

Redefining New Normal: A Comprehensive Checklist on Companies Act

A compilation of checklists by research empanelled professionals



**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)

Centre for
Corporate
Governance,
Research &
Training

“Dynamism is a function of change”

These words of Hilary Clinton seem to perfectly befit the moment, the present times, the uncertainty entailing and the measures and counter initiatives undertaken by all of us as individuals, as professionals and even as professional bodies & institutions in this regard.

With the Government introducing and launching initiatives like the Aatmanirbhar Bharat, the role of professionals, especially Governance Professionals has heightened, now more than ever.

Understanding the need for dedicated support structure in place for the Company Secretaries to perform their duties and responsibilities with diligence and ensure compliance across the length and breadth of India Inc., the Institute has undertaken a novel initiative in this regard.

The ICSI-Centre for Corporate Governance, Research and Training (ICSI-CCGRT) has developed a unique e-bulletin under the aegis of **‘Redefining New Normal: A Comprehensive Checklist on Companies Act’**. The intent of the publication is to serve as a ready reckoner for the Governance Professionals in dispensing with their responsibilities.

We would like to acknowledge the efforts of the team of researchers at ICSI-CCGRT and Dr. K S Ravichandran for guiding the team in the completion of this task. We would also like to place on record our appreciation towards the team at ICSI-CCGRT and ICSI-COE (Hyderabad) led by Dr. Trupti Amit Karkhanis and Dr. Sapna Malhotra respectively for their dedicated efforts in compilation and presenting of this publication as well as the members of the review team comprising professional from across the nation.

The e-publication will be released on a Chapter-wise basis in the days to follow and the entire book compiling all checklists will be released on the occasion of Independence Day. The compiled single volume will be published and offered to CS fraternity members.

The checklist will be available at the ICSI-CCGRT research initiative portal <https://www.icsi.edu/ccgrr/research-initiatives-2/>.

CS Devendra V Deshpande
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President
The ICSI

Checklist for the Chapter on Audit and Auditors
(Chapter – X of the Companies Act, 2013)

Notes:

1. This checklist is purely based on provisions of the 2013 Act and rules thereto. It does not include any reference to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law or rules and regulations that may apply to the subject matter of Chapter X of the 2013 Act.
2. This checklist is intended to serve a ready referencer for company secretaries in employment as well as those in practice. In other words, it is to be applied by persons who are qualified members of the Institute of Company Secretaries of India (ICSI). The views expressed in this checklist are of the research empanelled professionals of ICSI CCGRT - COE.
3. This checklist takes into account amendments to the provisions and rules upto 25th July 2020.
4. While every care has been taken to incorporate all the applicable provisions and the rules falling with the subjects covered by Chapter X, it is possible that a particular aspect or point has not been factored. Hence, if any reader brings anything to be incorporated in this checklist or modified or varied, it may be brought to the knowledge of CCGRT - COE of ICSI for consideration and necessary action as may be desirable.
5. This checklist is not intended to serve as a full proof document to insulate members from any professional liability. Members are required to apply the same with due diligence and care as is expected of professionals.

Legends

- i. The Companies Act, 2013 - the 2013 Act.
- ii. Ministry of Corporate Affairs - MCA
- iii. Non- Banking Financial Company – NBFC
- iv. Foreign Exchange Management Act – FEMA
- v. Registrar of Companies – ROC
- vi. Comptroller and Auditor General of India – CAG
- vii. Reserve Bank of India – RBI
- viii. Securities and Exchange Board of India – SEBI
- ix. National Financial Reporting Authority – NFRA
- x. Institute of Chartered Accountants of India – ICAI
- xi. Institute of Company Secretaries of India – ICSI

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- xii. Annual General Meeting – AGM
- xiii. Extra-ordinary General Meeting – EGM
- xiv. National Company Law Tribunal – Tribunal
- xv. The Companies (Audit and Auditors) Rules, 2014 – the Rules
- xvi. The Companies (Cost Records and Audit) Rules, 2014 – the Cost Rules
- xvii. The Companies (Auditor’s Report) Order, 2020 – CARO, 2020
- xviii. The Micro, Small and Medium Enterprises Act, 2006 – the MSMED Act
- xix. The Secretarial Standard No.2 on General Meetings issued by the ICSI approved by the Central Government – SS2

