



# PEER REVIEW MANUAL



**THE INSTITUTE OF  
Company Secretaries of India**

**भारतीय कम्पनी सचिव संस्थान**

**IN PURSUIT OF PROFESSIONAL EXCELLENCE**

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## FROM THE CHAIRMAN'S DESK

Professional Peer Review focuses on the performance of professionals, with a view to improving quality, upholding standards, or providing certification. In academia, peer review is used to inform decisions related to faculty advancement and tenure. Henry Oldenburg was a German-born British philosopher who is seen as the 'father' of modern scientific peer review.

Peer Review contemplates examination of systems and approach of a Practice Unit by another members of the Institute with the objective of identifying the areas for improvement. The focus lies on continuing quality improvement in an atmosphere of openness and mutual trust.

The Companies Act, 2013, introduced the concept of Secretarial Audit to specified class of companies, which bears testimony to the confidence of the Regulators on the profession of Company Secretaries. Excellence is the hallmark if success in a competitive environment. These Hallmarks are an opportunity to define a set of standards that reflect the ambitions, potential, and importance of the professional services rendered by Company Secretaries.

The performance can be judged and enhanced to that level of excellence only by evaluation by a competent professional. In this direction the Council of the Institute of Company Secretaries of India issued the Guidelines for Peer Review of Audit and Attestation Services rendered by Company Secretaries in Practice over a decade ago.

The journey over the last decade has been long yet a fulfilling one with many accolades and milestones.

In one way or the other Peer Review challenges the current procedures and practices of professionals to measure their progress within the various dimensions. Thereby encouraging them to raise their benchmarks for what is possible and achievable.

In the wake of the COVID restrictions, realizing that digitalization is key to success of any profession and the professional bodies alike, the Peer Review Committee embarked upon the task of thoroughly revising the extant Guidelines to iron out the redundant provisions and pave the way for a futuristic mechanism of Peer Review which is more robust and user friendly.

I sincerely place on record the untiring efforts put in by CS Vineet Chaudhary, my colleague on the Council and CS R Sridharan and CS V Sreedharan, Members, Peer Review Committee, ICSI in studying the peer review practices across jurisdictions and professions, deliberating the revisions threadbare and finalizing the draft of the present day Guidelines for approval by the Council.

I assure all the stakeholders that the necessary IT infrastructure needed to crystallize the noble intentions will be put in place by the Institute in the shortest possible time. This will not only expedite the issuance of Peer Review Certificates but will also facilitate both the Reviewer and Reviewee in adhering to the timelines and saving on precious time which is otherwise wasted on tasks which can easily be handled by technology.

Suggestions for further improvement in the Guidelines are welcome.

Date: 26th August, 2022

**CS Ashish Garg**

Place: New Delhi

*Past President, ICSI &  
Chairman, Peer Review Committee*

## **PREFACE TO THE FIFTH EDITION**

The Council of the Institute of Company Secretaries of India introduced Peer Review for Practicing Company Secretaries in August 2011. Over the last decade the concept has matured and crystallized with the regulators making it mandatory that certain attestation assignments be performed by Peer Reviewed practitioners only.

It would be good if peer review actually worked, if it actually challenged and questioned the way how professionals provide services. With this thought process and to simplify and expedite the Peer Review processes the Peer Review Committee of the Council of the Institute embarked upon the task of thoroughly revising the Guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice. The redundant provisions have been done away with, the services falling within the purview of Peer Review have been aligned with the ICSI UDIN Guidelines, for formats for collating information have been simplified and would be provided with prefill facility in the online mode shortly. Further, the timelines for various activities in the peer review process have been rationalized so as to expedite issue of the Peer Review Certificates to the Practice Units.

The findings of the Peer Reviewers in their reports over the last decade have enabled the Council to issue various advisories from time to time towards improving the quality of the attestation services provided by company secretaries in practice. The tremendous faith reposed by the Regulators on practicing professionals cast an onerous responsibility and call for exercise of greater degree of diligence and professional judgement while rendering such services.

This fifth edition of the 'Peer Review Manual' is an endeavour to guide both the Peer Reviewers as well as the Reviewees about the Peer Review process, their rights and obligations, adherence to time lines, do's and don'ts, FAQs and the benefits of Peer Review.

I commend the dedicated efforts put in by CS Naveen Kumar, Senior Executive Assistant and CS Saurabh Jain, Joint Director in the Directorate of Boards, PMQ and Certificate Courses in bringing our this revised edition under the able leadership of CS Asish Mohan, Secretary, ICSI.

I compliment CS Ashish Garg, Past President, ICSI & Chairman, Peer Review Committee and all the members of the Peer Review Committee for their valuable inputs in finalizing this revised edition.

I sincerely hope that the readers would find this Manual informative and easily understandable thereby paving the way for a robust peer review mechanism in the Institute.

We sincerely welcome suggestions for further value addition and improvement of the manual.

Date: 27th August, 2022

**CS Devendra V Deshpande**

Place: New Delhi

*President*

# PREFACE TO THE FOURTH EDITION

*“Professional is not a label you give yourself - it’s a description you hope others will apply to you ” – **David Maister***

To maintain impeccable standards of services rendered by company secretaries’ professionals to various stakeholders is the very basis to build strong professional credibility in the society and amongst the regulators which in return propels towards more opportunities to serve the society and the nation as a whole.

The ICSI Peer Review process is designed in a way to ensure that while carrying out the professional assignments; the Practice Units (a) comply with the Technical Standards laid down by the Institute and (b) have in place proper systems (including documentation systems) for maintaining the quality of the work they perform.

In order to maintain and develop the standards of professional services rendered by Company Secretaries in Practice, the Council of the Institute has issued Guidelines whereby Peer Review has been made mandatory for rendering certain Certification and Audit Services. “Peer Review Company Secretary” has been defined for the first time in the statute in the SEBI (Delisting of Equity Shares) Regulations, 2021 whereby only a Peer Review Company Secretary can carry out due diligence and certification under the Regulations.

Considering the valuable recognitions conferred on peer reviewed company secretaries, the Institute has refurbished this ‘Peer Review Manual’ to assist the Peer Reviewers and Practice Units (PU) in carrying out the exercise of Peer Review.

The manual also contains updated FAQs on Peer Review for better understanding of the readers.

I am grateful to all the members of Peer Review Committee of ICSI who have worked tirelessly to move forward the objectives of Peer Review and bringing

out this timely version of “Peer Review Manual” under the able Guidance of CS Devendra V. Deshpande, Vice President, ICSI and the Chairman, Peer Review Committee and CS Chetan B. Patel, Council Member, ICSI and Vice Chairman, Peer Review Committee.

I commend the dedicated efforts put in by CS Naveen Kumar in updation of this publication under the able guidance of CS Banu Dandona, Joint Director and the stewardship of CS Asish Mohan, Secretary, ICSI.

Improvement is a continuous process and I would personally be grateful to the readers to offer their suggestions/ comments for further advancement of this manual.

Date : 1<sup>st</sup> September, 2021

**CS Nagendra D. Rao**

Place : New Delhi

*President*

The Institute of Company Secretaries of India

## **PREFACE TO THE THIRD EDITION**

William Foster, an American Politician worded quality and its significance that hold true even decades later after they were said. According to him, “Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skilful execution”. This not only holds true for each aspect of our lives but is all the more heightened if the deliberations move in the sphere of professionals and the services provided by them. The raison d’être for the same can be attributed to the faith reposed by the Government and the Regulatory Authorities in the services rendered by professionals and their ethical conduct.

Peer Review plays significant role in the maintenance as well as enhancement of quality of services rendered by members of the Institute and the Guidelines developed by the Council has made the same mandatory for certain Audit and Certification services, thus according both Peer Review as well as the services greater significance.

This publication titled ‘Peer Review Manual’ was designed to assist the Peer Reviewers and Practice Units (PU) in carrying out the exercise of Peer Review. With the recent amendments in Guidelines, the Third Edition of the publication seeks to guide the Members regarding the same.

I commend the dedicated efforts of CS Naveen Kumar in bringing out of this publication under the able guidance of CS Banu Dandona, Joint Director in the Directorate of PMQ, Boards and Certificate Courses.

I place on record my sincere thanks to CS Ashish Garg, Chairman; CS Vineet K. Chaudhary, Vice Chairman; and all the members of the Peer Review Board for their valuable inputs in this publication.

It is sincerely hoped that this Manual would make an easy reading and pave the way for improving the quality of professional services rendered by practicing members while facilitating the members in understanding the nuances of Peer Review.

Further suggestions for value additions and improvement of the manual are sincerely welcomed.

Date : 14th November, 2019

**CS Ranjeet Pandey**

Place : Jaipur

President

## PREFACE TO SECOND EDITION

The Companies Act, 2013 has delineated distinct role for Company Secretaries, both in practice or employment. This changing regulatory paradigms call upon professionals to provide quality, efficient, value added, application oriented solutions matching the expectations of the clients or employers.

*Aristotle said that the Quality is not an act, it is a habit.* Quality in professional services is the hallmark of success in a competitive environment. The performance and quality can be enhanced to the level of excellence only if professionals follow high Technical, Professional and Ethical Standards while serving the client or society.

Keeping this in mind, the Council has revised the Guidelines for Peer Review of Attestation Services by the Practising Company Secretaries, covering the Secretarial Audit Report, Annual Return Certification, Certifications under listing agreements etc.

This Peer Review Manual has been revised to facilitate the members to carry out Peer Review exercise smoothly. It will also be helpful to the Practice Unit to enhance the quality of professional services.

It is sincerely hoped that this Peer Review Manual would make an easy reading and pave the way for improving the quality of professional services rendered by practising members.

I wish to thank the Peer Review Board led by Ms. Mamta Binani, Vice-President, ICSI, for taking up the revision of Guidelines and Manual on priority basis. I wish to place on record the dedicated efforts put in by the team comprising Mr. Saurabh Jain, Deputy Director, ICSI and Mr. Sudhir Saklani, Assistant Education Officer, ICSI led by Dr. S K Dixit, Joint Secretary, ICSI in providing academic and technical support in revising this Manual, under the guidance of Mr. Sutanu Sinha, Chief Executive & Officiating Secretary, ICSI.

I am confident that the Manual would facilitate the members in understanding the nuances of Peer Review.

I welcome your suggestions for further value additions to this publication.

Date : April 16, 2015

**(CS Atul H Mehta)**

*President*

*President@icsi.edu*

## **PREFACE TO THE FIRST EDITION**

Professional Codes of Conduct are one of the most important characteristics of a profession. Such Codes of Conduct illustrate the high ethical and professional standards to reassure stakeholders of two conditions, namely, that any particular set of professional services is being rendered not only by (i) properly qualified or technically expert persons but also (ii) by persons whose professional standards merit the high degrees of trustworthiness, typically required of professionals.

Excellence is the hallmark of success in a competitive environment. The performance of a Professional can be kept at the level of excellence, by continuous self learning, professional development and a system of review of professional services by peers.

Peer Review is used in working groups for many professional occupations, only to strengthen systems and infrastructure to enhance the quality of professional services.

It was in this backdrop that the Council of the Institute constituted the Peer Review Board. The Board was instrumental in crystallizing the Guidelines for Peer Review of Attestation Services by Practicing Company Secretaries, which were approved by the Council and published in the Gazette of India and made effective from October 1, 2011.

This Manual has been prepared to facilitate the practicing members to carry out the Peer Review exercise and to appreciate their duties and responsibilities as a Practice Unit that is being peer reviewed.

I take this opportunity to express my sincere thanks to all members of the Peer Review Board who contributed in visualizing and enriching the contents of the Manual through their fruitful discussions. I commend the dedicated efforts put in by the team ICSI for giving this Manual a final shape under the leadership of CS N K Jain, Secretary & CEO, ICSI.

I am confident that the Manual will facilitate the members and other readers in understanding the nuances of Peer Review.

The Peer Review being dynamic in nature is ever evolving, there would always be scope for further improvement. I would personally be grateful to the users and readers for offering their suggestions for further refinement.

**CS ANIL MURARKA**  
*PRESIDENT – The ICSI*

*Place : Kolkata*

*Date : January 09, 2012*

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## *CHAPTER 1*

# INTRODUCTION

### **Definition**

The dictionary meaning of the term “Peer” is, a person of the same legal status or a person who is equal to another, in abilities, qualifications, age, background, etc. “Review” means to look back upon (a period of time, sequence of events, etc.) Thus, “Peer Review” is a self-improvement process and is a method of evaluation of a person’s work or performance, by a person or group of people, in the same occupation, profession, or industry.

### **Professional Peer Review**

Professional Peer Review focuses on the performance of professionals, with a view to improving quality, upholding standards, or providing certification. Professional Peer Review activity is widespread in the field of accounting, law, engineering (e.g., software peer review, technical peer review, etc.), aviation, and even forest fire management. In academia, Peer Review is common in decisions related to faculty advancement and tenure.

### **Peer Review for Company Secretaries**

Peer Review contemplates examination of the systems and approach of a Practice Unit (PU) by another member of the Institute with the objective of identifying the areas, where the member may require guidance in improving the quality of his performance and adherence to the requirements of various technical standards.

The focus lies on the promotion of continuing quality improvement in an atmosphere of openness and mutual trust that contributes to enhancing transparency and comparability. Good practice is valued and mutual learning is encouraged in a dynamic and motivating process, from which both the Practice Unit and the Reviewer get benefit.

A Peer Review examines whether a Practice Unit has adequate policies and procedures (including documentation systems) in place to comply with the Technical Standards of ICSI and other legal requirements for maintaining the quality of the Services/ work they perform.

## **Rationale**

The concept of whole-time practice, which received its initial statutory recognition in 1988, has gained momentum after the enactment of the Companies (Amendment) Act, 2000 which required Compliance Certificate to be issued by a Company Secretary in Practice for Companies having a prescribed paid up capital. Company Secretaries in Practice are also being recognised for issuing certificates under various laws.

Excellence is the hallmark of success in a competitive environment. Performance can be judged and enhanced to a level of excellence only by evaluation by a competent professional. The Council of the Institute, therefore, decided to introduce Peer Review for Practising Company Secretaries (PCS) to periodically evaluate the quality, sufficiency of systems, procedures and practices, so that excellence in their performance can be maintained.

## **Authority for Peer Review**

The Council of the Institute of Company Secretaries of India is constituted under the Company Secretaries Act, 1980, for discharging the functions assigned to the Institute under the Act. Section 15(1) of the Act provides that “The Institute shall function under the overall control, guidance and supervision of the Council and the duty of carrying out the provisions of the Act shall be vested in the Council”, and enumerates various other duties of the Council. With a view to regulate the profession of Company Secretaries and in terms of the powers vested, the Council has issued guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice. The guidelines serve as a mechanism intended to further enhance the quality of professional work of Company Secretaries in Practice (PCS) over a period of time, thereby ensuring that the profession of Company Secretaries continues to serve the society in the manner envisaged.

The Guidelines on Peer Review are issued in relation to conduct of Peer Review of members rendering services:

- to prescribe and propagate an appropriate mechanism for ensuring the quality of professional services and guide the members in a manner that the Council considers appropriate;
- to provide guidance in relation to the statutory powers and obligations with respect to the parties involved in Peer Review;
- to prescribe the scope of Peer Review and the procedures to be adopted during the process of Peer Review; and
- to establish the expected conduct of members during a Peer Review.

### **Objectives of Peer Review**

The main objective of Peer Review is to ensure that in carrying out their Services, the PCS has complied with the ICSI Guidance on Office Administration and Systems in the office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute and has in place proper systems (including documentation systems) for maintaining the quality of professional assignments undertaken by it.

Peer Review is directed towards maintenance as well as enhancement of quality of professional services and to provide guidance to members to improve their performance and adhere to various statutory and other regulatory requirements. Essentially, through review of professional services engagement records, Peer Review identifies the areas where a practicing member may require guidance in improving the quality of his performance and adherence to various regulatory requirements.

### **Benefits of Peer Review**

There are significant benefits which a Practice Unit will obtain in undergoing a Peer Review.

These may be summarised below:

1. A successful Peer Review will provide comfort to the Practice Unit that it has adhered to various statutory, documentary and other regulatory requirements.
2. If deficiencies are noticed and corrective measures suggested, the Practice Unit will have an opportunity to correct the deficiencies and thereby enhance professional competence.
3. If a Peer Review Certificate is issued in favour of the Practice Unit it enhances credibility of the Practice Unit in the eyes of the general public.
4. Since a Chinese Wall exists between the Peer Review Process and the Disciplinary Proceedings, the Practice Unit will benefit from Peer Review without any apprehension of any disciplinary proceedings being initiated against for any deficiencies noticed on its part.
5. Clients of the P.U. will benefit from knowing that their Practice Unit is periodically reviewed by the ICSI.

6. Furthermore, the benefits of getting Peer Reviewed Units can be seen by Guidelines issued by Council of the Institute from time to time. The benefits given by the Council to the Peer Reviewed Units are as follows:

- **an additional limit of 5 secretarial audits per partner/PCS in case the unit is peer reviewed.**

(For Secretarial Audit Reports issued for FY 2016-17 onwards)

- **an additional limit of 5(five) Annual Secretarial Compliance Report under Regulations, 2015 individually/ per partner in case the unit has been Peer Reviewed.**

(w.e.f. 1st April, 2020)

7. To ensure the quality of services rendered by members of the Institute to their clients and to the society as a whole, the Council has decided that only Peer Reviewed Practice Units shall be permitted to undertake the following assignments:

- Secretarial Audit Report / Annual Secretarial Compliance Report under SEBI (LODR) Regulations, 2015
- Certification of Annual Return in terms of Section 92(2) of the Companies Act, 2013
- Compliance Certificate under Schedule V, Clause E of SEBI (LODR) Regulations, 2015
- Half yearly Share Capital Reconciliation Certificate under Regulation 40(9) of SEBI (LODR) Regulation, 2015
- Quarterly Share Capital Reconciliation Certificate under Regulation 76 of SEBI (Depository Participants) Regulations, 2018
- Internal Audit of Operations of the Depository Participants
- Diligence Report for Banks in case of Consortium Lending / Multiple Banking Arrangements
- Due Diligence and Certification under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

Further the Council has decided that the PCS shall mandatorily mention the

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Peer Review Certificate number while signing / certifying the above in the following format:

	For XYZ & Associates
	Company Secretaries
	Name .....
	FCS .....
Date .....	CP .....
Place .....	PR 1231/2022

### Scope of Peer Review

At present the following Attestation and Audit Services are covered under the purview of Peer Review.

- (i) Certification of Annual Return in Form MGT-8 under Section 92(2) of the Companies Act, 2013 and Rule 11(2) of the Companies (Management and Administration) Rules, 2014.
- (ii) Issuance of Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013 [read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- (iii) Issuance of Secretarial Audit Report to material unlisted subsidiaries of listed entities (whose equity shares are listed) in terms of Regulation 24A of SEBI (LODR) Regulations, 2015.
- (iv) Issuance of Annual Secretarial Compliance Report to Listed entities (whose equity shares are listed) under SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019.
- (v) Certification under [Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the] 4 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority
- (vi) Certification under Regulation 40(9) of SEBI [(Listing Obligations & Disclosure Requirements)] Regulations, 2015, certifying that all certificates have been issued within thirty days of the date of lodgment

- for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies. (vii) Conduct of Internal Audit of Operations of the Depository Participants registered with [National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL)] under the Bye Laws issued by NSDL and CDSL.
- (viii) Certification under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 for Reconciliation of Share Capital Audit.
  - (ix) Acting as Compliance Auditor under third party certification/Audit Scheme (Amendment), 2016 in the State of Haryana.
  - (x) Diligence reporting for Banks in case of multiple banking/consortium lending arrangements in terms of the circular issued by RBI.
  - (xi) Conduct of Internal Audit of the stock brokers/sub brokers under SEBI Circular No. MIRSD/ DPSIII/Cir-26/ 08 dated 22nd August, 2008 and MRD/DMS/Cir-29/2008 dated 21st October, 2008.
  - (xii) Issuance of Certificate in case of the Indian company accepting the investment from a foreign investor, thereby confirming compliance of Companies Act, 2013 and other matters [As per Para 9 (1) (B) (i) of Schedule 1 to Notification No. FEMA 20/2000-RB dated 3rd May 2000].
  - (xiii) Compliance Certificate regarding compliance of conditions of Corporate Governance as prescribed under [Regulation 34(3), Schedule V, Part E of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015].
  - (xiv) Signing of Annual Return in Form MGT-7 [through digital signature certificates (DSC)] 11 under Section 92(1) of the Companies Act, 2013 and Rule 11(1) of the Companies (Management and Administration) Rules, 2014.
  - (xv) Due Diligence Report under Regulation 10 (3) of the SEBI (Delisting of Equity Shares) Regulations, 2021.
  - (xvi) Certificate relating to shares held by inactive shareholders under Regulation 21(a) (iii) of the SEBI (Delisting of Equity Shares) Regulations, 2021.
  - (xvii) Compliance Certificate under Regulation 10(b), 13, 26, 27, 36 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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- (xviii) Scrutiniser's report pursuant to Section 108 of the Companies Act, 2013 read with Rule 20(4)(ix) and Rule 20(4)(xii) of Companies (Management and Administration) Rules, 2014.
- (xix) All other Reports, Returns and Certificates in respect of which generation of UDIN is mandatory in terms of the ICSI Unique Document Identification Number (UDIN) Guidelines, 2019.

