OFFICEMITRA · FINANCE TOOLKIT

From books to *boardroom.*

25 playbooks for Indian businesses and practising CAs.

AI prompts, Excel templates, benchmarks and red flags.

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25 playbooks for Indian businesses and practising CAs — prompts, templates and benchmarks.

Works with any AI assistant of your choice, such as ChatGPT, Gemini, Claude or Copilot. No particular product is required or endorsed. Built around Tally and Zoho Books reports.

> **Privacy rule for every playbook:** paste summary figures only. Never paste raw ledgers, party names, PAN, GSTIN, bank account numbers or Aadhaar into a public AI tool. Replace party names with "Customer A", "Vendor 7" before pasting.
>
> **Caution.** Tax rates, thresholds, due dates and statutory limits in India change often. The Excel templates contain none of them: you enter them yourself from the law in force on the date of use, and check them again whenever the law changes. Example values shown in the templates are illustrations only. Check that each method fits your case before acting on a result.
>
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How to use this toolkit

Every playbook works the same way, in four steps.

1. **Fill the Excel template.** Open the template with the same number as the playbook and enter your figures. The template does every calculation; no AI is needed for the numbers.
2. **Open any AI assistant.** Use whichever one you already have: ChatGPT, Gemini, Claude, Copilot or another. The prompts are written in plain language and are not tied to any product.
3. **Copy the prompt and add your summary.** Copy the playbook's AI prompt, fill the square brackets, and paste in the summary figures from the template's Summary sheet. Paste summary figures only, never ledgers, party names, PAN, GSTIN or bank details.
4. **Treat the reply as a draft.** The AI gives you interpretation, questions to ask and draft wording. Check it against your own figures and judgement before you use it. An AI can misread numbers or state things that are wrong; it is not advice.

If you prefer not to use AI at all, the template, the "What good looks like" table and the red flags in each playbook still stand without it.

Part 1 — The 25 playbooks

A. Books & Data Health

#	Playbook	What it does
1	Data Health Check	Scores your books on ten checks before anyone relies on a report from them.
2	Ledger Mapping to Schedule III	Maps every ledger to a Schedule III line so the balance sheet and P&L classify correctly.
3	Month-End Close Checklist	A day-by-day close routine so MIS goes out by the 7th working day.
4	Suspense & Unreconciled Entries	Clears suspense, round-sum and unexplained entries, oldest and largest first.
5	Bank Reconciliation Review	Ages every unreconciled bank item and turns it into an action list.

B. Compliance

#	Playbook	What it does
6	GSTR-2B vs Purchase Register	Finds input tax credit at risk: in books but not in 2B, and the reverse.
7	TDS/TCS Review	Checks deduction, rate, deposit date and return match section by section.
8	MSME 43B(h) Payment Risk	Lists micro and small vendor dues past the MSMED time limit before year end.
9	Tax Audit (3CD) Preparation	Builds the clause-wise working file the auditor will ask for.
10	CARO 2020 Checklist	Walks the reporting clauses with the evidence needed for each.

C. Cash & Working Capital

#	Playbook	What it does
11	90-Day Cash Forecast	Week-by-week receipts and payments, with the lowest cash point marked. *(Finance Insights EP1)*
12	Working Capital Gap	Shows how much cash is locked in debtors and stock, net of creditors. *(EP2)*
13	Growth Funding Check	Tests whether planned sales growth can be funded from internal cash. *(EP3)*
14	Stock Ageing & NRV Review	Finds stock that will not sell at cost and sizes the write-down. *(EP4)*
15	Debtor Ageing & Collection Plan	Ranks overdue customers and sets a weekly collection target.

D. Profit & Performance

#	Playbook	What it does
16	Monthly MIS Pack	A six-page owner pack: P&L, balance sheet, cash, ratios, variances, actions.
17	Budget vs Actual	Explains each material variance as price, volume, mix or timing.
18	Customer & Product Profitability	Shows which customers and products earn the margin and which consume it.
19	Break-Even & Pricing	Works out the sales needed to cover fixed cost, and what a discount really costs.
20	KPI Dashboard	DSO, DIO, DPO, cash conversion cycle and margins on one page, with trend.

E. Owner, Bank & Board

#	Playbook	What it does
21	Board Pack	A short pack that leads with decisions needed, not with numbers.
22	Bank Loan / CMA Readiness	Checks the figures a banker tests before you apply or renew.
23	Customer Concentration Check	Measures dependence on the top customers and the cash impact of losing one.
24	Red-Flags Review	Twenty warning signs in the books, each with the question to ask.
25	Action Tracker	One list of owner, due date and status for every finding from the other 24.

For practising CAs: run playbooks 1, 5, 6, 8, 15 and 24 across all clients each month as a "client health review". That routine is what turns a compliance client into a virtual-CFO client.

Part 2 — All 25 playbooks in full

> **Section numbers.** Income-tax references such as 43B(h), 40A(3), 269ST and Form 3CD use the familiar Income-tax Act, 1961 numbering. The Income-tax Act, 2025 renumbers these provisions. Map each reference to the Act and form that apply to the year you are working on.

Each playbook has the same seven parts: purpose, inputs, steps, AI prompt, template, what good looks like, red flags.

Playbook 1 — Data Health Check

Purpose. Find out whether the books can be trusted before you build a forecast, MIS or loan file on them.

Use it when. Monthly, before close. Also on day one with any new client.

Time. 30–45 minutes.

Inputs

Source	Report
Tally	Trial Balance (detailed) · Exception Reports → Negative Ledgers, Negative Stock · Statistics · Day Book for the month
Zoho Books	Trial Balance · General Ledger · Account Transactions (filter: uncategorised)
OfficeMitra	Data-quality score

Steps

1. Export the trial balance and count ledgers under each of the ten checks below.
2. Record the count and the rupee value for each check.
3. Score each check 0 to 10 using the template. Total out of 100.
4. Paste only the summary table into the AI prompt.
5. Move every item over your materiality limit into the Action Tracker (Playbook 25).

The ten checks

1. Suspense account balance (should be nil).
2. Ledgers with abnormal sign: debtors in credit, creditors in debit, negative cash, negative stock.
3. Bank accounts not reconciled to the month end.
4. Party ledgers without GSTIN where one is expected.
5. Vouchers without narration, as a share of the month's vouchers.
6. Round-sum journal entries above your materiality limit.
7. Back-dated entries: vouchers entered after the month was closed.
8. Duplicate party ledgers (same party, two spellings).
9. Ledgers under "Primary" or an obviously wrong group.
10. Opening balance difference, and whether last year's closing equals this year's opening.

AI prompt

```
You are reviewing the bookkeeping quality of an Indian small business.
I will give you a summary table only. There is no party-level data, and
you must not ask for any.

Business type: [trading / manufacturing / services]
Annual turnover band: [under ₹5 cr / ₹5–50 cr / over ₹50 cr]
Month reviewed: [month, year]
Materiality limit I am using: ₹[amount]

Summary table (check, count, rupee value, my score out of 10):
[paste the ten rows]

Do the following:
1. Rank the three checks that most reduce the reliability of the
   financial statements, and say why in one line each.
2. For each of those three, give the likely root cause and the first
   corrective step a bookkeeper should take.
3. State which reports (cash forecast, GST reconciliation, MIS, debtor
   ageing) should not be relied on until each issue is fixed.
4. Give an overall verdict in one sentence: reliable, usable with
   caution, or not reliable.

Keep it under 300 words. Do not give tax or legal advice.
```

Template layout (one sheet)

Col	Heading	Notes
A	Check no.	1–10
B	Check	Text from the list above
C	Count	Number of ledgers or vouchers
D	Value (₹)	Absolute value
E	% of turnover or total vouchers	Formula
F	Score (0–10)	10 = clean
G	Owner	Who fixes it
H	Fix-by date	
I	Status	Open / Done

Row 12: total score out of 100. Keep one column per month alongside to show the trend.

What good looks like

These are working rules of thumb, not statutory limits.

Measure	Good	Needs work
Total score	85 or more	Below 70
Suspense balance	Nil at month end	Any balance older than 30 days
Vouchers without narration	Under 5%	Over 20%
Bank accounts reconciled	All, to month end	Any account over 30 days behind
Back-dated entries after close	None	Any, without an approval note

Red flags

- Cash balance negative on any day of the month.
- Suspense balance growing month on month.
- Large round-sum journals on the last day of a quarter.
- Same party appearing as both debtor and creditor without a set-off note.

Playbook 2 — Ledger Mapping to Schedule III

Purpose. Map every ledger to a Schedule III line once, so that financial statements, ratios and bank figures come out classified correctly every month.

Use it when. Once at set-up, then whenever a new ledger is created. Review in full before year end.

Time. 2–3 hours the first time; 10 minutes a month after that.

Inputs

Source	Report
Tally	List of Accounts (ledgers with groups) · Trial Balance (ledger-wise)
Zoho Books	Chart of Accounts export · Trial Balance
Reference	Schedule III to the Companies Act, 2013 — Division I (AS) or Division II (Ind AS), whichever applies

Non-corporate entities are not bound by Schedule III, but the ICAI format for non-corporate entities follows the same logic, so the mapping still helps.

Steps

1. Export the ledger list with current group and closing balance.
2. Add two columns: Schedule III head and sub-head.
3. Map the 20 largest balances by hand first. These carry most of the risk.
4. Use the AI prompt for the remaining ledgers, using ledger names and groups only.
5. Review every AI suggestion marked "low confidence".
6. Split current and non-current: anything due or realisable beyond 12 months goes non-current.
7. Tie out: total of mapped balances must equal the trial balance.

AI prompt

```
You are helping map an Indian company's ledgers to Schedule III
(Division I, Accounting Standards) of the Companies Act, 2013.

I will give you ledger names and their current accounting group.
There are no balances and no party names. Generic names such as
"Sundry Debtors" are fine.

For each ledger return a table with:
- Ledger name
- Schedule III head (e.g. Current Assets)
- Schedule III sub-head (e.g. Trade Receivables)
- Current or Non-current, or "depends on tenure"
- Confidence: high / medium / low
- One-line reason where confidence is not high

Rules:
- Do not guess. If the name is ambiguous, mark it low confidence and
  say what information would settle it.
- Flag any ledger that looks like it mixes two natures
  (e.g. "Loans and Advances" holding both staff advances and
  capital advances).
- Flag statutory dues, MSME dues and related-party items, as these
  need separate disclosure.

Ledgers:
[paste ledger name | current group, one per line]
```

Template layout

Col	Heading	Notes
A	Ledger name	From books
B	Current group in books	
C	Closing balance (₹)	
D	Schedule III head	Drop-down list
E	Schedule III sub-head	Drop-down list
F	Current / Non-current	
G	Disclosure flag	MSME / Related party / Statutory due / None
H	Confidence	High / Medium / Low
I	Reviewed by	Initials and date

Second sheet: pivot of column D and E totals, tied to the trial balance total with a difference cell that must read zero.

What good looks like

Measure	Good	Needs work
Ledgers mapped	100%	Any unmapped ledger with a balance
Mapped total vs trial balance	Difference nil	Any difference
Low-confidence mappings reviewed	All	Any left unreviewed
Ledgers mixing two natures	None	Any above materiality

Measure	Good	Needs work
New ledgers mapped	Within the month created	Left to year end

Red flags

- Borrowings shown as trade payables, or the reverse. This distorts every bank ratio.
- Capital advances sitting inside trade advances.
- Unsecured loans from directors or relatives without a related-party flag.
- Current maturities of long-term debt not separated from the long-term portion.
- One "Miscellaneous Expenses" ledger above 1% of total expenses.

Playbook 3 — Month-End Close Checklist

Purpose. Close the books in a fixed sequence so the MIS reaches the owner by the 7th working day, with the same quality each month.

Use it when. Every month.

Time. Set-up 1 hour. The close itself runs over working days 1 to 7.

Inputs

Source	Report
Tally	Day Book · Bank Reconciliation · Outstandings (Receivables, Payables) · Stock Summary · Trial Balance
Zoho Books	Reconciliation status · Trial Balance · Receivables and Payables summary · Inventory summary
Other	Payroll register · loan statements · fixed asset register

The close calendar

Working day	Tasks
WD 1	Cut-off: last sales invoice and last GRN numbers recorded. Bank statements downloaded for all accounts.
WD 2	Bank and cash reconciled. Sales and purchase registers tied to GST workings.
WD 3	Payroll, PF, ESI and TDS entries posted. Recurring journals: rent, interest, insurance.
WD 4	Accruals and prepaid adjustments. Depreciation. Stock valuation.
WD 5	Debtor and creditor ledgers reviewed. Suspense cleared (Playbook 4). Inter-branch and related-party balances agreed.
WD 6	Trial balance review, variance scan against last month, corrections.
WD 7	Period locked. MIS issued (Playbook 16).

Keep the statutory dates beside the calendar and confirm them against the current notifications: TDS deposit, PF and ESI, GSTR-1 and GSTR-3B.