Class of Company Code

- i. Private Company - PVC
- ii. Unlisted Public Company - UPC
- iii. Listed Company – LC
- iv. All classes of Companies – AC
- v. Prescribed Class of Companies (a) Listed company; (b) unlisted public companies having paid up share capital of Rs 10 crore or more; (c) private limited companies having paid up share capital of Rs. 50 crore or more; (d) other companies having paid up share capital of below threshold limit mentioned in (a) and (b) above, but having public borrowings from financial institutions, banks or public deposits of Rs. 50 crores or more – PCC
- vi. Government company or **any other company** owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments – 139(5) Companies
- vii. Private company (i) which is a one person company or a small company; or (ii) which has turnover less than rupees fifty crores as per latest audited financial statement or which has aggregate borrowings from banks or financial institutions or any body corporate at any point of time during the financial year less than rupees twenty five crore.” – Specified PVC
- viii. A company which is either (i) a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949); or (ii) an insurance company as defined under the Insurance Act, 1938 (4 of 1938); or (iii) a company licensed to operate under section 8 of the Companies Act; or (iv) a One Person Company as defined in clause (62) of section 2 of the Companies Act and a small company as defined in clause (85) of section 2 of the Companies Act; or (v) a private limited company, not being a subsidiary or holding company of a public company, having a paid up capital and reserves and surplus not more than one crore rupees as on the balance sheet date and which does not have total borrowings exceeding one crore rupees from any bank or financial institution at any point of time during the financial year and which does not have a total revenue as disclosed in Scheduled III to the Companies Act (including revenue from discontinuing operations) exceeding ten crore rupees during the financial year as per the financial statements. – CARO Exempt Companies

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- ix. Companies including foreign companies as defined under s. 2(42) of the 2013 Act engaged in Regulated / Non regulated Sectors with annual turnover of Rs.35 Crores or more during the immediately preceding financial year other than (a) foreign companies with only liaison offices; and (b) A micro or small enterprise as Section 7 of the MSME Act – Cost Rule 3 Companies
- x. Companies of the class specified in Rule 4 of the Cost Rules – Cost Rule 4 Companies

Activity Code

- i. Data Collection Question - DCQ
- ii. Audit Question – AQ

The Concise Checklist for Chapter X (Sections 139 to 148)

Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
1.	139	AC	DCQ	Name and Particulars of Statutory Auditor(s) Tenure of Appointment/ Reappointment Date of Audit Committee meeting Date of Board meeting Date of AGM	Minutes of Audit committee and Board meeting, AGM Form ADT 1
2.	139(6)	AC other than 139(5) Companies	AQ	Is the company a newly incorporated company? If yes, has the Board of Directors of the company appointed the first auditor of the company within a period of 30 days of registration of the company for such auditors to hold office till the conclusion of First Annual General Meeting of the Company? If the first auditors have not so been appointed with 30 days, has the Board informed the members of the fact of its default? Have the members appointed the auditors within 90 days at an EGM for such auditors to hold office till the conclusion of First Annual General Meeting of the Company?	Notice and Minutes of Board Meeting Notice and Minutes of EGM Consent of the Auditor(s) Certificate of such Auditor(s) of meeting the criteria laid down under s. 141 of the 2013 Act Intimation to the Auditor(s) of such appointment Filing of form ADT-1

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
				Has the company filed the Form ADT-1 with the ROC notifying the appointment of first auditor(s)	
3.	139(1)	AC	AQ	<p>Has the company appointed its auditors?</p> <p>Was a written consent seeking willingness to be appointed / reappointment obtained before such appointment/reappointment is made?</p> <p>Was a Certificate stating that the proposed auditor satisfies the criteria on eligibility, qualification or disqualification provided in Section 141 before such appointment / reappointment is made?</p> <p>Where the company has appointed more than one auditor or audit firm, check consent and certificate of meeting criteria referred to in s. 141 of the 2013 Act has been obtained from each of those auditors / audit firms.</p> <p>Check if on the date of appointment of an audit firm, whether any of its partners has been a partner of the firm the tenure of which has just expired.</p>	<p>Notice and Minutes of Board Meeting Notice and Minutes of EGM</p> <p>Consent of the Auditor(s)</p> <p>Certificate of such Auditor(s) of meeting the criteria laid down under s. 141 of the 2013 Act Intimation to the Auditor(s) of such appointment</p> <p>Filing of form ADT-1</p>
4.	139(2)	PCC	AQ	Check if the appointment of auditor(s) – whether an individual or an audit firm – it is only for a term of 5 consecutive years	<p>Notice and Minutes of Audit Committee of the Board; of the Board Meeting and of the AGM</p> <p>Form ADT-1</p>
5.	139(1) 139(2) 139(6)	AC	AQ	Check whether the company has informed the concerned auditor about his / its appointment / reappointment and also has filed a notice of such appointment in Form No. ADT-1 to the concerned ROC within 15 days of the meeting in which the auditor has been appointed?	<p>Form ADT-1</p> <p>Correspondence with the Auditor(s)</p>