Since law is a dynamic subject, situations may arise whereby regulatory prescriptions may necessitate certification / recognition in other areas also in due course. The Council and the Peer Review Committee may include other services under the scope of Peer Review from time to time.

### **Peer Review Process**

Once a practice unit is selected for review, the professional services rendered by it during the immediately preceding financial year shall be subject to review.

The Review shall focus on:

- (i) Compliance with ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute;
- (ii) Quality of Reporting;
- (iii) Office systems and procedures; and
- (iv) Training Programs for staff (including trainees), including appropriate infrastructure.

### **Applicability of the Guidelines on Peer Review**

The guidelines on Peer Review shall apply to all or any of the following cases:

- (a) Whenever Peer Review is mandated on the Instructions of Government/ Regulators / Statutory Bodies
- (b) Whenever Peer Review is requested voluntarily by the Practice Unit
- (c) Whenever Peer Review is conducted on the basis of random selection
- (d) Upon the recommendation of the Committee of Discipline or Disciplinary Committee of ICSI / Quality Review Board / Council of ICSI

The Council of the Institute on any legislative amendment to law may require a Peer Review to be conducted of any Practice Unit.

## Qualifications for a Peer Reviewer

To be empanelled as Peer Reviewer, an individual shall–

- (a) be a member with at least 10 years of post-qualification experience as Company Secretary of which not less than 5 years should be as a company secretary in practice;
- (b) be currently holding Certificate of Practice as issued by the Institute;
- (c) have undergone the Training Programme for Peer Reviewers and qualified the Certification Programme for Peer Reviewers organized by the Institute;

Further to be empanelled as Peer Reviewer, a member shall not have: -

- (a) disciplinary action / proceedings pending against him during the past 3 years;
- (b) been found guilty of professional or other misconduct by the Committee of Discipline / Disciplinary Committee, at any time, as the case may be;
- (c) been convicted by a Competent Court whether within or outside India, of an offence involving moral turpitude and punishable with imprisonment;

## The Reviewer's Approach

- (a) The approach of the Reviewer should be courteous, professional and helpful throughout the review process.
- (b) He should be appreciative of good practices while suggesting areas of improvement.
- (c) He should adopt a collaborative approach with the Practice Unit during the review process and should ensure minimum disruption to the Practice Unit during the peer review.
- (d) He should be able to provide practical and insightful comments in a discussion mode as a Peer during the review process.
- (e) He should try and give value addition to Practice Unit and not merely adopt a tick box approach.
- (f) In determining issues which are subjective, the purpose is not to replace the PU's opinion with the opinion of the Reviewer but to verify

the process followed in exercise of judgment by the Practice Unit. Verification of the process will include verification of working papers maintained by the Practice Unit.

### **Expected Qualities of Reviewer**

The nature and complexities of Peer Review requires the exercise of professional judgment. The reviewer should:-

- (a) Be well acquainted with the technical aspects of the Attestation and Audit Services.
- (b) Know the provisions of Code of Conduct of ICSI.
- (c) Have studied various cases decided on Code of Conduct of ICSI.
- (d) Get himself/herself acquainted with decisions of various courts on 'cases relating to deficiency in service'.
- (e) Be aware of relevant provisions of Company Secretaries Act 1980, Company Secretaries Regulations, 1982, Consumer Protection Act, Evidence Act, Indian Penal Code, etc.
- (f) Have studied the ICSI Auditing Standards, Guidance Notes, Manuals, Referencers, Notifications, Guidelines and advisories issued by Council of ICSI from time to time.
- (g) Be aware of evolving standards and best practices in the field.
- (h) Be good at drafting, written and spoken English.
- (a) Display professional and courteous behavior while on peer review visit.
- (j) Understand his limitations.
- (k) Be clear about what is outside the scope of Peer Review.

## *CHAPTER 2*

### **PEER REVIEW PROCESS**

This Manual seeks to explain the process of Peer Review as envisaged in the Guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice. The process of empanelment of a Reviewer and the Peer Review process has been explained in detail. A step-by-step guide has been presented for the entire process.

#### **Empanelment of Reviewers**

1. The Peer Review Committee has been empowered to maintain a panel of Reviewers. Para 10 of the Guidelines provides for the qualifications of the reviewer. It states, "The nature and complexity of peer review require the exercise of professional judgment. Accordingly, an individual serving as a reviewer shall:- (a) be a member with at least 10 years of post-qualification experience as Company Secretary; and out of the 10 years of post-qualification experience, should have been in practice for a continuous period of not less than five years at the time of empanelment; (b) be currently holding Certificate of Practice as issued by the Institute; (c) have undergone the Training Programme for Peer Reviewers and qualified the Certification Programme for Peer Reviewers organized by the Institute.

Peer Reviewers empanelled till date may continue to undertake peer review assignments accepted by them upto 31<sup>st</sup> March, 2026 without completing the online certification programme, but shall complete the said online certification programme successfully to undertake peer review assignments after 31<sup>st</sup> March, 2026.

Further to be empanelled as Peer Reviewer, a member shall not have: -

- (a) disciplinary action / proceedings pending against him during the past 3 years;
- (b) been found guilty of professional or other misconduct by the Committee of Discipline / Disciplinary Committee, at any time, as the case may be;
- (c) been convicted by a Competent Court whether within or outside

## Chapter 2 – Peer Review Process

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India, of an offence involving moral turpitude and punishable with imprisonment.

2. The Committee has prescribed a format for inviting applications from members fulfilling the criteria and willing to be empanelled as Reviewers. The application form seeks to collate information on professional experience, educational qualifications, practice areas, etc. which would enable the Committee to assess the core competence of the applicant for empanelment as Reviewer. When a Peer Review is required to be conducted, the Committee would endeavour to match the relevant experience and standing of the Reviewer with the profile of Practice Unit which is being reviewed.

3. A copy of the application format for empanelment of Reviewer is placed as **Annexure** to the Chapter and may also be downloaded from the webpage of the Peer Review Committee at the ICSI portal <https://www.icsi.edu/prb/home/>

### Training and Development of Reviewers

To ensure that the objective of Peer Review is achieved in letter and spirit, adequate training facilities shall be provided, from time to time, to the Reviewer(s) and other persons who assist the Committee as and when, and in the manner considered appropriate by the Committee. Reviewers shall be expected to be fully familiar with all procedures, prescriptions, guidelines and other decisions as may be issued by the Committee from time to time.

A Reviewer may be required to assess his/her capability to perform Peer Review exercise. He/she should also consider carefully the number and availability of trained staff in deciding whether he/ she would be in a position to perform Peer Review of a Practice Unit.

To equip the Reviewers with the required inputs for Peer Review, the Institute undertakes Training Programmes for Reviewers on regular basis. Institute has also developed a Training Module to guide the Reviewers.

### Validity of Reviewers Empanelment

The validity of the Peer Review empanelment shall be five years from the date of empanelment, post which the Reviewers shall have to again undergo the Training Programme for Peer Reviewers and qualify the Certification Programme offered by the Institute.

#### Statement of Confidentiality

The process of Peer Review requires high level of integrity on the part of the

Peer Reviewer and Qualified Assistant(s) who may assist Reviewer during the Review. The Committee has prescribed a Statement of Confidentiality for this purpose, which is placed as part of the Guidelines for Peer Review of Attestation and Audit Services by Company Secretaries (PCS), in this Manual. Before accepting to undertake Peer Review assignment, the Reviewer and Qualified Assistant(s) are required to sign the Statement of Confidentiality and shall send the same to the Peer Review Committee.

### **Methodology to be followed by Reviewer**

#### **(a) Offsite review**

- This contemplates studying the information given by the Practice Unit in the Questionnaire (placed as **Annexure** to the chapter 3) and based on the same make observations about possible areas where improvement is possible and to note other aspects to be discussed in personal meeting with Practice Unit.

#### **(b) Onsite review**

- Verification of information given by the Practice Unit.  
Test checks in respect of assignments handled by the Practice Unit.
- Interaction with the staff & trainees of Practice Unit as a part of the Peer Review.
- Calling for the records in respect of the client maintained by the Practice Unit to verify whether proper systems and procedures have been followed.

### **Compliance with Peer Review Guidelines**

Practice Units are required to comply with the provisions of the Guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice. Practice Units selected for being reviewed will be required to undergo appropriate review of their quality controls by the Committee in terms of such specific directions as may be given by the Council in this regard from time to time.

### **Selection of Members/ Firms Subject to Review**

Peer Review will be implemented either on the basis of random selection; mandated by any regulatory body / Government / Council or at the request of practice unit on voluntary basis or as per the criteria laid down in the

## **Chapter 2 – Peer Review Process**

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Guidelines. The Peer Review Committee may alter/change/modify the above method of selection with prior approval of the Council.

### **Cost of Peer Review**

The cost of Peer Review, payable to the Reviewer, as may be decided by the Committee from time to time, shall be borne by the Practice Unit. Each of the branch/ office under review would be considered as a separate unit for the purpose of payment of cost of Peer Review.

The cost of Peer Review shall be paid by the Practice Unit within 30 days from the receipt of Invoice from Peer Reviewer.

If a company / concern requests the Committee for the conduct of Peer Review of its Secretarial Auditor (Practice Unit) or the Company Secretary in Practice rendering services to the company / concern, the Committee shall take due cognizance of such request and in that case the cost of the Peer Review shall be borne by such company/ concern.

If the Council / Government or any Regulatory Body requests the Committee for conduct of Peer Review of any Practice Units, the Committee shall take due cognizance of such request and in that case the cost of Peer Review shall be borne by the referred Practice Unit.

### **Obligations of the Practice Unit**

The Practice Units are supposed to practice under the name duly approved and allotted by the ICSI as per the name approval Guidelines as amended from time to time.

The Practice Unit under review shall provide access to any record or document as may be asked by the Reviewer. For these purposes:

Any person who is reasonably believed by a Reviewer to have in his possession or under his control any record or other document, which contains or is likely to contain information relevant to the Peer Review shall:

- (1) (a) Produce to the Reviewer or afford him access to, any record or document specified by the Reviewer or any other record or document which is of a class or description so specified, and which is in his possession or under his control/ being in either case a record or other document which the Reviewer reasonably believes is or may be relevant to the Peer Review, within such time as the Reviewer may reasonably require;

- (b) If so required by the Reviewer, afford and provide to him such explanation or further particulars in respect of anything produced in compliance with requirement mentioned above, as the reviewer shall specify; and
- (c) Provide to the Reviewer all assistance in connection with Peer Review which he is expected to provide.
- (2) Where any information or matter relevant to a Practice Unit is recorded otherwise than in a legible form, the Practice Unit shall provide and present to the Reviewer a reproduction of any such information or matter, or of the relevant part in a legible form, with a suitable translation in English if the matter is in any other language, and such translation is requested for by the Reviewer.
- (3) In case the Practice Unit has more than one office, the Practice Unit shall ensure that the Reviewer is given access to all documents relevant to review no matter in which office of the Practice Unit, these documents may be available in.
- (4) A Practice Unit shall allow the Reviewer to inspect, examine or take any abstract of or extract from a record or document or copy there from which may be required by the Reviewer. However, in order to ensure the confidentiality of the contents of the client's file with the PU, the Reviewer shall, under no circumstances seek names of the clients or make copies or extracts of any document from the clients' files received by him, or of any client records acquired by him while conducting peer review, as part of his working papers.

### **Validity of Peer Review Certificate**

The validity of the Peer Review Certificate shall be five years from the date of issue. Provided that the Committee may *suo motu* or otherwise at the request of the Practice Unit, initiate the Peer Review process even before the expiry of the validity of the Peer Review Certificate.

Further, in case the PU is reviewed within two years of its formation, the validity of the Peer Review Certificate shall be for two years.

### **Review Framework**

Essentially, a Peer Review entails a review of engagement records and related financial / other statements to ascertain whether the Practice Unit is

## Chapter 2 – Peer Review Process

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adhering to ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute. Where a Practice Unit is not following any of the ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute, in certain situations, suggestions and recommendations for improvement may be made, and possibly followed by a further review, in keeping with the primary thrust of Peer Review.

### Reporting

The central element of a Peer Review is the assessment, i.e., the professional judgment by the peers. Para 16.2.3 of the Guidelines for Peer Review contains provisions for the report of Peer Reviewer. It has been provided that at the end of an on-site review, the Reviewer shall, before making his report to the Committee, communicate a preliminary report to the Practice Unit, in case the Reviewer observes any deficiency in the systems and procedures of the Practice Unit. The Reviewer shall report on the areas where systems and procedures had been found to be deficient or where he has noticed non-compliance with reference to any other matter. In arriving at this conclusion, the Reviewer shall be expected to examine the materiality of the non-compliance or deficiency, the number of occasions when such non-compliance was noticed and its overall impact on the quality of professional service rendered by the Practice Unit.

The different stages of reporting are covered in detail in a subsequent Chapter.

Annexure



**THE INSTITUTE OF  
Company Secretaries of India**

**भारतीय कम्पनी सचिव संस्थान**

**IN PURSUIT OF PROFESSIONAL EXCELLENCE**

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003

tel 011-4534 1000 fax +91-11-2462 6727

email info@icsi.edu website www.icsi.edu

**EMPANELMENT AS PEER REVIEWER**

**PROFORMA FOR INCLUSION OF NAME IN THE PANEL OF “PEER  
REVIEWERS”**

**CONSTITUTED UNDER THE AEGIS OF “PEER REVIEW COMMITTEE,  
ICSI”**

The Guidelines for Peer Review attestation services by Practicing Company Secretaries have been issued by the Council of the Institute at its 202nd Meeting held on August 25-26, 2011. The Peer Review Committee has decided to seek from amongst its members in practice, to empanel themselves as “Peer Reviewer”. The qualifications prescribed for appointment of Reviewer are as follows:

- (a) be a member with at least 10 years of post -qualification experience as Company Secretary; and out of the 10 years of post-qualification experience, should have been in practice for a continuous period of not less than five years at the time of empanelment;
- (b) be currently holding Certificate of Practice as issued by the Institute;
- (c) have undergone the Training Programme for Peer Reviewers and qualified the Certification Programme for Peer Reviewers organized by the Institute.

Peer Reviewers empanelled till date may continue to undertake peer review assignments accepted by them upto 31<sup>st</sup> March, 2026 without completing the online certification programme, but shall complete the said online certification programme successfully to undertake peer review assignments after 31<sup>st</sup> March, 2026.

Further to be empanelled as Peer Reviewer, a member shall not have: -

## Chapter 2 – Peer Review Process

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- (a) disciplinary action / proceedings pending against him during the past 3 years;
- (b) been found guilty of professional or other misconduct by the Committee of Discipline / Disciplinary Committee, at any time, as the case may be;
- (c) been convicted by a Competent Court whether within or outside India, of an offence involving moral turpitude and punishable with imprisonment.

Members who are desirous of being empanelled and to carry out Peer Review of their contemporaries in practice would require to register themselves as a Peer Reviewer with the Institute.

With the object of identifying those members who are desirous of being empanelled, this information is being floated to seek details of the members who wish to be registered with the Institute as Peer Reviewer and assigned to carry out Peer Review from time to time. Members fulfilling the eligibility criteria and desirous of being empanelled are requested to submit the attached proforma with all relevant details to enable the Committee to consider their request.

The duly filled in proforma may be sent to - The Secretary, Peer Review Committee, The Institute of Company Secretaries of India, ICSI HOUSE, 22, Institutional Area, Lodi Road, New Delhi 110 003 (email: [prb-icsi@icsi.edu](mailto:prb-icsi@icsi.edu)).

**PROFORMA FOR INCLUSION OF NAME IN THE PANEL OF “PEER REVIEWERS” CONSTITUTED UNDER THE AEGIS OF “PEER REVIEW COMMITTEE, ICSI”**

To,

The Secretary,  
Peer Review Committee  
The Institute of Company Secretaries of India  
ICSI House  
22, Institutional Area  
Lodi Road  
NEW DELHI – 110 003

1. Name (In CAPITAL Letter)	F I R S T	M I D D L E	S U R N A M E
2. Membership no. of the Institute	A/F	3. Date of obtaining Membership (DD/MM/YYYY)	/ /
4. Date of Birth (DD/MM/YYYY)	/ /	5. Gender (M/F)	6. C.P. Number

7. Contact details in CAPITAL letters:

<p>(a) Residential Address:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>City .....</p> <p>State .....</p> <p>Pin Code : <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/></p> <p>Phone No. ....</p> <p>STD Code: .....</p> <p>Mobile No. ....</p> <p>E-mail ID: .....</p>	<p>(b) Professional Address:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>City .....</p> <p>State .....</p> <p>Pin Code : <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/></p> <p>Mobile No. ....</p> <p>FAX No. ....</p> <p>Website Address: .....</p> <p>Unique Code of Firm: .....</p>
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## Chapter 2 – Peer Review Process

<p>8. Firm's Details</p> <p>(a) Name of your Firm</p> <p>(b) Nature of Firm – Individual / Proprietorship/ Partnership/ LLP</p> <p>(c) Name(s) of Firms with which you are associated as a Partner or Associate.</p>	
<p>9. In the event of Partnership/LLP, please mention names of other partners:</p>	<p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p>
<p>10. Any past experience of carrying out Peer review work or work of similar nature.</p>	

I hereby declare that:

- (a) I am a member of the ICSI
- (b) Possess at least Ten Years' experience as Company Secretary.
- (c) I am currently holding certificate of Practice issued by the Institute and have been in continuous practice for a period of not less than five years.
- (d) The particulars given above are true and correct to the best of my knowledge and belief.
- (e) I shall abide by the times schedule and 'Statement of Confidentiality' in the conduct of Peer Review.

Place .....

Date .....

FOR OFFICE USE ONLY		
Acknowledgment No.	Acknowledgment Date	Reviewer Registration No.

## *CHAPTER 3*

### **QUESTIONNAIRE FOR PRACTICE UNITS**

The Peer Review process requires each Practice Unit (PU) to provide some basic information about the PU to the Reviewer [as contemplated in clause 8.2(1) of the Guidelines] in the questionnaire specifically designed by the Committee for the purpose.

The questionnaire with the answers provided, would enable the Reviewer to make a fair assessment as to the key control areas prevalent in the Practice Unit and the degree of reliance that can be placed on the internal control mechanism and records maintained by the Practice Unit.

The questionnaire is expected to act as guidance to the Practice Units as to the basic internal control measures that each Practice Unit should normally undertake. Non-existence of any of the internal control measures as elucidated in the questionnaire does not necessarily mean that the Practice Unit has failed in any aspect related to quality of services. Still it is desirable that the Practice Unit has in place all the internal control mechanisms contained in the questionnaire as a measure of good practice.

All the responses to the questionnaire would be kept **strictly confidential** by the Reviewer and his team and no information contained therein would be shared with any third party.

The Reviewer places a great deal of reliance on the responses provided by the Practice Unit in the questionnaire while designing his / her review plan. Care should therefore be taken by the Practice Unit while answering the questions. A copy of the questionnaire is placed as **Annexure** to the chapter.

**ANNEXURE**

**PEER REVIEW COMMITTEE  
INFORMATION THAT MAY BE CALLED FROM PRACTICE UNIT  
(PU) AS CONTEMPLATED BY CLAUSE 8.2(1) OF PEER REVIEW  
GUIDELINES.**

**PART – A – PROFILE OF THE PRACTICE UNIT**

1. Name of the Practice Unit (PU) .....
2. Firm Unique Code (issued by the Institute).....
3. Status: (Please Tick) Individual / Sole Proprietorship / Partnership / LLP
4. Date of establishment of the Firm / LLP / PCS Registration (dd/mm/yy yy).....
5. Address of the firm/PCS:
  - a) Professional .....
  - ..... City ..... State ..... PIN .....
6. Details of Practice Unit
  - A. Telephone Number with STD code .....
  - B. Mobile Number(s) .....
  - C. Email ID .....
  - D. WebsiteAddress .....
  - E. Number of partners including self (Not Applicable for Individual) .....
  - F. Particulars of the services rendered by Practice Unit during previous 2 financial years: Data from UDIN

Sl. No.	Nature of Services	Financial years	
		2020-21	2021-22
Data autofill from UDIN database			

- G. Name of the partner(s) / member empanelled as Peer Reviewer with the Peer Review Committee, ICSI (mention 'NA', if none of

the partner(s) / member are empanelled as Peer Reviewer):

Sl. No.	Name of the partner(s) / member	Peer Reviewer code issued by the Committee

H. Names of the Practice Units peer reviewed by the partner(s) / member during the last three years

Sl. No.	Name and Address of the Peer Reviewed Practice Unit	Year for which Peer Reviewed	Name of the partner(s)/ member with PR Code

7. Period under Review (dd/mm/yyyy) \_\_\_\_\_ to (dd/mm/yyyy) \_\_\_\_\_

(Please note: The period under review shall be the previous financial year. This means that the services rendered by the Practice Unit during immediately previous financial year shall be subject to review)

8. Particulars of the constitution of the individual/firm / LLP as on last day of the financial year under review,

Name(s)	ACS/FCS No.	C.P. No.	Years of Practice/ Association with the firm/LLP (in years)	Experience (in years)

9. Particulars of Company Secretaries employed in the Practice Unit:

**Chapter 3 – Questionnaire for Practice Units**

<b>Name(s)</b>	<b>ACS/FCS No.</b>	<b>Association with the firm (in years) and responsible for what task</b>	<b>Experience (in years)</b>

10. Furnish details of change in constitution (partners / company secretaries employed), if any, during the year(s) under review:

<b>Name(s)</b>	<b>ACS/FCS No.</b>	<b>Date of joining the firm</b>	<b>Date of leaving the firm</b>

11. Number of other staff employed

- Professionals (specify qualifications) .....
- Trainees
- (Executive passed) .....
- (Professional passed) .....
- Other than above .....

12. Does the PU have any branch offices? (Please tick)

Yes  No

If yes, please give the name(s) of member(s) in charge of each branch, membership number of in-charge and address of branches:

<b>Sr. No.</b>	<b>Member In charge</b>	<b>ACS/FCS No.</b>	<b>Address</b>

(Please note that each of the branch office(s) shall be treated as separate unit for the purpose of Peer Review)

I / We hereby declare that the information provided in this Questionnaire is true and correct to the best of my / our knowledge.

Name of the PCS / Partner on behalf of PU :

Signature

Membership no. :

Date :

CP :

## *CHAPTER 4*

### **REVIEW PROCESS**

The methodological approach involved in Peer Review can be described in terms of various stages viz., preparation, planning, execution and reporting, which are summarized below:

#### **(i) Preparation**

A Practice Unit will be notified in writing about an impending Peer Review and will be sent a Questionnaire for completion. The Practice Unit is required to send the duly filled in Questionnaire to the Committee.

*Return of completed Questionnaire* – The Practice Unit shall have to complete and return the Questionnaire to the Peer Review Secretariat within 7 (seven) days of the notification. The information will be used for the planning of the review. In addition, practice units will be required to enclose a complete list of services rendered.

The Committee will send a panel of five suggested names of Reviewers, along with their details and if the Practice Unit is unable to choose any one Reviewer from the Panel so sent, to send another Panel of 5 Peer Reviewers. The Practice Unit will have to give its choice of reviewer within a period of 7 (seven) days from the day of receipt of the panel sent by the Committee. In case no peer reviewers are available in the city or in close proximity to the PU, the PU may choose any reviewer from out of the panel maintained by the Committee, in which case the PU shall be liable to pay the travelling, stay and other expenses of the Peer Reviewer in addition to the Peer Review Fee.

In case the Practice Unit would like to have reviewers from another State/ Region (and undertakes to bear the extra costs that would be incurred for TA/DA etc.) and none of the Reviewers as identified by the Committee for the Practice Unit are from outside the place of business of the Practice Unit, then the Practice Unit may make a special request to the Committee to provide names of Reviewers from outside the State/ Region where the Practice Unit has its place of business. The Committee will send an assignment letter/e-mail to the selected Reviewer for his/her consent.

## **(ii) Planning**

On acceptance of the Peer Review by the selected Reviewer, the Practice Unit will be notified.

The Reviewer may also require the Practice Unit to provide other information as he considers necessary to facilitate the selection of a sample of services engagements, which is representative of the Practice Unit's client portfolio, for review.

- *Sample of services Engagements*

- (a) From the complete services client list, an initial sample will be selected by the Reviewer. The Peer Reviewer shall choose not less than 10% of the actual attestation assignments undertaken by the PU under each category or five assignments under each category, whichever is more. In case the sample size is smaller than this, the reasons therefor shall be specifically stated in the Peer Review Report.
- (b) Practice Units will be notified of the selection in writing preferably 2 (two) weeks in advance, requesting the relevant records of the selected services clients to be made available for review.
- (c) At the execution stage, the initial sample may be reduced to a smaller actual sample for review. However, if the Reviewer considers that the actual sample does not cover a fair cross-section of the Practice Unit's services engagements, he may make further selections.

- *Confirmation of visit*

In consultation with the Practice Unit, date(s) will be set for the on-site review to be carried out. Flexibility will be permitted to ensure that Practice Units are not inconvenienced at especially busy periods. The on-site review date(s) will be arranged by mutual consent such that the review is concluded within 21 (twenty one) days of appointment of Peer Reviewer, by the Committee.

## **(iii) Execution**

- (i) On site review*

Peer Review visits will be conducted at the Practice Unit's head office or other officially noted/ recorded place of office. The complete on-site

## Chapter 4 – Review Process

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review may take one or two full days depending upon the size of the Practice Unit and scope of the Peer Review. This is based on the assumption that the Practice Unit concerned has made all the necessary information and documentation available to the Reviewer for review. However, in any case this on-site review should not extend beyond 3 (three) working days.

### *(ii) Initial meeting*

An initial meeting will be held between the Reviewer and the sole proprietor/partner(s) of the Practice Unit designated to deal with the review (designated partner{s}). The primary purpose of this meeting is to discuss the agenda of the peer visit and confirm the accuracy of the responses given in the Questionnaire. The description of the system in the Questionnaire may not fully explain all the relevant procedures and policies adopted by the Practice Unit and this initial meeting can provide additional information. The Reviewer should have a full understanding of the system, and be able to form a preliminary evaluation of its adequacy at the conclusion of the meeting. During the meeting, decision can also be taken on the evaluation method and the person(s) in the office of the Practice Unit to be interviewed and who will be able to assist the Reviewer in completing the Peer Review Process during his/her visit.

### *(iii) Compliance Review-General Controls*

- (a) The Reviewer may carry out a compliance review of the General Controls and evaluate the degree of reliance to be placed upon them. The degree of reliance will, ultimately, affect the services engagements to be reviewed. The following five key controls will be considered as General Controls:
- Independence
  - Maintenance of Professional Skills and standards
  - Outside Consultation
  - Staff Supervision and Development
  - Office Administration including maintenance of registers and records.

Practice Units are expected to address each of the five key control areas.

- (b) In each key control area there shall be supplementary questions and

matters to consider. These are intended to ensure that the controls that are expected to be maintained, are installed and operated within Practice Units.

- (c) All questions in the questionnaire may not necessarily be relevant to particular types of Practice Units because of its size, nature and type of its practice. However, Practice units should still assess their internal control systems to ascertain whether they address the objectives under the five key control areas.
- (d) The Reviewer should evaluate these general controls to understand the functioning of the office of the Practice Unit.

*(iv) Selection of services engagements to be reviewed*

- (a) The number of services engagements to be reviewed depends upon:
  - The number of practicing members involved in services engagements in the Practice Unit;
  - The degree of reliance placed, if any, on general quality controls; and
  - The total number of services engagements undertaken by the Practice Units for the period under review.
- (b) The engagements reviewed should be a balanced sample from a variety of different types of companies. Accordingly, if the reviewer considers that the actual sample is not representative of the practice unit's Attestation and Audit Services client portfolio, he may make further selections from the initial sample or from the complete Attestation and Audit Services client list.
- (c) The Reviewer should not undertake Peer Review of engagements which have been the subject matter of disciplinary proceedings nor should the Practice Unit influence the Reviewer to select such engagements for Peer Review.

*(v) Review of records*

The Reviewer may adopt a compliance approach or substantive approach or a combination of both in the review of services engagement records.

- (a) Compliance approach - services engagements

## Chapter 4 – Review Process

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- The compliance approach is to assess whether proper control procedures have been established by the Practice Unit to ensure that professional services are being performed in accordance with the ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute.
- Practice Units should have procedures and documentation sufficient to cover each of the key areas. If Members in smaller practices find some of the documentation too elaborate for their clients and they tailor their services documentation to suit their particular circumstances, justification for doing should be provided to the Reviewer.
- If the size of the Practice Unit is small or medium (a matter left to the judgment of the Reviewer), the Compliance Approach may not be appropriate. In such a case, the Reviewer may choose the Substantive Approach for conduct of Review.

### (b) Substantive approach - services Engagements

A substantive approach will be employed if the Reviewer chooses not to place reliance on the Practice Unit's general controls on engagements or is of the opinion that the standard of compliance is not satisfactory or not appropriate in the case of a specific Practice Unit selected for Peer Review. This approach requires review of the working papers in order to establish whether the professional work has been carried out as per the regulatory requirements.

The various steps in the Peer Review Process have been enumerated in **Annexure** to the chapter, for the benefit of the readers.

## Annexure

### Steps in Peer Review

1. Selection of Practice Unit to be Peer Reviewed as per the criteria mentioned in the Guidelines.
2. Intimation to Practice Unit of the impending Peer Review along with Questionnaire.
3. Return of Questionnaire within 7 days.
4. Panel of 5 suggested reviewers be sent to Practice Unit and another Panel of 5 suggested reviewers, where necessary.
5. Choice of Reviewers within 7 days to be intimated to the Peer Review Committee by Practice Unit.
6. Peer Reviewer to be intimated of selection.
7. Consent of Peer Reviewer to be received within 7 days.
8. Selection of Sample by the Peer Reviewer.
9. Intimation of sample to the Practice Unit preferably two weeks in advance of visit by Peer Reviewer.
10. Fixation of date for onsite visit by Peer Reviewer after consultation with Practice Unit.
11. Onsite visit within 21 days from the date of appointment of Peer Reviewer, by the Committee.
12. Onsite review from one day to a maximum of three working days.
13. Initial meeting between the Peer Reviewer and sole proprietor/ partner of the Practice Unit so as to ensure accuracy of the responses to the Questionnaire.
14. Reviewer to carry out a compliance review of the General Controls and evaluate the degree of reliance to be placed on them.
15. Key control areas to be considered – Independence; Maintenance of Professional Skills and standards; Outside consultation; Staff supervision and Development; Office Administration including maintenance of registers and records.
16. Review of Records by the Reviewer on Compliance Approach/ Substantive Approach.

## Chapter 4 – Review Process

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17. Preliminary Report of Reviewer to the Practice Unit reporting deficiencies in systems and procedures, if any.
18. Practice Unit may make submissions or representations in writing to the Peer Reviewer within 7 days from the date of receipt of the Preliminary Report.
19. Submission of Final Report by the Reviewer to the Committee with a copy to the Practice Unit (the Reviewer's Report), incorporating the findings.
20. Examination / Inspection by the Committee in terms of the degree of compliance by the Reviewed Practice Unit with the ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute.
21. Peer Review Committee may issue instructions to the Practice Unit regarding the application by it of the ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute (compliance review within six months).
22. Issue of Peer Review Certificate to the Practice Unit by the Peer Review Committee, in case of receipt of clean final report.

## **CHAPTER 5**

### **REPORTING**

Para 16.2.3 of the Guidelines contains provisions for reports of Peer Reviewer.

#### **(i) Preliminary Report of Reviewer**

At the end of an on-site review, the Reviewer shall, before making his report to the Committee, communicate a Preliminary Report to the Practice Unit, in case the Reviewer observes any deficiency in the systems and procedures of the Practice Unit. The Reviewer shall report on the areas where systems and procedures had been found to be insufficient or deficient or where any non-compliance has come to his notice with reference to any matter. The Reviewer shall not name any individual in his reports. The Reviewer need not communicate any Preliminary Report if he has not noticed any instance of non-compliance or deficiency during the Peer Review. In such a case, the Reviewer shall submit a Final Report to the Committee. All Reports shall be prepared on the letterhead of the Reviewer, signed by him and should contain his Membership Number/C.P. No. and the Reviewer's Code Number allotted by the Committee.

#### **Response to the Preliminary Report**

- The Practice Unit shall, within 7 days from the date of receipt of Preliminary Report, make submissions or representations, in writing concerning the Preliminary Report to the Reviewer,

#### **(ii) Final Report of Reviewer**

- (a) The Reviewer will submit Final Report to the Committee (the Reviewer's Report), incorporating the findings as discussed with the Practice Unit. The final report will be examined / inspected by the Committee in terms of the degree of compliance with the ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute, by the reviewed Practice Unit. The model forms of final Reports shall be communicated to the Reviewer by the Committee.

## Chapter 5 – Reporting

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- (b) The Committee shall consider the Reviewer's final report and the Practice Unit's submissions. Thereafter, the Committee may issue recommendations, if considered appropriate, to the Practice Unit and / or instruct the Reviewer to perform any follow-up action. The Committee may, if deemed fit, issue Peer Review Certificate to the Practice Unit.

The Reviewer shall not communicate any Report(s) unless the examination of such Report(s) and related records has been made by him and / or his Qualified Assistant(s).

### **Office Systems and Procedures**

The Peer Review is expected to examine the Office systems and procedures with regard to compliance of professional services.

The Reviewer shall verify whether the Practice Unit has adequate office systems and procedures in place. However, the extent and scale of these systems may vary from one Practice Unit to another, depending upon the size and scale of practice of the Practice Unit.

The Reviewer shall particularly examine the following aspects, besides forming his own judgment during the Review:

1. Whether the Practice Unit has a document management system which should ideally include the filing system, record storage and retrieval system (whether in hard copy or soft copy),
2. Whether allocation of assignments among the Staff / Trainees are commensurate with their capability, whether the assignments are properly carried out and the services are verified by the Proprietor or Partner of the Practice Unit or a Qualified Assistant in the office of the Practice Unit before authentication.

### **Training Programs for staff (including trainees), including appropriate infrastructure**

Proper training and capacity development of the staff (including trainees) in the office of the Practice Unit is very essential to maintain the quality of professional services. As it may become difficult for Company Secretary(ies) in Practice / Partner(s) of the Practice Unit to attend all the services rendered by their Practice Unit, most Practice Units generally rely on the Trainees for execution of the professional services. In this context, the Peer Reviewer may examine whether:

1. The Trainees are maintaining a Training Diary to record the work done every day and whether the Dairy is being examined by the Proprietor/Partner/Qualified Assistant of the Practice Unit periodically.
2. Whether any Staff Induction Process is in place.
3. Whether the Staff are periodically encouraged to attend Training Programmes or any other Capacity Building Programmes, including any in-house mechanism for their professional development.
4. Whether the office of the Practice Unit is equipped with library or reference material relating to professional services.
5. Whether the overall décor/appearance of the office of the Practice Unit is satisfactory.

The list furnished above is only illustrative. The Peer Reviewer may like to examine other matters also. However, in doing so, the Peer Reviewer shall keep in mind the size of the Practice Unit and its scale of operations.

The illustrative reporting format is placed as **Annexure** to the chapter. Peer Reviewers are advised to submit a reasoned and speaking report.

### ANNEXURE

#### Illustrative Final Report<sup>1</sup>

Report No. \_\_\_\_\_

Date \_\_\_\_\_

Peer Review Committee. \_\_\_\_\_

As per your letter no. / e-mail reference no. dated \_\_\_\_\_, I have carried out the peer review of \_\_\_\_\_ {name of the practice unit} \_\_\_\_\_ {unique code issued by ICSI} having office at \_\_\_\_\_ and Branch Office(s) at \_\_\_\_\_ {please write details of all Branch office(s) and 'NA' in case Practice Unit is having no branch office} for the period(s) \_\_\_\_\_ {mention the periods reviewed}. The review was conducted in accordance with the Peer Review Guidelines issued by the Institute of Company Secretaries of India.

I have maintained all working papers/notes in respect of this peer review and agree to provide copies of the same to the Peer Review Committee, as and when called for.

I have also visited all the branch offices located at (mention addresses of branch offices located and obtained all the information required for conducting the peer review. (applicable in case of PU having branch offices within the same city)

The major focus of the review was on:

- Compliance with ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by ICSI;
- Quality of Reporting;
- Office systems and procedures with regard to compliance of certification and audit services; and
- Training Programme for staff (including trainees) concerned, including appropriate infrastructure.

I am expressing an opinion on the implementation of quality control policies and procedures designed to ensure the compliance of Technical Standards

*1. Please note that the reporting format is illustrative only. Peer Reviewers are requested to give more detailed report.*

*# In case there is any Qualification/observation, the Peer Reviewers are advised to highlight the same in Italic / Bold.*

and maintenance of quality of Attestation and Audit Services and its implementation.

Review would not necessarily disclose all weaknesses in the quality of attestation and audit work or all instances of lack of compliance with Technical Standards, since it is based on selective tests. As there are inherent limitations in the effectiveness of any system of quality control, departure from the system may occur and not be detected.

In my opinion the system of quality control for the Attestation and Audit Services of \_\_\_\_\_ *{name of practice unit}* for the period under review has been designed so as to carry out professional assignments in a manner that ensures compliance with ICSI Accounting Standards, Guidance Notes, Manuals, Referencers and advisories issued by ICSI and maintenance of the quality of professional assignments undertaken by the Practice Unit.

Signature of the Reviewer

(Name of the Reviewer)

Membership No.

C. P. No.

Reviewer's Code No.

Place :

Date :

**Annexure to the Final Report of (name of the practice unit)**

Please elaborate wherever required.

Sl. No.	Particulars	Observations along with basis for reaching conclusion
1	Date of receipt of PU questionnaire.	
2	<p>(a) Total number of initial samples selected for review.</p> <p>(b) Percentage of the samples selected for actual Attestation services undertaken by the PU under each category during the year under review.</p> <p>(c) What is the basis on which the sample selection was made?</p> <p>(as per guidelines, the Peer Reviewer shall choose not less than 10% of the actual attestation assignments undertaken by the PU under each category or five assignments under each category, whichever is more, for the purpose of Peer Review.)</p> <p>(c) If the sample size is smaller, state the reasons for the same.</p>	
3	Details of visits and interactions during Review	
4	<p>(a) Was there any change made in initial sample selected by the Reviewer?</p> <p>(b) If 'Yes', specify the number selected, after change</p>	
5	<p>Details of partner(s) as on last day of the year under review (for Partnership / LLP)</p> <p>Please mention name, membership no. and C.P. No. of the Partners</p>	

Sl. No.	Particulars	Observations along with basis for reaching conclusion
6	Name of the qualified assistant (if any) who helped in the conduct of review	
7	<p>(a) Whether general controls are in existence and operating effectively during the period under review?</p> <p>(b) If 'No', please specify areas:</p> <ul style="list-style-type: none"> <li>(i) Independence</li> <li>(ii) Professional Skills and Standards</li> <li>(iii) Outside Consultation</li> <li>(iv) Staff Supervision and Development</li> <li>(v) Office Administration</li> </ul>	Yes / No
8	<p>What is the process with respect to following (please elaborate):</p> <ul style="list-style-type: none"> <li>– How long (Number of Years) the soft copy /hard copies are maintained. How it is disposed of.</li> <li>– Copies of Engagement letters executed with clients (Specific or General).</li> </ul>	
9	Whether attestation and audit work administration is satisfactory?	
10	Whether engagement diary / working papers are properly maintained?	Yes / No

## Chapter 5 – Reporting

Sl. No.	Particulars	Observations along with basis for reaching conclusion
11	Please elaborate on the following: <ul style="list-style-type: none"> <li>- Whether PU adopts checklist for rendering Certification and Audit services?</li> <li>- Whether the PU maintain backup papers for Certification and Audit services (either in soft copy or physical papers)?</li> </ul>	
12	Whether review of internal control systems was carried out properly in performing attestation and audit engagement?	Yes / No
13	Whether management representation letter, in case it is required, is obtained by PU?	
14	(a) Whether proper systems and procedures exist within the PU to ensure compliance with ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by ICSI?  (b) If 'No', specify areas: <ol style="list-style-type: none"> <li>i. ICSI Auditing Standards</li> <li>ii. Guidance Notes of ICSI</li> <li>iii. ICSI (UDIN) Guidelines</li> <li>iv. Institute's Notifications/ Directions</li> <li>v. Relevant Statutes &amp;/or Regulations</li> </ol>	Yes / No
15	How in house professional development activities are done by PU for members associated with it?	
16	What are the processes followed by PU for appointment of trainees, work allocation, etc.	

Sl. No.	Particulars	Observations along with basis for reaching conclusion
17	Whether the PU has any material pecuniary interest (apart from fees) in respect of the Client(s) for whom Attestation and Audit Services have been rendered?	
18	Whether any partner or the proprietor of the PU worked as an employee in the companies for which he/she provided Attestation and Audit Services covered under the Guidelines?	
19	Whether any relative of the partner or the proprietor of the PU works as an employee in the companies for which the PU provided Attestation and Audit Services covered under the Guidelines? For the purpose of determination of relatives, the Companies Act, 2013 may be considered.	
20	Whether the PU provides any other services to the company in which he is engaged for rendering Attestation and Audit Services?	
21	Whether any of the employees of the PU worked in the company for which PU provided attestation and audit service during the last five years?	
22	Whether the proprietor or partner is a member of the board of the company or any of its subsidiaries for which PU provided attestation and audit service?	
23	Whether any partner/employee/associate of the PU who is a member of the Institute, has received any order under Chapter V of the Institute of Company Secretaries Act, 1980 for Misconduct. If so, details thereof.	
24	Does the PU mandate that all Company Secretaries employed by it, comply with the ICSI (Continuous Professional Education) Guidelines, 2019 ?	

