

CHECK LIST FOR AUDIT 2017-18, AS – COMPLIANCE

1.	GENERAL INFORMATION	
	a)	Date of Incorporation, address of the registered office of the company and CIN under Company's Act.
	b)	Memorandum and Articles of Association
	c)	List of Directors with addresses, PAN of Income Tax and DIN under Company's Act.
	d)	Details of Bank Accounts of the Company with address.
	e)	Details of business activities of the Company including nature of business, location of its factories, units etc.
	f)	Details of Credit facilities available to the Company.
	g)	Whether Engagement Letter is obtained?
	h)	Whether Written Representation Letter is Obtained?

2	STUDY OF SYSTEMS, PROCEDURES AND CONTROLS	
	a)	Whether proper controls are in operation for i) Purchases ii) Sales iii) Receipts iv) Payments v) Stocks vi) Journal Entries
	b)	Whether the company is functioning within the regulatory frame work
	c)	Whether the structure of the company, its operations and maintenance of books are proper in preparation of Financial statements
	d)	Whether the selection and application of accounting policies are proper and consistent
	e)	Whether the internal controls are properly designed, implemented and monitored in a reasonable manner
	f)	Whether the strength of the controls is sufficient are not?
	g)	Whether the weakness in the controls reviewed and rectified
	h)	Whether the company has an internal audit function
	i)	Whether it is sufficient and adequate to meet the needs of the company
	j)	Whether proper internal check measures are in existence

	k)	Whether proper guidelines are in existence for inventory and cash management	
IT CONTROLS			
	a)	Whether the information system selected is proper and user friendly	
	b)	Whether the initiation, recording, processing and correction in the system is made properly	
	c)	Whether the controls in the system are efficient to capture any event or condition significant to Financial Statements	

3.	ANALYSIS OF RISK AREAS		
	a)	Whether the business is susceptible to inherent risk	
	b)	Whether any controls are not in operation	
	c)	Whether computer system is user friendly	
	d)	Whether any weakness found in the controls of computer system.	
	e)	Whether the procedures and guidelines are in actual operation	
	f)	Whether the management is having control on the implementation of procedures. Particularly on Inventory and cash management	

4. VOUCHING

A	PURCHASE OF MATERIALS		
	a)	Details of Raw Materials, Stores	
	b)	Regular Suppliers	
	c)	Procedure of Purchases	
	d)	Authority for Purchases	
	e)	Whether purchased goods were tested for quality and entered in the stock register.	
	f)	Whether purchases were supported by documentary evidence.	
	g)	Effect of CENVAT, VAT, GST	
	h)	Month wise purchase of each material.	

B	PURCHASE OF FIXED ASSETS:		
	a)	Whether Board Resolution is passed	
	b)	Whether Asset is registered in the name of the Company in case of Immovable properties and vehicles.	
	c)	Procedure for purchases.	
	d)	Whether entries made in the Fixed Assets Register.	
	e)	Total additions during the year giving break-up.	
	f)	Source for Purchasing the Fixed Assets.	
	g)	Whether proper documentary evidence available for purchases.	
	h)	Effect of CENVAT, VAT, GST	
	i)	Inventory No's to Assets Random Physical Verification	

	j)	Physical Verification of Fixed Assets by the management	
	k)	Frequency	
	l)	Reasonableness in frequency	

C	SALES		
	a)	Procedure of Sales	
	c)	Regular parties	
	d)	Authority for Sales	
	e)	Summary of Sales for each month	
	f)	Whether proper entries made in the stock register	
	g)	Details of documentary evidence for sales.	
	h)	Reconciliation with Sales-Tax Authorities	
	i)	Discounts if any with proper evidence	
	j)	Freight - how paid - whether included in the bills.	

D	PAYMENTS (CASH & BANK):		
	a)	Whether it is for purchases or payment to creditors	
	b)	Whether payment to creditor made with in the credit period	
	c)	Whether supporting documents available.	
	d)	Whether payments are properly authorised.	
	e)	Whether payments in excess of Rs.10,000/- is through A/c payee cheque only. If not, reasons for the same. Annexure is to be enclosed.	
	f)	Whether any cheques were dishonored. If so what action was taken (Whether proper entries are passed)	
	g)	Whether any interest paid for delay in payments	

E	RECEIPTS (CASH & BANK)		
	a)	Whether it is collection from debtors or any other Income.	
	b)	Details of other Income.	
	c)	Whether amount received with in the credit period allowed.	
	d)	Whether cheque received were deposited in to the bank.	
	e)	Whether any cheques were dishonored. If so details of further action.	
	f)	Whether any bills of exchange received and are regular in honoring the bills.	

F	JOURNAL ENTRIES		
	a)	Whether the entries reflect real transactions	
	b)	Whether the entries are passed after authorization by the appropriate authority	
	c)	Whether frequent adjustment entries are passed	
	d)	Whether necessary and adequate provisions made	
	e)	Whether any mere books entries are made	
	f)	If so, are they prejudicial to the interest of the	

		company	
G	Related Party Transactions under Section 188		
	a)	Whether register is maintained under Section 189 of the Companies Act.	
	b)	Whether there are any transactions with parties for <ol style="list-style-type: none"> 1. Sale, Purchase or supply of goods or materials 2. Sale or otherwise dispose of or buy any property 3. Lease of any property 4. Avail or render any services 5. Appoint any agent for purchase, sale of goods, materials, services or property 6. Appoint any place or office of profit. 7. Underwrite any subscription of securities of the company. 	
	c)	Whether the transaction is in the usual course of business and at Arms length Price.	
	d)	Whether the approval of Audit Committee was obtained under section 177 for such transactions.	
	e)	If any condition mentioned in (c) not complied with, whether board resolution/ special resolution of members passed.	
	f)	Whether the company has complied with rule 15 and 16 of Companies (Meetings of Board and its Powers) Rules,2014	

H	STOCK RECORDS		
	a)	Whether stock records maintained separately for <ol style="list-style-type: none"> i) Raw Materials ii) Consumable Stores iii) Finished Goods 	
	b)	Whether stock records depict correct value of closing stock.	
	c)	Whether reconciliation made, between Bin Cards and Stores Ledger.	
	d)	Whether proper documentary evidence available for receipt, issue of items.	
	e)	Authority for receipt, issue and requisition of stores.	
	f)	Whether physical verification made at frequent intervals.	
	g)	Whether discrepancies were dealt properly	
	h)	Whether stock levels determined properly	
	i)	Details of periods of stock holding	

I	CLOSING STOCK:		
	a)	Method of valuation	
	b)	Change in valuation if any, and effect there of	
	c)	Details of Stocks <ol style="list-style-type: none"> i) Excess of stock 	

	ii) Shortage of stock	
d)	Reordering level is proper or not	
e)	Quantitative reconciliation of stocks	
f)	Effect of CENVAT and VAT / GST	

J. LEDGER SCRUTINY

a)	GENERAL LEDGER	
i)	Whether items bifurcated as capital and revenue	
ii)	Whether expenditure incurred is normal	
iii)	Whether statutory dues like PF, ESI are remitted properly	
iv)	Whether Tax dues like VAT, Excise, GST, Customs duties paid properly	
v)	Whether proper provisions for outstanding expenses made	
vi)	Whether Company utilized the borrowed funds properly	
vii)	Whether the company is regular in repayment of loan to institutions, banks and others.	
viii)	Whether charge created on secured loans.	

b)	SALES LEDGER	
i)	Whether Credit period allowed is reasonable	
ii)	Whether the Debtors are regular in payment	
iii)	If not necessary action taken for recovery	
iv)	Whether age-wise analysis prepared	
v)	Whether any debts are considered doubtful.	
vi)	Whether necessary provision made for the same	

c)	PURCHASES LEDGER	
i)	Whether the Company is regular in paying the debts to creditors.	
ii)	Whether discount or other benefits utilized properly.	
iii)	Whether any payments are kept pending	
iv)	Whether any advances to creditors long outstanding	
v)	If so, whether to be written back	

CHECK LIST FOR BALANCE SHEET

A.	SHARE CAPITAL	
1	a)Whether the details of Authorized, Issued, Subscribed and Paid up Share Capital have been obtained?	
2.	Whether the company has one class or different classes of shares	
3.	If so, what are the rights of different classes of	

		shares?	
	4.	Whether the details of members holding more than 5% of each class of shares obtained?	
	5.	Whether the details of shares held by its holding company, ultimate holding company, Associate company etc obtained?	
	6.	Whether there is any increase in Authorised Share Capital of the Company?	
	7.	If so, whether a general meeting is held and a special resolution is passed?	
	8.	Whether Form No SH.7 is filed with ROC?	
	9.	Whether copies of resolution and Form SH.7 obtained?	
	10.	Whether the company has allotted shares for consideration other than cash	
	11.	Whether the company has issued any bonus shares?	
	12.	Whether the company has brought back any shares? If so, the total number and class of shares to be disclosed for a period of five years.	

