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Factory Audit Checklist — India

A practical 60-point checklist for buyers auditing Indian manufacturers before placing the first PO.

Use this checklist for: capability audits, social compliance pre-screens, and first-time supplier visits. Score each item Pass / Fail / N.A. — a healthy supplier scores 90%+.

1. Company & Legal

#	Checklist Item	Pass	Fail	N.A.
1	Valid GST number — verified on gst.gov.in			
2	Importer-Exporter Code (IEC) registered with DGFT			
3	Company registration (CIN) verified on MCA portal			
4	Factory address matches GST/IEC records (no virtual office)			
5	Years in business 3+ (or strong principal track record)			
6	Bank account in company name — not personal			
7	Trade references from 2+ international buyers			

2. Production Capacity

#	Checklist Item	Pass	Fail	N.A.
1	Total floor area and production lines documented			
2	Monthly capacity stated and demonstrable from records			
3	Current capacity utilisation under 85% (room for your order)			
4	Number of machines vs declared capacity is realistic			
5	Sub-contracting policy disclosed in writing			
6	Lead time commitments backed by past PO records			
7	Sample production capability on-site (not outsourced)			

3. Quality Management

#	Checklist Item	Pass	Fail	N.A.
1	Documented quality manual / SOPs			
2	In-line and final QC stations visible on the floor			
3	Approved sample retained for active orders			
4	Inspection records (last 6 months) available for review			
5	Defect rate tracking and root-cause analysis evidence			
6	Calibrated measuring instruments (gauges, scales, light box)			
7	ISO 9001 certificate (preferred, not mandatory)			

4. Social Compliance

#	Checklist Item	Pass	Fail	N.A.

1	No child labour — workers aged 18+ verified by ID			
2	Working hours within local law (max 48 hrs + 12 OT/week)			
3	Wages at or above state minimum, paid via bank			
4	Attendance & wage records for last 3 months available			
5	PF / ESIC contributions current (statutory benefits)			
6	Freedom of association — no restrictions on workers			
7	BSCI / SEDEX / SMETA / SA8000 certificate (if required)			

5. Health & Safety

#	Checklist Item	Pass	Fail	N.A.
1	Fire NOC current and displayed			
2	Fire extinguishers serviced, marked exits unblocked			
3	Emergency evacuation plan posted, drill records exist			
4	First-aid kits and trained first-aiders on each floor			
5	PPE issued and worn (gloves, masks, ear protection)			
6	Adequate lighting and ventilation in production areas			
7	Drinking water and clean toilets — separate by gender			

6. Environment & Chemicals

#	Checklist Item	Pass	Fail	N.A.
1	Pollution Control Board consent (CTO) current			
2	ETP / STP operational (for textile, leather, chemical)			
3	Restricted Substances List (RSL) policy in place			
4	MSDS available for all chemicals on-site			
5	Chemical storage segregated, labelled, ventilated			
6	Hazardous waste disposal records via authorised vendor			
7	GOTS / Oeko-Tex / GRS certificate (if claimed)			

7. Documentation & IP

#	Checklist Item	Pass	Fail	N.A.
1	Tech pack and approved sample matched on floor			
2	PO and approved colour standards visible at line			
3	NDA / IP protection clause signed			
4	No unauthorised brand labels or competitor goods on-site			
5	Export documentation team in-house (BL, COO, packing list)			
6	Past export shipments to your destination country verified			
7	Customs broker / freight forwarder relationship in place			

8. Commercial & Financial

#	Checklist Item	Pass	Fail	N.A.
1	Payment terms — 30% advance / 70% on BL copy (or LC)			
2	No demand for 100% advance from a new buyer			
3	Bank account name matches company legal name			
4	Pricing breakdown (FOB) available for transparency			
5	MOQ realistic for declared capacity			
6	Sample cost policy clearly stated			
7	Penalty / claims clause in proforma invoice			

Scoring & Decision Framework

Score	Recommendation
90% or higher	GREEN — Proceed with first PO. Standard PSI before shipment.
75–89% Pass	AMBER — Proceed with caution. Trial order, IPC + DUPRO + PSI.
60–74% Pass	RED — Significant gaps. Require corrective action plan; re-audit in 60 days.
Below 60%	REJECT — Do not engage. Material risk to brand and shipment.

Auditor's Signature & Notes

Auditor Name		**Date**	
Factory Name		**Location**	
Overall Score (%)		**Recommendation**	
Notes			

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