AI prompt

```
You are a finance controller reviewing a month-end close for an Indian
small business. I will give you the close checklist status and a short
variance summary. There is no ledger or party data.

Month: [month, year]
Close target: working day 7. Actual close: working day [n].

Checklist status (task | owner role | planned day | actual day |
done / not done | note):
[paste rows]

Variance summary (line | this month | last month | % change):
[paste 10–15 P&L and balance sheet lines]

Do the following:
1. List the tasks that delayed the close, in order of days lost, and
   suggest one change to each for next month.
2. From the variance summary, pick the lines that look like a missed
   accrual, a cut-off error or a misposting, and state the check
   that would confirm each.
3. Say whether the month should be locked now or held, and why.

Under 250 words. Bullet points.
```

Template layout

Col	Heading	Notes
A	Task no.	
B	Task	From the calendar above
C	Owner	Role, not just a name
D	Planned working day	
E	Actual working day	
F	Status	Not started / In progress / Done
G	Evidence	Report name or file reference
H	Reviewer sign-off	Initials and date
I	Note	

Header cells: month, close target day, actual close day, days late. Keep twelve monthly tabs so the trend is visible.

What good looks like

Measure	Good	Needs work
Close day	WD 7 or earlier	After WD 12
Tasks with evidence attached	All	Under 80%
Entries posted after lock	None	Any, without approval
Accruals posted from a standing list	Yes	Remembered ad hoc
Same checklist used each month	Yes	Rebuilt each time

Red flags

- The close depends on one person and stops when they are on leave.
- Stock valued at a number supplied by the owner without a count or a report.
- No cut-off record, so the last days' sales move between months.
- Period not locked, and last month's figures change after MIS is issued.

Playbook 4 — Suspense & Unreconciled Entries

Purpose. Clear suspense, unexplained and round-sum entries in order of age and size, so they do not reach the year-end audit.

Use it when. Monthly at WD 5 of the close. Run a deep clean each quarter.

Time. 1–2 hours a month once the backlog is cleared.

Inputs

Source	Report
Tally	Ledger Vouchers for Suspense A/c and any "Unknown", "Difference" or "To be identified" ledgers · Day Book filtered to Journal vouchers
Zoho Books	Account Transactions for uncategorised and suspense accounts · Journal report
Bank	Statement narrations for the unexplained receipts and payments

Steps

1. List every ledger that is acting as a parking account, not only the one called Suspense.
2. Export open items with date, amount and narration.
3. Age each item: 0–30, 31–60, 61–90, over 90 days.
4. Tag each item with a probable type from the list below.
5. Work the largest items in the oldest bucket first.
6. Record the resolution and the supporting evidence for each cleared item.
7. Anything over 90 days goes to the owner or partner for a decision.

Probable types: unidentified customer receipt · unidentified payment · bank charge or interest · personal drawing · inter-account transfer · duplicate entry · opening balance difference · statutory payment not allocated.

AI prompt

```
You are helping a bookkeeper clear suspense account items for an
Indian small business. I will give you an anonymised list: date,
amount, debit or credit, and a cleaned narration. I have removed
names, account numbers, UPI IDs and references.

For each item:
1. Suggest the most probable type from this list: unidentified
   customer receipt, unidentified payment, bank charge or interest,
   personal drawing, inter-account transfer, duplicate entry,
   opening balance difference, statutory payment not allocated.
2. State the single document or check that would confirm it.
3. Mark confidence: high / medium / low.

Then:
4. Point out any pairs that look like they offset each other
   (same amount, opposite sign, within 7 days).
5. Point out any pattern, such as the same amount recurring monthly.

Do not propose an accounting entry where confidence is low. Say
what must be found out first.

Items:
[paste rows]
```

Template layout

Col	Heading	Notes
A	Item no.	
B	Date	
C	Dr / Cr	
D	Amount (₹)	
E	Age (days)	Formula from review date
F	Age bucket	0–30 / 31–60 / 61–90 / 90+
G	Narration (cleaned)	No names or numbers
H	Probable type	Drop-down
I	Evidence needed	
J	Resolution	Final ledger and voucher reference
K	Cleared on	Date
L	Cleared by	Initials

Summary block at the top: count and value by age bucket, this month against last month.

What good looks like

Measure	Good	Needs work
Suspense balance at month end	Nil	Any
Items over 90 days	None	Any
Items cleared with evidence	All	Cleared by journal with no support

Measure	Good	Needs work
Month-on-month open value	Falling	Rising
Parking ledgers in use	One, named Suspense	Several under different names

Red flags

- Suspense cleared by a single round-sum journal to an expense head at year end.
- Unidentified credits that later turn out to be customer advances, with GST implications.
- Cash receipts from one person at or above the statutory limit in force.
- Cash payments to one person above the statutory daily limit, booked as expense.
- Regular personal drawings passing through a business expense head.

Confirm the current thresholds and exceptions with your tax adviser before acting on the last two.

Playbook 5 — Bank Reconciliation Review

Purpose. Review the reconciliation itself, not just produce it: age every open item and turn it into an action with an owner.

Use it when. Monthly at WD 2 of the close, for every bank, cash-credit and overdraft account.

Time. 20–30 minutes per account.

Inputs

Source	Report
Tally	Bank Reconciliation statement for each bank ledger, as at month end
Zoho Books	Reconciliation report · Uncategorised bank transactions
Bank	Statement closing balance for the same date
OfficeMitra	Bank reconciliation status

Steps

1. Confirm the three figures agree: balance as per books, plus and minus reconciling items, balance as per bank statement.
2. Split open items into four groups: - Cheques issued, not yet presented - Cheques and deposits lodged, not yet credited - Bank entries not in books (charges, interest, direct credits, auto-debits) - Book entries not in bank (wrong account, wrong amount, duplicates)
3. Age each item from its date to the month end.
4. Count and total each group by age bucket. This summary is what goes into the AI prompt.
5. Act on each aged item using the table below.

Item	Action when aged
Cheque issued, not presented over 90 days	A cheque is normally valid for three months. Reverse it, restore the liability, reissue if needed.
Deposit not credited over 7 days	Query the bank. Check for a dishonour not yet booked.
Bank debit not in books over 30 days	Book it. Check TDS on interest and GST on bank charges.
Direct credit not identified over 30 days	Move to the suspense routine (Playbook 4).

AI prompt

```
You are reviewing bank reconciliation quality for an Indian small
business. I will give you summary counts and totals only. There are
no account numbers, cheque numbers or party names.

Month end: [date]
Number of bank accounts: [n]

For each account (label them Bank A, Bank B, ...):
- Balance as per books: ₹[ ]
- Balance as per bank: ₹[ ]
- Open items by group and age bucket (count | value):
  Cheques issued not presented: 0–30 | 31–90 | 90+
  Deposits not credited: 0–7 | 8–30 | 30+
  Bank entries not in books: 0–30 | 30+
  Book entries not in bank: 0–30 | 30+
- Unreconciled difference, if any: ₹[ ]

Do the following:
1. Rate each account: clean, attention needed, or unreliable.
2. Name the three items or groups that carry the most risk and
   explain the risk in one line each (cash overstated, liability
   understated, income or expense not booked, possible error or
   irregularity).
3. Give a five-line action list for the accountant for this week.
4. State how much the reported cash and bank balance could be wrong
   by if the aged items are not genuine.

Under 250 words.
```

Template layout

Sheet 1 — Summary (one row per account)

Col	Heading
A	Account label
B	Balance as per books (₹)
C	Add: cheques issued not presented
D	Less: deposits not credited
E	Add / less: bank entries not in books
F	Add / less: book entries not in bank
G	Balance as per bank (₹)
H	Difference (must be zero)
I	Reconciled up to (date)
J	Items over 90 days: count and value
K	Reviewed by

Sheet 2 — Open items

Col	Heading
A	Account label

Col	Heading
B	Group (one of the four)
C	Date
D	Amount (₹)
E	Age (days)
F	Age bucket
G	Action
H	Owner
I	Status

What good looks like

Measure	Good	Needs work
Reconciled up to	Month end, for every account	Any account over 30 days behind
Unreconciled difference	Nil	Any amount carried forward
Cheques issued, unpresented over 90 days	None	Any
Bank entries not in books over 30 days	None	Any
Reconciliation reviewed by a second person	Every month	Prepared and approved by the same person

Red flags

- A difference "carried forward" month after month.
- Deposits in transit that never clear, a classic sign of teeming and lading.
- Cheques issued at year end and held back to show lower creditors.
- A bank account in the books with no statement on file.
- Reconciliation prepared by the person who also handles receipts and payments.

Playbook 6 — GSTR-2B vs Purchase Register

Purpose. Find input tax credit (ITC) at risk before GSTR-3B is filed: invoices in your books that are missing from GSTR-2B, and invoices in 2B that are missing from your books.

Use it when. Monthly, after GSTR-2B is generated (mid-month) and before GSTR-3B is filed.

Time. 1–2 hours a month.

Inputs

Source	Report
GST portal	GSTR-2B for the period (Excel or JSON) · Invoice Management System (IMS) status, where used
Tally	Purchase Register · GST reports → GSTR-2 / ITC reconciliation
Zoho Books	Purchase register by vendor · GST reconciliation report
OfficeMitra	GSTR-2B reconciliation

Steps

1. Match on supplier GSTIN plus invoice number. Clean invoice numbers first: strip spaces, slashes, leading zeros and financial-year prefixes.
2. Put every invoice into one of five buckets: - **Matched** — GSTIN, number, taxable value and tax agree - **Mismatch** — found on both sides, but value, tax or tax head (IGST vs CGST/SGST) differs - **In books, not in 2B** — ITC at risk - **In 2B, not in books** — unrecorded purchase, wrong GSTIN, or not your invoice - **Not eligible** — blocked credits, personal or exempt-use items
3. Age the "in books, not in 2B" bucket by invoice month.
4. Group that bucket by supplier and rank by tax value. A handful of suppliers usually explains most of it.
5. Write to each supplier in the top group. Hold payment of the GST portion where your terms allow.
6. Separately list invoices unpaid beyond 180 days and invoices nearing the annual ITC cut-off.
7. Paste the bucket summary, not the invoice list, into the AI prompt.

AI prompt

```
You are reviewing a GSTR-2B to purchase register reconciliation for
an Indian business. I will give you summary figures only. There are
no GSTINs, supplier names or invoice numbers; suppliers are labelled
Supplier 1, Supplier 2 and so on.

Return period: [month, year]
Total ITC as per books: ₹[ ]
Total ITC as per GSTR-2B: ₹[ ]

Bucket summary (bucket | invoice count | taxable value | tax):
Matched
Mismatch
In books, not in 2B
In 2B, not in books
Not eligible

Ageing of "in books, not in 2B" (invoice month | count | tax):
[paste rows]

Top 10 suppliers in that bucket (label | count | tax | months
outstanding):
[paste rows]

Do the following:
1. State the ITC that is safe to claim this month and the amount
   to hold back, with the reasoning.
2. Rank the suppliers to chase first and say what to ask each for.
3. For the mismatch bucket, list the three most likely causes and
   the check that confirms each.
4. For "in 2B, not in books", say what could go wrong if it is
   ignored.
5. Draft a short, polite follow-up message to a supplier who has
   not reported our invoices. Leave blanks for names and numbers.

Under 300 words, excluding the draft message. Do not give legal
advice; flag where a GST professional should decide.
```

Template layout

Sheet 1 — Reconciliation

Col	Heading	Notes
A	Supplier label	Not the name, if the sheet will be shared
B	Invoice no. (cleaned)	
C	Invoice date	
D	Taxable value — books	
E	Tax — books	
F	Taxable value — 2B	
G	Tax — 2B	
H	Difference in tax	Formula
I	Bucket	One of the five
J	Age (months)	

Col	Heading	Notes
K	Action	Chase / Correct books / Reverse / Hold
L	Status	

Sheet 2 — Summary. Bucket totals, ageing of the at-risk bucket, top-10 suppliers, and month-on-month trend of ITC at risk.

What good looks like

Working rules of thumb, not statutory limits.

Measure	Good	Needs work
Matched ITC as % of books ITC	95% or more	Below 85%
"In books, not in 2B" older than 2 months	None	Any material amount
Mismatch bucket	Cleared within the month	Carried forward
"In 2B, not in books"	Each item explained	Ignored
Reconciliation done	Before every GSTR-3B	Once a year at annual return

Red flags

- ITC claimed in GSTR-3B is higher than GSTR-2B with no working to explain the gap.
- The same supplier appears in the at-risk bucket every month.
- Supplier's GST registration cancelled or suspended.
- Invoices unpaid for more than 180 days with ITC still claimed.
- Prior-year invoices approaching the annual time limit for claiming ITC.
- Invoices in 2B from suppliers you have never bought from.

Playbook 7 — TDS/TCS Review

Purpose. Check, section by section, that tax was deducted or collected where required, at the right rate, deposited on time and reported in the return, before a notice or an auditor finds the gap.

Use it when. Monthly, before the deposit due date. Again each quarter before the return is filed.

Time. 1 hour a month; 2–3 hours at quarter end.