B. INCREASE IN SHARE CAPITAL

	1	Whether there is any increase of share capital through a) Public Offer b) Private Placement	
	2.	In case of Public Offer a) Advertisement given as per form no PAS -1 b) Whether information memorandum as per form no PAS -2 given	
	3.	Whether Private Placement offer given under Form no PAS -4	
	4.	Whether return of allotment made as per Form no PAS-3	

C. RESERVES & SURPLUS:

	1	Whether classification is made between a) Capital Reserve b) Capital Redemption Reserve c) Securities Premium Reserve d) Debenture redemption Reserve e) Revaluation Reserve f) Share Options g) Other Reserves h) Surplus /Deficit in Statement of Profit and Loss.	
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D. SHARE APPLICATION MONEY PENDING ALLOTMENT

	1	Whether the application money is received through a separate bank account only	
	2.	Whether the allotment is made within sixty days. If not money has to refunded within fifteen days thereafter.	

	3.	Whether the application money is within the limit of the Authorized Share Capital. If not it is to treated as Current Liability.	
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E NON CURRENT LIABILITIES:			
	1.	Whether the Long Term Borrowings are classified as a) Bonds/ Debentures b) Term Loans from (i) From Banks (ii) From Other Parties c) Deferred payment Liabilities d) Deposits e) Loans and Advances from Related Parties f) Long term maturities of Finance Lease Obligation	
	2.	Whether the loans are secured and further guaranteed by directors. If so whether necessary charges have been created	
	3.	Whether CGH 1 is filed with ROC	
	4.	Whether CGH2 (Certificate of Registration of Charge) obtained	
	5.	In case of modification, Whether CGH 3 is obtained.	
	6.	In case of discharge, whether the company filed form No. CGH 4	
	7.	Whether certificate of registration of satisfaction obtained in form No. CGH 5	
	8.	Whether the necessary particulars regarding nature of security, terms of repayment interest and others are disclosed	
	9.	Whether details of guarantees by directors are disclosed separately for each loan	
	10.	Whether the company is regular in repayment of loans, if not, the details of default of interest and principal in each loan to be specified.	
	11.	Incase of unsecured loans also terms of repayment to be mentioned.	
	12.	In case of foreign loans the effect of foreign exchange fluctuations to be mentioned.	
	13.	Whether confirmation letters obtained from banks financial institutions and other financiers.	

F. OTHER LONG TERM LIABILITIES			
	1	Whether the Other Long Term Liabilities are classified as a) Trade Payables b) Others	
	2.	If the period of repayment is more than twelve months then it is classified as long term liability.	

G. LONG TERM PROVISIONS		
1	Provision for employee benefits i.e. Gratuity a) Whether it is funded or not b) If not a certificate is obtained from Actuary. c) Whether necessary disclosures are made as per AS 15. d) In case of funded whether necessary reconciliation is made between liability and planned assets.	
2.	Leave Encashment a) Whether it necessary provision is made b) Whether a certificate is obtained from Actuary. c) Whether necessary disclosures are made as per AS 15.	

H CURRENT LIABILITIES - SHORT TERM BORROWINGS		
1	Whether the Short Term Borrowings are classified as a) Loans Repayable on Demand (i) From Banks (ii) From Other Parties b) Loans from related parties c) Deposits d) Others	
2.	Whether borrowings are classified as secured and unsecured	
3.	Whether charge is created on secured Loans	
4.	Whether necessary forms are filed with ROC on creation and modification of charge.	
5.	Whether certificate of charge is obtained.	
6.	In case of Discharge, Whether necessary forms are filed with ROC	
	Note: ROC procedures to be followed on par with long term borrowings	

I TRADE PAYABLES		
1	Whether the item includes only payables against supply of goods, materials and services.	
2.	Whether any goods services are obtained from MSMEs. If so whether the amount is paid promptly or necessary disclosures are to made as per concerned act	
3.	Whether confirmation letters are obtained from major parties	

J OTHER CURRENT LIABILITIES		
1	a) Current maturities of long term debt b) Current maturities of finance lease obligations i) Whether the details of installments falling due within twelve months.	

