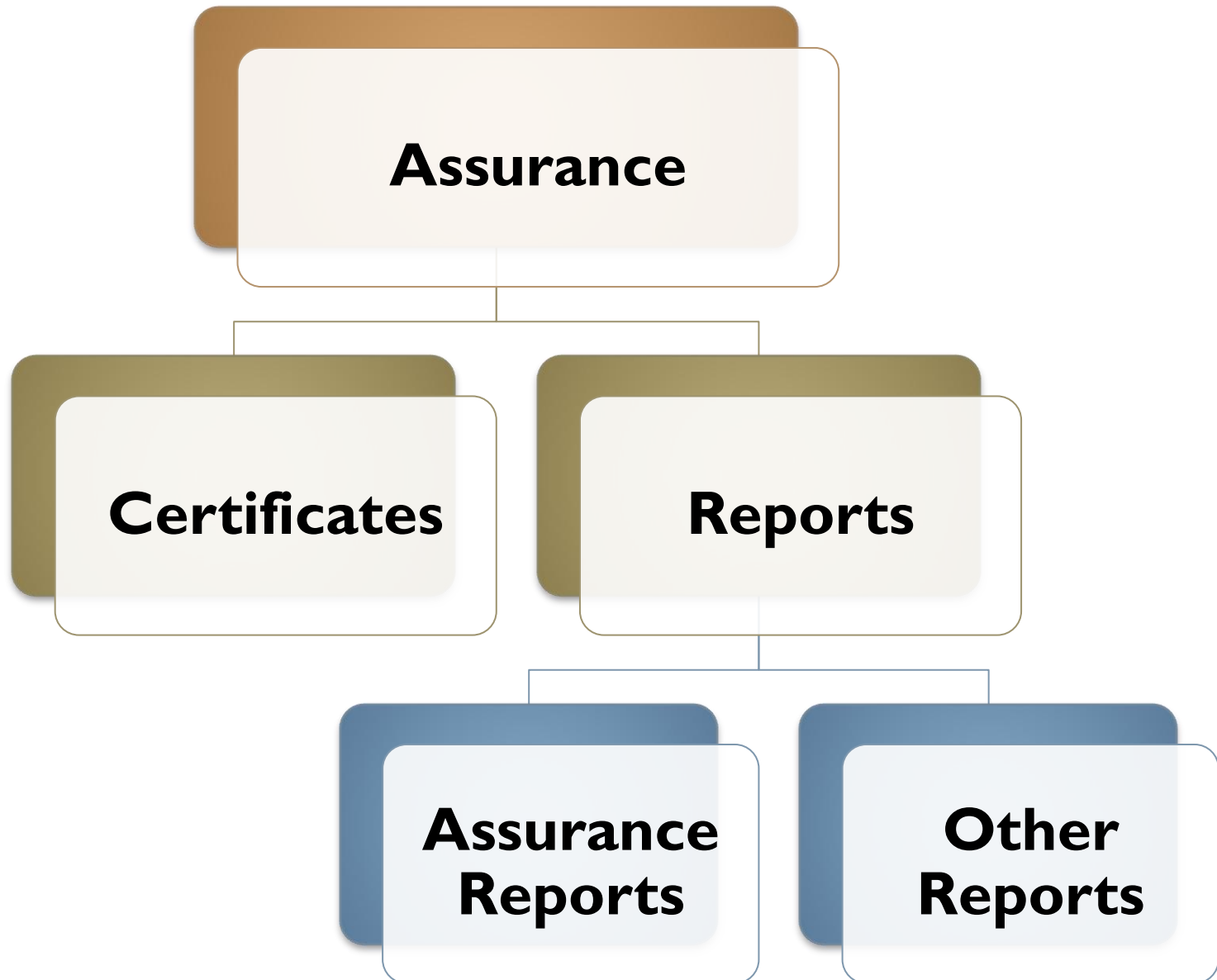


Critical Issues in Certificates & Reports by Chartered Accountants



**All Kerala CA Conference – ICAI -
Kannur Branch (SIRC)
12th December 2025**

CA. PRAMOD JAIN
FCA, FCS, FCMA, LL.B, MIMA, DISA, IP



OVERALL

- **Frameworks**
- **Statements**
- **Standards**
- **Guidance Notes**
- **Technical Guide**
- **Clarifications**
- **Practice Manuals**
- **Studies**
- **Other Materials**

What is NOT Assurance

- Engagements covered by Standards on Related Services (SRS), such as agreed-upon procedures and compilation engagements
- Preparation of tax returns where no assurance opinion/conclusion is expressed
- Consulting (or advisory) engagements, such as management and tax consulting.

