



Date: 15 August 2022

To:

The Directors,

M/s. Zeal Aqua Limited,

Plot 4 & 5, Olpad G.I.D.C., Near Ice Factory,

Olpad, Surat - 394540.

Sub: Submission of Internal Audit Report for the period of 1st April, 2022 to 30th June, 2022.

Dear Sir,

We are pleased to submit Internal Audit Report for the period beginning from 1st April, 2022 to 30th June, 2022.

Our report covers aspects related to Financials of the Company, Internal Control & Accounting System of the Company, covering Legal and Statutory compliance aspects of the company.

While carrying out the work, we have covered following areas and accordingly have made our report giving our observations, findings and suggestions.

A] Finance & Accounts, which includes:

1. Cash Book
2. Expenses
3. Bank Book/ Bank Reconciliation/ CC Loan Interest Verification
4. Purchase
5. Sales
6. Journal Register

B] Hr & employee records



C] Review of statutory and legal compliances

D] Internal controls and procedures followed

Thanking you,

Yours truly,

For G R R & Co
Chartered Accountants


Rajiv Kapasiawala
Partner

FRN: 121213W

Date: 15/08/2022

Place: Surat

UDIN : 22114279APAGMU8652



A] FINANCE & ACCOUNTS:

1. Review of Cash Book:

- I. The following details are regarding the bills in which Date & Amount were different than as per Books of Accounts and now corrected:

ZEAL AQUA LIMITED UNIT-1

Date	Name	Amount	Bill No./ Voucher No.	Remarks	Status
All Records are appropriate and accounted properly.					

ZEAL AQUA LIMITED (ORMA) UNIT-2

Date	Name	Amount	Bill No./ Voucher No.	Remarks	Status
All Records are appropriate and accounted properly.					

- II. The following details are regarding the bills which were not found during our verification process And now found in order:

ZEAL AQUA LIMITED UNIT-1

Date	Name	Amount	Bill No./ Voucher No.	Remarks	Status
All Records are appropriate and accounted properly.					

ZEAL AQUA LIMITED (ORMA) UNIT-2

Date	Name	Amount	Bill No./ Voucher No.	Remarks	Status
All Records are appropriate and accounted properly.					

- (III) The Following are details regarding which bills are available on record but entry for same had not been done in accounts:

ZEAL AQUA LIMITED UNIT-1

Date	Particulars	Amount	Bill No./ Voucher No	Status
All Records are appropriate and accounted properly.				

ZEAL AQUA LIMITED (ORMA) UNIT-2

Date	Particulars	Amount	Bill No./ Voucher No	Status
All Records are appropriate and accounted properly.				

2. Review of Expenses:

- I. The following details are regarding the bills which were not found during our verification process And now found in order:

ZEAL AQUA LIMITED UNIT-1

Date	Particulars	Amount	Bill No.	Status
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09/04/2022	Vaishnavi Aquatech (Seed)	1,04,689.00	UBH-BS-2223-0031	Not Found
16/04/2022	Vaishnavi Aquatech (Seed)	2,68,659.00	VBT-BS-2223-0064	Not Found
18/04/2022	Unibio(India)Hatcheries Pvt. Ltd.	3,44,400.00	UIH/2022-23/031	Not Found
16/05/2022	Tirupati Chemical Corporation	7,552.00	70	Not Found
03/06/2022	Poseidon Enterprises	42,834.00	PE/GJ/22-23/347	Not Found
14/06/2022	RR Ventures	56,550.00	RRV220	Not Found
16/06/2022	Sri Sai Rama Aqua Needs	1,51,700.00	GUJ/2022-23/0096	Not Found

ZEAL AQUA LIMITED (ORMA) UNIT-2

Date	Particulars	Amount	Bill No.	Status
18/06/202	Blue Bell Tours And Travels	22,821.00	450	Not Found

There were some instances where invoice were not found in the respective files as same were under payment process, though same has been produced before us for verification on demand. However we would recommend that bill under payment should be kept in respective files as early as possible after the payment process gets completed.

II. The Following are details regarding which bills are available on record but entry for same had not been done in accounts:

ZEAL AQUA LIMITED UNIT-1

Date	Particulars	Amount	Bill No.	Status
All Records are appropriate and accounted properly.				

ZEAL AQUA LIMITED (ORMA) UNIT-2

Date	Particulars	Amount	Bill No.	Status
All Records are appropriate and accounted properly.				

- ❖ There were some instances where invoices for the accounted records were not found in the respective files, However the same was produced before us for verification as the invoices were placed other than their usual files.

3. Review of Bank Book/ Bank Reconciliation:

- **Observation:** While conducting audit we had observed that entry for Bank charges are made on the same day on which cheque is issued for RTGS/NEFT, means even before actually they occurred i.e. Bank Charges Entered in the accounting system before the date of bank charges actually taken place in the Bank statement.
- **Recommendation:-**Bank Charges should be accounted as per Bank statement date i.e. the date on which charges actually took place.