		<ul style="list-style-type: none"> ii) Whether any overdue are in existence and if so reasons to be obtained. c) Interest accrued but not due <ul style="list-style-type: none"> i) Whether any interest is payable to banks and institutions ii) If so proper details to be obtained. d) Interest accrued and due <ul style="list-style-type: none"> i) Whether any interest is accrued on banks and institutions ii) Whether the interest is due on account of moratorium or delay in payment iii) Reasons for delay in remittance e) Unpaid Dividend <ul style="list-style-type: none"> i) Whether unclaimed amount is kept in separate bank account ii) Whether the amount is outstanding for more than seven years iii) If so whether the amount is transferred to Investor Education and protection Fund. f) Share Application money due for refund <ul style="list-style-type: none"> i) Whether money is received including share premium as per terms of issue through a separate bank account ii) Whether Authorised Capital is sufficient to meet the allotment of shares iii) Amount in excess of Authorised Share capital to be treated as Other Current Liability. g) Other Payables – Creditors for Expenses <ul style="list-style-type: none"> i) Whether the liability for expenses is properly provided ii) Whether all Statutory Liabilities are provided properly iii) Whether any Statutory Liability is outstanding for more than six months h) Other Payables – Short Term Provisions <ul style="list-style-type: none"> i) Provision for Employee Benefits <ul style="list-style-type: none"> • Salary and Wages • Gratuity • Leave Encashment ii) Others i) Provision for Taxation <ul style="list-style-type: none"> i) Whether provision made is adequate ii) Whether any liability has arisen on account of latest assessments iii) Whether proper adjustments of Advance Tax/ TDS are made for disclosure. 	
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K.	FIXED ASSETS – Tangible Assets (Property Plant and Equipment)	
	1	Whether Fixed Assets are classified as per provisions of Companies Act.

	2	Whether Capitalized as per AS-10 (Revised)	
	3	Whether there are any additions during the year	
	4	Whether Board /Committee/ MD's approval is obtained.	
	5	Whether the title deeds of immovable property are held in the name of the Company.	
	6	If not reasons for the same.	
	7	Whether there is any sale/disposal or write off of any asset	
	8	Whether the company adopts cost model or revaluation model.	
	9	Whether the fair value can be measured. If so whether the company adopts revaluation of Assets at frequent intervals.	
	10	In case of Revaluation, whether necessary adjustment made as per AS – 10 (Revised)	
	11	Whether the investments in property and the spare parts treated as PPE	
	12	Whether necessary disclosures made in the financial statements as per AS – 10 (Revised)	

L. FIXED ASSETS – Intangible Assets			
	1	Whether Assets are classified as prescribed in the Companies Act.	
	2	Whether Capitalization and amortization made as specified in AS-26	

M. NON CURRENT INVESTMENTS			
	1	Whether Investments are classified as specified in Schedule III of Companies Act and also as per AS 13.	
	2	Whether they are held in the name of the company. If not, reasons for the same.	
	3	In case of securities are held in electronic mode, whether DP accounts are verified	
	4	Whether the sale/purchase of Investments supported by proper resolution	
	5	Whether the following disclosures are made a) If investments are valued at other than cost, whether the basis valuation is stated b) In case of listed securities, whether the amount of investments and market value are disclosed c) In case of unlisted securities, aggregate amount of investment made is disclosed. d) Whether diminution in value of investments is provided for.	

N. LONGTERM LOAN AND ADVANCES			
	1	Whether they are classified as specified in Schedule III of Companies Act.	
	2	Whether they are further classified as	

		a) Secured, considered Good b) Unsecured, considered Good c) Doubtful and whether necessary provision is made against it.	
	3	Whether amounts due from directors, other officers of the company, due from firms in which director is a partner due from private company in which director is a director or members are disclosed separately.	
	4	Other Non Current Assets a) Long Term Trade Receivables	

O. CURRENT ASSETS:			
CURRENT INVESTMENTS			
	1	Whether Investments are classified as specified in Schedule III of Companies Act	
	2	Whether they are held in the name of the company. If not, reasons for the same.	
	3	In case of securities, whether DP accounts are verified	
	4	Whether the sale/purchase of Investments supported by proper resolution	

INVENTORIES			
	1	Whether Inventories are classified as specified in Schedule III of Companies Act	
	2	Whether the valuation and classification made as per AS 2	
	3	Whether there is any change in the method of valuation. If so the reason therefor.	
	4	Whether the stock levels are reasonable	