Certificates

- **How are they issued?**
- **For what??**
- **Guidance Note on Reports or Certificates for Special Purposes**
- **UDIN**
- **Billing & Collection**

Objective

1. To express

- **An opinion (in a reasonable assurance engagement)**

or

- **A conclusion (in a limited assurance engagement)**

2. regarding the outcome of the measurement or evaluation of the underlying subject matter through a written report.

GN Illustrations

- 1. Turnover/Net Worth/Net Profit/Working Capital/similar engagement pursuant to a Tender requirement**
- 2. Annual Activity Certificate for Indian Branch Office/Liaison Office of Foreign Companies**
- 3. Manner of Utilization of Funds required under SEBI (LODR) Regulations, 2015**
- 4. Statement of Fixed Assets for the Last Two Years in Respect of One of the Project of an Entity**

Certificate Format

- **Title**
- **Addressee**
- **EL / Agreement**
- **Matter to be certified**
- **Management Responsibility**
- **Practitioner's Responsibility**
- **Opinion**
- **Restriction of Use**
- **Signatures with UDIN**

Reasonable Assurance – E.g.

- In our opinion, the entity has complied, in all material respects, with **XYZ law**
- In our opinion, the **Statement of Net Worth** is properly prepared, in all material respects, based on **XYZ criteria**
- In our opinion, the (appropriate party's) statement that the entity has complied with **XYZ law** is, in all material respects, fairly stated.

Limited Assurance – E.g.

- Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that [the entity] has not complied, in all material respects, with XYZ law
- Based on the procedures performed and evidence obtained, we are not aware of any material amendments that need to be made to the assessment of key performance indicators for them to be in accordance with XYZ criteria

Form of Expression

- For compliance engagements - “in compliance with” or “in accordance with.”
- For engagements when the applicable criteria describe a process or methodology for the preparation or presentation of the subject matter information - “properly prepared.”
- For engagement when the principles of fair presentation are embodied in the applicable criteria - “fairly stated.”

Example

Independent Practitioner's Report on the Statement of Annual Turnover for financial years ended.....and..... (specify periods)

The Board of Directors

[Name of the Company]

[Company Address]

1. This Report is issued in accordance with the terms of our engagement letter/agreement dated [specify date].
2. The accompanying Statement of Annual Turnover for financial years endedand..... (specify period) contains the details as required pursuant to compliance with the terms and conditions contained in [refer to the clause] of the Tender document issued by [refer to the authority] dated (specify date) with reference [specify the contract reference if available] (hereinafter referred to as the “Tender Document”), which we have initialed for identification purposes only.

Example

Management's Responsibility for the Statement

3. The preparation of the Statement is the responsibility of the Management of [Name of the Company] (hereinafter the “Company”) including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the Tender Document and provides all relevant information to [Name of the authority].

Example

Practitioner's Responsibility

5. Pursuant to the requirements of the Tender Document, it is our responsibility to provide a reasonable assurance whether the amounts in the Statement of Annual Turnover for the year ended (specify period) have been accurately extracted from the audited financial statements.
6. The audited financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report(s) dated (specify dates) respectively. Our audits of these financial statements were conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Example

Opinion

9. Based on our examination, as above, we are of the opinion that the amounts in the Statement in respect of Annual Turnover have been accurately extracted from the audited financial statements for the years ended [date] and [date]

Restriction on Use

10. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose to enable comply with requirement of Tender Document and to submit the accompanying Statement to [specify the authority] and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.

Chartered Accountants

FRN

Signature / (Name) / (Designation)

Membership No.