## Chapter 5 – Reporting

Sl. No.	Particulars	Observations along with basis for reaching conclusion
25	Is there an in-house mechanism for continuing professional education?	
26	Does the PU monitor the continuing professional education by way of maintaining records thereof?	
27	Does the PU sponsor the Company Secretaries appointed by it for various Professional Development Programmes organized by ICSI/ other professional bodies?	
28	Does the PU maintain a repository / library/e-library containing case studies, Journals, magazines, books of interest, etc. for reference?	
29	Does the PU have any mechanism in place for outside consultation?	
30	Are there any induction procedures established for new employees like: <ul style="list-style-type: none"><li>● Orientation to the firm and the profession?</li><li>● Discussion of office procedures including:</li><li>● Distribution of reference material</li><li>● Requirements of ICSI</li><li>● Continuing Professional Education</li></ul>	
31	Is there a system for scheduling and staffing for carrying out an engagement?	
32	Whether the works are assigned on the basis of the skill and competence of assistant(s) before assignment of attestation and audit engagement?	

Sl. No.	Particulars	Observations along with basis for reaching conclusion
33	Whether the progress of the Attestation and Audit Services is monitored by the service in-charge and reviewed regularly?	
34	Please elaborate on the following: - Whether declaration is obtained from Staff/ Partners on earlier employment with PU's Clients, if any?	
35	Whether the quality of reports in respect of format and content found proper?	Yes / No
36	(a) Whether the Reviewer has issued preliminary report?  (b) Whether the preliminary report issued by the Reviewer contained any deficiencies?  (c) If 'Yes', please specify the areas of deficiencies ..... .....	Yes / No Yes / No / NA
37	(a) Whether PU has responded to the preliminary report?  (b) Whether the Reviewer is satisfied with the response received from the PU?	Yes / No / NA Yes / No / NA
38	If the Reviewer is not satisfied with the response of the PU, whether qualified report has been issued?	Yes / No / NA
39	(a) Is the Final Report qualified? Yes/ No/ NA  (b) If 'Yes', specify the reasons ..... .....	

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Sl. No.	Particulars	Observations along with basis for reaching conclusion
40	Whether the Reviewer received full co-operation from the PU during review?	Yes / No
41	Is there any point which the Reviewer wants to bring to the notice of the Committee? If yes, please elaborate separately. ..... .....	

Signature

Date:

Name of the Reviewer

Membership No

C.P. No:

Reviewer Code No:

## *CHAPTER 6*

### **DISPUTE RESOLUTION**

#### **Manner, time and procedure for referring any disagreement between Reviewee and the Peer Reviewer**

A disagreement may be said to have arisen between the Reviewee and the Peer Reviewer when any or all of the following circumstances is alleged to exist:

- i. The Peer Reviewer has submitted qualified report but has not exercised the desired competence in undertaking the Peer Review.
- ii. Proper procedure was not followed in the Peer Review Process.
- iii. Additional information has not become available, which either because it was not available at the time of the Peer Review or for some good and sufficient cause was not presented to the Peer Reviewer or was not considered by him.
- iv. The observations of the Peer Reviewer are at variance with the information presented.

#### **Procedure for resolving a disagreement between the Peer Reviewee and the Peer Reviewer**

- i. If the Reviewee is dissatisfied with the Peer Review, he may make a written request to the Peer Review Committee, setting out the grounds on which the disagreement has arisen and requesting a resolution of the same.
- ii. The Written Request shall be forwarded to the Peer Review Committee within 15 days of the date of the disagreement or the date of receipt of the Preliminary Report, whichever is earlier.
- iii. On receipt of the written request, a copy of the request shall be forwarded to the Peer Reviewer for his comments. The comments shall be sent to the Peer Review Committee within 15 days of the date of receipt of the request by the Peer Reviewer.
- iv. The Peer Review Committee shall examine the written request and the

## Chapter 6 – Dispute Resolution

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comments, if any received from the Peer Reviewer and may do any one or all of the following:

- i. Provide an opportunity to the Peer Reviewer and the Reviewee for personal appearance;
- ii. Call for any additional written statement from the Reviewee or clarification from the Peer Reviewer which it considers appropriate or necessary for further examination of the case;
- iii. On completion of the actions specified in para above, the Peer Review Committee shall pass any one or more of the following Orders:
  - a) Reject the request with reasons.
  - b) Admit the request and appoint some other Peer Reviewer to undertake a re-examination of the case.
  - c) Pass such Order as it deems fit.
- iv. The Order of the Peer Review Committee shall be communicated to the Peer Reviewer and Reviewee within 30 days of the date of the decision of the Committee.
- v. A copy of the Order shall be forwarded to the Council.

### **Appeal against the Order of the Peer Review Committee**

1. A Peer Reviewee may appeal against the Order of the Peer Review Committee to the Central Council of the Institute.
2. The Appeal shall be filed with the Secretary, ICSI within 30 days of receipt of the Order of the Peer Review Committee.
3. The Appeal shall be in writing and shall clearly spell out the reasons for the appeal and the relief sought.
4. On receipt of the Appeal, the Council may for reasons to be recorded in writing, pass any or all of the following orders:
  - i. Dismiss the appeal with reasons to be stated in writing.
  - ii. Admit the Appeal and remand the case back to the Peer Review Committee for reconsideration with reasons for the same;
  - iii. Pass such other Orders as it may deem fit.

5. The Order of the Council shall be made within 60 days of the date of receipt of the Appeal.

If an Appeal has been filed by the Reviewee against the Order of the Peer Review Committee, all Peer Review Proceedings in respect of the Reviewee shall be kept in abeyance until final disposal of the Appeal by the Council.

# **APPENDICES**

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**Appendix I****Guidelines for Peer Review of Attestation and Audit Services by  
Company Secretaries in Practice**

**(As amended by the Council in its 287th (Special) Meeting held on 26-27  
August, 2022 at New Delhi)\***

**1. Introduction**

The Company Secretaries Act, 1980 (the Act) was enacted to make provision for the regulation and development of the profession of Company Secretaries. The Institute of Company Secretaries of India set up under the said Act has been conducting examinations and prescribing standards for adherence by its members.

The concept of whole-time practice, which gained its initial recognition in 1988, got further momentum after the enactment of the Companies (Amendment) Act, 2000 which required Compliance Certificate to be issued by Practising Company Secretary for certain size of companies. Members in practice are also being recognised for issuing certificates under various laws.

The Council of the Institute (hereinafter called the 'Council'), therefore, in its 202nd meeting held on 25th and 26th August, 2011 decided to introduce Peer Review for Practising Company Secretaries to periodically review the Practice Units and evaluate the quality, sufficiency of systems, procedures and practices, so that excellence in their performance can be maintained.

The Council has been constituted under the Company Secretaries Act, 1980 for discharging the functions assigned to the Institute under the Act. Section 15(1) of the Act provides that "The Institute shall function under the overall control, guidance and supervision of the Council and the duty of carrying out the provisions of the Act shall be vested in the Council", and enumerates various other duties of the Council. With a view to regulate the profession of Company Secretaries and in terms of the powers vested, the Council is authorised to issue guidelines for Peer Review and also modify/ amend/ adopt new guidelines from time to time. These guidelines serve as a mechanism intended to further enhance the quality of professional services rendered by Practising Company Secretaries over a period of time, thereby ensuring that the profession of Company Secretaries continues to serve the society in the manner envisaged.

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\* Effective from 15th September, 2022.

### 2. Objectives

- 2.1 The main objective of Peer Review is to ensure that in carrying out their professional assignments, the Practice Units (a) comply with the ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute and (b) have in place proper systems (including documentation systems) for maintaining the quality of the professional assignments undertaken by it.
- 2.2 Peer Review is directed towards maintenance as well as enhancement of quality of Attestation and Audit Services and to provide guidance to members to improve their performance and adhere to various statutory and other regulatory requirements. Essentially, through a review of Attestation and Audit Services engagement records, Peer Review identifies the areas where a practicing member may require guidance in improving the quality of his/her performance and adherence to various requirements as per ICSI Guidance on Office Administration and Systems in the Office of the PU, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute.
- 2.3 These guidelines provide a framework of the Peer Review process and the expectations from members in practice during the process of Peer Review.

### 3. Key Definitions - For the purpose of these guidelines

- 3.1 Associate – Subject to the provisions of Part I of the First Schedule to the Company Secretaries Act, 1980 an “associate” includes any member holding Certificate of Practice and signing [in the style “Associate of ..... [Individual / Firm / LLP Name]”] on behalf of a Practice Unit with whom such member is in partnership or in employment.
- 3.2 Attestation and Audit Services in relation to the Peer Review, means the following services as per the law applicable as on date ‘or’ such other laws as may be in force –
  - (i) Certification of Annual Return in Form MGT-8 under Section 92(2) of the Companies Act, 2013 and Rule 11(2) of the Companies (Management and Administration) Rules, 2014.
  - (ii) Issuance of Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013 [read with Rule 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (iii) Issuance of Secretarial Audit Report to material unlisted subsidiaries of listed entities (whose equity shares are listed) in terms of Regulation 24A of SEBI (LODR) Regulations, 2015.
- (iv) Issuance of Annual Secretarial Compliance Report to Listed entities (whose equity shares are listed) under SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019.
- (v) Certification under [Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the] 4 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority
- (vi) Certification under Regulation 40(9) of SEBI [(Listing Obligations & Disclosure Requirements)] Regulations, 2015, certifying that all certificates have been issued within thirty days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies. (vii) Conduct of Internal Audit of Operations of the Depository Participants registered with [National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL)] under the Bye Laws issued by NSDL and CDSL.
- (viii) Certification under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 for Reconciliation of Share Capital Audit.
- (ix) Acting as Compliance Auditor under third party certification/Audit Scheme(Amendment), 2016 in the State of Haryana.
- (x) Diligence reporting for Banks in case of multiple banking/consortium lending arrangements in terms of the circular issued by RBI.
- (xi) Conduct of Internal Audit of the stock brokers/sub brokers under SEBI Circular no.MIRSD/ DPSIII/ Cir-26/ 08 dated 22nd August, 2008 and MRD/DMS/Cir-29/2008 dated 21st October, 2008.

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- (xii) Issuance of Certificate in case of the Indian company accepting the investment from a foreign investor, thereby confirming compliance of Companies Act, 2013 and other matters (As per Para 9 (1) (B) (i) of Schedule 1 to Notification No. FEMA 20/2000-RB dated 3rd May 2000).
  - (xiii) Compliance Certificate regarding compliance of conditions of Corporate Governance as prescribed under [Regulation 34(3), Schedule V, Part E of] 8 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (xiv) Signing of Annual Return in Form MGT-7 [through digital signature certificates (DSC)] 11 under Section 92(1) of the Companies Act, 2013 and Rule 11(1) of the Companies (Management and Administration) Rules, 2014.
  - (xv) Due Diligence Report under Regulation 10 (3) of the SEBI (Delisting of Equity Shares) Regulations, 2021.
  - (xvi) Certificate relating to shares held by inactive shareholders under Regulation 21(a) (iii) of the SEBI (Delisting of Equity Shares) Regulations, 2021.
  - (xvii) Compliance Certificate under Regulation 10(b), 13, 26, 27, 36 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
  - (xviii) Scrutiniser's report pursuant to Section 108 of the Companies Act, 2013 read with Rule 20(4)(ix) and Rule 20(4)(xii) of Companies (Management and Administration) Rules, 2014.
  - (xix) All other Reports, Returns and Certificates in respect of which generation of UDIN is mandatory in terms of the ICSI Unique Document Identification Number (UDIN) Guidelines, 2019.
- 3.3 Concurrent Records – means the records relating to the professional assignments, such as correspondence of the Practice Unit with its clients, query letters, information sought from clients, engagement letters, forms uploaded on regulators' database, details of Board and General meetings, copies of paid challans and intimation to prior incumbent (wherever applicable) in terms of clause 8 of Part I of Schedule I to the Company Secretaries Act, 1980.

- 3.4 Engagement Records – means the permanent records and concurrent records relating to the professional assignments and the letters of engagement (as specified in the ICSI Auditing Standards) issued to the Practice Units.
- 3.5 Firm – means a sole proprietor, partnership, Limited Liability Partnership (LLP) or any other entity of professional Company Secretaries as may be permitted by law and constituted under The Company Secretaries Act, 1980 & Regulations made thereunder.
- 3.6 Member - means a member of the Institute of Company Secretaries of India in terms of the Company Secretaries Act, 1980.
- 3.7 Partner – includes any individual holding Certificate of Practice, with authority to bind the firm with respect to the performance of a professional services assignment.
- 3.8 Practice Unit – means members in practice practicing individually in own name, or as a sole proprietorship, partnership, Limited Liability Partnership (LLP) or any other entity of professional Company Secretaries registered with the Institute and bearing a Unique Identification Number.
- 3.9 Peer Review – Means an examination and review of the systems, procedures and practices to determine whether they have been put in place by the Practice Unit for ensuring the quality of Attestation and Audit Services as envisaged and implied/ mandated by the ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute and whether these were effective or not during the period under review.
- 3.10 Peer Review Committee – means Committee / Board established by the Council in terms of these Guidelines to carry out the purposes of these Guidelines. The expression “Peer Review Committee” is hereinafter referred to as “Committee / PRC / Board / PRB”.
- 3.11 Permanent Records – include KYC, master data on Ministry of Corporate Affairs website, signatory details, details of CIN, DIN, authorised and paid up capital, information available on regulators’ database, etc.
- 3.11A Qualified Assistant – means a person assisting the reviewer for carrying out peer review and who

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- (a) is a member of the Institute,
- (b) has not been held guilty of misconduct under the Company Secretaries Act, 1980,
- (c) is a partner or Associate of the Peer Reviewer.

Provided that the details of the Qualified Assistant are furnished by the Peer Reviewer to the Peer Review Committee and the Practice Unit before accepting the peer review assignment.

- 3.12 Regulator – means Government or any regulatory body constituted by the Parliament or State Legislature who is/are empowered to regulate the Acts, which include various attestation and audit services which the Council may, from time to time, prescribe to cover as attestation and audit services for the purpose of peer review.
- 3.13 Reviewer or Peer Reviewer – means any member engaged, to carry out Peer Review, from the panel of Peer Reviewers as maintained by the Committee.
- 3.14 *Deleted*
- 3.15 *Deleted*
- 3.16 Words and expressions used and not defined in these guidelines shall have the meanings assigned to them under the Company Secretaries Act, 1980 and the Company Secretaries Regulations, 1982 framed thereunder and as amended from time to time or in case of absence under the Companies Act, 2013 or any other law for the time being in force.

### 4. Authority of the Guidelines on Peer Review

- 4.1 The guidelines on Peer Review shall apply to all or any of the following cases:
  - a. Whenever Peer Review is mandated on the Instructions of Government / Regulators / Statutory Bodies
  - b. Whenever Peer Review is requested voluntarily by the Practice Unit
  - c. Whenever Peer Review is conducted on the basis of random selection
  - d. Upon the recommendation of the Committee of Discipline /

Disciplinary Committee of ICSI / Quality Review Board / Council of ICSI

4.2 The Guidelines on Peer Review are issued in relation to the Peer Review of Attestation and Audit Services, so as:

- to prescribe and propagate an appropriate mechanism for ensuring the quality of professional assignments and guide the members to conduct themselves in a manner that the Council considers appropriate;
- to provide guidance in relation to the powers and obligations with respect to the parties involved in Peer Review;
- to prescribe the scope of Peer Review and the procedures to be adopted during the conduct of Peer Review; and
- to establish the expected conduct of members during Peer Review.

## **5. Powers of the Council**

The powers of the Council shall include –

- To constitute the Committee and to fill in the vacancies arising in the Committee from time to time.
- To decide upon, from time to time, the ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute, the implementation of which will fall within the purview of the Peer Review process.
- To refer such matters to the Committee as the Council may deem fit.

## **6. Peer Review Committee**

### **6.1 Constitution and Appointment**

- (1) The Committee shall be constituted by the Council.
- (2) The Committee shall consist of not less than seven members to be appointed by the Council, of whom at least four shall be from amongst the Members of the Council.
- (3) The balance members of the Committee shall be drawn from amongst

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members of high integrity and reputation, including but not limited to, former public officials, regulatory authorities etc.

- (4) The Council shall appoint the Chairperson and the Vice- Chairperson from amongst the Members of the Council.
- (5) At least one-half of Council Members on the Committee shall hold Certificate of Practice.
- (6) Deleted
- (7) Any vacancy(ies) on the Committee shall be filled in by the Council.
- (8) Members of the Disciplinary Committee or Committee of Discipline of the Institute of Company Secretaries of India shall not concurrently serve on the Committee.

### 6.2 Meetings

- (1) No business shall be transacted at a meeting of the Committee unless there are present at least three members, including the Chairperson or, in his absence, the Vice-Chairperson.
- (2) If there is no quorum within half an hour of the time fixed for the meeting, the meeting shall stand adjourned to a date, time and place fixed by the Chairperson or, in his absence, the Vice-Chairperson.
- (3) The Committee shall have a minimum number of four meetings every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Committee.
- (4) Members may attend the meeting through Video Conferencing or any other audio visual means provided the member intimates his/her intention of attending the meeting through Video Conferencing to the Secretariat preferably not less than 48 hours before the scheduled time for the meeting.

### 6.3 Reporting

The Minutes of the Meetings of the Committee shall be circulated amongst the members of the Council for noting.

## 7. Scope of Peer Review

- 7.1 The Peer Review process is directed to the Attestation and Audit Services of Practice Units.

- (1) Once a Practice Unit is selected for review, its engagement records pertaining to the immediately preceding financial year shall be subject to review.
- (2) The Review shall focus on:
  - (i) Compliance with ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute;
  - (ii) Quality of Reporting;
  - (iii) Office systems and procedures; and
  - (iv) Training Programs for staff (including trainees), including appropriate infrastructure.

## 8. Powers of the Committee

The Committee shall exercise such powers as provided in these guidelines for the purpose of discharging its duties under the provisions of these guidelines.

- 8.1 The duty of carrying out the provisions of these guidelines shall be vested in the Committee.
- 8.2 In particular, and without prejudice to the generality of the foregoing powers, the duties of the Committee shall include:
  - (1) To call for information from Practice Units in such form, as it deems fit.
  - (2) To maintain a panel of Peer Reviewers.
  - (3) To define the terms of appointment of the Reviewers.
  - (4) To send a Panel of at least 5 (five) Peer Reviewers (from the panel maintained in terms of these Guidelines) to the Practice Unit and allow the Practice Unit to choose any one Reviewer from the panel so forwarded and if the Practice Unit is unable to choose any one Reviewer from the panel so sent, to send another Panel of 5 Peer Reviewers.

Provided that if the PU does not choose any one name from the panel of 5 or 10 Peer Reviewers (as the case may be), then the Practice Unit may make a specific request to the Committee to provide names of Reviewers from outside the State / Region

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where the Practice Unit has its place of business, in which case the PU shall, in addition to the payment of fees to the Reviewer, bear extra costs that would be incurred for travelling, stay and other expenses.

Provided further that, in case no peer reviewers are available in the city or in close proximity to the PU, the PU may choose any reviewer from out of the panel maintained by the Committee, in which case the PU shall be liable to pay the travelling, stay and other expenses to the Peer Reviewer in addition to the Peer Review fee.

- (5) To examine the aspects of basis of selection of records pertaining to the Attestation and Audit Services in terms of the ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute.
- (6) To arrange for such training programs for Reviewers and orientation programmes for practice unit(s) as may be deemed appropriate;
- (7) To prescribe the system, practice and procedure to be observed while conducting Peer Review and reporting thereon; and
- (8) On considering the Report of a Reviewer, to do any or all of the following:
  - (a) To issue recommendations to the Practice Unit;
  - (b) To order further Peer Review to be carried out;
- (9) After considering the report of the Reviewer and compliance of recommendations by the Practice Unit, wherever deemed appropriate by the Committee, to issue Peer Review Certificate, either in physical or digital mode.
- (10) To guide the members on best practices on Peer Review including issuance of advisories to the Peer Reviewer and the Practice Unit.
- (11) Such other action(s) as may be necessary for the fulfilment of these Guidelines.

8.3 Where deemed appropriate, the Committee shall have the powers to make recommendations to the Council on:

- (i) Measures for improvement of quality of professional services by members.
  - (ii) Guidance to be provided to the members for further improvement in quality of Attestation and Audit Services.
- 8.4 The Committee may perform any other duties or acts as may be incidental to, or, which it considers necessary or expedient for the performance of its functions or exercise of its powers as delegated to it by the Council, including the formation of sub-committees and regional councils of the Committee for specific tasks.