TRADE RECEIVABLES:			
	1	Whether classified as a) Outstanding for more than six months from due date b) Other Debts	
	2	Whether amounts due from directors, other officers of the company, due from firms in which director is a partner due from private company in which director is a director or members are disclosed separately.	
	3	Confirmation letters from debtors.	
	4	Whether any debts are over due If so, Whether they are doubtful of recovery	
	5	Whether adequate provision has been made	

P CASH & BANK BALANCES:

CASH AND CASH EQUIVALENTS			
	1	Whether classified as specified in Schedule III of Companies Act	
	2	Whether earmarked balances are separately	

		disclosed	
	3	Whether balances held as margin money, commitments and guarantees are disclosed separately.	
	4	Whether Term Deposits Maturing after twelve months disclosed separately.	
	5	Whether confirmation letters obtained from banks or other parties as the case maybe.	

Q.	SHORT TERM LOAN AND ADVANCES		
	1	Whether they are classified as specified in Schedule III of Companies Act.	
	2	Whether they are further classified as a) Secured, considered Good b) Unsecured, considered Good c) Doubtful and whether necessary provision is made against it.	
	3	Whether amounts due from directors, other officers of the company, due from firms in which director is a partner due from private company in which director is a director or members are disclosed separately.	

R	CONTINGENT LIABILITIES AND COMMITMENTS		
	1	Whether a certificate is obtained from the Management regarding Contingent Liabilities and Commitments which have not been provided in the books.	
	2	Whether Contingent Liabilities are further classified as a) Claim against the company not acknowledged as debt b) Guarantees c) Others (Arrears of Div. on cum. Pref. shares, Taxes not deposited on account of dispute and Legal Disputes)	
	3	Whether Commitments are further classified as a) Estimated amount of Contracts on capital items not provided for b) Uncalled liability on partly called up shares or securities c) Others	

S.	CAPITAL WORK IN PROGRESS		
	1	Whether any new Unit/Project/Factory is in progress	
	2	Whether direct material and direct labor expenses are added to capital work in progress	
	3	Whether any portion of allocable expenditure is added as per AS 10	
	4	Whether any portion of interest allocable to capital expenditure added as per AS16	

5	Whether administrative expenses are included.	
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STATEMENT OF PROFIT AND LOSS

INCOME

REVENUE FROM OPERATIONS		
1	Whether classified as a) Sale of Products b) Sale of Services c) Other Operating Income d) Less: Excise Duty	
2	Whether revenue under each head disclosed by way of notes to accounts	

OTHER INCOME		
1	Whether classified as a) Interest Income b) Dividend Income c) Net Gain/ Loss on sale of Investments d) Others	

EXPENDITURE

CONSUMPTION OF MATERIALS		
1	1. Total Consumption of materials	
2	Details of major Raw materials	
3	Relation of consumption with production	
4	Details of Imported and indigenous material consumed incl. % there of	
5	Details of Imported and Indigenous stores	
6	including % there of	
7	Details of Imports at CIF Value	

POWER & FUEL		
1	Power requirement	
2	A consumption of power	
3	Relation of power with production	
4	Rate of power purchased	
5	Rate of power generated	
6	Interest on security deposit, adjustment for the same	

EMPLOYEE BENEFIT EXPENSES		
1	Whether classified as a) Salaries and Wages b) Contribution to Other Funds c) Staff Welfare	

FINANCE COSTS		
1	Whether classified as a) Interest b) Other Borrowing Costs c) Net Gain/Loss on Foreign Exchange	

		transactions	
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DEPRECIATION AND AMORTISATION- TANGIBLE			
	1	Whether useful life of assets is determined as per sch. II of the Companies Act and AS – 10 (Revised)	
	2	Whether periodic review of life of asset made	
	3	If necessary, additional depreciation is made	
	4	Whether the company followed a consistent method of depreciation	
	5	Whether there is any change in the method of Depreciation	
	6	If so, the effect of such change on the profit shall be disclosed in the notes	

DEPRECIATION AND AMORTISATION - INTANGIBLE			
	1	Whether Amortization is made as per AS 26	
	2	Whether periodic review is made on the useful period of intangible asset	
	3	Whether necessary adjustments are made in amortization	
	4	In case of BOPT, BOT transactions whether amortization is made as specified in Sch. - II	

FOREIGN EXCHANGE			
	1	Earnings in Foreign Exchange	
	2	Whether received with in Six months from closing date of the year	
	3	Expenditure in Foreign Currency	
DIRECTORS REMUNERATION			
	1	Whether the appointment is as per Section 196 of the act	
	2	In case of Public Limited Company, whether it is within the limits of section 197	
	3	Whether the profits are calculated as per Sec 198.	