- **Observation:-** There are some instances where it has been observed in some of the reconciliation statement there are entries for Cheque issued but not yet presented/in Receipt side, these are dated older than 3 months.

- **Recommendation:** We would recommend that these kinds of transactions should be reversed after taking authorization of the responsible personnel.

(I) Following are details regarding which entry had been made in accounts but same had not been appeared in bank statement.

ZEAL AQUA LIMITED UNIT-1 & ORMA UNIT -2

Date	Amount	Payment/ Receipt	Cheque No.	Bank Name	Status
All Records are appropriate and accounted properly.					

(II) Following are details regarding which entry had been not made in accounts but same had been appeared in bank statement.

ZEAL AQUA LIMITED UNIT-1 & ORMA UNIT -2

Date	Amount	Payment/R eceipt	Cheque No.	Bank Name	Status
All Records are appropriate and accounted properly.					

(III) Following are details regarding Contra Entries of Which Date appeared different as per Bank Statement and as per Accounts.

ZEAL AQUA LIMITED UNIT-1 & ORMA UNIT -2

Date In Bank Statement	Date In Accounts	Amount	Cheque No.	Bank Name	Status
All Records are appropriate and accounted properly.					

We have verified Bank payment vouchers with Bank book for period under consideration and found Correct and satisfactory.

4. Review of Purchase Transactions:

Our Observations/findings:

We have verified Purchase bills for the period April, 2022 to June, 2022.

- While Verification of Purchase transaction it has been seen that some of the invoices were recorded on the receipt date instead of Invoice date. As per our discussion with the accounts department the reason behind this is that invoice from supplier is received late to them so these were taken in the receipt date.



- ✓ We would recommend that, According to fundamental principles of accounting invoice should be recorded as per date mentioned on it, not on its receipt date.

(I) The following details are regarding the bills which were not found during our verification process and now found in order:

ZEAL AQUA LIMITED UNIT-1 & ORMA UNIT -2

Date	Name of Party	Amount (In Rs.)	Bill no.	Status
All Records are appropriate and accounted properly.				

There were some instances where invoice were not found in the respective files as same were under payment process, though same has been produced before us for verification on demand. However we would recommend that bill under payment should be kept in respective files as early as possible after the payment process gets completed.

(II) The following details are regarding the bills of which entries were not found in the books of accounts during our verification process and now found in order:

ZEAL AQUA LIMITED UNIT-1 & ORMA UNIT -2

Date	Name of Party	Amount (In Rs.)	Bill No.	Status
All Records are appropriate and accounted properly.				

(III) The following details are regarding the bills in which Amount/Date were different than as per bill and now corrected:

ZEAL AQUA LIMITED UNIT-1 & ORMA UNIT -2

Date	Name of Party	Amount (In Rs.)	Bill No.	Status
All Records are appropriate and accounted properly.				

5. Review of Sales Transactions:

Observations:-

We have verified Sales bills for the period April, 2022 to June, 2022. During our verification we found that the sales are recorded appropriately and accounted properly.

6. Review of Journal Book:

Our Observations/Findings:

Recording of Interest and TDS Receivable on Fixed Deposits should be carried out periodically as per Form 26S



B] HR AND EMPLOYEE RECORDS:

Salary Records were verified and found in order.

C] REVIEW OF STATUTORY AND LEGAL COMPLIANCE:

Records were verified and found in order.

D] REVIEW OF INTERNAL CONTROLS AND PROCEDURES:

There are some weakness/lacunas in internal control system. The suggestions to remove are enumerated as below:

1. Expenses should be accounted on **accrual basis** as and when it occurs i.e. on the date of Invoice or challan and not on payment basis.
2. There should be proper documentation for sales return.
3. TDS Declaration should be sought from transporters owning not more than 10 goods carriage on a yearly basis.
4. As a measurement of effective Internal Control system we recommend avoiding deleting the backups after the purpose has been accomplished.
5. Signed self cheques & Cash should be kept under the locker or at some secured place with authorized personnel with appropriate restriction.
6. Correctly File/Put All types of Bills/Invoice & their Supporting documents in **respective UNIT'S** file.
7. Date for recording any expense/purchase/other transaction should be same as mentioned in the supporting document.
8. Synchronization of Data for Unit-I & Unit-II should be carried out at regular interval with utmost due care. Further make sure that during synchronization process, no error or corrupt activity issue occurs.

Thanking you,
Yours truly,

For G R R & Co
Chartered Accountants

Rajiv Kapasiawala
Partner

FRN: 121213W

Date: 15/08/2022

Place: Surat

UDIN : 22114279APAGMU8652