## 9. Compliance with Peer Review Guidelines

- 9.1 Practice Units are required to comply with the provisions of these Guidelines. Practice Units failing in this regard will be required to undergo appropriate review of their quality controls by the Committee in terms of such specific directions as may be given to it by the Council in these regards from time to time and as notified to the members.
- 9.2 Practice Units failing to comply with these Guidelines shall be liable for disciplinary action as provided under the Company Secretaries Act, 1980.
- 9.3 Both the Peer Reviewers as well as the Practice Units shall adhere to the timelines for Peer Review as mandated by the Committee from time to time.

## 10. Qualifications of the Reviewer

- 10.1 The nature and complexity of Peer Review require the exercise of professional judgement. Accordingly, an individual to be empanelled as Peer Reviewer shall:-
- a) be a member with at least 10 years of post-qualification experience as Company Secretary; and out of the 10 years of post-qualification experience, should have been in practice for a continuous period of not less than five years at the time of empanelment.
  - b) be currently holding Certificate of Practice as issued by the Institute;
  - c) have undergone the Training Programme for Peer Reviewers and qualified the Certification Programme for Peer Reviewers organized by the Institute;

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- d) Peer Reviewers empanelled till date may continue to undertake peer review assignments accepted by them upto 31<sup>st</sup> March, 2026 without completing the online certificate programme, but shall complete the said online certification programme successfully to undertake peer review assignments after 31<sup>st</sup> March, 2026.

10.2 Further to be empanelled as Peer Reviewer, a member shall not have: -

- a) disciplinary action / proceedings pending against him during the past 3 years;
- b) been found guilty of professional or other misconduct by the Committee of Discipline / Disciplinary Committee, at any time, as the case may be;
- c) been convicted by a Competent Court whether within or outside India, of an offence involving moral turpitude and punishable with imprisonment;

10.3 The Committee may examine the quality of the report and shall have powers to remove the Reviewer from the panel of Peer Reviewers, in case the quality of the review/report fails to match the desired standards.

10.4 Sitting members on the Council / Regional Council / Chapter Management Committee, and the members of the Peer Review Committee of the ICSI shall not act as Peer Reviewers till they demit their office.

### **10A. Validity of Reviewers Empanelment**

The validity of the Peer Review Empanelment shall be five years from the date of empanelment, post which the Reviewers shall have to again undergo the Training Programme for Peer Reviewers and qualify the Certification Programme offered by the Institute.

### **11. Practice Units Subject to Review**

11.1 Peer Review shall be conducted as per the criteria mentioned in the para 4.1 of the Guidelines or in the situations mentioned in 11.2 and 11.3 given below.

11.2 If Client of the Practice Unit requests the Committee for the conduct of Peer Review of the concerned Practice Unit, the Committee shall take

due cognizance of such request and in that case the cost of the Peer Review shall be borne by such client.

11.3 If Council / Government or any regulatory body requests the Committee for conduct of Peer Review of any Practice Unit, the Committee shall take due cognizance of such request and in that case the cost of Peer Review shall be borne by the concerned Practice Unit.

11.4 The Peer Review Committee may alter/change/modify the above method of selection with prior approval of the Council.

## **12. Obligations of the Practice Unit**

12.1 Access to records or documents:

- (1) Any person to whom this clause applies and who is reasonably believed by a Reviewer to have in his/her possession or under his/her control any record or other document, which contains or is likely to contain information relevant to the Peer Review shall:
  - (i) Produce to the Reviewer or allow him/her access to, any record or document specified by the Reviewer or any other record or document which is of a class or description so specified and which is in his/her possession or under his/her control/ being in either case a record or other document, which the Reviewer reasonably believes is or may be relevant to the Peer Review, within such time as the Reviewer may reasonably require;
  - (ii) If so required by the Reviewer, allow and provide him such explanation or further particulars in respect of anything produced in compliance with the requirements under sub clause (i) above, as the Reviewer shall specify; and
  - (iii) Provide to the Reviewer all assistance in connection with Peer Review which he/she is expected to provide.
- (2) Where any information or matter relevant to a Practice Unit is recorded otherwise than in a legible form, the Practice Unit shall provide and present to the Reviewer a reproduction of any such information or matter, or of the relevant part of it in a legible form, with a suitable translation in English if the matter is in any other language and such translation is requested for by the Reviewer.

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- (3) In case the Practice Unit has more than one office, the Practice Unit shall ensure that the Reviewer is given access to all documents relevant to his review no matter in which office of the Practice Unit, these documents may be available in.
- (4) A Practice Unit shall allow the Reviewer to inspect, examine or take any abstract of or extract from engagement record or copy therefrom which may be required by the Reviewer. However, in order to ensure the confidentiality of the contents of the clients' file with the PU, the Reviewer shall, under no circumstances seek names of the clients or make copies or extracts of any document from the clients' files received by him, or of any client records acquired by him while conducting peer review, as part of his working papers.

12.2 For the purpose of this clause a person means an individual / Sole Proprietor / Partner of a partnership firm / designated partner of a LLP to which the particular review relates or any person employed by or whose services are engaged by such unit.

### 13. Validity of Peer Review Certificate

The validity of the Peer Review Certificate shall be five years from the date of issue.

Provided that the Committee may *suo motu* or otherwise at the request of the Practice Unit, initiate the Peer Review process even before the expiry of the validity of the Peer Review Certificate.

Further, in case the PU is reviewed within two years of its formation, the validity of the Peer Review Certificate shall be for two years.

### 14. Cost of Peer Review

- 14.1 The cost of Peer Review, payable to the Reviewer, shall be borne by the Practice Unit. Each of the branch / office under review would be considered separately for the purpose of payment of cost of Peer Review.
- 14.2 The cost of Peer Review shall be paid by the Practice Unit within 30 days from the date of receipt of Invoice from the Peer Reviewer.
- 14.3 The Committee may modify the cost of Peer Review payable to the Reviewer from time to time.

## 15. Training and Development

- 15.1 To ensure that the objective of Peer Review is attained in letter and spirit, adequate training facilities (either offline or online or both) shall be provided, from time to time, to the Reviewers and also to other persons who assist the Committee in the manner considered appropriate by the Committee. Reviewer shall be expected to be fully familiar with all procedures, ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute, guidelines and other decisions as may be issued by the Committee from time to time.

## 16. Review Framework

- 16.1 Essentially, a Peer Review entails a review of engagement records and related documents to ascertain that the Practice Unit is adhering to ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute. In certain situations, where a Practice Unit is not following ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute, suggestions and recommendations for improvement should be given, which shall possibly be followed by a further review, keeping in view with the primary thrust of Peer Review.
- 16.2 The methodological approach involved in Peer Review can be defined in terms of three stages viz., planning, execution and reporting, which are summarized below:

### 16.2.1 Planning

*Notification* - A Practice Unit will be notified in writing about an impending Peer Review and will be sent a Questionnaire for completion.

*Return of completed Questionnaire* - The Practice Unit shall have to complete and return the Questionnaire to the Secretariat within 7 (seven) days of receipt. The information will be used for the planning of the review.

Sample of Attestation and Audit Services Engagements:-

- (a) From the complete list of Attestation and Audit Services, an initial

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sample will be selected by the Reviewer. The Peer Reviewer shall choose not less than 10% of the actual attestation assignments undertaken by the PU under each category or five assignments under each category, whichever is more. In case the sample size is smaller than this, the reasons therefor shall be specifically stated in the Peer Review Report.

- (b) Practice Units will be notified of the selection in writing preferably 2 (two) weeks in advance, requesting the relevant records of the selected Attestation and Audit Services, to be made available for review.
- (c) At the execution stage, the initial sample may be reduced to a smaller actual sample for review. However, if the reviewer considers that the actual sample does not cover a fair cross-section of the Practice Unit's Attestation and Audit Services engagements, he/she may make further selections.

### 16.2.2 Execution

#### *Initial meeting*

An initial meeting may be held between the Reviewer and the Practice Unit concerned to conduct the review. The primary purpose of this meeting is to confirm the accuracy of the responses given in the Questionnaire. The Questionnaire may not fully explain all the relevant procedures and policies adopted/ followed by the Practice Unit and this initial meeting can provide additional information. The Reviewer should gather a full understanding of the system, and be able to form a preliminary opinion/evaluation of its adequacy at the conclusion of the meeting.

#### *Confirmation of visit*

In consultation with the Practice Unit, date(s) will be set for the on-site review to be carried out. In fixing the date for on-site review, the Reviewer shall ensure that the PU is not inconvenienced by conducting the peer review during busy periods. The on-site review date(s) will be decided by mutual consent such that the review is concluded within 21 (twenty one) days of the date of intimation of appointment of Reviewer or within such other time as requested by the Reviewer and as may be approved by Peer Review Committee.

Peer Review visits will be conducted at the Practice Unit's head office or any other office/branch for which Peer Review has been initiated. The complete on-site review of a practice unit may take at least a full day depending upon

the size of the Practice Unit. This is based on the assumption that the Practice Unit concerned has made all the necessary information and documentation available to the Reviewer for review. However, in any case this on-site review should not extend beyond 3 (three) working days.

*Compliance Review-General Controls*

- (a) The Reviewer may carry out a compliance review of the General Controls and evaluate the degree of reliance to be placed upon them. The degree of reliance will, ultimately, affect the Attestation and Audit Services engagements to be reviewed. The following 5 (five) key controls will be considered as General Controls:
- Independence;
  - Professional skills and standards;
  - Outside consultation;
  - Staff supervision and development;
  - Office administration including maintenance of registers and records.

Practice Units are expected to address each of the 5 (five) key control areas.

- (b) In each key control area there shall be supplementary questions and matters to be considered. These are intended to ensure that the kind of controls that are expected to be maintained, are installed and operated by the Practice Units.
- (c) All questions in the Questionnaire may not necessarily be relevant to particular types of Practice Units because of the size, location, culture etc. However, Practice Units should still assess their internal control systems to ensure that they address the objectives under the five key control areas.

*Selection of Attestation and Audit Services engagements to be reviewed*

- (a) The number of Attestation and Audit Services engagements to be reviewed depends upon:
- The number of practicing members involved in Attestation and Audit Services engagements in the Practice Unit;
  - The degree of reliance placed, if any, on general quality controls; and

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- The total number of Attestation and Audit Services engagements undertaken by the Practice Units for the period under review.
- (b) The engagements reviewed should be a balanced sample from a variety of different types of companies. Accordingly, if the Reviewer considers that the actual sample is not representative of the Practice Unit's Attestation and Audit Services client portfolio, he may make further selections from the initial sample or from the complete Attestation and Audit Services list.

### *Review of records*

The Reviewer may adopt a compliance approach or substantive approach or a combination of both in the review of engagement records.

#### *(a) Compliance approach*

- The compliance approach is to assess whether proper control procedures have been established by the Practice Unit, to ensure that Attestation and Audit Services are being performed in accordance with ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute.
- Practice units should have procedures and documentation sufficient to cover each of the key areas. PUs should tailor their documentation to suit their particular circumstances with justification for doing so provided to the reviewer.

#### *(b) Substantive approach*

A substantive approach will be employed if the Reviewer chooses not to place reliance on the Practice Unit's specific controls on attestation engagements or is of the opinion that the standard of compliance is not satisfactory. This approach requires a review of the working papers of the PU in order to establish whether the attestation and audit work has been carried out as per norms.

### **16.2.3 Reporting**

#### *(i) Preliminary Report of Reviewer*

- At the end of an on-site review, in case any deficiency / non-compliance is noticed in the systems and procedures of the Practice Unit in rendering professional services to the client, the reviewer shall, before making his report to the Committee, communicate a preliminary report

to the Practice Unit. The Reviewer shall report on the areas where systems and procedures had been found to be deficient or where non-compliance with reference to any other matter was noticed.

- The Practice Unit shall make submissions or representations, in writing to the Reviewer, concerning the preliminary report within 7 (seven) days from the date of receipt of preliminary report from the Reviewer.

*(ii) Final Report of Reviewer*

- (a) The Reviewer will submit a Final Report to the Committee with a copy to the Practice Unit (the Reviewer's Report), incorporating the findings. The Final Report will be examined/inspected by the Committee in terms of the degree of compliance with the ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute by the reviewed Practice Unit. The model forms of such Final Reports shall be communicated to the Reviewer by the Committee.
- (b) The Committee may, if deems fit, issue Peer Review Certificate to the Practice Unit.

OR

- (c) The Committee, having regard to the Report and any submissions or representations attached to it, may:
  - make recommendations to the Practice Unit concerned regarding the application by it of ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute;
  - if it is of the opinion that:
    - (1) In case the review is related to a firm, any one or more or all of the partners in the firm may have failed to observe, maintain or apply, as the case may be, ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute;
    - (2) In case the review is related to a member practicing on his own account, the member may have failed to observe,

maintain or apply, as the case may be, ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute; then, the Committee may;

- Issue instructions to the Reviewer to carry out, within such period as may be specified in the instructions (which period shall not commence earlier than six months after the date on which the instruction is issued), a further Peer Review as regards the Practice Unit to which the report relates; and
  - Specify in the instruction, the matters as regards to which the review is to be carried out;
- (d) The Committee will make recommendations to the Practice Unit where:
- (i) based on the report of the Reviewer, it appears that the Practice Unit has satisfied all key control objectives, which the Committee has determined and/or prescribed in respect of maintenance of/adherence to Technical Standards but where further improvements could be made to internal quality control systems; and
  - (ii) based on the report of the reviewer, it appears that the Practice Unit has satisfied the major key control objectives but some weaknesses exist in other areas.

The Practice Unit is expected to consider the recommendations for rectifying the weaknesses thus identified and informed by the Committee and take all necessary actions to ensure that all key control areas are addressed.

- (e) A follow up review will be required where the Practice Unit has not satisfied the Committee that all the key control objectives have been maintained and where, in the opinion of the Committee the deficiencies are likely to materially affect the overall quality of engagements of the Practice Unit. In such cases the Committee will also make recommendations, which it expects the practice unit to implement in order to ensure the maintenance of professional standards. The implementation of these recommendations will be examined during the follow up review. The PU shall pay fees to the Reviewer for the follow-up review.

## 17. Referral of Disputes and Appeal

- 17.1 Where a dispute arises over the powers of Reviewers or the process or conclusions reached after the review or to any other matter related to the review, the Practice Unit, the Reviewer or both may refer the dispute, in writing, to the Committee. Such referral shall have to be made within 2 (two) months of occurrence of the issue in dispute, in such manner as may be prescribed by the Committee in this regard.
- 17.2 Where a dispute is referred, after considering any submissions or representations (which shall be made in writing) made by the relevant Practice Unit and/or the relevant Reviewer, the Committee:
- shall decide the dispute within 6 (six) months of the reference and communicate such decision to each of the parties to the dispute, simultaneously;
  - may issue directions relating to the matter in dispute to such Practice Unit or the Reviewer concerned and require such Unit or Reviewer to comply with them within 30 (thirty) days and send a report to the Committee of the said compliance within 15 (fifteen) days of such compliance;
  - shall convey its decision in these regards to each of the parties within 15 days from the date of the decision.
- 17.3 Where either of the parties are dissatisfied with the decision of the Committee, it may refer the matter to the Council within 2 (two) months in such manner as may be prescribed.

## 18. Immunity

- 18.1 A Practice Unit, which makes available records or documents to Reviewer(s), shall not incur any liability under the Code of Conduct under the Company Secretaries Act, 1980 and the Regulations framed thereunder, by reason of compliance with these Guidelines on Peer Review.
- 18.2 The Reviewer, by virtue of carrying out the Peer Review shall not incur any liability other than the liability arising out of his/her own conduct under the Code of Conduct under the Company Secretaries Act, 1980 and Regulations framed thereunder as well as under the relevant clauses of these Guidelines.
- 18.3 The members of the Peer Review Committee shall not incur any liability

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by virtue of their having discharged the responsibilities as given in these Guidelines and/or as may in future be specified by the Council, other than the liability arising out of their own conduct under the Code of Conduct under the Company Secretaries Act, 1980 and Regulations framed thereunder as well as under the relevant clauses of these Guidelines.

### 19. Confidentiality

- 19.1 Strict confidentiality provisions shall apply to all those involved in the Peer Review process, namely, Reviewers, Qualified Assistants, members of the Committee, the Council, or any person who assists any of these parties.
- 19.2 Those persons subject to the secrecy provision:
- (1) shall at all times after their appointment preserve and aid- in preserving secrecy with regard to any matter coming to their knowledge in the performance or in assisting in the performance of any function, directly or indirectly related to the process and conduct of Peer Review.
  - (2) shall not at any time communicate any such matter to any other person; and
  - (3) shall not at any time permit any other person to have any access to any record, document or any other material, if any, which is in their possession or under their control by virtue of their being or having been so appointed or their having performed or having assisted any other person in the performance of such a function.
- 19.3 Non-compliance with the secrecy provisions in the above clause shall amount to professional misconduct as defined under Section 22 of the Company Secretaries Act, 1980.
- 19.4 A statement of confidentiality (appended as **Annexure**) shall be filled in by the person(s) who are responsible for the conduct of Peer Review i.e., Reviewers/ the members of the Committee and others who assist them.

### 20. Procedural Departures

- 20.1 Where the persons who are responsible for the conduct of Peer Review (Reviewers, the members of the Committee and others who assist them) have not followed the prescribed procedures, they shall

have to justify significant departures and such justification shall have to be mandatorily made known to the Council in the periodic Reports of the Committee to the Council.

## **21. Budget and Finance**

- 21.1 The Council shall approve the Annual Budget of the Committee.
- 21.2 The Committee shall have the autonomy to administer its budget after the approval as above. For this purpose, the Secretary to the Committee shall be the authorized officer.

## **22. Secretariat**

- 22.1 The Council shall cause to be set up an appropriate and independent Secretariat to assist the Committee in the discharge of its functions.
- 22.2 All persons working in the Secretariat shall be subject to the same norms of confidentiality as the Committee Members and Reviewer(s).
- 22.3 Appropriate arrangements for training of personnel of the Secretariat shall be made from time to time.

### Annexure

#### Statement of Confidentiality

[In accordance with the Guidelines for Peer Review of Attestation and Audit Services by Company Secretaries in Practice, this statement of confidentiality is to be filled in by the persons who are responsible for the conduct of Peer Review i.e., Reviewers, Qualified Assistant(s), members of the Committee and others who assist them, individually. The Reviewer shall be responsible for taking this undertaking from the Qualified Assistant(s) who assist him or are likely to assist him in conducting Peer Reviews, and shall send the same to the Committee. This statement of Confidentiality should be filed by the Reviewer with the Peer Review Committee whenever a new Peer Review assignment is undertaken.]

To

The Chairperson  
Peer Review Committee  
The Institute of Company Secretaries of India

Sir/Madam,

With reference to you email bearing no..... dated ..... regarding Peer Review of CS ..... M/s. ...., I hereby give my consent to undertake the assignment. I shall adhere to the timelines prescribed by the Peer Review Committee and submit the final Peer Review Report.

I hereby declare that my attention has been drawn to the need for confidentiality in the conduct of Peer Review. I therefore undertake and assure that in so far as any or all of the following relate to me or are brought to my knowledge/attention, in any manner whatsoever, I will ensure that on my part

- Working papers shall always be kept securely by me and the same will be provided only to the Peer Review Committee as and when asked for.
- The Practice Unit's Attestation and Audit Services procedures shall not be disclosed to third parties.
- Any information with regard to any matter coming to my knowledge in the performance or in assisting in the performance of any function during the conduct of Peer Reviews shall not be disclosed to any person.

Access to any record, document or any other material, in any form which is

in my possession, or under my control, by virtue of my being or having been so appointed or having performed or having assisted any other person in the performance of such functions, shall not at any time be permitted to any other person.

I understand that any breach of the provisions regarding confidential information contained in the Guidelines on Peer Review will be considered as gross negligence and, subject to investigation, will result in appropriate action.