INCOME-TAX			
	1	Whether the company is exempted from tax u/s 10B	
	2	Whether deduction under chapter VI A considered	
	3	Whether the company is liable to tax after necessary adjustments.	
	4	Whether the company is liable to tax under MAT	
	5	Whether any shortage/excess provisions adjusted	

NOTES ON ACCOUNTS

1.	DISCLOSER UNDER MSMED ACT, 2006
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	a.	Whether the interest and principle thereon remaining un-paid disclosed separately in the financial statements.	
	b.	Whether the amount of interest paid as per Sec.16 along with the payment made beyond the appointed day disclosed separately.	
	c.	Whether the amount of interest payable for delay in payment disclosed.	
	d.	The amount of interest accrued but unpaid disclosed in the financial statements.	
	e.	Whether further interest payable for future periods till the date of payment disclosed.	

2	SECURED LOANS		
	a.	Nature of Security, personal guarantee of directors.	
	b.	Details of charges	

3	MANAGERIAL REMUNERATION		
	a.	Salary	
	b.	Other allowances including commission	
	c.	Any other benefits in cash or kind	
	d.	Pensions <ul style="list-style-type: none"> ↘ Pension ↘ Gratuity ↘ Contribution to Provident Fund ↘ Compensation for loss of office ↘ Consideration in connection with retirement of office. 	

4	Note: A statement showing computation of net profits as per Section 198 of the Companies Act with relevant details of calculation of commission payable to directors on profits by way of percentage		
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5	a.	Value of imports on CIF basis in respect of <ul style="list-style-type: none"> ↘ Raw Materials ↘ Components and spare parts ↘ Capital goods 	
	b.	Expenditure in foreign currency on account of <ul style="list-style-type: none"> ↘ Royalty ↘ Know-how ↘ Professional and Consultation fees ↘ Interest and other matters 	
	c.	Value of imported raw materials consumed and the value of indigenous raw materials consumed and percentage of each to the total consumption. <ul style="list-style-type: none"> ↘ Value of imported spare parts and components consumed and the 	

		value of indigenous spare parts and components consumed and the percentage of each to the total consumption.	
	d.	Amounts remitted in foreign currency on account of dividends mentioning number of non-resident share holders, number of shares held by them and the year to which dividend related	
	e	Earnings in Foreign Currency as under <ul style="list-style-type: none"> ➤ Exports on FOB basis ➤ Royalty know how, professional and consultation fees ➤ Interest and dividend ➤ Other Income 	

6	RELATIED PARTIES		
	a.	Proper Classification as per AS – 18	
	b.	Details of transactions as per the Standard	
	c.	Year end balances of the parties	

7. SPECIFIED BANK NOTES (FOR THE YEAR 2016-17)				
	<u>Particulars</u>	<u>SBN</u>	<u>Others Notes</u>	<u>Total</u>
	Closing cash on hand 08-11-2016			
	Amount deposited into Banks			
	Details of Permitted receipts			
	Details of Permitted payments			
	Closing Cash on hand on 30-12-2016			

STATUTORY FORMALITIES

1.	MINUTES BOOK (DIRECTORS)		
	a.	Whether meetings held regularly	
	b.	Whether maximum gap between meetings is not more than 120 days.	
	c.	Whether minutes book up-dated	
	d.	Whether necessary papers filed with ROC	

2.	MINUTES BOOK (SHARE HOLDERS)		
	a.	Whether AGM held with in six months from the closing date of Balance Sheet.	
	b.	Whether balance Sheet and Annual Return filed with the Registrar of with in the due date.	
	c.	Whether any EGM held during the year.	

		Purpose for holding EGM.	
		Whether proper documents filed with ROC with in the due date.	

3.	SHARE TRANSFER REGISTER		
	a.	Whether Register maintained properly	
	b.	Whether the transfer were updated in the Register	
	c.	Whether details in the register are tally with Annual Return Particulars	

4.	REGISTER OF CHARGES (Sec 85 and CHG 7)		
	a.	Whether the Register maintained	
	b.	Whether necessary details given in the register	
	c.	Whether details of modification, alteration of charges given in the register	

5.	REGISTER U/S 189		
	a.	Whether the Register maintained as in MBP 4	
	b.	Whether the details regarding directors interest disclosed as specified in the form (Rule 16 of the Companies Meetings of Board and its powers) Rules 2014.	