Place of Signature

Date

UDIN

Checklist for Issue of Certificates by CAs



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)



Introducing Checklist for Certificates issued by CAs

Empowering Chartered Accountants to issue
Certificates in compliance with technical requirements

The Centre for Audit Quality has developed a
comprehensive Certificate Checklist comprising:

- **Index:** Facilitates overview of each certificate issued with specific tracking for UDIN generated and invoice raised, ideal for Peer Review too.
- **Section A:** Helps determine which Standard/Guidance Note is applicable to the engagement.
- **Section B:** A structured procedural checklist covering quality control, planning, reporting, etc., with reference to the relevant paragraph of the Guidance Note.
- **Section C:** Sets out the essential components of the Certificate and supporting documents to be retained.



The checklist can be
downloaded from

<https://forms.gle/TNzJ1VtkmXCGbXXW7>

Certificate Checklist

- Excel tool for “Checklist of Certificates for CAs” -
<https://www.icaai.org/post/tools-and-developed-caq>
- This checklist should be completed for each certificate issued by a Chartered Accountant to ensure its quality.

Certificate Handbook

- A “Handbook on Certificates by CAs: Comprehensive Checklists & Formats”

- <https://resource.cdn.icai.org/88798caq-aps2762.pdf>

It is aligned with ICAI’s Guidance Note on Reports and Certificates for Special Purposes (Revised 2016) and contains:

- Practical guidance for issuing various certificates
- Detailed checklist
- FAQs related to UDIN on Certificates

Certificate Illustrations

1. **Unhedged Foreign Currency Exposure**
2. **Net worth where no books of account have been maintained (For VISA Application purpose)**
3. **PPE and Intangible Assets where audited Financial Statements are available**
4. **PPE and Intangible Assets where audited Financial Statements are not available**
5. **Share Capital and Shareholding Pattern**
6. **Income Tax Return Acknowledgement**
7. **Receipt and Utilization of Grant and related income where audited Financial Statements are available**

Certificate Illustrations

8. **Receipt and Utilization of Grant and related income where audited Financial Statements are not available**
9. **Annual Turnover and Computation of Net worth pursuant to a Tender requirement where audited Financial Statements**
10. **Annual Turnover and Computation of Net worth pursuant to a Tender requirement where audited Financial Statements are not available**
11. **Proposed accounting treatment contained in books of (Name of Transferee Company) as specified in the Draft Scheme of Merger and Amalgamation/ Demerger**
12. **Half yearly compliances with Covenants for submission to [Name of the Debenture Trustee]**

???

- **Are Financial Statements Audited during Tax audit of Prop. Partnership?**
- **Are Notes to the accounts prepared for Non-Corporates**
- **Are Accounting Standards applicable to Non-corporates?**
- **What if there is non-compliance?**
- **Where to Report such non-compliance?**

AS Applicability

AS No.	Short Title	Companies		Non - Companies	
		Non-SMC	SMC	Large	MSME
1	Disclosure of Accounting Policies	Y	Y	Y	Y
2	Valuation of Inventories	Y	Y	Y	Y
3	Cash Flow Statements	Y	N/Y	Y	N
4	Events after Balance Sheet date	Y	Y	Y	Y
5	Prior Period Items & Changes in Policies	Y	Y	Y	Y
6	Depreciation (Omitted 30.3.16)	NA	NA	NA	NA
7	Construction Contracts	Y	Y	Y	Y
9	Revenue Recognition	Y	Y	Y	Y
10	Property, Plant & Equipment	Y	Y	Y	Partly
11	Changes in Foreign Exchange Rates	Y	Y	Y	Partly
12	Accounting for Government Grants	Y	Y	Y	Y
13	Accounting for Investments	Y	Y	Y	Y
14	Accounting for Amalgamations	Y	Y	Y	N
15	Employee Benefits	Y	Partly	Y	Partly

AS Applicability

AS No.	Short Title	Companies		Non - Companies	
		Non-SMC	SMC	Large	MSME
16	Borrowing Cost	Y	Y	Y	Y
17	Segment Reporting	Y	N	Y	N
18	Related Party Disclosures*	Y	Y	Y	N*
19	Leases	Y	Partly	Y	Partly
20	Earning Per Share	Y	Partly	N	N
21	Consolidated Financial Statements	N/Y	N/Y	(listed)	N
22	Accounting for Taxes on Income	Y	Y	Y	Partly
23	Accounting for Associates in CFS	N/Y	N/Y	(listed)	N
24	Discontinuing Operations	Y	Y	Y	N
25	Interim Financial Reporting	Y (listed)	N**	N**	N
26	Intangible Assets	Y	Y	Y	Partly
27	Interest in Joint Ventures	N/Y	N/Y	(listed)	N
28	Impairment of Assets*	Y	Partly	Y	N*
29	Provisions, Contingent Liab. & Assets	Y	Partly	Y	Partly

Formats of Financial Statements for Non-corporate Entities

Proprietorship

Partnership

LLP

Balance Sheet

Name of the Non-Corporate Entity.....