(For office use only)

Signature:

Taken on record on (date)

Name:

By

Date:

Signature:

Place:

Name:

Designation:

*Encl.* Statement of Confidentiality of the Qualified Assistant (where applicable)

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### Other Guidelines with respect to Peer Review

Guidelines	Issued at
<p>Limits for the issue of Secretarial Audit Reports:</p> <ul style="list-style-type: none"> <li>● 10 Secretarial Audits per partner/ PCS, and</li> <li>● <b>an additional limit of 5 secretarial audits per partner/PCS in case the unit is peer reviewed.</b></li> </ul> <p>(For Secretarial Audit Reports issued for FY 2016-17 onwards)</p>	<p>235<sup>th</sup> meeting of the Council held on 11<sup>th</sup> February, 2016</p>
<p>Number of Annual Secretarial Compliance Reports to be issued by PCS:</p> <ul style="list-style-type: none"> <li>● 5 (five) reports individually / per partner in each financial year</li> <li>● <b>an additional limit of 5 (five) ASCR individually/ per partner in case the unit has been Peer Reviewed.</b></li> </ul> <p>(w.e.f. 1<sup>st</sup> April, 2020)</p>	<p>260<sup>th</sup> meeting of the Council held on 4-5 May, 2019</p>

### Mandatory Peer Review for Certifications and Audit Services

The Council has issued Guidelines for mandatory Peer Review for Certification and Audit services as under:

Services	Applicability	Effective date (w.e.f.)
<ul style="list-style-type: none"> <li>● Secretarial Audit Report / Annual Secretarial Compliance Report under SEBI (LODR) Regulations, 2015</li> <li>● Certification of Annual Return in terms of Section 92(2) of the Companies Act, 2013</li> <li>● Compliance Certificate under Schedule V, Clause E of SEBI (LODR) Regulations, 2015</li> </ul>	<p>Top 100 companies as per market capitalization as on 31st March, 2020</p>	<p>April 1, 2020</p>

Further the Council has decided that the PCS shall mandatorily mention the Peer Review Certificate number while signing / certifying the above, in the following format:

	For XYZ & Associates
	Company Secretaries
	Name .....
	FCS .....
Date .....	CP .....
Place .....	PR 123/2018

### Appendix II

#### FAQs on Peer Review

##### 1. What is Peer Review?

Ans. Peer Review is a process used for examining the work performed by one's equals (peers) and to understand the systems, practices and procedures followed by the Practice Unit and to give suggestions, if any, for further improvement.

##### 2. What is the meaning of Practice Unit?

Ans. Practice Unit means members in practice, whether practicing individually in own name, or as a sole proprietorship, or as a partner of a firm/LLP of Company Secretaries.

##### 3. What are the main objectives of Peer Review?

Ans: The main objectives of Peer Review is to ensure that while rendering Professional Services, the members in practice would:

- (a) comply with the ICSI Guidance on Office Administration and Systems in the Office of PCS, ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute; and
- (b) have in place proper systems (including documentation systems) for maintaining the quality of professional assignments undertaken by them.

Peer Review is directed towards enhancement of quality of professional services by providing guidance to members to improve their performance and adhere to various statutory and other regulatory requirements.

##### 4. What is the focus of Peer Review?

Ans: The focus of Peer Review is on Professional development of members, Enhancing the quality of reporting by keeping a review check on office systems and Procedures pertaining to services rendered by themselves, to keep a review system in place for time and staff management, Compliance with ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute, organizing training programmes for staff (including articles/ trainees), including appropriate infrastructure etc.

### **5. Who has the authority to administrate the Peer Review?**

Ans: The Council of the Institute of Companies Secretaries of India has issued guidelines on Peer Review, which lays down the framework for conduct of Peer Reviews by setting up the Peer Review Committee (the Committee). The duty of carrying out the provisions of the Guidelines is vested with the Committee.

### **6. What is the composition of the Peer Review Committee?**

Ans: The Committee shall consist of not less than seven members to be appointed by the Council, of whom at least four shall be from amongst the Members of the Council.

### **7. What are the Power of the Peer Review Committee?**

Power of the Committee - The Committee shall exercise such powers as provided in these guidelines for the purpose of discharging its duties under the provisions of these guidelines.

The duties of the Committee shall include:

- To call for information from Practice Units in such form, as it deems fit.
- To maintain a panel of Peer Reviewers.
- To define the terms of appointment of the Reviewers.
- To send a Panel of Peer Reviewers to the Practice Unit and allow them to choose any one Reviewer from the panel so forwarded.
- To examine the aspects of basis of selection of records pertaining to the services in terms of the appropriate regulatory requirements.
- To arrange for such training programs for Reviewers and orientation programmes for practice unit as may be deemed appropriate;
- To prescribe the system, practice and procedure to be observed in relation to Peer Review; and on considering the Report of a Reviewer, to do any or all of the following:
  - to issue recommendations to the Practice Unit;
  - to order a further Peer Review to be carried out;
- After considering the report of the Reviewer and compliance of recommendations by the Practice Unit, wherever deemed appropriate by the Committee, to issue Peer Review Certificate.

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- To guide the members on best practices on Peer Review.
- Such other action(s) as may be necessary for the fulfilment of these Guidelines.

### **8. What are the practice areas covered under the scope of Peer Review? What would be the consequences, if Practice Unit is not rendering any of the mentioned services, applies for Peer Review?**

Ans. The Review would be in respect of the following services:

- (i) Certification of Annual Return in Form MGT-8 under Section 92(2) of the Companies Act, 2013 and Rule 11(2) of the Companies (Management and Administration) Rules, 2014.
- (ii) Issuance of Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013 [read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- (iii) Issuance of Secretarial Audit Report to material unlisted subsidiaries of listed entities (whose equity shares are listed) in terms of Regulation 24A of SEBI (LODR) Regulations, 2015.
- (iv) Issuance of Annual Secretarial Compliance Report to Listed entities (whose equity shares are listed) under SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019.
- (v) Certification under [Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the] 4 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority
- (vi) Certification under Regulation 40(9) of SEBI [(Listing Obligations & Disclosure Requirements)] Regulations, 2015, certifying that all certificates have been issued within thirty days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies. (vii) Conduct of Internal Audit of Operations of the Depository Participants registered with [National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL)] under the Bye Laws issued by NSDL and CDSL.
- (viii) Certification under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 for Reconciliation of Share Capital Audit.

- (ix) Acting as Compliance Auditor under third party certification/Audit Scheme(Amendment), 2016 in the State of Haryana.
- (x) Diligence reporting for Banks in case of multiple banking/consortium lending arrangements in terms of the circular issued by RBI.
- (xi) Conduct of Internal Audit of the stock brokers/sub brokers under SEBI Circular no.MIRSD/ DPSIII/ Cir-26/ 08 dated 22nd August, 2008 and MRD/DMS/Cir-29/2008 dated 21st October, 2008.
- (xii) Issuance of Certificate in case of the Indian company accepting the investment from a foreign investor, thereby confirming compliance of Companies Act, 2013 and other matters (As per Para 9 (1) (B) (i) of Schedule 1 to Notification No. FEMA 20/2000-RB dated 3rd May 2000).
- (xiii) Compliance Certificate regarding compliance of conditions of Corporate Governance as prescribed under [Regulation 34(3), Schedule V, Part E of] 8 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xiv) Signing of Annual Return in Form MGT-7 [through digital signature certificates (DSC)] 11 under Section 92(1) of the Companies Act, 2013 and Rule 11(1) of the Companies (Management and Administration) Rules, 2014.
- (xv) Due Diligence Report under Regulation 10 (3) of the SEBI (Delisting of Equity Shares) Regulations, 2021.
- (xvi) Certificate relating to shares held by inactive shareholders under Regulation 21(a) (iii) of the SEBI (Delisting of Equity Shares) Regulations, 2021.
- (xvii) Compliance Certificate under Regulation 10(b), 13, 26, 27, 36 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- (xviii) Scrutiniser's report pursuant to Section 108 of the Companies Act, 2013 read with Rule 20(4)(ix) and Rule 20(4)(xii) of Companies (Management and Administration) Rules, 2014.
- (xix) All other Reports, Returns and Certificates in respect of which generation of UDIN is mandatory in terms of the ICSI Unique Document Identification Number (UDIN) Guidelines, 2019.

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The Peer Review Committee has decided that the Peer Review of the Practice Units rendering in other areas can also be conducted. In such case, the validity of the Peer Review Certificate shall be two years.

### **9. Records of how many years are subject to Peer Review by the Reviewer?**

Ans: The Engagement records of immediately preceding financial Years shall be subject to peer review.

### **10. What does Qualified Assistant mean?**

Ans. Qualified Assistant means a person assisting the Reviewer for carrying out peer review and who

- (a) is a member of the Institute,
- (b) has not been held guilty of misconduct under the Company Secretaries Act, 1980
- (c) is a partner or Associate of the Peer Reviewer.

### **11. What are the advantages of the Peer Review to the Practice Unit (PU)?**

Ans. It is expected that a Peer Reviewed Unit Enhance the quality of Attestation and Audit Services, Credibility and provide competitive advantage, and provide a forum for Guidance and knowledge sharing.

Apart from this, the Council of ICSI has issued Guidelines for mandatory Peer Review for Certification and Audit Services.

The Council has made following Guidelines on limits on Secretarial Audit and Annual Secretarial Compliance Reports to be issued by PCS:

Limits for the issue of Secretarial Audit Reports:

- 10 Secretarial Audits per partner/ PCS, and
- **an additional limit of 5 secretarial audits per partner/PCS in case the unit is peer reviewed.**

(For Secretarial Audit Reports issued for FY 2016-17 onwards)

Number of Annual Secretarial Compliance Reports to be issued by PCS:

- 5 (five) reports individually / per partner in each financial year
- **an additional limit of 5 (five) ASCR individually / per partner in case the unit has been Peer Reviewed.**

(w.e.f. 1st April, 2020)

To ensure the quality of services rendered by members of the Institute to their clients and to the society as a whole, the Council has decided that only Peer Reviewed Practice Units shall be permitted to undertake the following assignments:

- Secretarial Audit Report / Annual Secretarial Compliance Report under SEBI (LODR) Regulations, 2015
- Certification of Annual Return in terms of Section 92(2) of the Companies Act, 2013
- Compliance Certificate under Schedule V, Clause E of SEBI (LODR) Regulations, 2015
- Half yearly Share Capital Reconciliation Certificate under Regulation 40(9) of SEBI (LODR) Regulation, 2015
- Quarterly Share Capital Reconciliation Certificate under Regulation 76 of SEBI (Depository Participants) Regulations, 2018
- Internal Audit of Operations of the Depository Participants
- Diligence Report for Banks in case of Consortium Lending / Multiple Banking Arrangements
- Due Diligence and Certification under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

## **12. (A) How are the Practice Units to be Peer Reviewed, selected?**

Ans. The Practice Units for Peer Review are selected on the following basis:

- random selection through the software designed for the purpose;
- at the request of the Practice Unit;
- upon the Instructions of Government / Regulators / Statutory Bodies;
- recommendation of the Committee of Discipline / Disciplinary Committee of ICSI / Quality Review Board / Council of ICSI;

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Any other criteria as may be decided by Peer Review Committee / Council of ICSI.

### **(B) Can I apply on voluntary basis to get my firm Peer Reviewed?**

Ans. Yes.

### **(C) Can any of my clients ask the Institute to get me peer reviewed? If yes who would bear the cost of Peer Review in this case.**

Ans. Yes, the client can ask Committee to get the Practice Unit Peer Reviewed and the cost of Peer Review shall be borne by the client in this case.

### **13. How much will it cost a Practice Unit to get Peer Reviewed?**

Ans. A Practice Unit is required to pay to the Peer Reviewer, a fee of Rs.10,000/- (inclusive TA/DA and any out of pocket expenses) or an amount as may be prescribed by the Peer Review Committee from time to time. In case Reviewer has to conduct second review, the same rate would apply to the second review also. Each Branch/office under Review would be considered separately.

In case a Practice Unit feels that the fee for Peer Reviewer is on the higher side and cannot afford the same, such Practice Unit may write to the assigned Peer Reviewer to charge lesser fee. In such cases it will be upto the Peer Reviewer to charge lesser fee as he / she may deem fit.

Sometimes the Peer Reviewer has to spend more time and resources than anticipated while carrying out the assignment of Peer Review owing to the large size of practice unit in terms of no. of partners or diversity in the area of practice. In such cases, the Peer Reviewer may charge a sum higher than Rs.10,000/- as may be mutually decided between the Practice Unit and the Peer Reviewer.

### **14. To whom is the fee for Peer Review to be paid?**

Ans. The cost of Peer Review shall be paid by the PU directly to the Reviewer within 30 days from the receipt of Invoice raised by the Peer Reviewer. The said payment of Honorarium shall be paid to the Reviewer by crossed account payee cheque/Demand Draft/ NEFT/RTGS/IMPS or any other electronic mode.

### **15. What are the Guidelines for mentioning / displaying the status of being reviewed?**

Ans. Visiting Cards / Letter heads - Peer Reviewed Practice Units be allowed

to mention the fact being Peer Reviewed on visiting cards and letter heads in the form and style 'Peer Reviewed – Year XX-YY', subject to the compliance of the advertisement guidelines of ICSI applicable to PCS.

Website - The fact of being Peer Reviewed can be stated. However, neither the Certificate nor the Peer Review Report may be display on the website.

### **16. Who can become a Peer Reviewer?**

Ans. A member of the Institute who fulfills the following criteria may apply to be empanelled as a Peer Reviewer-

- (a) be a member with at least 10 years of post-qualification experience as Company Secretary; and out of the 10 years of post-qualification experience, should have been in practice for a continuous period of not less than five years at the time of empanelment;
- (b) be currently holding Certificate of Practice as issued by the Institute;
- (c) have undergone the Training Programme for Peer Reviewers and qualified the Certification Programme for Peer Reviewers organized by the Institute.

The Peer Review Committee has clarified that the Peer Reviewers empanelled till date may continue to undertake peer review assignments accepted by them upto 31<sup>st</sup> March, 2026 without completing the online certification programme, but shall complete the said online certification programme successfully to undertake peer review assignments after 31<sup>st</sup> March, 2026.

Further to be empanelled as Peer Reviewer, a member shall not have: -

- (a) disciplinary action / proceedings pending against him during the past 3 years;
- (b) been found guilty of professional or other misconduct by the Committee of Discipline / Disciplinary Committee, at any time, as the case may be;
- (c) been convicted by a Competent Court whether within or outside India, of an offence involving moral turpitude and punishable with imprisonment;

### **17. Does getting empanelled as a Reviewer with Institute ensure the allotment of Peer Review work?**

Ans: No, because selection of Reviewer also depends on various other factors like experience, choices made by the PU, etc.

### **18. Can a Reviewer refuse to accept/perform any Peer Review assignment allotted to him/her?**

Ans: Yes, the Reviewer can refuse to accept / perform the Peer

Review assignment after giving a valid reason to the Committee. The refusal of assignments can be made on the following grounds:

- Conflict of Interest between the Reviewer and PU
- Ill Health
- Other work or pre-occupations

### **19. Is Reviewer allowed to get assisted in the conduct of review?**

Ans: Yes. Reviewer is allowed to take assistance from any one Qualified Assistant. The Qualified Assistant

- (a) shall be a member of the Institute,
- (b) should not been held guilty of misconduct under the Company Secretaries Act, 1980,
- (c) shall be a partner or Associate of the Peer Reviewer.

### **20. What should be the basis of selection of the Number of service engagements to be reviewed?**

Ans: The Reviewer should select the initial sample size for Review on random basis from the complete list of service engagements of the PU. He can also select the sample on the basis of information given in the questionnaire of PU.

The Peer Reviewer shall choose not less than 10% of the actual attestation assignments undertaken by the PU under each category or five assignments under each category, whichever is more. In case the sample size is smaller than this, the reasons therefor shall be specifically stated in the Peer Review Report.

Number of services to be reviewed depends upon the size of the PU, Total number of service engagements of PU during the period under review etc., as larger samples are not advisable and therefore, a balanced sample should be selected from the variety of samples in a way that overall performance of the PU can be assessed.

### **21. Will the information disclosed by Practice Unit be kept confidential by the reviewer?**

Ans. The Peer Reviewer is bound by Confidentiality Agreement with the Peer

Review Committee. If the Reviewer misuses the information disclosed by PU, he may be subject to disciplinary action by the Institute.

**22. On what matters should a Reviewer maintain working papers?**

Ans. The working papers should be maintained for:

- Working paper of the Review performed and his findings
- Deficiencies, if any, found in the policies and procedures of the PU or
- Any non-compliance prevailing in the PU

The aforesaid working papers must be preserved for a period as stipulated by the Committee and made available to the Committee, as and when called for.

**23. Is the Peer Reviewer exposed to any liability?**

Ans. The reviewer, by virtue of carrying out the peer review shall not incur any liability other than the liability arising out of his own conduct under the Code of Conduct under the Company Secretaries Act, 1980 and Regulations framed thereunder as well as under the relevant clauses of these Guidelines.

**24. After the Peer review, is there any protection from disciplinary proceedings under the Code of Conduct?**

Ans. No. Peer Review is only a broad examination of the systems and procedures followed by the Practice Unit. The fact that you have been Peer Reviewed does not provide immunity from Disciplinary Action.

**25. If I am selected for Peer Review, is it mandatory for me to offer myself for Peer Review?**

Ans. Yes

**26. What are the Duties/Obligations of a Practicing Unit?**

Ans: The PU shall:

- Produce or give access to any records, documents considered relevant
- Provide full cooperation and assistance during the conduct of Peer Review
- Provide explanation or any other information asked by the Reviewer
- Provide accurate information in legible form and if information

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provided is in any other language, provide for its translation in English, if requested by the Reviewer

- In case Reviewee has more than one office, and Reviewer has asked for Information kept/available at some other office or Branch Office, he should be given access to those records also, without any delay or denial.
- Reviewer has all right to examine, inspect or take abstract from documents or records.

### **27. Does a Practice Unit need to disclose the records of my clients to the reviewers or the Reviewer is allowed to visit the client(s)?**

Ans. No, the Practice Unit need not to disclose the records of clients and the Reviewer cannot visit or communicate to any of the clients of the PU.

### **28. What are the basic components of a Reviewer's Report?**

Ans: The basic components of a Reviewer's Report are:

- Scope of Peer Review
- Reference to the quality control standards
- A statement indicating that the quality control is the responsibility of the reviewed firm
- Limitations if any on the review conducted
- A reference to the preliminary report
- Description of why modified report is required, instead of clean report

### **29. What does a Clean Report means?**

Ans: Clean Report is a report that states that Reviewer is of the opinion that the PU is conducting its affairs in adherence to the ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute.

### **30. Can a Reviewer give qualifications in his Review Report?**

Ans: Yes. Under following situations, a reviewer can qualify the report:

- Non-compliance with quality control policies and procedures.
- Any deficiency found in quality control procedures

- Non-adherence to ICSI Auditing Standards, Guidance Notes, Manuals, Referencers and advisories issued by the Institute
- No internal control systems prevail in the PU
- Current and permanent files were not maintained as per standards laid down
- Adequate training programmes were not organized for the staff

**31. What can be done if Reviewer wants to take the extracts of records or documents of the PU?**

Ans: Under no circumstances can the Reviewer take extracts or make copies of any document or records from the client's files reviewed by him or of any client's records acquired by him while conducting peer review, but he may have access to, or take the abstracts of the records and documents in order to carry out the review work at PU's office.

In case, the Reviewer wants to take any document or record alongwith him/her, PU should be aware that reviewer is not permitted to do so and can refuse the same.

**32. What is the process of Reporting in Peer Review?**

Ans: The process of Reporting is as follows:

- Communication of Preliminary Report stating non-compliances, deficiency (if any) to PU for submissions or representations within a period of 7 days
- Reviewer submits the Final Report to the Committee incorporating the findings with a copy to PU or issue that report (If he/she has not observed and deficiencies during Peer Review).

**33. Will a Certificate be issued after Peer review?**

Ans. Yes.

**34. What will the validity of Peer Review Certificate issued?**

Ans. The validity of the Peer Review Certificate is five years from the date of its issue.

However, in case the PU is being reviewed within two years of its formation, the validity shall be two years.

**35. What would be the validity of the certificate in case of a sole proprietorship constituted within two years?**

Ans. The Peer Review Committee has decided that the validity of the certificate issued to a Sole Proprietor even though constituted within two years, shall be five years subject to the condition that the Sole Proprietor (member) holds Certificate of Practice for more than two continuous years immediately preceding the year of review.

**36. What is the procedure for renewal of Peer Review certificate issued?**

Ans. The Institute sends advisory for renewal before the expiry of the certificate to the concerned Practice Unit. The Practice Units can also voluntarily request for renewal 6 months prior to the expiry of certificate issued.

**37. Will ICSI put up the names of the PU which have undergone PR on ICSI website?**

Ans. Yes

**38. I have been Peer Reviewed once, will I be Peer Reviewed again?**

Ans. Yes, if the Peer Review Committee so decides or upon expiry of the validity of the Certificate issued.

**39. Can I choose my Peer Reviewer?**

Ans. The Peer Review Committee would send you a panel of at least five reviewers and you may choose any one name out of the panel sent to you. If you are unable to choose any one Reviewer from the panel, the Committee shall send another Panel of five reviewers. If you do not choose any one name from the panel of five or 10 Peer Reviewers( as the case may be), you must request the Committee to provide names of Reviewers from outside the State/ Region from where you operate. Refer guidelines for other details.

**40. If I want a Peer Reviewer from outside my State or region what should I do?**

Ans. You may make a special request to the Peer Review Committee to provide names of Reviewers from outside the State/ Region of place of business of Practice Unit. However, in such a case you would have to bear the extra cost that would be incurred for TA / DA etc.

**41. What do I do if I am not satisfied with the Report of the Peer Reviewer?**

Ans. You may refer your case to the Peer Review Committee.

**42. If I am not satisfied with the order of the Peer Review Committee can I appeal to the Council?**

Ans. Yes. You may appeal against the Order of the Peer Review Committee to the Central Council of the Institute.