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
6.	139(3)	AC	AQ	Check if the company has appointed an audit firm with a mandate that audit partners must be rotated and if so verify if rotation as per terms has taken place. Check if the company has removed the auditor during the year under audit.	Minutes of Audit committee and Board meeting, AGM
7.	139(4) read with Rule 6 of the Rules	PCC	AQ	Check whether the company has complied with the rotation of auditors while considering re-appointment of auditors after expiry of every term of 5 consecutive years?	Minutes of Audit committee and Board meeting, AGM Form ADT-1
8.	139(2) & (4) read with Rule 6 of the Rules	PCC	AQ	If the appointment under audit is "re-appointment", check – in case of individual that the person has not been appointed for more than one term of 5 consecutive years; in case of an audit firm, check if the firm has not been appointed for more than two terms of 5 consecutive years.	Notice and Minutes of Audit Committee of the Board; of the Board Meeting and of the AGM Form ADT-1
9.	139(9)	AC	AQ	Where it is re-appointment of existing auditors at an AGM, check if the auditor(s) has not incurred any disqualification and he has not expressed his unwillingness for such re-appointment and no special resolution has been passed at the AGM for appointing some other auditors or resolving that said auditor(s) shall not be re-appointed	Notice and Minutes of Audit Committee of the Board; of the Board Meeting and of the AGM Form ADT-1
10.	139(5)	139(5) Companies	AQ	Check if the CAG has appointed auditor(s) within 180 days of the commencement of the financial year for such auditor(s) to hold office until the conclusion of the AGM	Communication of appointment from CAG Notice and Minutes of the Board Meeting and AGM Form ADT-1
11.	139(7)	139(5) Companies	AQ	In the case of newly incorporated 139(5) Companies, check if the CAG has appointed first auditor(s) within 60 days of the from the date of registration of the company.	Communication of Appointment from CAG Notice and Minutes

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
				<p>In case CAG has failed to appoint auditors within 60 days as aforesaid, check if the Board has made appointment of first auditors within the next 30 days.</p> <p>If Board has defaulted in making appointing first auditors, check if the Board has informed the members of the company and check whether members have appointed the first auditors at an EGM within 60 days of receipt of information of default on the part of the Board of Directors.</p> <p>Check in all the above cases, if the appointment has been made for such auditor(s) to hold office until the conclusion of the AGM</p>	<p>of the Board Meeting and AGM</p> <p>Form ADT-1</p> <p>Consent of the Auditor(s)</p> <p>Certificate of Auditor(s)</p>
12.	139(10)	AC	AQ	<p>Check at the end of every AGM, whether an auditor has been appointed or re-appointed, unless the appointment already for a term is continuing to be in currency.</p> <p>Where AGM fails to appoint or re-appoint, for whatever reasons such failure may be, check if the existing auditor continues to constitute the auditor of the company.</p>	<p>Minutes of Meeting of the Audit Committee;</p> <p>Minutes of Board Meeting;</p> <p>Notice, Minutes of AGM</p> <p>Correspondence with the existing auditor(s)</p>
13.	139(11)	AC	AQ	<p>In all cases where the company has constituted an audit committee, check if all the appointment or re-appointment even in the case casual vacancy before appointment the Board of Directors has taken into consideration the recommendation of the Audit Committee of the Board</p>	<p>Minutes of Meeting of the Audit Committee;</p> <p>Minutes of Board Meeting;</p>
14.	140(2) read with 139(8) read with MCA Circular dated 33 of	AC		<p>Check if the auditor or audit firm has resigned during the year under audit.</p> <p>Check whether the auditor who has resigned has stated reasons and other facts leading to his resignation.</p>	<p>Resignation Letter Statement ADT3;</p> <p>Minutes of Audit Committee of the</p>