Inputs

Source	Report
Tally	TDS reports → Form 26Q / 24Q working · TDS Outstandings · Ledger of each TDS payable account · Expense ledgers for contractors, professional fees, rent, commission, interest
Zoho Books	TDS summary and TDS payable reports · Expense by vendor
Tax portal	Challan status · TRACES default summary · Form 26AS / AIS of the business for TDS credits
Reference	Current rate and threshold chart for the year

Steps

1. List every expense head that can attract TDS, and every sale that can attract TCS.
2. For each head, total the payments by vendor for the year to date and compare with the threshold.
3. Test four things for each vendor above threshold: deducted or not, rate, date of deduction (credit or payment, whichever is earlier), date of deposit.
4. Tie the TDS payable ledger to challans paid. The balance should equal only the current month's deduction.
5. Check PAN status for each deductee: missing or inoperative PAN means a higher rate.
6. Check lower-deduction certificates: validity period and limit used.
7. At quarter end, tie the return figures to the ledger and challans, then download the default summary after processing.

AI prompt

```
You are reviewing TDS and TCS compliance for an Indian business.
I will give you summary tables only. There are no PANs, TANs or
party names; vendors are labelled Vendor 1, Vendor 2 and so on.

Period: [month or quarter, year]

Table 1 — by nature of payment (nature | total paid or credited |
amount on which tax was deducted | tax deducted | tax deposited |
latest deposit date):
[paste rows]

Table 2 — exceptions (vendor label | nature | amount paid | tax
deducted | issue: not deducted / short deducted / late deducted /
late deposited / no PAN):
[paste rows]

Table 3 — TDS payable ledger: opening, deducted, deposited,
closing, and how much of closing is older than one month.

Do the following:
1. For each row in Table 1, say whether the gap between amount paid
   and amount on which tax was deducted needs explaining, and list
   the usual legitimate reasons (below threshold, exempt payee,
   lower-deduction certificate, reimbursement, GST component).
2. Rank the exceptions in Table 2 by exposure. For each, name the
   consequences that can follow: interest, late fee, penalty, and
   expense disallowance. Do not compute them.
3. Give the corrective action for each exception and say which can
   still be fixed inside this quarter.
4. Comment on the TDS payable ledger.

I will verify the current rates and thresholds myself. Do not quote
rates or section numbers as fact. Under 300 words.
```

Template layout

Rate chart sheet. Nature of payment, section, yearly threshold, rate and higher rate, entered by you from the chart in force for the year, with the date you checked it. No rate is built into the template; the vendor test reads everything from this sheet.

Sheet 1 — Vendor test

Col	Heading	Notes
A	Vendor label	
B	Nature of payment	Chosen from your Rate chart
C	Section	Read from your Rate chart
D	Paid or credited, year to date (₹)	
E	Threshold (₹)	Read from your Rate chart
F	Applicable rate	Read from your Rate chart, or your override
G	Tax due	Formula
H	Tax deducted	
I	Short / excess	Formula

Col	Heading	Notes
J	PAN status	Valid / Missing / Inoperative
K	Lower-deduction certificate	Yes / No, valid to
L	Action	

Sheet 2 — Challan tie-out. Month, tax deducted, challan date, challan amount, days late, balance payable.

Sheet 3 — Calendar. Deposit and return due dates for the year, with actual dates beside them.

What good looks like

Measure	Good	Needs work
Deposits made on or before the due date	All	Any late
TDS payable ledger closing balance	Current month only	Older balances sitting unpaid
Returns filed by the due date	All four quarters	Any late
Defaults in the portal summary	None	Any unresolved
Vendors above threshold without deduction	None	Any
Deductee PANs validated	All	Missing or inoperative PANs

Red flags

- Year-end provisions and bills booked on 31 March without deduction.
- One vendor split across several ledgers so each stays under the threshold.
- Reimbursements and GST treated inconsistently when computing the deduction.
- Rent paid to a director or relative with no deduction.
- Tax deducted from vendors but deposited months later.
- TDS credit in the business's own Form 26AS not matching income booked.

Playbook 8 — MSME 43B(h) Payment Risk

Purpose. List the dues to micro and small enterprise suppliers that have crossed, or will cross, the MSMED Act payment time limit, so they can be paid before the deduction is lost for the year.

Use it when. Monthly from the third quarter. Weekly in March.

Time. 1–2 hours once vendor classification is done.

The rule in brief

- It covers purchases of goods or services from **micro and small** enterprises. Medium enterprises are outside it.
- The time limit under section 15 of the MSMED Act is the agreed date, capped at 45 days from acceptance; with no written agreement, 15 days.
- An amount paid beyond that limit is deductible only in the year it is actually paid. An amount unpaid at year end but paid later within the limit is not affected.
- Interest on delayed payment under the MSMED Act is not a deductible expense.
- Whether Udyam-registered **traders** are covered is a point on which professionals differ. Take a view with your tax adviser and apply it consistently.

Confirm the current position, including the section number under the Income-tax Act, 2025, before acting.

Inputs

Source	Report
Tally	Outstandings → Payables (bill-wise, with bill dates) · Group Outstandings for Sundry Creditors
Zoho Books	Payables ageing detail (bill-wise)
Vendor master	Udyam registration number, category (micro / small / medium), activity (manufacturing / services / trading), agreed credit days
OfficeMitra	43B(h) tile

Steps

1. Collect Udyam certificates from vendors. Record category and activity in the vendor master.
2. Record whether a written agreement on credit terms exists for each vendor.
3. For each open bill, compute the due date: acceptance date plus the lower of agreed days and 45; or plus 15 where there is no agreement.
4. Bucket open bills: not yet due · due within 15 days · overdue.
5. Total the overdue bucket. This is the expense at risk of disallowance if unpaid at year end.
6. Before 31 March, forecast the bills that will be overdue on that date and schedule payment.
7. Keep the working for the tax audit report and for the MSME disclosure in the financial statements.

AI prompt

```
You are helping an Indian business manage payments to micro and
small enterprise suppliers ahead of its financial year end. I will
give you summary figures only; suppliers are labelled Vendor 1,
Vendor 2 and so on.

Review date: [date]. Year end: 31 March [year].
Cash available for vendor payments before year end: ₹[ ]

Table (vendor label | category: micro / small | written agreement:
yes / no | agreed credit days | open amount | amount overdue beyond
the MSMED limit today | amount that will be overdue on 31 March if
unpaid):
[paste rows]

Vendors whose Udyam status is not yet confirmed: [count], open
amount ₹[ ]

Do the following:
1. Total the amount at risk on 31 March.
2. Propose a payment order that removes the most risk for the cash
   available, and show what remains uncovered.
3. For vendors without a written agreement, explain why that
   matters and suggest a practical fix for next year.
4. List the steps to take for vendors whose status is unconfirmed.
5. Note any other consequence of late payment I should raise with
   my adviser.

Do not compute tax. Under 250 words.
```

Template layout

Col	Heading	Notes
A	Vendor label	
B	Udyam category	Micro / Small / Medium / Not registered / Not confirmed
C	Activity	Manufacturing / Services / Trading
D	Written agreement	Yes / No
E	Agreed credit days	
F	Allowed days	Formula, using the two time limits you enter on the Settings sheet
G	Bill no.	
H	Acceptance date	Bill or goods receipt date
I	Due date	H + F
J	Amount (₹)	
K	Days overdue today	Formula
L	Overdue on 31 March?	Formula
M	Planned payment date	
N	Status	

Summary block: total open, total overdue, total at risk on 31 March, count of vendors not confirmed.

The Excel template holds no limits in its formulas. A Settings sheet takes the two time limits and a Yes or No for each supplier category, entered by you from the law in force.

What good looks like

Measure	Good	Needs work
Vendors with Udyam status recorded	All active vendors	Under 80%
Micro and small dues overdue at year end	Nil	Any
Written credit terms with micro and small vendors	All	Verbal terms only
Review frequency	Monthly; weekly in March	Once, in the last week of March
Working retained for audit	Yes	Rebuilt at audit time

Red flags

- No Udyam data in the vendor master at all.
- Purchase orders printed with 60 or 90 day terms for micro and small vendors.
- Part payments made without bill references, so ageing cannot be relied on.
- Disputed bills left open with no written dispute on record.
- Year-end cheques issued but not handed over or presented.

Playbook 9 — Tax Audit (3CD) Preparation

Purpose. Build the clause-wise working file through the year, so the tax audit is a review of ready schedules and not a search through the ledgers in September.

Use it when. Set up at the start of the year. Update quarterly. Finalise within 60 days of year end.

Time. Half a day to set up; 2 hours a quarter.

Applies to. Businesses and professionals above the tax audit turnover limits. Confirm the limit and the form that apply to your year.

Inputs

Source	Report
Tally	Trial Balance · Ledger Vouchers for loans, cash, related parties · Fixed asset additions · Stock Summary with quantities · TDS reports · GST reports
Zoho Books	Trial Balance · General Ledger · Fixed asset register · Inventory summary · Tax reports
Other	Last year's tax audit report · loan sanction letters · payroll and PF/ESI challans · related-party list

The working file: one schedule per area

Area	Schedule to keep
Books and method	Books maintained, method of accounting, changes from last year, stock valuation method
Fixed assets	Additions with date put to use, disposals, depreciation by block
Cash payments	Payments in cash above the daily limit to one person, with reason
Related parties	Payments to specified persons, with basis for reasonableness
Employee dues	PF and ESI employee contributions: due date and actual date, month by month
Statutory dues	Tax, duty, bonus, leave and interest items allowed only on payment: outstanding at year end and date paid
MSME dues	Amounts unpaid beyond the MSMED limit and interest (from Playbook 8)
Loans and deposits	Each loan or deposit taken or repaid: amount, mode, and whether through banking channels
Cash receipts	Receipts at or above the cash-transaction limit
TDS / TCS	Section-wise compliance, defaults and interest (from Playbook 7)
Quantities	Opening, purchases, sales, closing, shortage or excess, for principal items
Ratios	Gross profit, net profit and stock turnover, with last year's comparison
GST	Expenditure split by registered, composition, exempt and unregistered suppliers
Prior period	Income or expense of earlier years booked this year

Steps

1. Copy last year's report and mark every clause as nil, routine or sensitive.
2. Assign an owner and a source report to each schedule.

3. Update the event-driven schedules as they happen: loans, cash payments, asset additions, related-party payments.
4. Update the date-driven schedules monthly: PF, ESI, TDS.
5. At year end, tie each schedule to the trial balance.
6. Review ratios against last year and write the reason for any large movement.
7. Hand the complete file to the auditor with a list of open points.

AI prompt

```
You are helping an Indian business get ready for its tax audit.
I will give you a readiness table and key ratios. There are no
party names, PANs or ledger extracts.

Financial year: [ ]
Business type: [trading / manufacturing / services]

Readiness table (area | schedule ready: yes / partly / no | tied to
trial balance: yes / no | exceptions found: count and total value):
[paste the 14 rows]

Ratios (this year | last year): gross profit %, net profit %,
stock turnover.

Do the following:
1. Rank the five areas most likely to produce a disallowance or an
   auditor's query, and say why.
2. For each area marked partly or no, list the documents to collect.
3. Comment on the ratio movement and list the questions an auditor
   is likely to ask about it.
4. Give a four-week plan to complete the file.

Do not quote section numbers, limits or rates as fact; I will
confirm them. Under 300 words.
```

Template layout

Sheet 1 — Index

Col	Heading	Notes
A	Area	From the list above
B	Report clause reference	Fill from the current form
C	Last year: nil / routine / sensitive	
D	Owner	
E	Source report	
F	Schedule ready	Yes / Partly / No
G	Tied to trial balance	Yes / No
H	Exceptions (count, ₹)	
I	Open points	

Sheets 2 onward. One sheet per schedule, each ending with a tie-out line to the trial balance.

What good looks like

Measure	Good	Needs work
Schedules ready within 60 days of year end	All	Under half
Schedules tied to the trial balance	All	Any untied
Event-driven schedules updated	As events happen	Rebuilt from ledgers at year end
Ratio movements explained in writing	Yes	Explained verbally at audit
Auditor queries on basic data	Few	Most of the audit time

Red flags

- Loans taken or repaid in cash.
- Employee PF or ESI deposited after the due date.
- Related-party payments with no rate comparison on file.
- Gross profit ratio moving sharply with no change in the business.
- Stock quantities that do not reconcile to purchases and sales.
- Personal expenses of the owner inside business expense heads.

Playbook 10 — CARO 2020 Checklist

Purpose. Walk the CARO 2020 reporting clauses before the statutory audit, with the evidence the auditor will need for each, so adverse remarks are found and fixed while there is still time.

Use it when. At the third-quarter close as a dry run, and again at year end.

Time. Half a day for the dry run.

Applies to. Companies, with exemptions for certain classes: one person companies, small companies, and private companies below prescribed capital, borrowing and revenue limits, among others. Confirm applicability with your auditor first.