Balance Sheet as at

	Particulars	Note No	Figures as at the end of (Current reporting period) (in Rs.) _____ (DD/MM/YYYY)	Figures as at the end of (Previous reporting period) (in Rs.) _____ (DD/MM/YYYY)
	1	2	3	4
I.	OWNERS' AND LIABILITIES			
	(1) Owners' Fund			
	(a) Owners Capital Account			
	(b) Reserves and surplus			
(2)	Non-current liabilities			
	(a) Long-term borrowings			
	(b) Deferred tax liabilities (Net)			

	Particulars	Note No	Figures as at the end of (Current reporting period) (in Rs.) _____ (DD/MM/YYYY)	Figures as at the end of (Previous reporting period) (in Rs.) _____ (DD/MM/YYYY)
	(c) Other Long Term Liabilities			
	Long-term provisions			
(3)	Current liabilities			
	(a) Short-term borrowings			
	(b) Trade payables			
	(c)Other current liabilities			
	(d)Short-term provisions			
	TOTAL			
II.	ASSETS			
(1)	Non-Current Assets			
	(a) Property, Plant and Equipment & Intangible assets			
	(i) Property, Plant and Equipment			
	(ii) Intangible assets			

	Particulars	Note No	Figures as at the end of (Current reporting period) (in Rs.) _____ (DD/MM/YYYY)	Figures as at the end of (Previous reporting period) (in Rs.) _____ (DD/MM/YYYY)
	(iii) Capital work-in-progress			
	(iv) Intangible assets under development			
	(b) Non-current investment			
	(c) Deferred tax assets (net)			
	(d) Long-term loans and advances			
	(e) Other non-current assets			
(2)	Current assets			
	(a) Current investments			
	(b) Inventories			
	(c) Trade receivables			
	(d) Cash and bank balances			
	(e) Short-term loans and advances			
	(f) Other current assets			
	TOTAL			

STATEMENT OF PROFIT AND LOSS

CA. Pramod Jain

Name of the Non-Corporate Entity.....

Statement of Profit and loss for the year ended

(Rupees in.....)

	Particulars	Note	Figures for the current reporting period (in rs.) From _____ (DD/MM/YYYY) To _____ (DD/MM/YYYY)	Figures for the previous reporting period (in Rs.) From _____ (DD/MM/YYYY) To _____ (DD/MM/YYYY)
	1	2	3	4
I.	Revenue from operations		xxx	Xxx
II.	Other income		xxx	Xxx
III.	Total Income (I + II)		xxx	Xxx
IV.	Expenses			
(a)	Cost of Goods Sold			
(b)	Employee benefits expense		xxx	Xxx
(c)	Depreciation and amortization expense		xxx	Xxx
(d)	Finance Cost		xxx	Xxx
(e)	Other expenses		xxx	xxx

	Particulars	Note	Figures for the current reporting period (in Rs.) From _____ (DD/MM/YYYY) To _____ (DD/MM/YYYY)	Figures for the previous reporting period (in rs.) From _____ (DD/MM/YYYY) To _____ (DD/MM/YYYY)
	Total expenses		xxx	xxx
V	Profit before exceptional and extraordinary items & tax (III-IV)		xxx	xxx
VI	Exceptional items		xxx	xxx
VII	Profit before extraordinary items and tax (V - VI)		xxx	xxx
VIII	Extraordinary Items		xxx	xxx
IX	Profit before tax (VII- VIII)		xxx	xxx
X	Tax expense:			
(i)	Current tax		xxx	xxx
(ii)	Deferred tax		xxx	xxx
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		xxx	xxx
XII	Profit/(loss) from discontinuing operations		xxx	xxx
XIII	Tax expense of discontinuing operations		xxx	xxx
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		xxx	xxx
XV	Profit/ (Loss) (XI + XIV)		xxx	xxx