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
	2014 dated 31 st July 2014 Read with Rule 8 of the Rules			<p>Check if the auditor has filed within 30 days from the date of resignation, filed with (a) the Company; and (b) ROC Form ADT3.</p> <p>Where the casual vacancy has been caused by resignation, whether the approval of shareholders at an EGM also obtained within three months from the Board meeting? appointing them for a term till the conclusion of the next AGM?</p> <p>In the case of 139(5) companies, check if the auditor who has resigned has filed a statement with the CAG too.</p> <p>Check if the person appointed to fill a casual vacancy has given his consent and has given a certificate that he meets the criteria laid down under s. 141 of the 2013 Act</p>	<p>Board;</p> <p>Minutes of the Meeting of the Board of Directors; Notice and Minutes of EGM;</p> <p>Statement filed with CAG;</p> <p>Correspondence from / with the auditor (or his office or family) who has suffered the disqualification or death or who has resigned;</p> <p>Correspondence with the auditor appointed to fill the casual vacancy;</p> <p>Form ADT-1 and ADT-3</p>
15.	140(2), 140(3) read with Rule 8 of the Rules	AC	AQ	Did the resigning auditor file Form ADT-3 within 30 days from the date of resignation indicating the reasons and other facts as may be relevant with regard to his resignation?	Form ADT 3
16.	141(4) read with Rule 9 of the Rules	AC	AQ	<p>Check if the auditor or partners of the audit has incurred any disqualification during the year under audit and as a result any vacancy has arisen.</p> <p>If so, has the Board taken steps to fill up the casual vacancy?</p>	<p>Documents / correspondence notifying the disqualification;</p> <p>Minutes of Meeting of the Audit Committee; Board Meeting;</p> <p>ADT1</p>
17.	140(4)	AC	AQ	Where the company has appointed as its auditor or auditors, an individual or a firm other than the one in office at any AGM, check if –	Special Notice issued by the Company;

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
				<p>Special Notice thereof has been issued in terms of s. 115 of the 2013 Act?</p> <p>Has the company sent the special notice forthwith to the auditor or Audit Firm concerned in whose place another auditor or Audit Firm is proposed to appointed as stated in the Special Notice?</p> <p>Did the retiring auditor upon receipt of special notice make a representation in writing to the company within a reasonable time, requesting a notification to members of the company?</p> <p>If yes, did the company forward the representation to every member in the notice of the resolution?</p> <p>If the representation could not be sent to members, whether due to default on the part of the company or due to delay in receipt of representation from the auditor, has the company filed the representation with ROC in form GNL1?</p> <p>Has the auditor required that his representation be read out at the meeting?</p> <p>Has the auditor exercised his right to be heard at the AGM?</p> <p>Has the company or any other person aggrieved on the ground that the auditor had abused his rights has applied to Tribunal and has the Tribunal permitted that the representation need not be sent and that the representation need not be read out at the meeting?</p>	<p>Proof of service of the Special Notice to the Auditor(s); Representation, if any received from the Auditor(s);</p> <p>Application if any made to the Tribunal;</p> <p>Minutes of the meeting of the audit committee; minutes of board meeting and minutes of AGM</p>
18.	140(5)			<p>Did NCLT pass an order sue motto or on the application by Central Govt. or by any other person for removal of Auditor that there was a direct or indirect act of fraudulently or abetment or collusion of the auditor in a fraud?</p>	Order of NCLT;

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
				<p>If yes did the auditor cease to function as auditor of the company within 15 days of receipt of order from NCLT?</p> <p>Did the company initiate steps to appoint a new auditor as replacement?</p> <p>Did the Audit committee check whether any order of the NCLT was passed u/s 140(5) against the auditors before proposing appointment or reappointment?</p>	
19.	140(1) read with Rule 7 of the Rules	AC	AQ	<p>Was an auditor appointed under Section 139 removed from the company before expiry of their term of office?</p> <p>If yes, was an intimation given to the Auditor proposing their removal?</p> <p>Was the auditor given a reasonable opportunity of being heard?</p> <p>Has the company made an application in Form ADT 2 to Central Government/Regional director seeking approval for removal?</p> <p>Has such application been filed within 30 days of passing board resolution?</p> <p>Did the company hold the EGM within 60 days of receipt of approval of the Central Government / Regional Director concerned of the MCA for passing the special resolution to approve removal of auditor?</p>	<p>Notices, Agenda, Notes on Agenda and Minutes of Audit Committee of the Board, Board Meeting</p> <p>Approval of Central Government</p> <p>Notice and Minutes of and General Meeting</p> <p>Form ADT 2</p>
20.	142 (1)	AC	AQ	<p>Whether Auditor's remuneration has been fixed in General meeting or in the manner as laid down in the General Meeting except in the case of First Auditor, where Board is permitted to fix the remuneration of Auditors?</p>	<p>Minutes of Audit Committee of the Board;</p> <p>Minutes of Board Meeting; Notice and Minutes of AGM</p>