6.	REGISTER OF KEY MANAGERIAL PERSON (SEC. 170)		
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7.	REGISTER OF MEMBERS (SEC. 88)		
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8.	REGISTER OF SIGNIFICANT BENEFICIAL OWNERS (SEC. 90)		
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9.	REGISTER OF DIRECTORS AND THEIR SHARE HOLDINGS (SEC.170)		
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10	INVESTMENTS REGISTER (Sec 186)		
	a.	Whether proper classification made as per MBP 3	
	b.	Whether cost of each investment shown properly	
	c.	Whether Market value of listed investments disclosed separately.	
	d.	Whether details on sale of investments shown properly.	
	e.	Whether re-conciliation statement prepared	

11	DEPOSITS REGISTER (Asset)		
	a.	Whether the register maintained	
	b.	Whether deposits disclosed separately	
	c.	Whether interest on accounted properly	
	d.	Accounting treatment of such interest	

12	VAT / GST		
	a.	Whether the companies regular in filing the return.	
	b.	Whether the company eligible for VAT / GST	
	c.	If, so. Whether the company utilized input	

		credit properly	
	d.	Whether the necessary registers maintained for sale	
	e.	Whether the company has gone for composition.	
	f.	Whether the assessment are completed regularly. Latest assessment Order.	
	g.	Whether any amounts are in dispute.	
	h.	Whether any amounts are outstanding for more than six months.	
	i.	Reconciliation of Sales with VAT / GST return.	
	j.	Details of disputed amounts if any,	

13	EXCISE / GST:		
	a.	Whether the records maintained properly.	
	b.	Whether the company utilized CENVAT / INPUT CREDIT properly.	
	c.	Whether any deficit/surplus existing	
	d.	Whether any payments made for lack of CENVAT / INPUT CREDIT	
	e.	Treatment of CENVAT / GST CREDIT	
	f.	Whether Assessments completed regularly. Copy of the latest Assessment Order.	
	g.	Details of amounts in dispute, if any	
	h.	Whether Excise audit done. If so, copy of the report.	

14	SERVICE TAX / GST		
	a.	Whether the company is regularly submission of service tax return.	
	b.	Whether the company is eligible for input credit	
	c.	If so, Whether the company maintain proper Register and availed input credits properly.	
	d.	Whether the companies has gone for composition	
	e.	Whether the companies regularly remitting the tax with the appropriate authority.	
	f.	Whether any arrears or outstanding more than six months.	
	g.	Whether any amount not remitted on account of dispute.	
	h.	Whether the assessment completed regularly	

15	BONUS		
	a.	Whether Bonus Act is applicable	
	b.	Whether available surplus and allocable surplus arrived at properly.	
	c.	Whether Bonus is provided based on surplus	
	d.	If no surplus is available, whether minimum bonus provided.	

16	INCOME-TAX RECORDS		
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	a.	Whether the Company is regular in filing the return.	
	b.	Whether the Company is liable to pay tax for the current year.	
	c.	If so, adequate provision made and sufficient advance tax paid	
	d.	Whether assessments completed regularly.	
		Whether any tax arrears are outstanding for more than six months.	

CARO CHECK LIST:

1	FIXED ASSETS:		
	a.	i) Whether Fixed Assets Register is being maintained ii) Whether necessary details as prescribed in the order are available in the register.	
	b.	i) Whether Physical verification has been conducted at regular intervals. ii) Whether any material discrepancies were noticed and if so, whether the same have been properly adjusted in books of accounts.	
	c.	i) Whether the immovable properties are held in the name of the company ii) If not, whether the details are available for reporting.	

2	INVENTORY:		
	a.	Whether physical verification of inventory has been conducted at reasonable intervals.	
	b.	i) Whether any material discrepancies were noticed ii) If so, whether they have been properly adjusted in the books of accounts	

3	LOANS TO PARTIES U/S 189		
	a.	Whether the company has granted any loans to Parties listed under section 189.	
	b.	Whether terms and conditions is prejudicial to the interest of the company.	
	c.	Whether schedule of report of principal and interest specified	
	d.	If so, whether the amounts are received as per the specifications or not	
	e.	If not whether any amount is overdue for more than 90 days	
	f.	If so, whether reasonable steps are taken by the company for recovery of the same	

4	LOANS TO PARTIES U/S 185 and 186		
	a.	Whether the company has given any loans, provided any guarantees or made any	

		investments.	
	b.	Whether the company has complied with section 185 and 186 of the Act.	
	c.	If not, whether necessary details are furnished in the report	

5	DEPOSITS TO PARTIES		
	a.	Whether the company has accepted any deposits	
	b.	If so, whether the company has complied with directions of RBI.	
	c.	Whether the company has complied with provisions of Sec 73 to Sec 76 of the Act. i) Passing a resolution at general meeting ii) Issue of circular and obtaining credit rating iii) Filing a copy of the circular with ROC iv) Keeping a deposit with scheduled bank separately for not less than 15% of the deposits	
	d.	Whether the exemptions applicable to private companies complied with	

6.	COST RECORDS		
	a.	Whether the company has to maintain proper cost records U/s 148 of the Act.	
	b.	If so, Whether proper records have been maintained	

7.	STATUTORY DUES		
	a.	Whether the company is regular in depositing Statutory Dues with the Authorities. If not, reasons for the same	
	b.	Whether the amounts are outstanding for more than six months from the date of balance sheet	
	c.	If so, the details of the same	

8	BORROWINGS		
		Whether the company has borrowed any money from a) banks b) financial institutions c) Government d) By issue of debentures	
	b.	Whether any default is made in repayment of dues	
	c.	If so, the period and amount is default.	

9.	LOANS		
	a.	Whether the company has raised any funds through or by way of IPO,FPO or term loans.	
	b.	Whether the same were utilized for the purpose for which they have been raised.	
	c.	If not, details of delay, default and subsequent	

		ratification to be reported	
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10	FRAUD		
	a.	Whether any fraud by the company or officers or employees of the company has been noticed.	
	b.	If so the nature and amount of fraud is to be reported.	

11	MANAGERIAL REMUNURATION		
	a.	Whether the managerial remuneration provided/paid is within the limits of sec 197 of the act and schedule V of the act.	
	b.	Whether the remuneration is calculated as per provisions of Sec 198 of the Act.	
	c.	Whether any deviation took place. If so, the amount involved and the steps taken for recovery	

12	NIDHI COMPANY		
	a.	Whether the Net Owned Funds to Deposits are in the ratio of 1:20	
	b.	Whether the company maintains 10% of liability in unencumbered term deposits	
	c.	Whether the company is following the Act and the Nidhi Rule 2014.	

13	RELATED PARTY TRANSACTIONS		
	a.	Whether there are any related party transactions	
	b.	Whether they comply with provisions of sec 188 and sec177 of the Act.	
	c.	Whether the necessary disclosures in the Financial Statements are made as specified in the Accounting Standards	

14	PREFERENTIAL ALLOTMENT		
	a.	Whether any preferential allotment private placement of shares or convertible debenture made	
	b.	Whether the provisions of sec 42 of the Act are complied with	
	c.	Whether the funds were utilized for the purpose of the Issue	
	d.	If not, details of Non Compliance and the Amount involved.	

15.	NON CASH TRANSACTIONS		
	a.	Whether the company has entered into non cash transactions with Directors or connected person	

	b.	If so, whether the company has complied with provisions of Sec 192 of the Act.	
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16	NBFC		
	a.	Whether the company needs to be registered u/s/145IA of the RBI Act	
	b.	If so whether the company has got registered or not	

Exemptions from CARO

1.	One Person Company	
2.	Small Company	
3.	Private Company having the paid up capital and reserves of more than One Crore on the date of Balance sheet.	
4.	Total borrowings from any Bank or Financial Institution do not exceed Rs One Crore during any time of the year.	
4.	The total revenue does not exceed Ten crores in the financial year	

INTERNAL FINANCIAL CONTROLS (IFC)

1	Whether the controls were designed to provide reasonable assurance to rely and report on the functioning of the same?
2.	Whether the controls provide a basis for maintenance of reasonable records regarding transactions and disposition of assets in a detailed and accurate manner?
3.	Whether reasonable assurance provided for preparation of financial statements as per Indian GAAP?
4	Whether the receipts and payments are made only on proper authorization?
5	Whether the controls provide for preventions and timely detection of unauthorized purchase, usage or disposition of assets?
6	Whether any weakness found in the control system that will cause material misstatement of financial statements?

Exemptions from IFC

1.	One Person Company	
2.	Small Company	
3	Private Companies having a Turnover of less than fifty crore and the borrowings from banks, financial institutions or anybody corporate are less than twenty five crore at any point during the financial year	