Inputs

Source	Report
Tally / Zoho Books	Trial Balance · fixed asset register · Stock Summary · loan and advance ledgers · statutory dues ledgers · related-party ledgers
Bank	Sanction letters · quarterly stock and debtor statements filed with the bank · repayment schedules
Secretarial	Registers of loans, investments and related-party contracts · board and audit committee minutes
Statutory	Challans and returns for GST, PF, ESI, income tax and other dues · list of disputed dues with forum

The clauses and the evidence

Clause	Subject	Evidence to keep ready
(i)	Property, plant and equipment; intangibles	Asset register with location and quantity · physical verification report · title deeds in the company's name · revaluation and benami proceedings, if any
(ii)	Inventory; working capital limits	Physical count sheets and discrepancy treatment · quarterly statements filed with banks reconciled to books
(iii)	Loans, investments, guarantees given	Party-wise schedule, terms, repayment record, overdue amounts, renewals
(iv)	Loans to directors; inter-corporate loans and investments	Compliance working for the Companies Act limits and approvals
(v)	Deposits	Confirmation that none accepted, or compliance record
(vi)	Cost records	Whether prescribed, and whether maintained
(vii)	Statutory dues	Undisputed dues outstanding over six months · disputed dues with amount and forum
(viii)	Unrecorded income	Any income surrendered or disclosed in tax assessments
(ix)	Borrowings	Defaults in repayment · end use of term loans · short-term funds used for long-term purposes · wilful-defaulter status
(x)	Funds raised	Use of money from public offers, preferential allotment or private placement
(xi)	Fraud	Frauds noticed or reported · whistle-blower complaints
(xii)	Nidhi companies	Only if applicable
(xiii)	Related-party transactions	Approvals and disclosure
(xiv)	Internal audit	Whether the system matches the size of the business · internal audit reports

Clause	Subject	Evidence to keep ready
(xv)	Non-cash transactions with directors	Details, if any
(xvi)	RBI registration	Whether required for the company's activities
(xvii)	Cash losses	This year and last year
(xviii)	Resignation of auditors	Issues raised by the outgoing auditor
(xix)	Ability to meet liabilities	Ratios, ageing of assets and liabilities, cash forecast for the next 12 months
(xx)	CSR	Unspent amount and its transfer
(xxi)	Group companies	Adverse remarks in the CARO reports of companies in the consolidation

Steps

1. Confirm whether CARO applies. If the company sits near an exemption limit, check each limit.
2. For each clause, mark: not applicable, clean, or point to report.
3. Attach the evidence reference for every clause marked clean.
4. For every point to report, write the facts, the amount and what can be corrected before year end.
5. Give priority to the clauses lenders read first: (ii), (vii), (ix), (xvii) and (xix).
6. Share the dry-run file with the auditor before year end, not after.

AI prompt

```
You are helping an Indian company prepare for the CARO 2020 section
of its statutory audit. I will give you a status table only. There
are no names of parties, lenders or directors.

Financial year: [ ]
Company type: [private / public unlisted], [manufacturing / trading
/ services]
Borrowings from banks: [yes / no]; sanctioned working capital
limit: ₹[ ]

Status table (clause | status: not applicable / clean / point to
report | brief facts without names | amount, if any | evidence
ready: yes / no):
[paste the 21 rows]

Do the following:
1. List the points to report in order of seriousness from a
   lender's and an investor's point of view.
2. For each, say whether it can be cured before year end and how.
3. For clauses marked clean but with evidence not ready, list what
   to collect.
4. Draft neutral, factual wording for each point to report that
   management can share with the auditor as its explanation.

Do not decide applicability or draft the auditor's opinion.
Under 350 words.
```

Template layout

Col	Heading	Notes
A	Clause	(i) to (xxi)
B	Subject	

Col	Heading	Notes
C	Applicable	Yes / No
D	Status	Clean / Point to report
E	Facts	No names if the sheet is shared outside
F	Amount (₹)	
G	Evidence reference	File or folder name
H	Curable before year end	Yes / No
I	Action and owner	
J	Last year's remark	To show repeat points

What good looks like

Measure	Good	Needs work
Dry run completed	By the third-quarter close	Not done before audit
Clauses with evidence on file	All applicable clauses	Evidence gathered during audit
Repeat remarks from last year	None	Same remarks again
Quarterly bank statements agree with books	Every quarter	Differences unexplained
Undisputed statutory dues over six months	Nil	Any

Red flags

- Stock or debtor figures filed with the bank that differ from the books.
- Working capital borrowing funding fixed assets or long-term advances.
- Title deeds of property not in the company's name.
- Loans to related parties with no terms, no interest and no repayment.
- Statutory dues unpaid for more than six months.
- Cash losses two years running.
- Physical verification of stock or assets not done or not documented.

Playbook 11 — 90-Day Cash Forecast

Purpose. Show, week by week for the next 13 weeks, what cash will come in and go out, and mark the week the balance is lowest, while there is still time to act.

Use it when. Weekly. Refresh every Monday; roll forward one week each time.

Time. 2 hours to set up; 30 minutes a week.

Watch. Finance Insights EP1.

Inputs

Source	Report
Tally	Outstandings → Receivables and Payables (bill-wise, with due dates) · Cash and Bank balances · Bank Reconciliation
Zoho Books	Receivables and Payables ageing detail · Bank balances
Other	Payroll calendar · loan repayment schedule · GST, TDS, PF and ESI due dates · advance tax dates · sanctioned and used cash-credit or overdraft limit · planned capital spending
OfficeMitra	Cash forecast

Steps

1. Start with the reconciled bank balance, not the book balance. Add the unused cash-credit limit on a separate line.
2. **Receipts.** Place each open invoice in the week you expect it to be paid, not the week it falls due. Use each customer's actual payment habit.
3. Add expected cash from sales not yet invoiced, at a cautious figure, on a separate line.
4. **Payments.** Enter the fixed items first: salaries, rent, EMIs, statutory dues. These have dates that do not move.
5. Enter supplier payments by due date, with MSME suppliers ahead of others (Playbook 8).
6. Enter one-off items: capital spending, advance tax, bonus, insurance renewals.
7. Compute the closing balance for each week. Mark the lowest week and compare it with the minimum balance you want to hold.
8. Build a downside case: receipts 20% lower and two weeks later.
9. Each week, compare last week's forecast with actual and record why they differed.

AI prompt

```
You are reviewing a 13-week cash forecast for an Indian small
business. I will give you weekly totals only. There are no customer,
supplier or bank names.

Opening bank balance (reconciled): ₹[ ]
Unused cash-credit / overdraft limit: ₹[ ]
Minimum balance the owner wants to hold: ₹[ ]

Weekly table for weeks 1 to 13 (week | receipts from open invoices |
receipts from new sales | salaries | suppliers | statutory dues |
loan repayments | other | closing balance):
[paste 13 rows]

Last four weeks, forecast vs actual receipts: [four pairs]

Do the following:
1. Name the week with the lowest balance and the shortfall against
   the minimum, with and without the unused limit.
2. Rework the lowest point if receipts are 20% lower and arrive two
   weeks late.
3. Judge how reliable the receipts forecast is from the last four
   weeks, and suggest a correction factor.
4. List actions in three groups: speed up receipts, defer or
   reschedule payments, arrange funding. For each, say by which
   week it must be done to help.
5. Point out any payment that must not be deferred.

Under 300 words.
```

Template layout

Rows are lines; columns are weeks 1 to 13 with week-ending dates.

Row block	Lines
Opening	Opening bank balance
Receipts	From open invoices · From new sales · Other receipts · **Total receipts**
Payments	Salaries and wages · Suppliers: MSME · Suppliers: others · Rent and utilities · GST · TDS, PF, ESI · Loan EMIs and interest · Capital spending · Tax · Other · **Total payments**
Result	Net cash flow · **Closing balance** · Unused limit · **Cash plus headroom** · Minimum balance · Surplus or shortfall
Check	Last week: forecast, actual, difference, reason

Second sheet: the same layout for the downside case.

What good looks like

Working rules of thumb.

Measure	Good	Needs work
Forecast updated	Weekly	Only when cash is tight
Forecast vs actual receipts	Within 10% over four weeks	Off by more than 25%
Lowest-week balance	Above the minimum in the downside case	Negative in the base case

Measure	Good	Needs work
Statutory dues and salaries	Shown on their exact dates	Lumped into "expenses"
Cash-credit limit used	Leaves headroom every week	At the limit most weeks

Red flags

- The forecast is built from the profit figure and not from receipts and payments.
- Receipts placed on due dates when customers habitually pay late.
- Statutory dues deferred to keep the balance positive.
- One customer's payment decides whether the month works.
- Limit fully used and cheques being held back.

Playbook 12 — Working Capital Gap

Purpose. Measure how much cash is locked in debtors and stock, net of supplier credit, and how much could be released by moving each by a few days.

Use it when. Monthly, after close.

Time. 45 minutes.

Watch. Finance Insights EP2.

Inputs

Source	Report
Tally	Balance Sheet · Profit & Loss · Ratio Analysis · Outstandings summary · Stock Summary
Zoho Books	Balance Sheet · Profit and Loss · Receivables, Payables and Inventory summaries
Bank	Sanctioned limit, drawing power, current utilisation
OfficeMitra	DSO, DIO and DPO

The measures

Measure	Formula	Meaning
DSO	Trade debtors ÷ credit sales × days in period	Days to collect
DIO	Inventory ÷ cost of goods sold × days in period	Days stock sits
DPO	Trade creditors ÷ purchases × days in period	Days taken to pay
Cash conversion cycle	DSO + DIO − DPO	Days your own cash is tied up
Working capital gap	Debtors + inventory + other current assets − creditors − other current liabilities (excluding bank borrowing)	The amount to be funded
Cash locked per day	Annual credit sales ÷ 365 (for debtors); cost of goods sold ÷ 365 (for stock)	What one day is worth

Use sales and purchases including GST when comparing with debtors and creditors, since those balances include GST.

Steps

1. Compute the three day-counts for the latest month and the previous five months.
2. Compute the working capital gap and how it is funded: bank limit, own funds, or stretched creditors.
3. Work out what one day of DSO and one day of DIO is worth in rupees.
4. Set a target for each day-count based on your credit terms and your own best month.
5. Convert the difference between actual and target into cash that can be released.
6. Pick the two actions with the largest release and carry them to the Action Tracker.

AI prompt

```
You are analysing working capital for an Indian small business.
I will give you summary figures only.

Business type: [trading / manufacturing / services]
Standard credit terms given: [ ] days. Terms received: [ ] days.

Six-month table (month | sales incl. GST | cost of goods sold |
purchases incl. GST | trade debtors | inventory | trade creditors |
bank borrowing used | sanctioned limit):
[paste six rows]

Do the following:
1. Compute DSO, DIO, DPO and the cash conversion cycle for each
   month, and describe the trend in two lines.
2. Compute the working capital gap for the latest month and how it
   is funded.
3. State the rupee value of one day of DSO and one day of DIO.
4. Compare DSO with the credit terms given and DPO with the terms
   received, and say what each gap suggests.
5. Estimate cash released if DSO falls by 10 days and DIO by 10
   days. Show the working.
6. Warn me if DPO is rising for an unhealthy reason.

Show the calculations in a small table. Under 300 words of
commentary.
```

Template layout

Col	Heading	Notes
A	Month	
B	Sales incl. GST	
C	Cost of goods sold	
D	Purchases incl. GST	
E	Trade debtors	
F	Inventory	
G	Trade creditors	
H	DSO	Formula
I	DIO	Formula
J	DPO	Formula
K	Cash conversion cycle	H + I − J
L	Working capital gap (₹)	
M	Bank borrowing used	
N	Limit utilisation %	

Side block: target days, value of one day, cash release at target. Add a line chart of columns H to K.

What good looks like

Day-counts vary widely by industry. Compare with your own terms and trend first.

Measure	Good	Needs work
DSO vs credit terms given	Within 10 days of terms	More than 30 days over
DIO trend	Flat or falling as sales grow	Rising faster than sales
DPO vs terms received	Close to agreed terms	Far beyond terms, suppliers pressing
Cash conversion cycle	Stable or shortening	Lengthening for three months
Limit utilisation	Under 80% on average	At or over the limit

Red flags

- Sales growing and bank balance falling.
- DPO rising because the business cannot pay, not because it negotiated better terms.
- Working capital limit being used to fund fixed assets or losses.
- Debtors growing faster than sales.
- Micro and small suppliers stretched beyond the MSMED limit.

Playbook 13 — Growth Funding Check

Purpose. Test, before committing to a sales target, whether the extra debtors and stock that growth needs can be funded from the business's own cash, and size the gap if they cannot.

Use it when. At budget time, and before accepting a large order or a new customer on credit.

Time. 1 hour.

Watch. Finance Insights EP3.

Inputs

Source	Report
Tally / Zoho Books	Last 12 months' Profit & Loss and latest Balance Sheet
Playbook 12	DSO, DIO, DPO and the working capital gap
Plan	Sales target, expected margin, planned capital spending, loan repayments due, drawings or dividends
Bank	Sanctioned limit and unused portion

The logic

1. **Working capital per rupee of sales** = (debtors + inventory − creditors) ÷ annual sales.
2. **Extra working capital needed** = planned increase in sales × that ratio.
3. **Cash the business will generate** = profit after tax + depreciation − loan principal repayments − drawings or dividends.
4. **Funding gap** = extra working capital + capital spending − cash generated − unused bank limit.
5. **Self-funded growth rate** = the sales growth at which the gap is nil.