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
21.	142(2)	AC	AQ	Whether remuneration fixed for Auditors is inclusive of all if any, incurred by the auditor in connection with the audit of the company and any facility extended to him and does not include remuneration for other services?	Minutes of Audit Committee of the Board; Minutes of Board Meeting; Notice and Minutes of AGM
22.	143(1) read with proviso under it	AC	AQ	Check if there is any complaint or remarks from the auditors that they did not get necessary access to the books of account and vouchers of the company, whether kept at the registered office of the company or at any other place and has been entitled to require from the officers of the company such information and explanation as he may have considered necessary for the performance of his duties as auditor? Did the Auditor(s) get access to the records of its subsidiaries and associate companies in so far as it relates to the consolidation of its financial statements	Enquiry with the Auditors/ Management
23.	143(1)	AC	AQ	Check if the Auditor(s) have reported on each of the items specified in clauses (a) to (f) of s. 143(1)	Report of the Auditor(s)
24.	143(2) 143(9) 143(11) read with Rule 11 of the Rules	AC	AQ	Whether the auditor has reported to the members of the company on the accounts examined by him and on every financial statements which are required by or under this Act; Whether the auditor(s) has stated that the books and financial statements are in accordance with the applicable accounting and auditing standards recommended by the Central Government as prescribed by ICAI in consultation with NFRA; Whether the auditors have stated if the said accounts, financial statements give a true and fair view of the state of the company's affairs as at the end of its financial year and profit or loss and cash flow for the year and such other	Auditor's Report

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
				<p>matters?</p> <p>Whether Auditors have reported on other matters covered in Rule 11 of the Rules?</p>	
25.	143(3)	AC	AQ	Whether the Auditor has stated in his report the requirements specified in Clauses (a) to (h) of sub-section (3) of the 2013 Act?	Auditor's Report
26.	143(3) read with Rule 10A of the Rules	AC other than Specified PVC	AQ	Whether the Auditor has stated in his report the requirements on internal financial controls as specified in clause (i) of sub-section (3) of the 2013 Act?	Auditor's Report
27.	143(3) read with Rule 11 of the Rules	AC other than Specified PVC	AQ	Whether the Auditor's Report includes his report on other matters prescribed under r. 11 of the rules?	Auditor's Report
28.	143(3) read with CARO	AC	DCQ	Check if the company is a CARO Exempt Company?	Audited Financial Statement and other records including Certificate of Incorporation
29.	143(3)(j) read with CARO	AC other than CARO Exempt Companies	AQ	Whether the Auditor has stated in his report the requirements specified in Para 3 of CARO read with clause (j) of sub-section (3) of the 2013 Act?	Auditor's Report
30.	143(3) read with Para 4 of CARO	AC other than CARO Exempt Companies	AQ	<p>Check whether the answer to any of the questions referred to in paragraph 3 is unfavourable or qualified, the auditor's report shall also state the basis for such unfavourable or qualified answer, as the case may be.</p> <p>Check if the auditor has stated that he is unable to express any opinion on any specified matter, and in that case check if his report indicates such fact together with the reasons as to why it is not possible for him to give his opinion on the same.</p>	Auditor's Report

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
31.	143(4)	AC	AQ	Does the auditor's report contain any negative answer /negative qualification? If yes does the report state the reason thereof?	Auditor's Report
32.	143(5)	Section 139(5) Companies	AQ	Has CAG appointed auditors under s. 139(5) or s. 139(7) of the 2013 Act? Has CAG directed the manner in which the accounts of such a company must be audited? Has the auditor submitted his report to the CAG? Where CAG has issued any directions, check whether the report includes the action taken on the directions issued by CAG, its impact on the accounts and financial statement of the company	CAG directions and correspondence Report submitted by the auditors to the CAG Minutes of the meeting of the Audit Committee of the Board; Minutes of Meeting of the Board
33.	143(6)	Section 139(5) Companies	AQ	Has CAG directed any supplementary audit of the financial statement of the company or has CAG commented or supplemented the Audit Report submitted to CAG under s. 143(5); Has supplementary audit report or comments received from CAG been sent to all those who are entitled to receive copies of audited financial statement under s. 136(1) and whether they have been placed before the AGM?	Audit Report; Supplementary Audit Report; Comments or Supplement report by CAG; Minutes of the meeting of the Audit Committee of the Board; Minutes of Meeting of the Board; Despatch of such report to all those who are entitled to receive audited financial statement under s. 136(1); Minutes of AGM