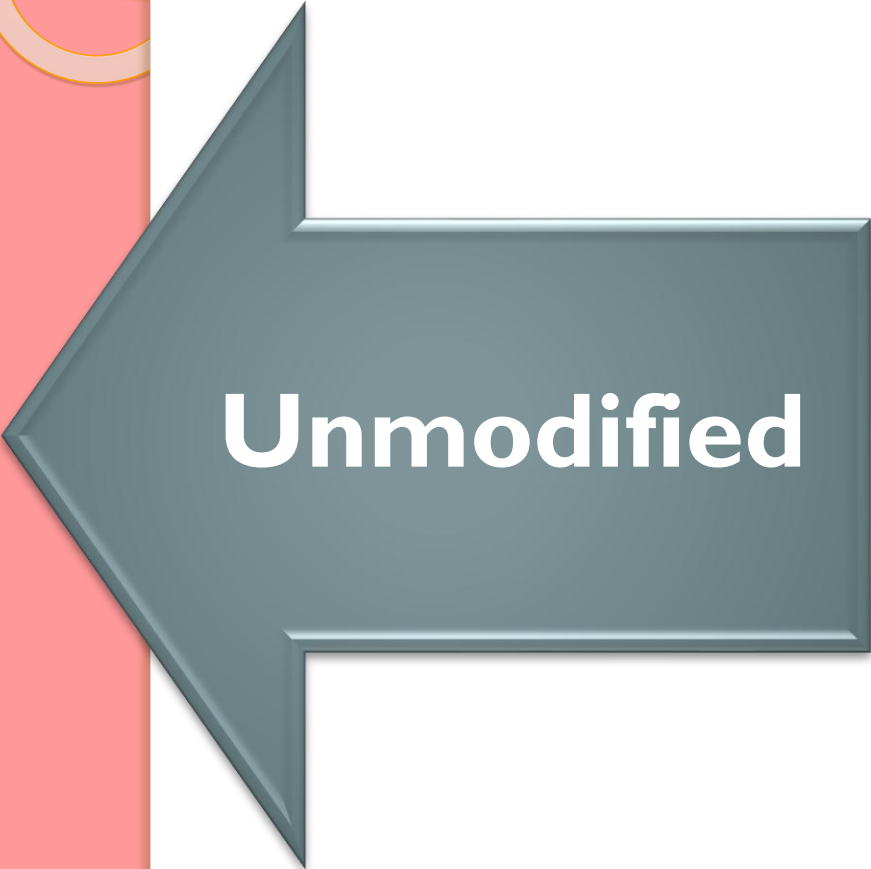
AUDIT



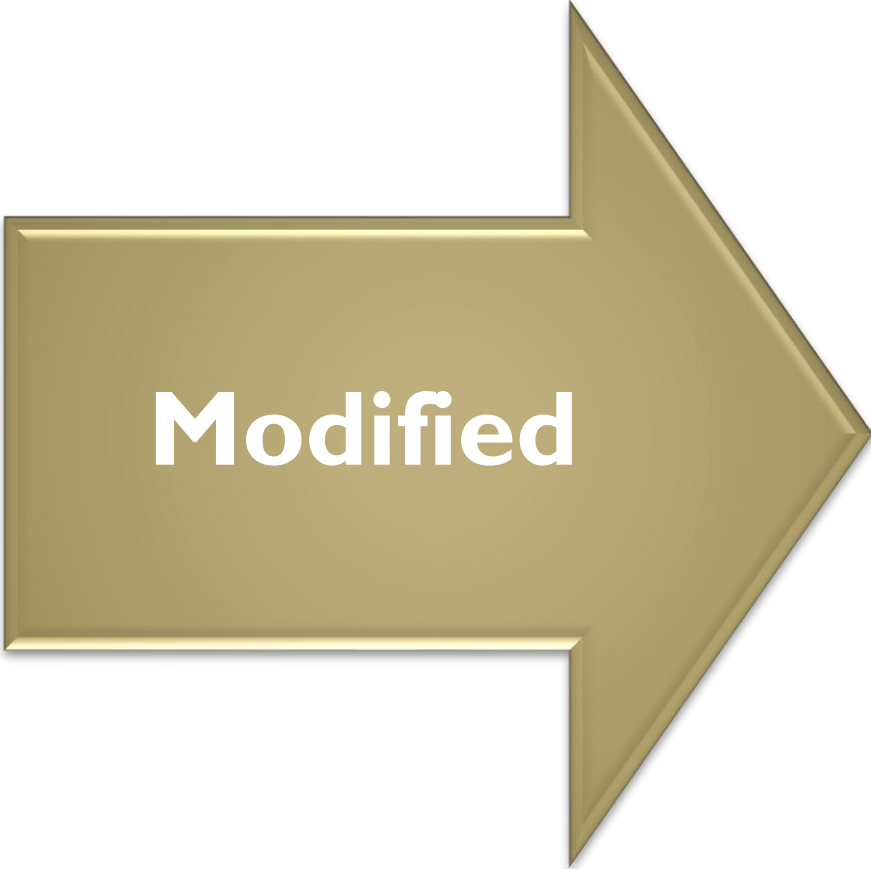
Main Objective of Audit

- To express an opinion on Financial Statement (FS)
- FS should be prepared as per applicable AS and statutory requirements
- Responsibility of FS, AS,...