Steps

1. Compute working capital per rupee of sales from the latest year.
2. Apply it to the planned sales increase.
3. Estimate cash generated at the planned margin, not last year's best margin.
4. Add planned capital spending and compute the gap.
5. Find the growth rate that needs no outside funding.
6. If there is a gap, test three levers: fewer debtor days, fewer stock days, better margin. Then size any remaining borrowing or capital.
7. Check the timing. Working capital is needed before the sales; profit arrives after.

AI prompt

```
You are testing whether an Indian small business can fund its sales
growth plan. I will give you summary figures only.

Last 12 months: sales ₹[ ], profit after tax ₹[ ], depreciation ₹[ ]
Latest balance sheet: trade debtors ₹[ ], inventory ₹[ ], trade
creditors ₹[ ]
Loan principal due in the next 12 months: ₹[ ]
Drawings or dividend planned: ₹[ ]
Planned capital spending: ₹[ ]
Unused bank limit: ₹[ ]

Plan: sales to grow by [ ]% next year, at a net margin of [ ]%.

Do the following, showing each calculation:
1. Working capital per rupee of sales.
2. Extra working capital needed for the planned growth.
3. Cash the business will generate next year.
4. The funding gap or surplus.
5. The sales growth rate the business can fund by itself.
6. How the gap changes if debtor days fall by 10, stock days fall
   by 10, and net margin improves by one percentage point. Take
   each alone.
7. A plain-language conclusion for the owner in three sentences,
   including the risk of growing faster than cash allows.

Do not recommend a lender or a financial product.
```

Template layout

Block	Lines
Base year	Sales · Profit after tax · Depreciation · Debtors · Inventory · Creditors · Net working capital · Working capital per rupee of sales
Plan	Growth % · Planned sales · Increase in sales · Planned net margin
Need	Extra working capital · Capital spending · Loan principal due · Drawings · **Total need**
Sources	Profit after tax (planned) · Depreciation · Unused bank limit · **Total sources**
Result	**Funding gap or surplus** · Self-funded growth rate
Levers	Gap with DSO −10 · Gap with DIO −10 · Gap with margin +1 point · Gap with all three

Add a small table of the gap at growth rates of 10%, 20%, 30%, 40% and 50%.

What good looks like

Measure	Good	Needs work
Planned growth vs self-funded rate	At or below it, or the gap has committed funding	Well above it with no funding plan
Funding arranged	Before the growth starts	After cash runs short
Margin assumed	At or below the recent average	Best month extrapolated
Large new orders	Tested for cash before acceptance	Accepted on margin alone
Short-term borrowing	Funds working capital only	Funds fixed assets

Red flags

- Overtrading: sales rising fast, limit fully used, suppliers paid late.
- A large order from a slow-paying customer accepted without a cash check.
- Growth funded by delaying statutory dues.
- Discounts given to win volume that reduce margin and lengthen credit together.
- Owner's drawings rising in step with sales, not with cash.

Playbook 14 — Stock Ageing & NRV Review

Purpose. Find stock that will not sell at cost, size the write-down, and decide what to do with each slow item.

Use it when. Quarterly. In detail before year end.

Time. 2–3 hours.

Watch. Finance Insights EP4.

The rule in brief

Inventory is valued at the lower of cost and net realisable value (NRV). NRV is the estimated selling price in the ordinary course of business, less the cost to complete and the cost to sell. The comparison is normally made item by item, or for groups of similar items. Materials held for production are not written down if the finished goods they go into are expected to sell at or above cost.

Inputs

Source	Report
Tally	Stock Summary (quantity and value) · Stock Ageing Analysis · Movement Analysis · Negative Stock exception report
Zoho Books	Inventory summary · Inventory ageing · Item-wise sales
Other	Latest selling prices or quotations · physical count sheets · list of damaged, expired or obsolete items · quarterly stock statement given to the bank

Steps

1. Export item-wise stock with quantity, cost and date of last purchase and last sale.
2. Age by time since last movement: 0–90, 91–180, 181–365, over 365 days.
3. Compute months of cover per item: quantity ÷ average monthly sales quantity.
4. Tag each slow item: slow-moving, non-moving, obsolete, damaged or expired.
5. For tagged items, estimate NRV from recent sales, current quotations or scrap value, less selling cost.
6. Write-down = cost − NRV, where NRV is lower.
7. Decide an action per item: discount, bundle, return to supplier, rework, scrap.
8. Compare the stock value in the books with the last statement given to the bank.
9. Summarise by category and paste the summary into the AI prompt.

AI prompt

```
You are reviewing inventory for an Indian business ahead of its
quarterly or annual close. I will give you category-level totals
only. There are no item codes, supplier names or customer names.

Business type: [trading / manufacturing]
Total inventory at cost: ₹[ ]
Monthly cost of goods sold (average): ₹[ ]

Ageing by category (category | 0–90 days | 91–180 | 181–365 |
over 365 | total at cost):
[paste rows]

Items tagged for review (tag: slow / non-moving / obsolete /
damaged | cost | estimated NRV | basis of NRV estimate):
[paste rows, by category]

Do the following:
1. State what share of inventory is older than 180 days and what
   that suggests about buying and stocking practice.
2. Total the write-down implied by my NRV estimates, and tell me
   which estimates look optimistic given their basis.
3. For each tag, list the practical options and what usually
   recovers the most cash.
4. Tell me what an auditor and a banker will each ask about this
   inventory.
5. Suggest three changes to buying or stocking that would stop
   this building up again.

Under 300 words. Do not give tax advice.
```

Template layout

Col	Heading	Notes
A	Item label	Code or category; no supplier name
B	Category	
C	Quantity	
D	Cost per unit	
E	Value at cost	Formula
F	Last purchase date	
G	Last sale date	
H	Days since last movement	Formula
I	Age bucket	
J	Months of cover	Formula
K	Tag	Slow / Non-moving / Obsolete / Damaged / None
L	Estimated selling price	
M	Cost to complete and sell	
N	NRV	L − M
O	Write-down	E − (N × C), if positive
P	Action	

Col	Heading	Notes
Q	Owner and date	

Summary sheet: value by category and age bucket, total write-down, and comparison with the bank stock statement.

What good looks like

Working rules of thumb; these vary by trade.

Measure	Good	Needs work
Stock older than 180 days	Under 10% of value	Over 25%
Non-moving items reviewed	Every quarter	At year end only
NRV basis	Recent sales or written quotations	Owner's estimate
Physical count vs books	Counted and differences adjusted	No count, or differences left open
Books vs bank stock statement	Agree, or differences explained	Unexplained differences

Red flags

- Stock value in the books rising while sales are flat.
- Old stock carried at full cost year after year.
- Negative stock in the item ledger.
- Stock statement to the bank higher than the books.
- Year-end stock figure set to arrive at a target profit.
- Items with no sale in a year still being reordered.

Playbook 15 — Debtor Ageing & Collection Plan

Purpose. Rank overdue customers by amount and risk, and set a weekly collection target with a named owner for each account.

Use it when. Weekly for collections; monthly for the full review.

Time. 1 hour a month; 15 minutes a week.

Inputs

Source	Report
Tally	Outstandings → Receivables (bill-wise, ageing by due date) · Ledger of each top overdue customer
Zoho Books	Receivables ageing detail · Customer balances · Payments received
Other	Credit terms and credit limit per customer · unadjusted advances and on-account receipts · disputed invoices · post-dated cheques in hand

Steps

1. Age by **due date**, not invoice date: not due · 1–30 · 31–60 · 61–90 · 91–180 · over 180 days overdue.
2. Clean the list first. Adjust on-account receipts and advances against invoices, or the ageing will overstate overdue amounts.
3. Rank customers by overdue amount. The top ten usually hold most of it.
4. Tag each overdue customer with a reason: slow payer, dispute, documents pending, short of cash, no follow-up done.
5. Assign an owner and a next step with a date to each of the top accounts.
6. Set the week's collection target from specific promises, not from a percentage.
7. Review credit: put on hold any customer beyond the limit or beyond 90 days overdue.
8. For amounts over 180 days, decide: legal notice, settlement, or provision. Keep the limitation period in view.
9. Feed the expected receipts into the 90-day cash forecast (Playbook 11).

Escalation ladder. Reminder before due date → call at 7 days overdue → statement and written reminder at 30 days → senior-level call and supply hold at 60 days → formal notice at 90 days → adviser's decision on recovery at 180 days.

AI prompt

```
You are helping an Indian small business plan its collections.
I will give you an anonymised table; customers are labelled
Customer A, Customer B and so on.

Total debtors: ₹[ ]. Monthly credit sales: ₹[ ].
Standard credit terms: [ ] days.

Ageing summary (bucket | amount | % of total):
Not due | 1–30 | 31–60 | 61–90 | 91–180 | over 180

Top 15 overdue customers (label | total outstanding | overdue
amount | oldest overdue days | credit limit | reason tag | last
contact date | promise, if any):
[paste rows]

Do the following:
1. Compute DSO and the share of debtors overdue by more than
   90 days.
2. Group the 15 customers into: collect this week, needs a dispute
   resolved, needs senior intervention, consider supply hold,
   consider provision.
3. Set a realistic collection target for the next four weeks, with
   the reasoning.
4. Write three short reminder messages: polite (up to 30 days),
   firm (31–90 days), final (over 90 days). Leave blanks for names
   and amounts. Keep each under 80 words.
5. Suggest two changes to credit policy that would reduce overdue
   amounts.

Do not give legal advice; mark where a lawyer or CA should decide.
```

Template layout

Sheet 1 — Ageing

Col	Heading	Notes
A	Customer label	
B	Credit terms (days)	
C	Credit limit	
D	Total outstanding	
E–J	Not due · 1–30 · 31–60 · 61–90 · 91–180 · 180+	
K	Overdue total	Formula
L	Over limit?	Formula
M	Reason tag	
N	Owner	
O	Next step and date	
P	Promise: amount and date	
Q	Supply status	Open / On hold

Sheet 2 — Weekly tracker. Week, target, promised, collected, shortfall, reason.

Sheet 3 — Trend. Month, total debtors, overdue %, over-90 %, DSO.

What good looks like

Working rules of thumb.

Measure	Good	Needs work
Overdue as % of total debtors	Under 20%	Over 40%
Over 90 days overdue	Under 5%	Over 15%
DSO vs credit terms	Within 10 days	More than 30 days over
Top overdue accounts with owner and next step	All	Followed up only when cash is short
On-account receipts unadjusted	None older than a month	Large unadjusted balances
Weekly target vs collected	85% or more	Under 60%

Red flags

- A few customers account for most of the overdue amount.
- Supply continuing to customers beyond 90 days overdue.
- Old invoices "paid" by new on-account receipts, leaving the oldest bills open.
- Disputes found only when payment is chased.
- Balances never confirmed with customers.
- Debts nearing the limitation period with no written acknowledgement.
- No provision for debts that everyone knows will not be recovered.

Playbook 16 — Monthly MIS Pack

Purpose. Give the owner one short pack each month that says how the business did, why, and what needs a decision, in the same format every time.

Use it when. Monthly, on working day 7, straight after the close (Playbook 3).

Time. 3–4 hours the first month; 1 hour a month once the template is linked.

Inputs

Source	Report
Tally	Profit & Loss (month and year to date) · Balance Sheet · Cash Flow · Ratio Analysis · Outstandings summary · Stock Summary
Zoho Books	Profit and Loss · Balance Sheet · Cash Flow Statement · Receivables and Payables summaries
Other playbooks	Data health score (1) · cash forecast (11) · working capital days (12) · debtor ageing (15) · budget vs actual (17)
OfficeMitra	MIS pack

The six pages

Page	Content
1. Summary	Five headline numbers with direction arrows · three things that went well · three concerns · decisions needed from the owner
2. Profit & Loss	Month, year to date, same period last year, budget · gross margin % and net margin % · one line of reason beside each large change
3. Balance sheet and working capital	Condensed balance sheet against last month and last year end · debtors, stock, creditors in days · borrowings and limit used
4. Cash	Opening balance, operating cash flow, capital spending, financing, closing balance · lowest point in the 13-week forecast
5. KPIs	Eight to twelve measures with a six-month trend (Playbook 20)
6. Compliance and actions	Status of GST, TDS, PF, ESI and loan covenants · open actions with owner and date (Playbook 25)

Steps

1. Confirm the month is closed and locked. Do not issue MIS from open books.
2. Fill pages 2 to 5 from the reports. Link the cells so next month only the data changes.
3. Mark every line that moved more than your threshold against last month or budget.
4. Find the reason for each marked line before writing anything.
5. Write page 1 last. Start with the decisions needed.
6. Keep the pack to six pages. Put detail in an appendix.
7. Walk the owner through it in 30 minutes and record the decisions.

