms at e-filing portal may be attributed to the non-availability of any options for their withdrawal from the portal. However, such withdrawal facility has now been enabled on the e-filing portal, facilitating the CAs to withdraw the 15CB forms by recording appropriate reasons, therein. The CAs have to thus withdraw the form 15CB within 7 days of its filing.

Member may like to refer the user manual for withdrawal of 15 CB form: User manual

UDIN Directorate

Annexure 6.3
(REFERENCE-CHAPTER 9 & 10 Question 126 & 136)
Announcement on UDIN for Members of ICAI (2023-24)

23rd June 2023

Restricting revocation of the UDINs within 48 hours

The Council, in its 420th meeting held on 23rd-24th March, 2023, decided that revocation of UDINs would now be possible within 48 hours from the time of its generation. This means that now onwards, the members will be able to revoke the UDINs, if they so desire, only within 48 hours from the time they have been generated.

As a result, the authorities/regulators/banks/others, who verify the authenticity of the UDINs would be provided with information that the UDIN, which is being verified, could only be revoked within 48 hours from the time it has been generated.

This is for your kind information. For queries, please write to us at udin@icai.in.

UDIN Directorate

25th October 2023

Archiving of UDINs

It has been decided to archive UDINs after one year of their generation to ease off the load on the servers. Implementation of archiving UDINs has been scheduled in the phased manner beginning for the year 2019 in the first phase, followed for the years 2020, 2021, 2022 and 2023, thereafter.

In order to search archived UDINs on the Portal, members are required to follow these steps: **Members' login > List UDIN > Document Generation Year > Select UDIN Generation Year from the drop-down menu in the List > Click Button (Filter & Sort).**

The archiving provision comes into force with immediate effect

This is for your kind information. For queries, please write to us at udin@icai.in.

UDIN Directorate

Annexure 6.4
(REFERENCE-CHAPTER 2 & 5 Question 24 & 44)
Announcement on UDIN for Members of ICAI (2025–26)

20th December 2025

Validation of UDINs on the e-Filing Portal Based on Five Parameters Instead of Four

In pursuance of the decision of the Council, the members are hereby informed that the PAN of the assessees will now be a mandatory field for UDIN generation under the "GST & Tax Audit" category on the UDIN Portal.

Henceforth, UDINs will be validated based on the following five parameters at the e- Filing Portal of CBDT:

- MRN;
- UDIN;
- AY/FY;
- Form No; and
- PAN of the assessee

The information to be provided at the UDIN portal regarding PAN of the assessee will be mandatory and will not be visible to any third-party verifier.

For clarification, if any in this regard communication may be addressed at udin[at]icai[dot]in

UDIN Directorate

20th December 2025

Additional information required during UDIN generation under "GST & Tax Audit" and "Audit & Assurance Functions" Categories - Details of Preceding year"s of Audit

This is to inform all the members that the Council, at its 442nd meeting held on 26th–27th May 2025, has decided to enable a provision for capturing details by the succeeding auditor during UDIN generation, henceforth, would be required to be filled in, while generating UDIN under "GST & Tax Audit" and "Audit & Assurance Functions" categories at the UDIN portal.

The information filled in by the members are confidential in nature, and hence, not disseminable.

For any clarification, please write to us at udin[at]icai[dot]in

UDIN Directorate

Annexure 7

Press release of CBDT
(REFERENCE-CHAPTER 7)

Government of India
Department of Revenue
Ministry of Finance
Central Board of Direct Taxes

New Delhi, 26th November, 2020

PRESS RELEASE

CBDT to validate Unique Document Identification Number (UDIN) generated from ICAI portal at the time of upload of Tax Audit Reports

The Institute of Chartered Accountants of India, in its gazette notification dated 2nd August, 2019, had made generation of UDIN from ICAI website www.icai.org mandatory for every kind of certificate/tax audit report and other attests made by their members as required by various regulators. This was introduced to curb fake certifications by non-CAs misrepresenting themselves as Chartered Accountants.

In line with the ongoing initiatives of the Income Tax Department for integrating with other Government agencies and bodies, Income-tax e-filing portal has completed its integration with the Institute of Chartered Accountants of India (ICAI) portal for validation of Unique Document Identification Number (UDIN) generated from ICAI portal by the Chartered Accountants for documents certified/attested by them.

It may be noted that, in consonance with the above requirement, Income-tax efiling portal had already factored mandatory quoting of UDIN with effect from 27th April, 2020 for documents certified/attested in compliance with the Income-tax Act,1961 by a Chartered Accountant. With this system level integration, UDIN provided for the audit reports/certificates submitted by the Chartered Accountants in the e-filing portal shall be validated online with the

ICAI. This will help in weeding out fake or incorrect Tax Audit Reports not duly authenticated with the ICAI.

If for any reason, a Chartered Accountant was not able to generate UDIN before submission of audit report/certificate, the Income-tax e-filing portal permits such submission, subject to the Chartered Accountant updating the UDIN generated for the form within 15 calendar days from the date of form submission in the Income- tax efiling portal. If the UDIN for the audit report/certificate is not updated within the 15 days provided for the same, such audit report/certificate uploaded shall be treated as invalid submission.

(Surabhi Ahluwalia)
Commissioner of Income Tax
(Media & Technical Policy)
Official Spokesperson, CBDT