Types of Audit Reports

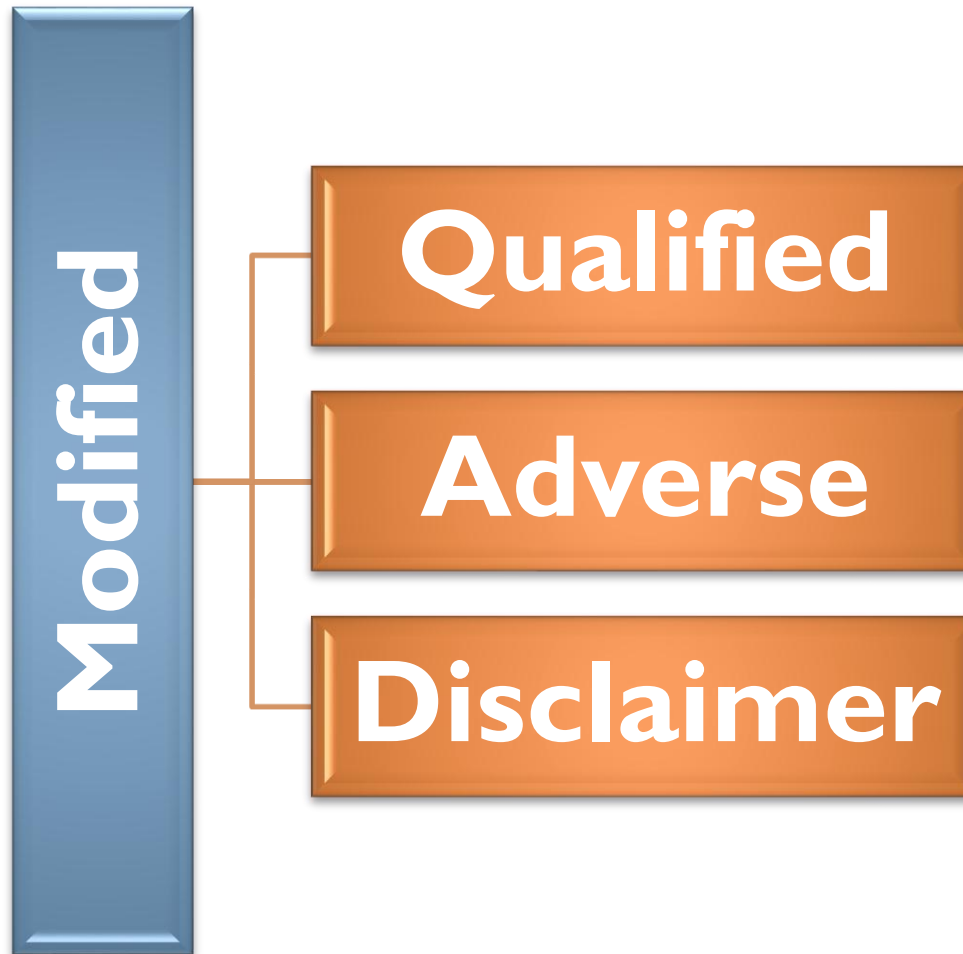


Unmodified



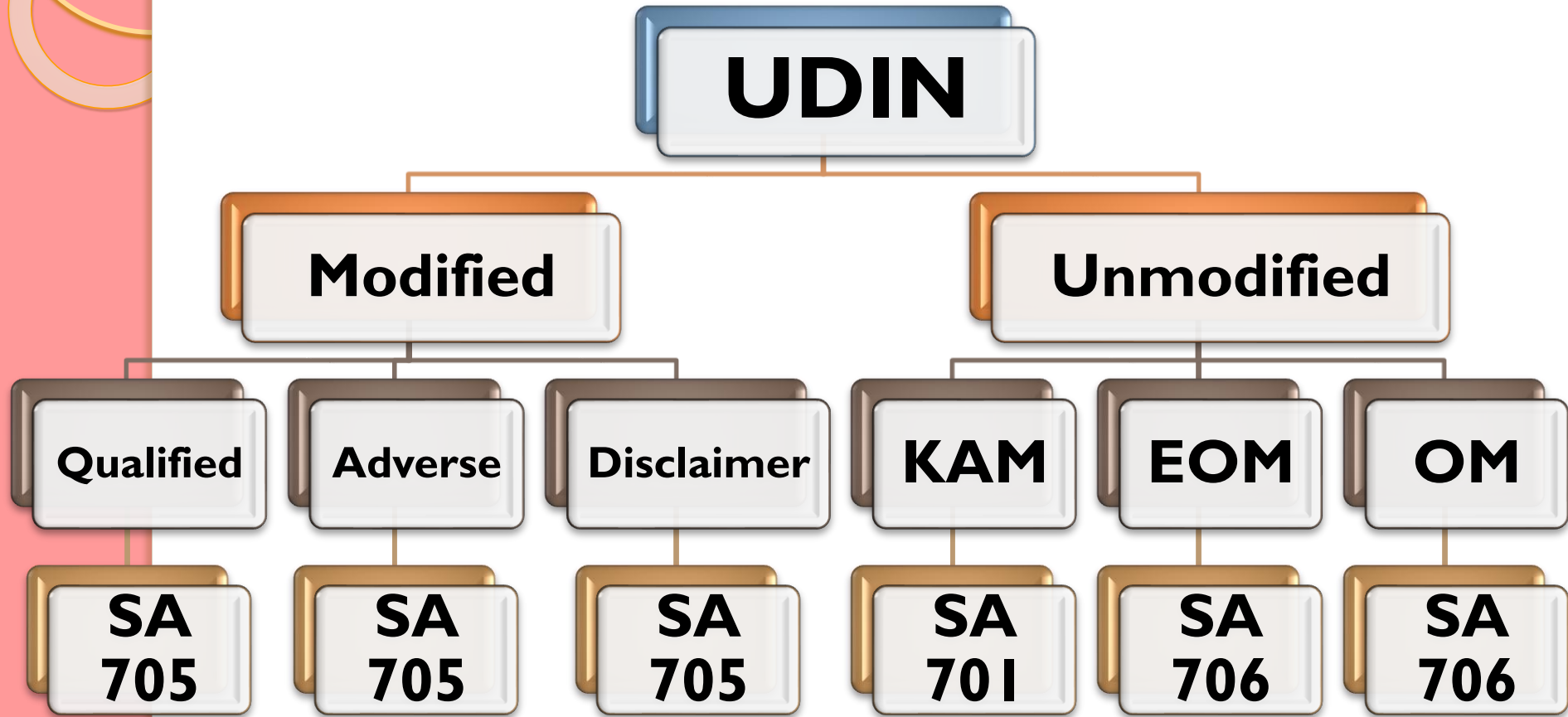
Modified

Modified Audit Reports



Modified Audit Reports

	Auditor's judgment about Pervasiveness of the matter	
Nature of Matter	Material but NOT Pervasive	Material AND Pervasive
Financial statements are Materially misstated	Qualified Opinion (...except for...)	Adverse Opinion (...do not present true & fair...)
Unable to obtain Sufficient Appropriate Audit Evidence	Qualified Opinion (...except for...)	Disclaimer of Opinion (...we do not express an opinion...)



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