AI prompt

```
You are drafting the commentary for a monthly MIS pack for the owner
of an Indian small business. I will give you summary figures only.
The owner is not an accountant; write in plain language.

Month: [month, year]. Business type: [ ].

P&L (line | this month | last month | same month last year |
budget | year to date | YTD last year):
[paste 12–15 lines]

Balance sheet highlights (item | this month | last month):
debtors, inventory, creditors, bank borrowing, cash and bank

Days: DSO [ ], DIO [ ], DPO [ ]
Cash: opening [ ], closing [ ], lowest point in next 13 weeks [ ]
Reasons I already know for the main changes: [notes]

Write:
1. A five-line summary: what happened this month, in order of
   importance.
2. Three things that went well and three concerns, each with the
   number that supports it.
3. For each P&L line that moved more than 10%, one sentence giving
   the reason from my notes, or the words "reason to be confirmed".
   Do not invent reasons.
4. Up to three decisions the owner should take this month.
5. Two questions the owner should ask the accountant.

Under 350 words. No jargon. Do not restate every number.
```

Template layout

One workbook, six sheets matching the six pages, plus a data sheet.

Sheet	Columns
Data	Trial balance by month, mapped to MIS lines (use the Schedule III mapping from Playbook 2)
P&L	Line · This month · Last month · Change % · Same month last year · Budget · Variance · YTD · YTD last year · Comment
Balance sheet	Line · This month · Last month · Last year end · Change
Cash	Line · This month · YTD
KPIs	Measure · Last six months · Target · Status
Actions	Action · Owner · Due date · Status

What good looks like

Measure	Good	Needs work
Issued by	Working day 7	After the 20th
Length	Six pages plus appendix	Thirty pages of ledgers
Format	Same every month	Changes each month
Large movements explained	All	Numbers with no commentary

Measure	Good	Needs work
Decisions recorded	Yes, with owners	Pack sent by email, no discussion
Figures agree with books	Tied to the locked trial balance	Adjusted outside the books

Red flags

- Profit reported with no cash page.
- MIS figures that differ from the books or from the GST returns.
- The same concern on page 1 for three months with no action.
- Stock taken as a balancing figure to reach a margin.
- One-off items left inside regular income or expense.
- The pack is prepared but nobody reads it.

Playbook 17 — Budget vs Actual

Purpose. Explain each material difference between budget and actual as price, volume, mix or timing, so the owner knows which differences will repeat and which will reverse.

Use it when. Monthly, as part of the MIS pack. Reforecast each quarter.

Time. 1–2 hours a month.

Inputs

Source	Report
Tally	Budgets and Controls → Budget Variance · Profit & Loss for the month and year to date · Sales Register with quantities
Zoho Books	Budget vs Actuals report · Profit and Loss · Sales by item
Plan	Approved budget by month, with the assumptions behind it: volumes, prices, headcount, key rates

The four causes

Cause	Test	What it means
Price	(Actual price − budget price) × actual quantity	Selling or buying rates changed
Volume	(Actual quantity − budget quantity) × budget price or margin	More or less was sold
Mix	Change in the share of high-margin and low-margin lines	Sales shifted between products or customers
Timing	Income or cost falling in a different month from the budget	Likely to reverse; check the year-to-date figure

Two more to rule out first: a **budget error** (the budget was wrong) and a **booking error** (the actual is misposted).

Steps

1. Set a threshold: review a line only if the variance is above both a percentage and a rupee amount.
2. List the lines above the threshold for the month and for the year to date.
3. Rule out misposting and missed accruals first.
4. For sales and material cost, split the variance into price, volume and mix using quantities.
5. For overheads, classify as timing, one-off, or a lasting change in the cost base.
6. For each variance write: cause, whether it will continue, and the action.
7. Each quarter, reforecast the full year using actuals to date plus a revised outlook. Keep the original budget unchanged alongside.

AI prompt

```
You are analysing budget variances for an Indian small business.
I will give you summary figures only.

Period: [month] and year to date.
Review threshold: variance above [ ]% and above ₹[ ].

Table (line | budget month | actual month | budget YTD | actual
YTD):
[paste P&L lines]

Sales detail by product group (group | budget quantity | actual
quantity | budget price | actual price | budget margin %):
[paste rows]

What I already know: [notes on one-offs, timing, changes]

Do the following:
1. List the lines above the threshold, largest first, for the month
   and for the year to date.
2. Split the sales variance into price, volume and mix. Show the
   calculation.
3. For each cost variance, classify it as timing, one-off, lasting
   change or possible booking error, and say what evidence would
   confirm it. Where my notes do not explain it, say "cause to be
   confirmed".
4. Say which variances are likely to reverse by year end and which
   will repeat.
5. Give a revised full-year profit estimate: year-to-date actual
   plus remaining budget, adjusted for the lasting changes. State
   the assumptions.
6. Recommend up to three actions.

Under 350 words plus the calculation table.
```

Template layout

Col	Heading	Notes
A	Line	
B	Budget — month	
C	Actual — month	
D	Variance ₹	Formula; show favourable and adverse
E	Variance %	
F	Budget — YTD	
G	Actual — YTD	
H	Variance YTD ₹	
I	Variance YTD %	
J	Above threshold?	Formula
K	Cause	Price / Volume / Mix / Timing / One-off / Lasting / Error
L	Will it continue?	Yes / No / Reverses
M	Action and owner	
N	Full-year reforecast	

Second sheet: price, volume and mix working by product group.

What good looks like

Measure	Good	Needs work
Budget exists	By month, with written assumptions	Annual total only, or none
Variances above threshold explained	All, with a cause	"Higher than budget" as the explanation
Year-to-date reviewed alongside the month	Always	Month only
Reforecast	Quarterly	Budget never revisited
Original budget	Kept unchanged	Edited to match actuals
Actions follow the analysis	Recorded with owners	Analysis filed

Red flags

- Favourable variances accepted without question.
- A sales shortfall explained as "timing" for three months running.
- Costs moved between heads to hide an overrun.
- Volume up and profit down, with no mix or price analysis.
- Budget set as last year plus a percentage, with no assumptions.
- The budget is changed mid-year and the original is lost.

Playbook 18 — Customer & Product Profitability

Purpose. Show which customers and products earn the margin and which consume it, after discounts, freight, returns and the cost of credit.

Use it when. Quarterly. Before price negotiations and annual contract renewals.

Time. Half a day the first time; 2 hours a quarter after that.

Inputs

Source	Report
Tally	Sales Register by party and by stock item · Stock item-wise gross profit · Cost Centre or Cost Category reports, if used · Credit notes register · Receivables by party
Zoho Books	Sales by customer · Sales by item · Credit note details · Receivables summary
Other	Freight and commission by customer or order · scheme and rebate workings · average payment days by customer · borrowing rate

Building the margin

Line	For each customer or product
Gross sales	Net of GST
Less: discounts, schemes, rebates	Including year-end and off-invoice items
Less: returns and credit notes	
Net sales	
Less: cost of goods sold	At actual or standard cost
Gross margin	
Less: freight and delivery	
Less: commission	
Less: other direct costs to serve	Special packing, small-order handling, site support
Less: cost of credit	Net sales × payment days ÷ 365 × borrowing rate
Contribution	Amount and % of net sales

Steps

1. Take 12 months of data to even out seasonality.
2. Build the table above for each customer. Then build it separately for each product group.
3. Sort by contribution, highest first. Add a cumulative column.
4. Mark the customers that produce the first 80% of contribution, and those with negative contribution.
5. For each low or negative account, find the main cause: price, discount, freight, returns, small orders or slow payment.
6. Decide per account: reprice, change terms, set a minimum order, reduce service, or exit.
7. Check concentration: share of sales and of contribution from the top five customers (Playbook 23).

AI prompt

```
You are analysing customer and product profitability for an Indian
small business. I will give you anonymised tables; customers are
Customer A, B, C and products are Group 1, 2, 3.

Period: 12 months to [month, year]. Borrowing rate: [ ]% a year.

Customer table (label | net sales | cost of goods sold | freight |
commission | other direct costs | average payment days):
[paste top 20 customers and one row for "all others"]

Product table (group | net sales | cost of goods sold | returns):
[paste rows]

Do the following:
1. Compute gross margin, cost of credit and contribution for each
   customer, in rupees and as % of net sales. Show the table.
2. Rank customers by contribution and state what share of total
   contribution comes from the top five.
3. Identify customers with high sales but low or negative
   contribution, and name the main cause for each.
4. For each of those, suggest one commercial action and estimate
   the improvement in contribution.
5. Rank product groups by gross margin and comment on returns.
6. List two risks of acting on this analysis too bluntly.

Under 300 words of commentary.
```

Template layout

Sheet 1 — Customers

Col	Heading
A	Customer label
B	Gross sales
C	Discounts and rebates
D	Returns
E	Net sales
F	Cost of goods sold
G	Gross margin ₹
H	Gross margin %
I	Freight
J	Commission
K	Other direct costs
L	Payment days
M	Cost of credit
N	Contribution ₹
O	Contribution %
P	Cumulative contribution %

Col	Heading
Q	Main cause, if low
R	Action

Sheet 2 — Products. Same structure by product group.

Sheet 3 — Chart. Cumulative contribution by customer, highest to lowest.

What good looks like

Working rules of thumb.

Measure	Good	Needs work
Customers with negative contribution	None, or a deliberate few with a plan	Unknown
Costs traced to customers	Discounts, freight, returns and credit cost	Gross margin only
Review frequency	Quarterly	Never
Pricing decisions	Use this analysis	Based on sales volume alone
Year-end rebates and schemes	Included	Left out

Red flags

- The largest customer by sales is among the lowest by contribution.
- Discounts and schemes booked in one lump, not by customer.
- Freight absorbed for small, frequent orders.
- Long credit given to win volume at thin margins.
- High returns on particular products.
- Sales staff rewarded on sales value only.

Playbook 19 — Break-Even & Pricing

Purpose. Work out the sales needed to cover fixed costs, how far current sales are above that level, and what a discount or price increase really does to profit.

Use it when. At budget time, before any price change or discount scheme, and whenever fixed costs change materially.

Time. 1 hour.

Inputs

Source	Report
Tally / Zoho Books	Profit & Loss for the last 12 months, by ledger
Other	Split of each expense into fixed and variable · planned price or discount changes · planned new fixed costs such as staff, rent or EMIs

The formulas

Measure	Formula
Contribution	Sales − variable costs
Contribution margin %	Contribution ÷ sales
Break-even sales	Fixed costs ÷ contribution margin %
Margin of safety %	(Actual sales − break-even sales) ÷ actual sales
Sales for a target profit	(Fixed costs + target profit) ÷ contribution margin %
Extra volume needed to pay for a discount	Discount % ÷ (contribution margin % − discount %)
Volume that can be lost after a price increase	Increase % ÷ (contribution margin % + increase %)

Example. With a 30% contribution margin, a 10% discount needs 10 ÷ (30 − 10) = 50% more volume just to earn the same profit.

For cash break-even, leave out depreciation and add loan principal repayments.

Steps

1. Classify every expense ledger as variable, fixed or mixed. Split mixed costs with a simple estimate.
2. Compute contribution margin % for the business, and by product group if margins differ widely.
3. Compute monthly break-even sales and the margin of safety.
4. Compute cash break-even.
5. Test each planned change: a new fixed cost, a discount, a price rise, a change in input cost.
6. Before approving a discount, compute the extra volume it needs and ask whether that is realistic.
7. Record the break-even figure on the KPI dashboard and update it when costs change.

AI prompt

```
You are doing break-even and pricing analysis for an Indian small
business. I will give you summary figures only.

Last 12 months: sales ₹[ ]
Variable costs (materials, direct labour, freight, commission,
other): ₹[ ] in total
Fixed costs (salaries, rent, interest, depreciation, other): ₹[ ]
in total, of which depreciation ₹[ ]
Loan principal repaid in the year: ₹[ ]

Product groups, if margins differ (group | sales | variable cost):
[paste rows]

Changes I am considering:
- [e.g. 5% discount on Group 2]
- [e.g. new fixed cost of ₹ ___ a month]
- [e.g. 3% price increase across the board]

Do the following, showing each calculation:
1. Contribution margin %, monthly break-even sales, margin of
   safety, and cash break-even.
2. For each change, the new break-even and the extra volume needed
   to keep profit unchanged, or the volume that can be lost.
3. State plainly whether each change looks sensible and what would
   have to be true for it to work.
4. Show how profit moves if sales rise or fall by 10%.
5. Note the limits of this analysis: cost classification, mix and
   capacity.

Do not recommend specific prices.
```

Template layout

Block	Lines
Cost classification	Ledger · Amount · Variable % · Fixed % · Variable ₹ · Fixed ₹
Base case	Sales · Variable costs · Contribution · Contribution margin % · Fixed costs · Profit · Break-even sales (annual and monthly) · Margin of safety % · Cash break-even
Scenarios	One column each: base · discount · price rise · new fixed cost · input cost rise. Same lines as the base case
Discount table	Rows: discount 2% to 20%. Columns: contribution margin 15% to 50%. Cell: extra volume needed
Sensitivity	Profit at sales −20%, −10%, base, +10%, +20%

What good looks like

Working rules of thumb.