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
34.	143(7)	Section 139(5) Companies	AQ	Has CAG directed the carrying on of any Test Audit of the accounts of the company?	Order of CAG; Test Audit Report; Minutes of the meeting of the Audit Committee of the Board; Minutes of Meeting of the Board;
35.	143(8) read with Rule 12 of the Rules	AC	AQ	If the company have branches in India or outside India, has the auditor(s) audited the branch accounts and in case of branches outside India, whether accounts of such branch has been audited in accordance with laws of that country? Has the branch auditor submit the report to the statutory auditor?	Information about branches of the company; Audited Financial Statements; Minutes of Audit Committee of the Board; Minutes of Board Meeting; Reports of the Branch Auditors;
36.	143(12) read with Rule 13 of the Rules	AC	AQ	Where the auditor finds frauds committed by the officers or employees against the company during the course performance of his duties and if the value of fraud of an amount Rs. 1 Crore or more? Check if the matter has been reported to Audit Committee or to the Board where there is no Audit Committee immediately but not later than 2 days of his knowledge of the fraud and seeking their reply or observations within 45 days reporting; Check any reply has been received from the Audit Committee or to the Board where there is no Audit Committee, as the case may be; Check whether on receipt of such reply or observations, the auditor forwarded his report and the reply or observations	Minutes of Audit Committee of the Board; Minutes of Board Meeting; Auditor's Fraud Reporting to the Audit Committee or to the Board, as the case may be; Reply of the Audit Committee or to the Board, as the case may be; Report to the Central Government in Form ADT-4;

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
				of the Board or the Audit Committee along with his comments to the Secretary, MCA, Central Government in Form ADT 4 within 15 days from the date of receipt of such reply or observations?	
37.	143(12) read with rule 13 of the Rules	AC	AQ	<p>Where the auditor finds frauds during the course performance of his duties and if the value of fraud was below Rs. 1 crore, check if the matter has been reported to Audit Committee or to the Board, where there is no Audit Committee, immediately but not later than 2 days of his knowledge of the fraud reporting the matter specifying the following:</p> <p>(a) Nature of Fraud with description; (b) Approximate amount involved; and (c) Parties involved.?</p> <p>Further check if the following have been duly reported to the Audit committee of the Board / or to the Board where there is no Audit Committee and check whether the following have been duly disclosed in the Board's Report:</p> <p>(a) Nature of Fraud with description; (b) Approximate Amount involved; (c) Parties involved, if remedial action not taken; and (d) Remedial actions taken.</p>	Minutes of Audit Committee; Minutes of the Board; Communication from the Auditors; Board's Report
38.	143(14) read with Rule 13(5) of the Rules	Cost Rule 4 Company and Companies to which S. 204 applies	AQ	Has Secretarial Auditors appointed under s. 204 of the 2013 Act or the Cost Auditor appointed under s. 148 of the 2013 Act reported any instance of fraud on the company and whether those auditors have complied with Rule 13 of the Rules depending upon value of the frauds detected by them in the course of performance of their respective audits case	Minutes of Audit Committee; Minutes of the Board; Communication from the respective Auditors; Board's Report

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
39.	144	AC	AQ	<p>Whether Auditors have been engaged directly or indirectly for providing other services. if yes whether these services are approved by the Board of Directors upon recommendation of the Audit Committee, if any?</p> <p>Whether following prohibited services are being rendered by the Auditors directly or indirectly through relatives or connected persons and if it is a firm through any of its partners or through parent, subsidiary or associate entity: (a) accounting and book keeping services;(b) internal audit;(c) design and implementation of any financial information system;(d) actuarial services;(e) investment advisory services;(f) investment banking services;(g) rendering of outsourced financial services;(h) management services; and(i) any other kind of prescribed services?</p>	<p>Management Representation on Services rendered by Auditors; Minutes of Audit Committee of the Board; Minutes of the Board Meeting; Particulars of Remuneration paid / payable to Auditors as disclosed in the Audited Financial Statements</p>
40.	145	AC	AQ	<p>Whether the person appointed as auditor of the company has signed & certified the auditor's report in compliance with the provisions of Section 141(2)?</p> <p>Whether the qualifications, observations or comments on financial transactions or matters, which have any adverse effect on the functioning of the company mentioned in the auditor's report has been read before the company in general meeting;</p> <p>Whether such report has been kept open to inspection by any member of the company?</p>	<p>Auditor's Report; Minutes of AGM; Board's Report under s. 134 of the 2013 Act;</p>

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Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
41.	146 read with para 1.2.2. of SS2	AC	AQ	<p>Has the company sent the notice of all general meetings during the year along with other communications to the Auditors?</p> <p>Did the auditor or their authorised representative being qualified chartered accountant attend the general meeting? Is the Authorised Representative of the Auditors a qualified chartered accountant?</p> <p>If yes did they express their right to be heard at the meeting where any part of the business conducted concerns their status as the auditor of the company? Did the company grant any exemption granted to the auditors from attending the general meeting?</p>	Minutes of general meeting, Auditor to confirm, communication from auditor and exemption letter from company
42.	147	AC	AQ	Has any auditor been convicted of any offence or punished for any contravention of provisions of this Chapter?	Information from statutory authorities, MCA, ICAI, NFRA or any orders of Courts, Any Adjudicating Authority.
43.	148(1) of the 2013 Act read with the Cost Rules	Cost Rule 3 Company	DCQ	<p>Check whether the company's activities are falling under Regulated Sector or Non-regulated Sector as referred to in the table given under Rule 3 of the Cost Rules?</p> <p>Check whether the company is a Cost Rule 3 Company or Cost Rule 4 Company or both?</p>	<p>Audited Financial Statements for the immediately preceding financial year;</p> <p>Break up of turnover for each activity</p>
44.	148(1) read with Rule 5 of the Cost Rules.	Cost Rule 3 Company		<p>Check whether the Company maintains cost records relating to the utilisation of material or labour or to other items of cost as may be prescribed as included in the books of account kept by that class of companies in Form CRA-1</p> <p>Check whether the company maintains cost records on regular basis such that it facilitates calculation of per unit cost of production or cost of operations, cost of sales and margin for each of its</p>	<p>Management representation;</p> <p>Cost Records in Form CRA-1</p>

ICSI - CCGRT

Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
				<p>products and activities?</p> <p>Check whether the cost records enables the company to have control over costs of operations and ask the company's management if it gives them ability to achieve optimum economies in utilisation of resources?</p>	
45.	148(1) read with Rule 6 of the Cost Rules read with rule 3 and 4.	Cost Rule 4 Company	AQ	<p>Whether the cost statements, including other statements to be annexed to the Cost Audit Report, have been approved by the Board of Directors before they are signed by a director of the Company?</p> <p>Has that director been duly authorised by the Board for this purpose?</p> <p>Have those records been submitted to Cost Auditor for his report thereon?</p>	<p>Cost Records in Form CRA-1</p> <p>Minutes of the Board Meeting in which the director who has signed the cost records has been duly authorised.</p> <p>Correspondence with the Cost Auditor submitting cost records for his report</p>
46.	148(2) read with Rule 6 of the Cost Rules read with rule 3 and 4 read with Rule 14 of Rules.	Cost Rule 4 Company	AQ	<p>Whether the company has appointed a cost accountant as its Cost Auditor within 180 days of every financial year? Has written consent of the Cost Auditor been obtained?</p> <p>Has the Cost Auditor submitted to the company a Certificate in terms of Rule 6(1A) of the Cost Rules?</p> <p>Has company informed the Cost Auditor of the appointment?</p> <p>Check if the cost Accountant appointed Cost Audit is not a person who has been appointed as auditor under s. 139 of the 2013 Act?</p> <p>Has the Audit Committee of the Board recommended his appointment?</p>	<p>Minutes of Audit Committee of the Board</p> <p>Minutes of Board Meeting</p> <p>Correspondence with the Cost Auditor</p> <p>Consent and Certificate of the Cost Auditor</p> <p>Form CRA-2</p> <p>Minutes of the AGM</p>

ICSI - CCGRT

Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
				<p>Has the Audit Committee of the Board recommended remuneration payable to the Cost Auditor?</p> <p>Has the Board of Directors approved the appointment of the Cost Auditor and approved remuneration payable to him? Has the company filed a notice of appointment of Cost Auditor filed with the Central Govt. in the electronic mode Form CRA - 2 within 30 days of passing of Board Resolution or 180 days of commencement of financial year whichever is earlier?</p> <p>Was the remuneration of Cost Auditors ratified by the shareholders at the AGM?</p>	
47.	148(2) read with Rule 6 of the Cost Rules read with rule 3 and 4.	Cost Rule 4 Company	AQ	Has the Cost Auditor remained in office till the expiry of 180 days of closure of the financial year or till he had submitted his report for the financial year for which he was appointed?	Books and Records Report of the Cost Auditor
48.	148(2) read with Rule 6 of the Cost Rules read with rule 3 and 4.	Cost Rule 4 Company	AQ	<p>Has the company removed the Cost Auditor during his term and if so whether it has passed the requisite resolution of the Board of Directors and whether the company has given reasonable opportunity to the Cost Auditor for being heard and has the company recorded reasons for his removal?</p> <p>Has the company filed Form CRA-2 with Central Government enclosing the Board Resolution thereto?</p>	<p>Board Resolution for removal</p> <p>Correspondence between the Company and the Cost Auditor</p> <p>Form CRA-2</p>
49.	148(2) read with Rule 6 of the Cost Rules read with rule 3 and 4.	Cost Rule 4 Company		Has there be any resignation or death or removal of the Cost Auditor during his term of office?	<p>Resignation or intimation of death or Board Resolution for removal of Cost Auditor</p> <p>Form CRA-2</p>

ICSI - CCGRT

Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
50.	148(2) read with Rule 6 of the Cost Rules read with rule 3 and 4.	Cost Rule 4 Company		<p>Has the company filled up any casual vacancy arising in the office of Cost Auditor?</p> <p>Has such filling up of casual vacancy been done within 30 days of occurrence of the resignation or removal or death?</p> <p>Has the company notified the Central Government of appointment to fill up casual vacancy in Form CRA-2?</p> <p>Has such notification been made within 30 days of such appointment?</p>	<p>Resignation or intimation of death Board Resolution removing the Cost Auditor</p> <p>Board Resolution appointing the Cost Auditor</p> <p>Form CRA-2</p>
51.	148(3)	Cost Rule 4 Company	AQ	Has the Cost Auditor conducting the audit in accordance with the cost auditing standards issued by the Institute of Cost Accountants of India?	Cost Audit Report
52.	148(5) read with rule 6 of the Cost Rules	Cost Rule 4 Company	AQ	<p>Has the Cost Auditor, submitted its Cost Audit Report to the Board of Directors of the company in Form CRA-3 along with reservations or qualifications or observations or suggestions, if any?</p> <p>Has the Cost Auditor Report been forwarded a signed report to the Board of Directors of the company, within a period of 180 days from the closure of the financial year?</p>	<p>Date of Cost Audit Report</p> <p>Correspondence showing proof of forwarding of Report to the Board of Directors</p>
53.	148(5) read with Rule 6 of the Cost Rules read with rule 3 and 4.	Cost Rule 3 Company and Cost Rule 4 Company	AQ	Has the Board of Directors of the company considered and examined the report, particularly any reservation or qualification contained in that report?	<p>Cost Audit Report in Form CRA-3</p> <p>Board's Report</p> <p>Minutes of Board meeting in which the Report was taken on record, considered and examined.</p>
54.	148(6) read with Rule 6 of the Cost Rules read with rule 3 and 4.	Cost Rule 4 Company	AQ	Has the Company furnished a copy of the cost audit report to the Central Govt. within thirty days from the date of receipt of the report from the Cost auditor in Form CRA-4 in Extensible Business Reporting Language format along with full information and explanation on every reservation or	Form CRA 4

ICSI - CCGRT

Sl. No.	Section / Rules	Class of Company Code	Activity Code	Question	Source Document
				qualification contained therein?	
55.	148(6) read with Rule 6 of the Cost Rules	Cost Rule 4 Company	AQ	<p>Has the Company sought from ROC any extension of time for conducting AGM?</p> <p>If yes has the cost audit report in Form CRA-4 in Extensible Business Reporting Language format along with full information and explanation on every reservation or qualification contained therein been filed within such extended time?</p>	<p>Form CRA – 4 Minutes of the Board Meeting in which the Cost Audit Report was considered?</p> <p>Minutes of the Board Meeting in which approval was accorded for seeking extension of time for holding AGM?</p> <p>Approval of ROC granting extension of time</p>
56.	148(7)	Cost Rule 4 Company	AQ	<p>Has the Central Government called for any further information or explanation, after considering the cost audit report)?</p> <p>If yes was the same furnished by the company within such time as specified by the Central Government?</p>	<p>Correspondence from Central Government</p> <p>Documents showing proof of action and submission of further information or explanation to the Central Government on matters where the Government has sought further information or explanation</p>