

TITLE SHEET FOR COMMENTS ON ACCOUNTS

| PART-A | | |
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| 1. | Name of the Company | |
| 2. | Name of Party personnel with dates of attendance | |
| | i. Supervisory Officer | |
| | ii. Assistant Audit Officer | |
| | iii. Auditors | |
| 3. | Year of Accounts | |
| 4. | i. Date when the financial statements were approved by the Board of Directors. | |
| | ii. Date of Audit Report (Application where a separate Statutory Auditors is appointed) | |
| | iii. Date of receipt of certified accounts along with Auditor's Report. (To be filed by MAB's HQ. Office) | |
| | iv. Period of Audit | |
| | v. Details of extension sought for, if any, and the no. of days for which extension granted beyond six weeks | |
| 5. | Provisional Comments (To be filed by MAB's HQ. Office) | |
| 5 (i) | Date of issue of provisional comments to | |
| | i. Statutory Auditors | |
| | ii. Company | |
| 5(ii) | Date of receipts of replies to the provisional comments from | |
| | i. Statutory Auditors | |
| | ii. Company | |
| 5(iii) | Date of sending draft comments to Hqrs. | |
| 6. | Date of the AGM in which the accounts for the previous year were adopted. | |
| 7. | Did the Audit Committee have a discussion with Auditor and review the financial statements before their submission to the Board of Directors | |
| 8. | Whether Statutory Auditors attended the meetings convened for planning and finalization of audit of accounts. If not details of the meetings not attended. (To be filed by MAB's HQ. Office) | |
| 9. | Whether all the Audit Enquiries have been replied to by the Management/Statutory Auditors? If not, whether it has been brought to the personal attention of Chief Executive? | |
| 10 | Whether all records/information required by Audit Team were made available. If not, the all details of records not produced to Audit. | |

| PART-B | | |
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| I | Review of Statutory Auditors' Report | |
| 1 | Whether all the statutory assertions as specified in Section 227(2) and (3) of the Companies Act 1956 have been stated in the Report. | |
| 2. | Whether the requirements of AAS 28 have been fulfilled as regards the form and content of the Report. <i>(A Check list is enclosed as Annexure-I)</i> | |
| 3. | Whether the Report includes the required statements on all matters specified in CARO 2003. Whether the following requirements of CARO 2003 have been complied with. | |
| | i. If the auditor is unable to report on any of the matters, whether that fact has been indicated along with reasons. | |
| | ii. Whether the assessment made by statutory auditors on the adequacy of internal control system is consistent with other observation of the Auditors. | |
| | iii. Whether the report of auditor on maintenance of proper books of accounts under law is correct and verified. ¹ | |
| 4. | Qualification in Auditor's Report Whether the requirements of Section. 227(4) and Statement on Qualifications in Auditor's Report as indicated below have been complied with. | |
| | i. Has the auditor stated the full information about the subject matter of qualification? | |
| | ii. Has the auditor stated the reasons for the qualification? | |
| | iii. Has the auditor stated all the qualifications in their report itself and also without referring to a report made in earlier years? | |
| | iv. If any note to accounts is a subject matter of qualification, whether the auditor has stated the full subject matter of the note In his qualification, instead of making a reference to the note. | |
| | v. Whether the auditor has stated, wherever possible, the effect of individual qualification and total effect of all qualification on profit or loss or state of affairs. | |

¹ The purpose of this item is to verify the audit observations relating to non-maintenance of proper books of record required by the Companies Act and/or any other relevant Act with reference to records of the company. There is no need to examine all the records of the company but where the statutory auditors has made audit observations on this aspect, only those observations need to be examined and not all the records.