Measure	Good	Needs work
Break-even sales known	Yes, monthly figure	Not known
Margin of safety	25% or more	Under 10%
Discounts	Tested for volume needed before approval	Given to match competitors
New fixed costs	Tested against break-even first	Added when sales are good
Cost classification reviewed	Yearly	Never

Measure	Good	Needs work
Cash break-even	Tracked alongside profit break-even	Ignored

Red flags

- Discounts given on thin-margin products.
- Fixed costs added on the strength of one good quarter.
- Sales just above break-even with rising loan repayments.
- Price not revised when input costs rise.
- One average margin used when product margins differ widely.
- Profit break-even reached but cash still short.

Playbook 20 — KPI Dashboard

Purpose. Put the few numbers that tell the owner whether the business is healthy on one page, with a trend and a target for each.

Use it when. Monthly, as page 5 of the MIS pack. A short version weekly for cash and collections.

Time. 2 hours to set up; 20 minutes a month.

Inputs

Source	Report
Tally	Ratio Analysis · Profit & Loss · Balance Sheet · Outstandings · Stock Summary
Zoho Books	Profit and Loss · Balance Sheet · Receivables, Payables and Inventory summaries
Other playbooks	Data health score (1) · working capital days (12) · overdue debtors (15) · break-even (19)
OfficeMitra	DSO, DIO, DPO and cash conversion cycle

The measures

Pick eight to twelve. More than that and nothing stands out.

Group	Measure	Formula
Growth	Sales growth %	This period vs same period last year
Profit	Gross margin %	Gross profit ÷ sales
Profit	EBITDA margin %	Profit before interest, tax and depreciation ÷ sales
Profit	Net margin %	Profit after tax ÷ sales
Cash	DSO, DIO, DPO	As in Playbook 12
Cash	Cash conversion cycle	DSO + DIO − DPO
Cash	Overdue debtors %	Overdue ÷ total debtors
Cash	Limit utilisation %	Borrowing used ÷ sanctioned limit
Strength	Current ratio	Current assets ÷ current liabilities
Strength	Debt to equity	Total borrowings ÷ net worth
Strength	Interest cover	EBITDA ÷ interest
Strength	DSCR	(Profit after tax + depreciation + interest) ÷ (interest + principal due)
Risk	Top-5 customer share %	Sales to top five ÷ total sales
Risk	Margin of safety %	From Playbook 19
Quality	Data health score	From Playbook 1

Steps

1. Choose the measures that fit the business. A trader needs stock days; a services firm does not.
2. Fix the formula for each and write it on the sheet. Do not change it later, or the trend breaks.
3. Set a target and an amber and red level for each, from your own history, loan covenants and credit terms.
4. Fill the last 12 months so the trend is visible from the first issue.
5. Each month, mark status and write one line of comment only for amber and red.

6. Review targets once a year.

AI prompt

```
You are reviewing a KPI dashboard for the owner of an Indian small
business. I will give you the measures only.

Business type: [ ]. Bank borrowing: [yes / no].

Table (measure | six monthly values, oldest first | target | amber
level | red level):
[paste 8–12 rows]

Loan covenants I must meet, if any: [list]

Do the following:
1. Give the three measures that need attention most, with the
   reason in one line each.
2. Point out measures that move together and what that pattern
   suggests (for example, sales up, margin down, DSO up).
3. Flag any measure close to breaching a covenant.
4. Tell me which single measure best predicts trouble for this
   type of business over the next quarter, and why.
5. Suggest one measure to drop and one to add.
6. Write a four-line summary for the owner.

Under 250 words. Do not compare with industry averages unless I
have given them.
```

Template layout

Col	Heading	Notes
A	Group	Growth / Profit / Cash / Strength / Risk / Quality
B	Measure	
C	Formula	Written out
D–O	Last 12 months	
P	Trend	Sparkline
Q	Target	
R	Amber level	
S	Red level	
T	Status	Formula: green / amber / red
U	Comment	Only for amber and red

One page, landscape. No more than twelve rows.

What good looks like

Lenders commonly look for the levels below. They are rules of thumb; your sanction letter and your industry come first.

Measure	Often expected	Often a concern
Current ratio	1.33 or more	Below 1.1

Measure	Often expected	Often a concern
DSCR	1.5 or more	Below 1.2
Interest cover	3 or more	Below 1.5
Debt to equity	Under 2	Over 3
Limit utilisation	Under 80% on average	At the limit
Dashboard itself	Same measures and formulas every month	Measures changed to look better

Red flags

- Sales up, margin down and debtor days up in the same period.
- A covenant breached and not discussed with the bank.
- Ratios computed from books with a low data health score.
- Targets relaxed whenever they are missed.
- Twenty-five measures and no comment on any.
- A good current ratio made up mostly of old stock and overdue debtors.

Playbook 21 — Board Pack

Purpose. Give directors, partners or family owners a short pack that leads with the decisions needed, so meeting time goes on judgement and not on reading numbers aloud.

Use it when. Quarterly, or before each board or partners' meeting. Circulate it a week ahead.

Time. Half a day, if the monthly MIS pack already exists.

Inputs

Source	Report
Monthly MIS pack	Playbook 16, for the quarter
Other playbooks	Cash forecast (11) · budget vs actual (17) · KPI dashboard (20) · red-flags review (24) · action tracker (25)
Secretarial	Minutes of the last meeting · statutory registers and filings due · matters needing a board resolution
OfficeMitra	Board red flags

Meeting frequency, notice periods and items that must go to the board depend on the type of entity. Confirm these with your company secretary or CA.

The pack: eight pages at most

Page	Content
1. Decisions sought	Each decision in one line, with the recommendation and the page that supports it
2. Summary	Quarter in five lines · performance against plan · outlook for the next quarter
3. Financial results	Quarter and year to date against budget and last year · margin and profit bridge
4. Cash and funding	Cash position · 13-week forecast low point · borrowing, limit use and covenant status
5. KPIs	The dashboard, with comment on amber and red only
6. Risks and red flags	Top five risks: what changed, what is being done, who owns it
7. Compliance	Status of statutory filings and dues · notices received · audit points open
8. Actions	Open actions from earlier meetings · items for noting

Put detail in appendices. Each decision paper is one page: background, options, recommendation, cost, risk.

Steps

1. Start from the decisions. Ask each function head what they need the board to decide.
2. Write page 1 first and build the other pages to support it.
3. Separate items for decision, for discussion and for noting.
4. State bad news plainly on page 2, with what is being done about it.
5. Use the same layout every quarter so directors know where to look.
6. Circulate seven days before the meeting.
7. After the meeting, record each decision, owner and date in the Action Tracker.

AI prompt

```
You are helping prepare a board pack for an Indian private company
or family business. I will give you summary information only. There
are no names of customers, lenders or individuals.

Quarter: [ ]. Readers: [e.g. two family directors, one independent
adviser, the banker's nominee].

Results (line | quarter actual | budget | same quarter last year |
YTD actual | YTD budget):
[paste 10 lines]

Cash and funding: closing cash ₹[ ], limit used [ ]%, 13-week low
point ₹[ ], covenants met: [yes / no, which]

KPIs in amber or red: [list with values]
Top risks as I see them: [list]
Decisions I need from the board: [list]
Compliance items open: [list]

Write:
1. Page 1: each decision as one line with a clear recommendation
   and the consequence of not deciding.
2. Page 2: a five-line summary that a non-finance director can
   follow, with the bad news stated plainly.
3. For each risk: what changed this quarter, the action, the owner
   role, and what the board should watch.
4. Five questions a careful director is likely to ask, so that I
   can prepare answers.
5. A note of anything in my inputs that looks inconsistent.

Under 400 words. Plain language. Do not add facts I have not given.
```

Template layout

Sheet or page	Columns
Decisions	No. · Decision sought · Recommendation · Cost or exposure · Supporting page · Outcome (filled after the meeting)
Results	Line · Quarter actual · Budget · Variance · Last year · YTD actual · YTD budget · Comment
Cash and funding	Item · This quarter · Last quarter · Covenant level · Status
KPIs	From Playbook 20
Risks	Risk · Change since last quarter · Likelihood · Impact · Action · Owner
Compliance	Item · Due date · Status · Remark
Actions	From Playbook 25, filtered to board-level items

What good looks like

Measure	Good	Needs work
Circulated	Seven days before the meeting	Tabled at the meeting
Length	Eight pages plus appendices	Fifty pages of schedules
First page	Decisions sought	Last quarter's sales
Bad news	Stated early, with a plan	Buried or left out

Measure	Good	Needs work
Decisions recorded	With owner and date	Minutes written weeks later
Actions from the last meeting	Reported as done or not done	Not revisited

Red flags

- No decisions on the agenda; the meeting only notes figures.
- The pack shows profit and no cash or covenant position.
- The same risk appears for a year with no change in action.
- Related-party transactions approved after the event.
- Minutes that do not match what was discussed.
- Directors receive the pack on the day.

Playbook 22 — Bank Loan / CMA Readiness

Purpose. Check, before you apply for or renew a working capital limit or term loan, the figures a banker will test, and fix the weak ones first.

Use it when. Three months before a renewal falls due, and before any new loan application.

Time. One day, plus time to fix what it finds.

Inputs

Source	Report
Tally / Zoho Books	Audited financials for the last two or three years · provisional figures for the current year · debtors and creditors ageing · stock statement
Bank	Existing sanction letter and covenants · account statements for 12 months · stock and book-debt statements already filed
Statutory	GST returns for 12 months · income-tax returns · Udyam certificate
Plan	Sales and profit estimates for the current year and projections for the next · purpose and amount of the loan
Other playbooks	Working capital days (12) · growth funding check (13) · KPI dashboard (20)

What the banker tests

Test	What they look at
Consistency	Sales in the books against GST returns and against credits in the bank account
Liquidity	Current ratio and its trend
Leverage	Total outside liabilities to net worth; debt to equity
Repayment capacity	DSCR for term loans; interest cover
Working capital need	Holding periods for stock, debtors and creditors; the assessed bank finance
Drawing power	Eligible stock and debtors, less creditors and margin; stock and debtors beyond the cover period are usually left out
Conduct of account	Limit use, cheque returns, overdrawn days, timely stock statements
Projections	Whether growth and margin assumptions are in line with the past
Net worth quality	Unsecured loans from promoters, related-party balances, intangible or doubtful assets

The CMA format has six forms: particulars of limits, operating statement, analysis of balance sheet, comparative statement of current assets and liabilities, computation of permissible bank finance, and fund flow statement. Methods and benchmark levels differ by bank and by loan size.

Steps

1. Reconcile sales three ways for the last 12 months: books, GST returns, bank credits. Explain every difference.
2. Classify current and non-current items correctly (Playbook 2). Misclassification is the commonest cause of a weak current ratio.
3. Compute the banker's ratios for the last two years, the current year estimate and the projection.

4. Recompute drawing power from the latest stock and debtor ageing, leaving out old items.
5. Check that the stock and debtor statements filed with the bank agree with the books.
6. Test the projections: compare projected growth and margins with the last three years and with the funding check in Playbook 13.
7. Review account conduct for the past year and prepare an explanation for any cheque return or overdrawing.
8. List the weak points and what can be fixed before the application.

AI prompt

```
You are helping an Indian small business get ready for a bank
working capital renewal or a term loan request. I will give you
summary figures only. There are no bank names or account numbers.

Facility sought: [type], ₹[ ]. Existing limit: ₹[ ].

Table (item | 2 years ago | last year audited | current year
estimate | next year projection):
sales, gross profit, EBITDA, interest, depreciation, profit after
tax, net worth, long-term borrowings, loan principal due, current
assets, current liabilities incl. bank borrowing, inventory,
debtors, creditors
[paste rows]

Sales for the last 12 months: as per books ₹[ ], as per GST returns
₹[ ], credits in bank accounts ₹[ ]
Debtors older than 90 days: ₹[ ]. Stock older than 180 days: ₹[ ].
Account conduct in the last year: cheque returns [ ], days
overdrawn [ ], stock statements filed late [ ]

Do the following, showing calculations:
1. Compute current ratio, total outside liabilities to net worth,
   DSCR, interest cover, and holding periods for stock, debtors
   and creditors for each year.
2. Point out the trends a banker will question.
3. Test the projections against history and say which assumptions
   look hard to defend.
4. Comment on the three-way sales comparison.
5. Estimate how drawing power changes if old debtors and old stock
   are excluded.
6. List the weak points in order, with what can be fixed before
   applying.
7. List ten questions the banker is likely to ask.

Do not recommend a lender or a loan product.
```

Template layout

Sheet	Content
Financial summary	The table in the prompt, four columns of years
Ratios	Ratio · formula · each year · bank's benchmark (fill from your sanction letter) · status
Sales reconciliation	Month · books · GST returns · bank credits · differences · reason
Drawing power	Stock · less old stock · less creditors · less margin · debtors · less old debtors · less margin · drawing power · limit · shortfall
Account conduct	Month · peak use · days overdrawn · cheque returns · statement filed on

Sheet	Content
Documents checklist	Document · period · ready · remark
Weak points	Issue · effect · fix · owner · date

What good looks like

Common rules of thumb; the bank's own policy and your sanction terms come first.