**43. Can I refuse to get myself Peer Reviewed?**

Ans. No. Any refusal to get Peer Reviewed shall be construed as misconduct under the Code of Conduct.

**44. In case the Practice Unit has been reviewed by the Quality Review Board of ICSI, whether is it still mandatory to undergo Peer Review?**

Ans. Yes.

**45. How ICSI Unique Document Identification Number (UDIN) Guidelines, 2019 are related to the Peer Review?**

Ans. The Council has made Guidelines for allowing additional Secretarial Audit Report / Annual Secretarial Compliance Report to the Peer Reviewed Units as well as mandated that certain services can be rendered by the Peer Reviewed Units only.

The details of Peer Reviewed Units are updated from time to time in the system designed for the purpose so as to give effect to the above Guidelines and allow the Peer Reviewed Units to generate the UDIN for the services that are mandatorily to be done by Peer Reviewed Units only.

**46. Can Peer Review be done by proprietor / partner of the Practice Unit peer reviewed by the Reviewer?**

Ans. No.

Suppose Mr. A has reviewed M/s. CB & Co. having two partners Mr. C and Mr. B. Neither Mr. C nor Mr. B will be able to do review of Mr. A. same is the case with Sole Proprietor / members practicing in Individual capacity.

**47. What will be the status of Induction of Partner in Peer Reviewed Unit?**

Ans. The benefit of Peer Review is available to the partners of the Practice Unit as on last day of the year under review.

In case a new partner is inducted in the Peer Reviewed unit, the newly inducted partner would not be eligible to get the benefit of Peer Review.

If PU wish to extend benefit of Peer Review to the partner(s) inducted in the Practice Unit (PU), it has to undergo Peer Review again with the services

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rendered by inducted partner(s) in the PU.

However, in case the partner(s) belonging to a Peer Reviewed Unit resigns and is inducted in another Peer Reviewed Unit, the benefit will be extended to such partner(s).

### **48. What are the time lines within which Peer Review has to submit his report to ICSI from the date of his appointment as Peer Reviewer?**

Ans. The Onsite visit shall take place within 21 days from the date of appointment of Peer Reviewer and the Peer Reviewers are advised to submit the report as soon as possible after onsite visit. Normally, time of 15 days is sufficient to submit the report after onsite visit.

### **49. What are the Guidelines applicable for Peer Review of a Practice Unit having Branch Office(s)?**

Ans. The Practice Units having Branch office(s) are required to undergo for Peer Review as a whole.

**Appendix III**

**ICSI Auditing Standards  
(CSAS-1 to CSAS-4)**

**(Revised version effective from 1st April, 2021)**

CSAS-1 – Auditing Standard on Audit Engagement

CSAS-2 – Auditing Standard on Audit Process and Documentation

CSAS-3 – Auditing Standard on Forming of Opinion

CSAS-4 – Auditing Standard on Secretarial Audit

## CSAS-1

# Auditing Standard on Audit Engagement

### Scope

This Auditing Standard ('the Standard') is applicable to the Auditor undertaking Audit Engagement under any statute. The Standard deals with the Auditor's role and responsibilities with respect to an Audit Engagement and the process of entering into an understanding/agreement with the Appointing Authority for the purpose of audit.

### Effective Date

The Standard is effective and recommendatory for Audit Engagements accepted by the Auditor on or after 1st July, 2019 and mandatory for Audit Engagements accepted by the Auditor on or after 1st April, 2021.

### Objective

The objective of the Standard is to prescribe for the Auditor, principles and procedures to be followed while accepting or continuing with an Audit Engagement by agreeing to the terms of engagement with the Appointing Authority or any changes therein and matters relating thereto.

### Definitions

For the purpose of Auditing Standards (CSAS) issued by The Institute of Company Secretaries of India (ICSI), the following terms shall have the meaning attributed as below, unless specified otherwise:

- (1) "Appointing Authority" means any person having authority to appoint the Auditor.
- (2) "Audit Engagement" means detailed terms of reference of appointment including scope of audit, remuneration and limiting conditions, if any.
- (3) "Auditee" means a person subject to audit.
- (4) "Auditor" means a Company Secretary who is deemed to be in practice under sub-section (2) of Section 2 of the Company Secretaries Act, 1980 and includes a firm or Limited Liability Partnership (LLP) registered with ICSI, undertaking the Audit.

- (5) "Management" includes Board of Directors and persons who have been entrusted with the responsibility of governance and compliances of the Auditee.
- (6) "Predecessor or Previous Auditor" means an Auditor who has conducted the most recent audit assignment of the Auditee and submitted report thereon prior to the incumbent Auditor or was engaged but did not complete the audit assignment due to his resignation, termination or otherwise.

## **1. Audit Engagement Process**

The Auditor shall undertake the following steps with respect to the Audit Engagement:

### **1.1 Appointment**

**1.1.1** The appointment of Auditor shall be made in the manner prescribed in the applicable laws, act, rules, regulations, standards and guidelines or in case no such manner has been prescribed, such appointment shall be made in the manner determined by the Appointing Authority.

**1.1.2** The Auditor shall submit a Certificate to the Appointing Authority confirming eligibility for appointment as Auditor.

**1.1.3** The Auditor shall obtain an Audit Engagement Letter along with a copy of the resolution, if any, passed by the Appointing Authority and shall provide acceptance to the Appointing Authority.

### **1.2 Audit Engagement Letter**

The Audit Engagement Letter shall *inter alia* include:

- a. The objective and scope of the audit;
- b. The responsibilities of the Auditor and the Auditee;
- c. Written representations provided and/or to be provided by the Management to the Auditor, including particulars of the Predecessor or Previous Auditor;
- d. The period within which the audit report shall be submitted by the Auditor, along with milestones, if any;
- e. The commercial terms regarding audit fees and reimbursement of out of pocket expenses in connection with the audit; and

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f. Limitations of audit, if any.

Where the objective and scope of the audit and responsibilities of the Management and of the Auditor have been established by law, the Audit Engagement Letter shall give a reference to the provisions of the relevant law along with a statement that the Management acknowledges and understands its responsibilities for preparation and maintenance of records and for devising proper systems to ensure compliance with the provisions of applicable laws, act, rules, regulations and standards for the time being in force.

### **1.3 Communication to the Predecessor or Previous Auditor**

The Auditor shall communicate in writing to the Predecessor or Previous Auditor, if any, before accepting the Audit Engagement.

## **2. Limits on Audit Engagements**

The Auditor shall accept Audit Engagements within the limits of number of audits, if any, as may be prescribed under any law for the time being in force or by the ICSI from time to time.

## **3. Conflict of Interest**

The Auditor shall not have any substantial conflict of interest with the Auditee. Any conflict of interest, other than substantial conflict of interest, must be disclosed by the Auditor before accepting the Audit Engagement or as soon as the Auditor becomes aware of the same, as the case may be.

### **Explanation:**

#### **Substantial Conflict of Interest means:**

Holding of more than 2% in the paid up share capital or shares of nominal value of rupees fifty thousand, whichever is lower or more than 2% voting power, as the case may be, by the Auditor singly or along with partners, spouse, parent, sibling, and child of such person or of the spouse, any of whom is dependent financially on such person.

Indebtedness of the Auditor for an amount exceeding rupees five lakh other than that arising out of ordinary course of business of the Auditee:

Provided that any indebtedness that may seriously impair his independence shall also be considered as substantial conflict of interest.

Where an Auditor was in employment of the Auditee, its holding or subsidiary

company and 2 (two) years have not lapsed from the date of cessation of employment, the same shall be considered as substantial conflict of interest.

#### **4. Confidentiality**

**4.1** The Auditor shall not disclose the information obtained during the course of Audit without proper and specific authority or unless there is a legal obligation or duty to disclose.

**4.2** The Auditor shall not use or share with any person any information obtained except for the purposes of audit.

**4.3** The Auditor shall take all reasonable steps to ensure that employees, staff and other team members of the Auditor and persons engaged by the Auditor to provide advice or assistance during the conduct of audit, shall also adhere to the Auditor's duty of confidentiality.

#### **5. Changes in terms of engagement**

**5.1** The Auditor shall not agree to a change in the terms of the Audit Engagement where there is no reasonable justification for doing so.

**5.2** If before completion of the assignment, the Auditor is requested by the Appointing Authority to change the scope of engagement, resulting in a lower level of assurance, the Auditor shall consider the appropriateness of carrying out the same.

**5.3** If the terms of the Audit Engagement are changed, the Auditor and the Appointing Authority shall agree on the new terms of the engagement by way of a supplementary/revised engagement letter or any other suitable form in writing.

## **CSAS-2**

# **Auditing Standard on Audit Process and Documentation**

### **Scope**

This Auditing Standard ('the Standard') is applicable to the Auditor undertaking Audit under any statute. The Standard deals with responsibilities and duties of the Auditor with respect to Audit Process in conducting audit and maintaining proper audit documents.

### **Effective Date**

The Standard is effective and recommendatory for Audit Engagements accepted by the Auditor on or after 1st July, 2019 and mandatory for Audit Engagements accepted by the Auditor on or after 1st April, 2021.

### **Objective**

The objective of the Standard is to prescribe principles for an Auditor:

- (i) to conduct audit as per the specified audit process;
- (ii) to maintain documentation that provide:
  - (a) sufficient and appropriate record to form the basis for the Auditor's Report; and
  - (b) evidence that the audit was planned and performed in accordance with the applicable Auditing Standards and statutory requirements.

### **Definitions**

For the purpose of Auditing Standards (CSAS) issued by The Institute of Company Secretaries of India ('ICSI'), the following terms shall have the meaning attributed as below, unless specified otherwise :

- (1) "Audit Documents" means the working papers prepared or records obtained by the Auditor in connection with the audit.
- (2) "Audit Evidence" refers to relevant information and documents gathered in the course of the audit for arriving at the conclusion on which the Auditor's opinion is based.

(3) "Management" as defined in CSAS-1.

## **1. Audit Planning**

**1.1** The Auditor shall make audit plan to conduct audit as per the terms of Audit Engagement.

**1.2** Audit planning means establishing and developing an overall audit process, including but not limited to:

- a. Identification of broad audit areas;
- b. Seeking previous audit findings and observations from the Management and the Predecessor or Previous Auditor, in case of change of Auditor;
- c. Determination of subject matters and audit areas requiring special attention, when considered necessary;
- d. Risk Assessment and Materiality;
- e. Audit technique;
- f. Allocation of audit resources for the audit; and
- g. Preparation of audit schedule.

**1.3** The audit shall be planned in a manner which ensures that qualitative audit is carried out in an efficient, effective and timely manner. Audit planning shall ensure that appropriate attention is accorded to crucial areas of audit and significant issues are identified in a timely manner.

**1.4** The Auditor shall plan the audit with professional scepticism so that it is possible to exercise professional judgment in an objective manner.

**1.5** The Auditor shall adhere to the audit plan. The audit plan may be modified, if circumstances so warrant.

## **2. Risk Assessment**

**2.1** Risk assessment of the Auditee with respect to and connected/relevant to the Audit Engagement shall be done considering industrial & business environment, organisational structure and compliance requirements.

**2.2** The Auditor shall evaluate high risk areas and activities of the Auditee relating to:

- a. Internal control systems and processes of the Auditee for adherence to the constitutional documents, applicable laws, acts, rules, regulations and standards;

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- b. Transparency, prudence and probity; and
- c. Changes or Attrition in the compliance team and frequency of such changes and attrition.

### **3. Information about the Auditee**

The Auditor shall obtain sufficient information about the Auditee that is relevant for conduct of audit and forming an opinion and its expression.

### **4. Audit Check-lists**

The Auditor shall use systematic and comprehensive audit check-lists for carrying out the audit and to verify the compliance requirements.

### **5. Collection and Verification of Audit Evidence**

**5.1** The Auditor shall verify compliance with applicable laws, act, rules, regulations and standards. Deviation, if any, shall be recorded.

**5.2** The Auditor shall obtain complete, relevant and necessary evidence to support the opinion.

**5.3** The process of gathering and evaluating evidence shall continue until the Auditor is satisfied that sufficient and appropriate evidence exists to provide a basis for formation of the Audit Opinion.

### **6. Third Party Confirmation**

The Auditor shall obtain confirmations from third party(ies), wherever required, with respect to information which is related to such party(ies).

### **7. Analysis of Audit Evidence**

**7.1** The Auditor shall evaluate the Audit Evidence to arrive at the conclusion.

**7.2** While evaluating evidence, if the Auditor finds that Audit Evidence is conflicting, the Auditor shall assess the extent and credibility of conflicting evidence in order to reach a conclusion or collect more evidence to resolve the conflict.

### **8. Documentation**

**8.1** The Auditor shall adequately document the Audit Evidence in working papers, including the basis and extent of planning, work performed and the findings of audit.

**8.2** The Audit Documents shall contain sufficient information to enable an Auditor, having no previous connection with the audit, to ascertain from such documents, the significant findings and conclusions of the Auditor.

**8.3** Audit Documents shall take place throughout the audit process. Working papers shall be complete and appropriately detailed to provide a clear trail of the audit. Audit Documentation shall be properly indexed, referenced with and supplemented by the set of working papers.

**8.4** The Auditor shall also document discussions with the Management with respect to significant matters in respect of which written record is not available.

## **9. Record Keeping and Retention**

**9.1** The Auditor shall establish policies and procedures for retention of Audit Documents.

**9.2** The Audit Documents shall be collated for records within a period of 45 days from the date of signing of Auditor's Report.

**9.3** The Audit Documents shall be maintained in physical or electronic form and retained for a period of 8 years from the date of signing of Auditor's Report.

## CSAS-3

# Auditing Standard on Forming of Opinion

### Scope

This Auditing Standard (“the Standard”) is applicable to the Auditor undertaking Audit under any statute. The Standard deals with basis and manner for forming Auditor’s opinion on subject matter of the audit.

### Effective Date

The Standard is effective and recommendatory for Audit Engagements accepted by the Auditor on or after 1st July, 2019 and mandatory for Audit Engagements accepted by the Auditor on or after 1st April, 2021.

### Objective

The objective of the Standard is to enable the Auditor to lay down the basis and manner for evaluation of the conclusions drawn from the Audit Evidence obtained and express the opinion through written report.

### Definitions

For the purpose of Auditing Standards (CSAS) issued by The Institute of Company Secretaries of India (‘ICSI’), the following terms shall have the meaning attributed as below, unless specified otherwise:

- (1) “Audit Evidence” as defined in CSAS-2.
- (2) “Misstatement” means any information or statement which is false, incorrect, incomplete, misleading or misrepresents, omits or suppresses a material fact.
- (3) “Materiality” is the threshold above which missing or incorrect information is considered to have an impact on the decision making of the Auditor. Information is considered as material if its omission or misstatement could influence the opinion of the Auditor. Materiality can also be construed in terms of net impact.
- (4) “Records” include:
  - (i) Memorandum and Articles of Association, bye-laws or any other constitutional documents;

- (ii) Minutes, returns, forms, index and Registers;
  - (iii) Books and papers including books of accounts, deeds, vouchers;
  - (iv) Agreements, Memorandum of Understanding;
  - (v) Other documents maintained by the Auditee either in physical or electronic form; and
  - (vi) Correspondence.
- (5) "Third Party" means any person who does not have a direct connection with the audit but whose inputs or opinion might influence the audit conclusion and includes an expert.

## 1. Process for forming of opinion

1.1 The Auditor shall consider Materiality while forming his opinion and adhere to:

- a. The **principle of completeness** that requires the Auditor to consider all relevant Audit Evidence before issuing a report;
- b. The **principle of objectivity** that requires the Auditor to apply professional judgment and scepticism in order to ensure that all reports are factually correct and that findings or conclusions are presented in a relevant and appropriate manner;
- c. The **principle of timeliness** that implies preparing the report in due time; and
- d. The **principle of a contradictory process** that implies checking the accuracy of facts and incorporating responses from concerned persons.

## 1.2 Judgment, Clarification and Conflicting Interpretation

The Auditor may consider various judgments, clarifications, opinion, conflicting interpretations while framing the opinion to the best of his professional acumen.

## 2. Precedence and Practices

The Auditor shall adhere to generally accepted precedence and practices in relation to forming of an opinion as may be available from historical perspective of any kind of audit.

### 3. Third Party Report or Opinion

The Auditor shall adhere to the following while forming an opinion based on Third Party reports or opinions:

- (a) The Auditor shall indicate the fact of use of Third Party report or opinion and shall also record the circumstances necessitating the use of third party report or opinion;
- (b) The Auditor shall indicate the fact if Third Party report or opinion is provided by the Auditee;
- (c) The Auditor shall consider the important findings/observation of Third Party;
- (d) The Auditor shall, if necessary and feasible, carry out a supplemental test to check veracity of the Third Party report or opinion.

### 4. Form of an Opinion

#### 4.1 Unmodified Opinion

The Auditor shall express an unmodified opinion when based on Audit Evidence, the Auditor concludes that:

- a. there is due compliance with the applicable laws in terms of timelines and process; and
- b. the Records as relevant for the audit verified by him as a whole are free from Misstatement and maintained in accordance with the applicable laws.

#### 4.2 Modified Opinion

**4.2.1** The Auditor shall express modified opinion when the Auditor concludes that:

- (a) based on the Audit Evidence obtained, there is non-compliance with the applicable laws in terms of timelines or process; or
- (b) based on the Audit Evidence obtained, the Records as a whole are not free from Misstatement; or are not maintained in accordance with applicable laws; or
- (c) he is unable to obtain sufficient and appropriate Audit Evidence to conclude that there is due compliance with the applicable laws in terms of timelines and process; or

- (d) he is unable to obtain sufficient and appropriate Audit Evidence to conclude that the Records as a whole are free from Misstatement; or are maintained in accordance with applicable laws.

**4.2.2** Whenever the Auditor expresses a modified opinion or disclaims an opinion, the text of the opinion shall be either in italics or bold letters.

### **4.3 Limitation**

**4.3.1** If, after accepting the Audit Engagement, the Appointing Authority imposes a limitation on the scope of the audit which, in the opinion of the Auditor, is likely to result in the need to express a modified opinion or to disclaim an opinion, the Auditor shall request the Appointing Authority to remove the limitation.

**4.3.2** If the Appointing Authority refuses or fails to remove the limitation, the Auditor shall communicate the matter to the Management and determine whether it is possible to perform alternative procedure to obtain sufficient and appropriate Audit Evidence.

**4.3.3** If the Auditor is unable to obtain sufficient and appropriate Audit Evidence, the Auditor shall determine the implications as follows:

- a. If the Auditor concludes that the possible effects of unavailable Audit Evidence could be non-material, the Auditor shall modify the opinion; or
- b. If the Auditor concludes that the possible effects of unavailable Audit Evidence could be material, the Auditor shall express disclaimer of opinion.

## **5. Auditor's Responsibility**

**5.1** The Auditor's Report shall include a section with the heading "Auditor's Responsibility". Auditor's Report shall state that the responsibility of the Auditor is to express opinion on the compliance with the applicable laws and maintenance of records based on audit. The Auditor's Report shall also state that the audit was conducted in accordance with applicable Standards. The Auditor's Report shall also explain that those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records.

**5.2** Auditor's Report shall state that due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk

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that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

### **6. Format of Report**

**6.1** The report shall be addressed to the Appointing Authority unless otherwise specified in the Audit Engagement Letter or provided in the applicable law. The report shall be detailed enough to serve its intended purpose. Where specific formats are prescribed, those formats shall be followed for reporting. If any information cannot be appropriately placed within the paragraphs of the report, it shall be given in form of annexure(s).

**6.2** Signature block shall mention the name of the audit firm along with the registration number, if any, the name of the Auditor, certificate of practice number, the membership number of the Auditor, specifying whether associate or fellow member, as applicable. The Auditor shall clearly mention date and place of signing the report, in case report is signed by two different persons on different dates or different places; same shall be mentioned in the report.

## **CSAS-4**

# **Auditing Standard on Secretarial Audit**

### **Scope**

This Auditing Standard ('the Standard') is applicable to the Auditor undertaking Secretarial Audit under Section 204 of the Companies Act, 2013 and rules made thereunder. The Standard deals with basis and manner for carrying out the Secretarial Audit.

### **Effective Date**

The Standard is effective and recommendatory for Secretarial Audit accepted by the Auditor on or after 1st July, 2019 and mandatory for Secretarial Audit accepted by the Auditor on or after 1st April, 2021.

### **Objective**

The objective of the Standard is to lay down the principles for evaluation of statutory compliances and corporate conduct in relation thereto.

### **Adherence to other Auditing Standards**

The Auditor shall adhere to the Auditing Standards on – (a) Audit Engagement (CSAS-1); (b) Audit Process and Documentation (CSAS-2); and (c) Forming of Opinion (CSAS-3).

### **Definitions**

For the purpose of Auditing Standards (CSAS) issued by The Institute of Company Secretaries of India ('ICSI'), the following terms shall have the meaning attributed as below, unless specified otherwise:

- (1) "Management" as defined in CSAS-1
- (2) "Records" as defined in CSAS-3.

### **1. Identification and segregation of applicable laws**

The Auditor shall take note of the industry specific laws and other laws as may be applicable to the Auditee based on the identification/segregation by the Management and his own verification.

### **2. Verification of corporate conduct and compliance of laws**

#### **2.1 Identification of Events/Corporate Actions**

The Auditor shall identify events/corporate actions that took place during the audit period. The identification shall be made by reviewing the website of the regulators, website of the Auditee, statutory records including books and papers, interaction with the Management and in any other appropriate manner.

#### **2.2 Verification of Compliance**

The Auditor shall verify all event and calendar based compliances from the Records of the Auditee, database or website of the regulators and other relevant sources.

### **3. Board Composition**

The Auditor shall verify compliance of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, agreement with Lenders/Investors, Articles of Association and provisions of other Acts / rules/regulations, guidelines and policies, board decisions, shareholders decisions, as may be applicable to the Auditee with regard to:

**3.1** Overall composition of the Board including the minimum and maximum strength of the Board.

**3.2** Optimum combination of the Board including proportion of executive, non-executive, independent, non-independent, retiring, non- retiring, woman and nominee director.

**3.3** Eligibility criteria including disqualifications of directors.

**3.4** The constitution and composition of Committees of the Board.

### **4. Board Processes**

The Auditor shall verify that the decisions of the Board and its Committees are taken and recorded in compliance with applicable laws, rules, regulations, guidelines, standards and defined internal processes, if any.

### **5. System and Process**

System and process broadly refers to the framework of legal and procedural compliances of the Auditee including but not limited to internal regulations, control, guidance and governance.

The Auditor shall assess the efficacy and adequacy of the system and processes of the Auditee commensurate with its size and operation for verifying compliance of applicable laws, rules, regulations, standards, guidelines and defined internal processes, if any by:

**5.1** Reviewing records maintained by the Auditee.

**5.2** Understanding compliance responsibility centers, control points, matrix, flow of information, escalation of non-compliances to different levels, reporting of any non-compliance.

**5.3** Assessing compliance mechanism and understanding its extent, coverage and severity mapping. The Auditor shall also assess compliance manual/ standard operating procedures, if any, available with the Auditee.

**5.4** Analysing instances of show cause notices received, prosecution initiated, fine or penalties levied, imprisonment ordered, qualification, adverse remark or observations in the statutory, internal or industry specific audit, orders passed by regulatory bodies or judicial/quasi-judicial authorities.

## **6. Detection of Fraud**

**6.1** The Auditor shall exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit to detect and report the fraud envisaged under the provisions of Section 143(12) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

**6.2** During the course of the audit, if the Auditor suspects commission of any fraud, he shall endeavour to collect further evidence for the same. The suspicion may arise on perusal of internal control systems, complaint under whistle blower mechanism and reports of the other auditors, etc.

**6.3** The Auditor shall ensure to collect sufficient evidence which substantiates his suspicion of the commission of the fraud against the Auditee by its employees and officers.

## **7. Reporting of Fraud**

**7.1** If the Auditor has sufficient reason to believe that there is commission of fraud and have justifiable grounds for the same, he shall report to Audit Committee/Board/Central Government as per the process laid down under the Companies Act, 2013 and include the same in Secretarial Audit Report.

**7.2** The Auditor shall verify whether the Audit Committee/Board has given any

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comments on the fraud reported by the auditors in their report in terms of the provisions of the Companies Act, 2013.

**7.3** The Auditor shall verify if the fraud detected by other Auditor has been reported to the Audit Committee/Central Government and report the same in the Secretarial Audit Report.

### **8. Identification and Reporting of the events/actions having major bearing on Auditee's affairs**

**8.1** It shall be the duty of the Auditor to identify and report in the Secretarial Audit Report all events/actions having major bearing on the Auditee's affairs in pursuance of the applicable laws, act, rules, regulations, guidelines, standards, etc.

**8.2** An event/action shall be considered as having major bearing on Auditee's affairs if it affects its going concern or alters the charter or capital structure or management or business operation or control, etc.

**Appendix IV****ICSI Unique Document Identification Number (UDIN)  
Guidelines, 2019**

(As approved by the Council in its 261<sup>st</sup> (Special) Meeting held on 27<sup>th</sup> June, 2019 at New Delhi and amended by the Council in its 263<sup>rd</sup> Meeting held on 23<sup>rd</sup> September, 2019 at New Delhi and further amended by the Council in its 269<sup>th</sup> (Adjourned) Meeting held on 13<sup>th</sup> July, 2020, and further amended by the Council in its 278<sup>th</sup> Meeting held on 26<sup>th</sup> July, 2021, and further amended by the Council in its 279<sup>th</sup> (Special) Meeting held on 31<sup>st</sup> August, 2021)

In exercise of the powers conferred by clause (1) of Part II of the Second Schedule to the Company Secretaries Act, 1980 as amended by the Company Secretaries (Amendment) Act, 2006, the Council of the Institute of Company Secretaries of India hereby issues the following guidelines:-

**1. Short Title**

These Guidelines [shall]<sup>1</sup> be called the ICSI Unique Document Identification Number (UDIN) Guidelines, 2019.

**2. Objective**

The objective of issuing these Guidelines is to:-

- (a) enable the stakeholders to verify the authenticity of various documents certified by Company Secretaries in Practice;
- (b) prevent counterfeiting of various attestations /certifications;
- (c) provide ease of maintaining the Register of Attestation/Certification services rendered by practicing members;
- (d) ensure compliance of the Guidelines issued by the Institute w.r.t ceilings on the number of the various certification/attestation services that may be rendered by the practitioners;
- (e) auto-prefill details of Certification/Attestation services rendered by practicing members in the form for renewal of Certificate of Practice.

**3. Applicability**

- (a) [Registration on the UDIN portal shall be mandatory at any time after

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*1. Substituted for the word 'may' by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021*

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issue of Certificate of Practice ('COP') but before generating the first UDIN or before the renewal of COP by a Practising Company Secretary (hereinafter referred to as 'the PCS'), whichever is earlier.]<sup>1</sup>

(b) UDIN shall be generated for the following services rendered by a PCS:

- (i) Certification of Annual Return in Form MGT-8 under Section 92(2) of the Companies Act, 2013 and Rule 11(2) of the Companies (Management and Administration) Rules, 2014.
- (ii) Issuance of Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013 [read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]<sup>2</sup>.
- (iii) Issuance of Secretarial Audit Report to material unlisted subsidiaries of listed entities (whose equity shares are listed) in terms of Regulation 24A of SEBI (LODR) Regulations, 2015.
- (iv) Issuance of Annual Secretarial Compliance Report to Listed entities (whose equity shares are listed) under SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019.
- (v) Certification under [Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the]<sup>3</sup> SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority [*under Schedule deleted*]<sup>4</sup>.
- (vi) Certification under Regulation 40(9) of SEBI [(Listing Obligations & Disclosure Requirements)]<sup>5</sup> Regulations, 2015, certifying that all certificates have been issued within thirty days of the date

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1. Inserted by the Council of ICSI at its 269<sup>th</sup> (Adjourned) Meeting held on 13<sup>th</sup> July, 2020. Amendment effective from 1<sup>st</sup> September, 2020.

2. Inserted by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

3. Inserted by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

4. Words deleted '*under Schedule V, Part C, Clause (10)(i)*' by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

5 Substituted for '*LODR*' by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies.

- (vii) Conduct of Internal Audit of Operations of the Depository Participants registered with [National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL)]<sup>1</sup> under the Bye Laws issued by NSDL and CDSL.
- (viii) Certification under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 for Reconciliation of Share Capital Audit.
- (ix) Acting as Compliance Auditor under third party certification/Audit Scheme (Amendment), 2016 in the State of Haryana.
- (x) Diligence reporting for Banks in case of multiple banking/consortium lending arrangements in terms of the circular issued by RBI.
- (x) Conduct of Internal Audit of the stock brokers/sub brokers under SEBI Circular no. MIRSD/ DPSIII/ Cir-26/ 08 dated 22<sup>nd</sup> August, 2008 and MRD/DMS/Cir-29/2008 dated 21<sup>st</sup> October, 2008.
- (xi) Issuance of Certificate in case of the Indian company accepting the investment from a foreign investor, thereby confirming compliance of Companies Act, 2013 and other matters (As per Para 9 (1) (B) (i) of Schedule 1 to Notification No. FEMA 20/2000-RB dated 3rd May 2000).
- (xii) [Compliance Certificate regarding compliance of conditions of Corporate Governance as prescribed under [Regulation 34(3), Schedule V, Part E of]<sup>2</sup> the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.]<sup>3</sup>
- (xiv) [[Signing]<sup>4</sup> of Annual Return in Form MGT-7 [through digital

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1. Substituted for 'NSDL and CDSL' by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

2. Inserted by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

3. Inserted by the Council of ICSI at its 269<sup>th</sup> (Adjourned) Meeting held on 13th July, 2020. Amendment effective from 1st September, 2020

4. Substituted for the word 'Certification' by the Council at its 278<sup>th</sup> Meeting held on 26th July, 2021. Amendment effective from 26 th July, 2021.

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- signature certificates (DSC)]<sup>1</sup> under Section 92(1) of the Companies Act, 2013 and Rule 11(1) of the Companies (Management and Administration) Rules, 2014.]<sup>2</sup>
- (xv) [Due Diligence Report under Regulation 10 (3) of the SEBI (Delisting of Equity Shares) Regulations, 2021.
- (xvi) Certificate relating to shares held by inactive shareholders under Regulation 21(a) (iii) of the SEBI (Delisting of Equity Shares) Regulations, 2021.
- (xvii) Compliance Certificate under Regulation 10(b), 13, 26, 27, 36 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- (xviii) Scrutiniser's report pursuant to Section 108 of the Companies Act, 2013 read with Rule 20(4)(ix) and Rule 20(4)(xii) of Companies (Management and Administration) Rules, 2014.
- (xix) All other Reports, Returns and Certificates which are prescribed to be certified or issued under any applicable law or rules or regulations made thereunder.]<sup>3</sup>

Provided further that the PCS may generate the UDIN for any other [document]<sup>4</sup> which are not listed above and [are]<sup>5</sup> not mandatory as per these guidelines. [on *voluntary deleted*]<sup>6</sup>.

[Provided further that the UDIN generated for all e-forms, including Form MGT-7 shall remain valid for further period of seven days from the effective date of UDIN and the same can be digitally signed by the PCS during those seven days.

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1 Inserted by the Council at its 278th Meeting held on 26th July, 2021. Amendment effective from 26<sup>th</sup> July, 2021.

2 Inserted by the Council of ICSI at its 269th (Adjourned) Meeting held on 13th July, 2020. Amendment effective from 1st September, 2020

3 Inserted by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

4 Substituted for form including any e-form document(s) or Certificate(s)' by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

5 Inserted by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

6 Words 'on voluntary basis' deleted by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

**Illustration [1]**<sup>1</sup>: UDIN is generated on 1<sup>st</sup> March, 2021 for MGT-7, effective date of this UDIN is 1<sup>st</sup> March 2021. This MGT-7 can be signed on any day upto 7<sup>th</sup> March, 2021 (both days inclusive).]<sup>2</sup>

**[Illustration 2-** UDIN generated on 1st Aug, 2021 for MGT-7, let's say to be signed on 1st Aug, 2021. In case of un-utilized UDIN, the same may be surrendered/ cancelled by the PCS till 7 th August, 2021.

**Illustration 3-** UDIN generated on 1st Aug, 2021 for MGT-7, let's say to be signed on 7th Aug, 2021. In case of un-utilized UDIN, the same may be surrendered/ cancelled by the PCS till 13th August, 2021.

**Illustration 4-** UDIN generated on 1st Aug, 2021 for MGT-7, with an intention to sign on 6th August, 2021. UDIN so generated was placed on the form and sent to the Company for signatures of the Directors, but due to variable reasons the signed form is reverted, say on 8th Aug, 2021. In such a case, further period of seven (7) days from effective date is allowed, hence, the UDIN so generated shall be valid for additional seven days i.e. till 13th Aug, 2021. In case of un-utilized UDIN, the same may be surrendered/ cancelled by the PCS till 12th August, 2021.

Explanation: Effective date for the purpose of these Guidelines shall mean as the date as mentioned by the user in the column "Date of signing", at the time of generation of UDIN.]<sup>3</sup>

[Provided further that the Practicing Company Secretaries(PCS) Committee of the Council of ICSI may from time to time decide the e-Form(s) or document(s) or Certificate(s) which are voluntary and their manner of presentation in the Option - 'Others' for the purpose of drop down menu in the UDIN portal for convenience of the members.

Provided further that PCS Committee may from time to time decide the details/fields/information to be provided in the UDIN portal for the purpose of registration/generation of UDIN as it may deem fit and proper.]<sup>4</sup>

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1. Inserted by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

2. Inserted by the Council at its 278<sup>th</sup> Meeting held on 26th July, 2021. Amendment effective from 26<sup>th</sup> July, 2021.

3. Inserted by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

4. Inserted by the Council of ICSI at its 269<sup>th</sup> (Adjourned) Meeting held on 13th July, 2020. Amendment effective from 1st September, 2020

### 4. UDIN Generation

The PCS shall go to the designated website, and create a login id and password by entering the Membership Number, COP No., Phone No., Email id, AADHAR and Income Tax PAN.

- (i) The login id would be verified through a computer application.
- (ii) The UDIN shall be a system generated random alphanumeric number.
- (iii) No document shall be required to be uploaded.

### 5. Modalities

The modalities for operationalising these Guidelines are as under:

- (i) Only Members with a valid Certificate of Practice can register at the designated website;
- (ii) [UDIN cannot be generated unless the PCS is registered at the designated website as above];<sup>1</sup>
- (iii) Only the member certifying the document may generate UDIN;
- (iv) Regulatory bodies and other stakeholders may verify the authenticity of documents certified by PCS by visiting the designated website;
- (v) No fee shall be charged for registration/generation of UDIN;
- (vi) UDIN shall be shared on registered Email id of the concerned Member or through any other electronic mode;
- (vii) Name of recipient of the professional service, CIN /LLPIN / PAN No. of client (as the case may be) shall be disclosed at the time of generation of UDIN;
- (viii) [UDIN shall be generated at the time of signing of Certificate/Report/ Form/ Other documents or seven days in advance to the date of such signing as above.

**Illustration:** A Certificate is signed on September 25, 2019. In such case, ideally the UDIN should be generated on September 25, 2019 but in exceptional cases, the UDIN may be generated 7 days in advance, i.e., any time during September 18, 2019 to September 25,

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*1. Inserted by the Council of ICSI at its 263<sup>rd</sup> (Special) Meeting held on 23<sup>rd</sup> September, 2019. Amendment effective from 23<sup>rd</sup> September, 2019*

2019. Thereby providing a window of advance seven days for UDIN generation.]<sup>1</sup>

- (ix) [UDIN once generated but not utilized may be surrendered/ cancelled by the PCS within 7 days of such generation or the effective date of UDIN, whichever is later.]<sup>2</sup>
- (x) [The PCS may apply for revocation of the UDIN not later than forty five days of its generation in case he is of the opinion or has reasons to believe that the facts have been misrepresented by the Company/client or there is some element of fraud which may render the Certification inaccurate and unreliable. Provided however that a notice of not less than seven days shall be given to the company/client before making an application for revocation to the Institute.]<sup>3</sup>

[Provided that the PCS Committee may frame standard operating procedures and modalities or any scheme due to any specific circumstances to condone the delay on such terms and conditions as it may deem fit and proper and in case of such condonation, the PCS shall not be liable for consequences of violation as mentioned in paragraph 8 of these guidelines.]<sup>4</sup>

## 6. Quoting UDIN and Timelines

UDIN shall be mandatorily mentioned in the [Reports, Returns, Certificates]<sup>5</sup> and Other Documents along with the Certificate of Practice Number.

[In case of e Form MGT 7 as mentioned in paragraph 3 (b)(xiv) of these guidelines [or in case of any other]<sup>6</sup> e-Form(s) *[which are voluntarily...*

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1. Inserted by the Council of ICSI at its 263<sup>rd</sup> (Special) Meeting held on 23<sup>rd</sup> September, 2019. Amendment effective from 23<sup>rd</sup> September, 2019

2. Inserted by the Council of ICSI at its 269<sup>th</sup> (Adjourned) Meeting held on 13<sup>th</sup> July, 2020. Amendment effective from 1<sup>st</sup> September, 2020

3. Inserted by the Council of ICSI at its 263<sup>rd</sup> (Special) Meeting held on 23<sup>rd</sup> September, 2019. Amendment effective from 23<sup>rd</sup> September, 2019

4. Inserted by the Council of ICSI at its 269<sup>th</sup> (Adjourned) Meeting held on 13<sup>th</sup> July, 2020. Amendment effective from 1<sup>st</sup> September, 2020

5. Substituted for 'Certificate, Report' by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

6. Inserted by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

## Appendices

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*deleted* ]<sup>1</sup>, the UDIN shall be mentioned by way of [attachment in the]<sup>2</sup> optional attachment, unless any specific field for the same is provided by the law.]<sup>3</sup>

These guidelines shall be mandatory w.e.f. 1st October, 2019.

[Provided however that *deleted*]<sup>4</sup>

### 7. Renewal of Certificate of Practice

- (a) [Registration on the UDIN portal shall be mandatorily verified at the time of renewal of COP of a PCS and in case of non-registration immediate opportunity will be provided by the system to complete the registration before proceeding with the application for renewal of COP.

Provided that renewal of membership of ICSI will be permitted even if a PCS is not registered on the UDIN portal.]<sup>5</sup>

- (b) [The details of UDIN generated by a PCS (including nil UDIN) during a Financial Year shall be auto-filled in the application Form [D]<sup>6</sup> for renewal of Certificate of Practice.]<sup>7</sup>

[Provided however that *deleted* ]<sup>8</sup>

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1. Words deleted '*which are voluntarily chosen by the PCS as mentioned in the first proviso to paragraph 3 (b) of these guidelines*' by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

2. Inserted by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

3. Inserted by the Council of ICSI at its 269<sup>th</sup> (Adjourned) Meeting held on 13<sup>th</sup> July, 2020. Amendment effective from 1<sup>st</sup> September, 2020

4. Words deleted '*Provided however that, these guidelines shall be recommendatory with immediate effect*' by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

5. Inserted by the Council of ICSI at its 269<sup>th</sup> (Adjourned) Meeting held on 13<sup>th</sup> July, 2020. Amendment effective from 1<sup>st</sup> September, 2020

6. Inserted by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

7. Amended by the Council of ICSI at its 269<sup>th</sup> (Adjourned) Meeting held on 13<sup>th</sup> July, 2020, in lieu of "*The details of UDIN generated by a PCS during a Financial Year shall be auto-filled in the application form for renewal of Certificate of Practice.*" Amendment effective from 1<sup>st</sup> September, 2020.

8. Words deleted '*Provided however that in case of application form for renewal of Certificate of Practice for the Financial Year 2020-21 the details of UDIN generated by a PCS during the six months period commencing from 1st October, 2019 will be auto-filled in the application form for renewal of Certificate of Practice and the data pertaining to the six month period upto and including 30th September, 2019 shall be required to be filled in by the PCS.*' by the Council of ICSI at its 279<sup>th</sup> (Special) meeting held on 31<sup>st</sup> August, 2021. Amendment effective from 1<sup>st</sup> October, 2021

## **8. Consequences of violation**

Any non-compliance with these Guidelines shall render the PCS liable for action under the Company Secretaries Act, 1980 read with First Schedule and Second Schedule to the Company Secretaries Act, 1980.

## **9. Confidentiality**

The details uploaded by the PCS at the time of generating UDIN shall remain confidential and not be construed as “information” under the Right to Information Act, 2005.

## **10. Removal of Difficulty**

If any difficulty arises with respect to the observance/interpretation of these Guidelines, or some unforeseeable circumstances occur which have not expressly been provided for in these Guidelines, then the Secretary, ICSI shall decide the matter in consultation with President, ICSI and pass such orders as may appear necessary or expedient for carrying out the objectives of these Guidelines.

[Provided further that all matters dealt with under this paragraph shall be placed before the PCS Committee for information and passing necessary instructions wherever necessary.]<sup>1</sup>

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*1 Inserted by the Council of ICSI at its 269th (Adjourned) Meeting held on 13th July, 2020. Amendment effective from 1st September, 2020*







## MOTTO

सत्यं वद। धर्मं चर।

इष्टकारे तेन ज्ञानेन। बोधेन तु तेन वाच।

## VISION

“To be a global leader in promoting good Corporate Governance”

## MISSION

“To develop high calibre professionals facilitating good Corporate Governance”



**THE INSTITUTE OF  
Company Secretaries of India**

**भारतीय कम्पनी सचिव संस्थान**

**IN PURSUIT OF PROFESSIONAL EXCELLENCE**

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(Under the jurisdiction of Ministry of Corporate Affairs)

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