

**POLICY FOR PHYSICAL VERIFICATION OF FIXED ASSETS**  
**OF**  
**THE COMPANY**

**I. DOCUMENT TITLE**

This policy document is titled *Policy for physical verification of fixed assets.*

**II. DATE OF COMING INTO FORCE OF THE POLICY**

This policy shall come into force on and from 1<sup>st</sup> February, 2018, being duly approved and adopted by the Board of Directors in their Meeting held on 1<sup>st</sup> February, 2018.

**III. APPLICABILITY**

The Policy applies to the all categories of Fixed Assets of the Company.

**IV. INTRODUCTION**

The Company conducts the physical verification of its fixed assets with the object to identify the existence, quantity and condition of its fixed assets. Now with a view to exercise better and effective checks and control upon the fixed assets, a detailed and comprehensive policy has been developed and duly approved by the Board of directors.

The Company has developed a sense of responsibility as well as means and methods adopted for physical verification of assets periodically with the clear cut intention to identify its existence as well as conditions at any point of time and to submit periodical report to the Board of Directors through audit committee, so that, the Company could chalk out suitable policy for its replacement as well as to keep the same in good condition.

**V. OBJECTIVE**

The objective of the policy is to have uniform & identical methods/systems to identify the existence of its fixed assets including physical verification thereof.

  


## **VI. CATEGORY OF FIXED ASSETS**

The Fixed Assets would be categorized along with its allocation and existence as under:-

- i) Head office
- ii) Branches
- iii) Warehouses
- iv) Other locations

The company owns movable / immovable fixed assets under the following broad heads :-

- i) Land
- ii) Building
- iii) Plant & Machinery ( Commercial Vehicles )
- iv) Office Equipment
- v) Cars & Bikes
- vi) Furniture & Fixtures
- vii) Computers
- viii) Capital Work in Process

## **VII. TAGGING & CODIFICATION OF FIXED ASSETS**

Under this separate code would be allocated to separate assets as per their category duly identified in the policy and unique number shall be allotted to the respective assets.

## **VIII. MOVEMENT OF FIXED ASSETS**

The movement of every fixed asset would be recorded in the register in the prescribed manner with proper authentication along with their unique identification so that the existence of the fixed assets could be identified at any point of time.

## **IX. VERIFICATION REPORT**

The Company has delegated proper sense of responsibility to the officers for the physical verification of fixed assets periodically and reports with comprehensive remarks w.r.t. its existence and identification should be reported in the prescribed manner. Physical verification of fixed assets shall be carried out at head office / corporate office / branches/ warehouses as per Annexure attached

## **X. ALLOCATION OF FIXED ASSETS DEPARTMENT-WISE**

With the intention to have proper checks and control the each and every asset would be allocated department-wise with its unique identification number for proper verification.



A handwritten signature in blue ink, appearing to be 'D. G. Suman', written over a horizontal line.

## **XI. FINANCIAL RECORDS**

The Finance department is required to make proper entries in the books of account on purchase of fixed assets after proper verification and authentication of documents as well as to update the fixed asset register so maintained. Likewise in case the fixed assets is sold out or become obsolete the same should also be recorded in a prescribed manner.

## **XII. FIXED ASSET REGISTER**

The Company shall maintain fixed assets register and the same always be kept reconciled periodically as per physical verification report so that the company could have better and effective checks and control over its fixed assets.

*(Signature)*



## ANNEXURE

### PHYSICAL VERIFICATION OF FIXED ASSETS

1. Physical verification of commercial vehicles shall be carried out once in a year under the supervision of Fleet Head at Kundli Branch and under the supervision of Vehicle Controllers at other branches.
2. Physical verification of fixed assets, other than commercial vehicles, shall be carried out once in a block of three years starting from 1<sup>st</sup> April , 2018 , under the supervision of Admin. Manager at Head Office / Corporate Office and under the supervision of Branch Manager / branch Head at branches and warehouses of the company.
3. The physical verification report shall consist of excess / shortage of fixed assets as compared with book records of the fixed assets and working condition status of the fixed assets physically verified.