Measure	Good	Needs work
Books, GST and bank credits	Agree, or differences explained in writing	Unexplained gaps
Current ratio	1.33 or more	Below 1.1
DSCR	1.5 or more	Below 1.2
Projections	In line with the last three years	Sharp jump with no basis
Stock and debtor statements	On time and agreeing with books	Late or different from books
Renewal papers	Ready three months ahead	Prepared after the limit expires

Red flags

- Sales in the books higher than in GST returns.
- Bank credits far below reported sales, or inflated by transfers between own accounts.
- Drawing power below the limit in use.
- Short-term funds used for fixed assets or for loans to related parties.
- Promoters' unsecured loans being withdrawn.
- Frequent cheque returns or overdrawn days.
- Projections prepared only to justify the limit asked for.

Playbook 23 — Customer Concentration Check

Purpose. Measure how much the business depends on its largest customers, and what losing one would do to profit and cash.

Use it when. Half-yearly, and before giving a large customer more credit or capacity.

Time. 1–2 hours.

Inputs

Source	Report
Tally	Sales Register by party for 12 months · Receivables by party · Group Summary of Sundry Debtors
Zoho Books	Sales by customer · Customer balances
Other	Contribution by customer (Playbook 18) · contract end dates and notice periods · stock and capacity held for specific customers

The measures

Measure	Formula	Rule of thumb
Top-1 share	Largest customer's sales ÷ total sales	Over 25% deserves attention
Top-5 share	Top five ÷ total sales	Over 50% deserves attention
Top-10 share	Top ten ÷ total sales	Shows how long the tail is
Share of contribution	Same, using contribution	Often more concentrated than sales
Share of debtors	Customer's balance ÷ total debtors	Compare with share of sales
Concentration index	Sum of the squares of each customer's sales share	Higher means more concentrated; track the trend
Exposure	Debtors + stock held for the customer + committed purchases	Cash at risk if they stop

Steps

1. Rank customers by 12-month sales and compute the shares above.
2. Repeat using contribution from Playbook 18.
3. Compare each top customer's share of debtors with its share of sales.
4. Compute exposure for each of the top five.
5. Model the loss of the largest customer: lost contribution, fixed costs that remain, and the months needed to replace the sales.
6. Check the terms: contract or purchase orders only, notice period, price revision clause.
7. Decide actions: credit limit, contract terms, a target for new customers, and a cap on any one customer's share.

The same method applies to **supplier** concentration: run it for the top five suppliers once a year.

AI prompt

```
You are assessing customer concentration for an Indian small
business. I will give you an anonymised table; customers are
Customer A, B, C and so on.

Total sales (12 months): ₹[ ]. Total contribution: ₹[ ].
Total debtors: ₹[ ]. Monthly fixed costs: ₹[ ].

Top 10 customers (label | sales | contribution | outstanding |
overdue | years as customer | written contract: yes / no | notice
period | stock or capacity held specifically for them):
[paste rows]

Do the following, showing calculations:
1. Top-1, top-5 and top-10 share of sales, contribution and
   debtors.
2. Customers whose share of debtors is well above their share of
   sales, and what that means.
3. The effect of losing the largest customer: contribution lost,
   profit or loss afterwards, and the new sales needed to recover.
4. Exposure for each of the top three.
5. Rate the dependence: low, moderate, high or critical, with the
   reasoning.
6. Five practical steps to reduce the risk without damaging the
   relationship.

Under 300 words of commentary.
```

Template layout

Col	Heading	Notes
A	Customer label	
B	Sales (12 months)	
C	Share of sales %	
D	Cumulative share %	
E	Contribution	
F	Share of contribution %	
G	Outstanding	
H	Share of debtors %	
I	Overdue	
J	Stock or commitments held for them	
K	Exposure	G + J
L	Contract and notice period	
M	Action	

Side block: top-1, top-5, top-10 shares; concentration index; the same figures six and twelve months ago. Scenario block: loss of the top customer.

What good looks like

Rules of thumb; some industries are concentrated by nature.

Measure	Good	Needs work
Top customer's share of sales	Under 15%	Over 30%
Top-5 share	Under 40%	Over 60%
Share of debtors vs share of sales	Similar	Debtors share much higher
Large customers on written terms	Yes, with notice period	Order to order
Loss scenario	Business stays profitable or has a plan	Never tested
Trend	Stable or falling	Rising each year

Red flags

- One customer above 30% of sales with no contract.
- The largest customer is also the slowest payer.
- Capacity or stock built for one customer without commitment.
- Prices fixed while input costs move.
- The largest customer belongs to the same group as the owner.
- New customers are not being added.

Playbook 24 — Red-Flags Review

Purpose. Run twenty warning signs across the books in one sitting, so that problems are seen together and early.

Use it when. Quarterly. For a CA, at the start of every new engagement and before signing off.

Time. 2 hours.

Inputs

Source	Report
Tally / Zoho Books	Trial Balance for the last four quarters · Profit & Loss · Balance Sheet · Cash Flow · Day Book for journals · Outstandings · Stock Summary
Statutory	GST returns and GSTR-2B · TDS returns and default summary · notices received
Bank	Statements · stock and debtor statements filed · sanction letter
Other playbooks	Results of 1, 5, 6, 7, 8, 12, 14, 15 and 23
OfficeMitra	Board red flags

The twenty signs and the question to ask

#	Area	Warning sign	Question to ask
1	Books	Suspense balance growing	What is in it, and who owns clearing it?
2	Books	Large round-sum journals at period end	What supports each entry?
3	Books	Entries posted after the period was closed	Who approved them, and why?
4	Books	Negative cash or negative stock	Which transactions are missing or misdated?
5	Cash	Profit rising, operating cash flow negative	Where has the profit gone: debtors, stock or one-off income?
6	Cash	Limit fully used; cheques returned	What is the plan for the next 13 weeks?
7	Cash	Statutory dues paid late	Is cash being managed by delaying the government?
8	Cash	Salaries or supplier payments delayed	How long has this gone on?
9	Working capital	Debtors growing faster than sales	Which customers, and are the sales genuine?
10	Working capital	Stock growing faster than sales	What is old, and is it worth its book value?
11	Working capital	Creditors stretched; MSME dues overdue	Which suppliers may stop supply?
12	Working capital	Stock or debtors reported to the bank differ from the books	Which figure is right?
13	Profit	Gross margin swings with no business reason	Is it stock valuation, cut-off or mix?
14	Profit	Profit depends on other income or one-off items	What is the profit from operations?
15	Profit	Revenue expenses capitalised, or unusual deferrals	What is the basis?
16	Owner and related parties	Loans and advances to related parties rising	What are the terms, and when will they be repaid?

#	Area	Warning sign	Question to ask
17	Owner and related parties	Personal expenses in business ledgers	How much, and how is it treated for tax?
18	Owner and related parties	Large or frequent cash transactions	Why cash, and are the statutory limits respected?
19	Compliance	Books turnover differs from GST returns; ITC claimed above GSTR-2B	Is there a reconciliation?
20	Compliance	TDS defaults; notices unanswered	Who is responsible, and what is the exposure?

Steps

1. Score each sign: 0 = not present, 1 = present and minor, 2 = present and material.
2. Write the evidence in one line for every score of 1 or 2.
3. Look for clusters. Signs 5, 9 and 10 together point one way; 6, 7, 8 and 11 point another.
4. Ask the question in the last column and record the answer.
5. Compare with last quarter: new, continuing or cleared.
6. Move every material sign to the Action Tracker with an owner.
7. For a CA: decide whether any sign affects the scope of work or needs a conversation with the client before going further.

AI prompt

```
You are reviewing warning signs in the books of an Indian small
business. I will give you a scored list only. There are no names
or ledger extracts.

Business type: [ ]. Borrowing from banks: [yes / no].
Quarter: [ ].

Table (sign no. | score 0 / 1 / 2 | evidence in one line | status:
new / continuing / cleared):
[paste the 20 rows]

Do the following:
1. Group the signs that are present into clusters and say what
   each cluster suggests about the business: for example, cash
   stress, weak bookkeeping, earnings quality, or control
   weakness.
2. Rank the three most serious, with the reason.
3. For each of those, list what to examine next and what document
   would settle it.
4. Say which signs could have an innocent explanation, and what
   that explanation would look like.
5. Suggest how to raise the top concern with the owner in a
   factual, non-accusing way. Give me three sentences I could use.

Do not conclude that there is fraud or wrongdoing. Describe what
the evidence shows and what needs checking. Under 300 words.
```

Template layout

Col	Heading	Notes
A	No.	1–20
B	Area	

Col	Heading	Notes
C	Warning sign	
D	Score	0 / 1 / 2
E	Evidence	One line, with the figure
F	Question asked	
G	Answer received	
H	Status vs last quarter	New / Continuing / Cleared
I	Action needed	Yes / No
J	Tracker reference	Link to Playbook 25

Summary block: total score out of 40, count by area, and the last four quarters' totals.

What good looks like

Measure	Good	Needs work
Review done	Quarterly	Only when something has gone wrong
Material signs (score 2)	None, or each with an action and owner	Several, continuing
Signs continuing three quarters	None	Any
Evidence recorded	A figure for each sign present	Impressions only
Raised with the owner	Promptly and in writing	Left for the audit

Red flags about the review itself

- The person who keeps the books scores the review alone.
- Every sign is scored zero, every quarter.
- Answers accepted without a document.
- Signs dropped from the list because they are uncomfortable.

Playbook 25 — Action Tracker

Purpose. Keep one list of every finding from the other 24 playbooks, each with an owner, a due date and a status, so that reviews lead to action.

Use it when. Updated whenever a playbook is run. Reviewed weekly for 15 minutes.

Time. 15 minutes a week.

Inputs

Source	What comes in
Playbooks 1–24	Each finding above materiality
Meetings	Decisions from the MIS review and the board meeting
Outside	Auditor's points · bank's conditions · notices from tax and other authorities

Rules for the list

1. **One list.** Not one per playbook, and not in email.
2. **One owner per action.** A named person, not a department.
3. **A date, not "ASAP".**
4. **Written as an outcome.** "Suspense balance cleared to nil", not "look into suspense".
5. **Value attached.** The rupee amount at stake, so the list can be sorted by what matters.
6. **Closed only with evidence.** A report or document reference.
7. **Due dates moved at most twice.** After that it goes to the owner of the business.

Steps

1. Enter each finding as it arises, with the source playbook.
2. Set priority from value and urgency: statutory deadlines and cash items first.
3. Agree the owner and date with the person concerned. Do not assign in their absence.
4. Review weekly: what closed, what is overdue, what is blocked.
5. Escalate actions overdue by more than 30 days.
6. Report monthly in the MIS pack: opened, closed, overdue, and value closed.
7. Each quarter, look for repeats. A finding that returns needs a change in process, not another action.

AI prompt

```
You are helping manage an action list arising from finance reviews
at an Indian small business. I will give you the list with roles,
not names.

Today's date: [ ].

Table (no. | action as written | source | value at stake ₹ | owner
role | due date | status: open / in progress / blocked / done |
times the date has moved):
[paste rows]

Do the following:
1. Rewrite any action that is vague as a clear outcome with a
   measurable end point.
2. List the overdue actions, oldest and largest first.
3. Identify actions that depend on one another and suggest an
   order.
4. Point out any owner role carrying too many open actions.
5. Group repeat findings and suggest one process change for each
   group that would stop them recurring.
6. Draft a ten-line weekly status note for the owner of the
   business: closed this week, overdue, decisions needed.

Under 300 words, excluding the rewritten actions.
```

Template layout

Col	Heading	Notes
A	No.	
B	Date raised	
C	Source	Playbook number, meeting, auditor, bank, notice
D	Finding	What was found
E	Action	Written as an outcome
F	Value at stake (₹)	
G	Priority	High / Medium / Low
H	Owner	One named person
I	Due date	
J	Revised date	
K	Times moved	
L	Status	Open / In progress / Blocked / Done
M	Days overdue	Formula
N	Evidence of closure	Reference
O	Closed on	
P	Repeat finding?	Yes / No

Summary block: open by priority, overdue count and value, closed this month, average days to close. Filter views by owner and by source.

What good looks like

Working rules of thumb.

Measure	Good	Needs work
Actions with owner and date	All	Any without
Overdue	Under 10% of open actions	Over 30%
High-priority actions overdue	None	Any
Closed with evidence	All	Marked done on someone's word
Reviewed	Weekly	When someone remembers
Repeat findings	Falling	The same items every quarter

Red flags

- Several lists in different files.
- Actions owned by "accounts team" or "management".
- Dates moved again and again with no escalation.
- A long list of low-value items hiding a few large ones.
- Actions closed just before a review and reopened after.
- Reviews continue to be done while nothing on the list closes.

How each playbook ends

OfficeMitra does this from your Tally or Zoho Books data, read-only, on your own computer. Learn more at sanmitratech.in

Contact and feedback

SanMitra Technologies (OfficeMitra)

- **Website:** www.sanmitratech.in
- **Latest version of this toolkit:** www.sanmitratech.in/finance-toolkit.html
- **Email:** contact@sanmitratech.in
- **Phone and WhatsApp:** +91 79049 42915
- **Found an error?** Write to us with the playbook or template number and what you found. We correct the toolkit and publish a new version on the page above.
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