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| | vi. If it is not possible to quantify the effect of qualifications accurately, whether the auditor has stated the effect on the basis of estimates made by the management, after indicating the fact that the figures were based on management estimates. | |
| 5. | Whether the auditor has furnished the report u/s 619(3) (a) along with Auditor's Report u/s 227. If not the date of receipt of report. | |
| 6. | Has the auditor complied with all directions issued u/s 619(3) (a) and sub-directions issued? | |
| 7. | Whether Statutory Auditors has shared his working papers with the Audit Team as and when asked for. | |
| 8. | Whether the opinions expressed by the auditor on the financial statements is fair keeping in view their qualifications. | |
| 9. | If the auditor has revised has Audit Report, whether the same is in accordance with ' <i>Guidance Note on Revisions of Auditor's report</i> '. | |
| 10 | Whether Statutory Auditors has issued and communication to those charged with Governance under AAS 27?. If yes, whether the same has been reviewed. ² | |
| 11. | Is there any material evidence regarding non-compliance with any Auditing and Assurance Standards by the Auditor? ³ | |
| II | Review of financial Statements | |
| | Whether the following have been verified? | |
| 1. | Whether the Balance Sheet and Profit and Loss Account have been prepared in the forms set out in Schedule VI-Part I and Part II of the Companies Act 1956 respectively. | |
| 2. | Whether the Balance Sheet abstract and company's general business profile have been stated in prescribed format as required in Part IV, Schedule VI of Act. | |
| 3. | Whether financial Statements have been approved by Board of Directors as required under Sections 215 (3) of the Companies Act 1956 and authenticated as required under Section 215 (1) of the Act. | |
| 4. | Whether all significant Accounting policies have been disclosed. ⁴ | |

² Communication under AAS 27 can be reviewed either before taking up or during the supplementary audit to review the observations of statutory audit contained therein which may be helpful in deciding the scope and extent of supplementary audit.

³ To be reported only on exception basis if some convincing evidence indicating material non-compliance of AAS are noticed during the normal course of supplementary audit.

⁴ List of the areas where the entity should frame accounting policy as given in AS-I, can be considered as significant areas. In addition to this, based on the experience, MAB office may be aware of major significant areas where the company should have an accounting policy. Such examination is not necessary during supplementary audit, it can be done before the start of audit or any part of the year as change in Accounting Policies is not a routine feature of a company and most of the accounting policies remain the same.

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| 5 | Whether the Accounting Policies form Part of the financial statements. | |
| 6. | Whether any accounting policy is vague leaving scope for mis-interpretation or is against the provisions of Accounting Standards/relevant laws. | |
| 7. | If there is a change in accounting policy, whether such change has approval of the competent authority. | |
| 8. | Whether auditor have signed their report only after adoption of previous years accounts in AGM as required in Companies Act 1956 and letter of appointment of auditor. | |
| 9. | Whether unusual transactions have been dealt within accounts properly. If no, has the Auditor given sufficient comments on it? | |
| 10 | Whether test check revealed that AAS-21 regarding due consideration of laws & regulations has been followed by the Auditor is adequately reported? | |
| III | Compliance with Accounting Standards (AS) | |
| 1. | Whether the financial statement complies with the A.S. as required in Section.211 (3A) of Companies Act 1956 | |
| 2. | Cases of non compliance if any noticed during test check <i>(A check list is enclosed as Annexure-II)</i> | |
| 3. | (i) Whether the Company has made disclosures as required in Sec. 211 (3B) of Companies Act 1956 & | |
| 4 | (ii) If not, whether the Statutory Auditors has stated the non-compliance in their report. | |
| IV | Compliance with Assurances: | |
| | Whether the Company has complied with all the assurances given to audit in the previous year(s). | |
| V | Compliance with requirements of Regulatory Authorities relating to preparation and presentation of financial statement/accounts. | |
| | Whether the requirements of any, regulatory authorities viz. SEBI, IRDA, RBI, BPE, NHB and Administrative Ministry etc. with regard to financial reporting been complied with by the Company? If not, indicate whether specific non-compliance has been pointed out. | |
| VI | Recommendations of Supervisory Officer | |
| 1. | Whether any change in time allotted is necessary for future audit? | |
| 2. | What are the areas to be focused on in transaction audit? | |
| 3 | Other recommendations/remarks | |

Part-C

(The matters included in this part are not exhaustive. MAB office may include other matter according to their requirement)

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| 1. | Whether all the points indicated in the register of important points marked for verification in the accounts audit by the OAD section have been reviewed and action taken. | |
| 2. | Whether list of audit points which may have some audit value for other RAPs been attached. | |
| 3. | Whether the Statutory Auditors report and the audited accounts of units not selected for audit been reviewed. | |
| 4. | Whether contribution statement with money value and the name of the RAP/LAP official been attached. | |
| 5. | A list indicating allocation of duty amongst the party members to be attached along with a certificate signed by all the members of the audit party that duty assigned to him or her was completed. | |

Submitted to Director: -----

Sr. Audit Officer

Camp:

Date: