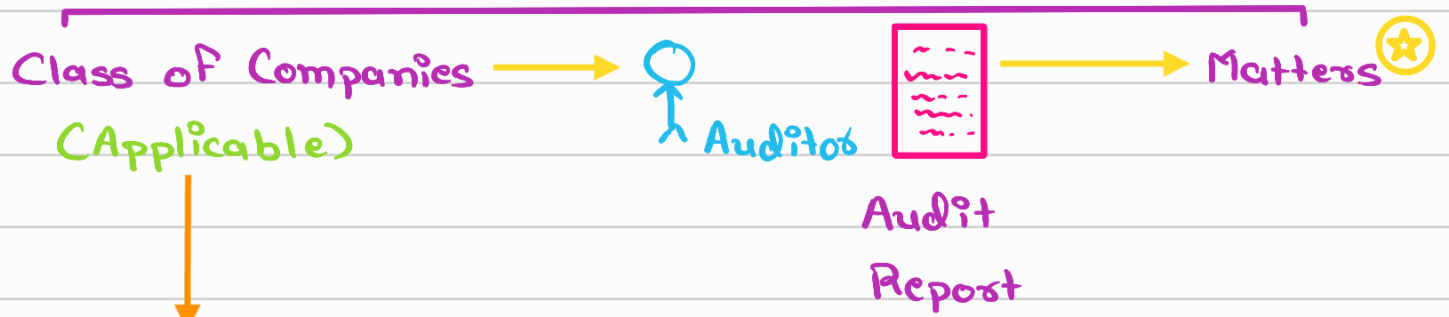


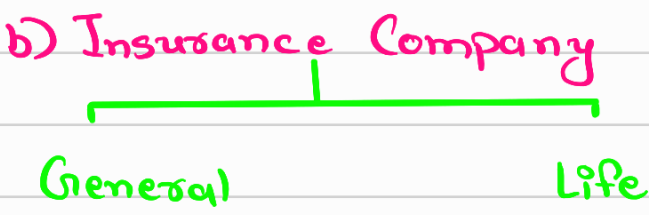
Companies Auditors Report Order, 2020  
(CCARO 2020)



Applicable to **all** companies including Foreign Cos.

Except: One Person Got his Samsung S8 Insured from Private Bank.

- a) Banking Company
  - i. Non Banking Financial Company (NBFC) ✓
  - ii. Foreign Banking Co. X



c) Section 8 Co's

d) One Person Company

- e) Small Company ✓
  - i. Are you a Public Company - No
  - ii. Are you a Holding / Subs - No

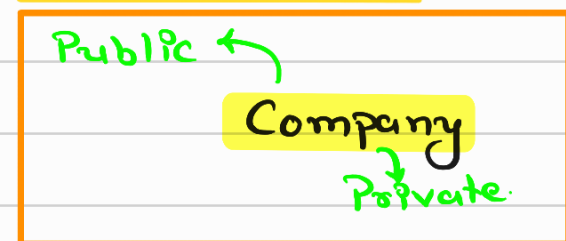
- ii. Are you a Holding / Subs - No
- iii. Are you a S&S Company - No
- iv. Are you est. under Spl. Act - No
- v. TO > 40 Cr - No
- vi. PC > 4 Cr - No

## D) Private Limited Company

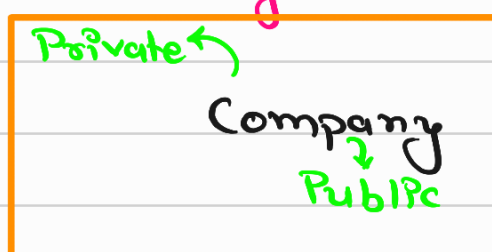
Q: Unlimited Company → Applicable.

Q: Public Company → Applicable.

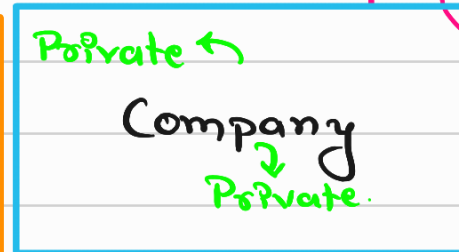
Master Condition: Not be Holding / Subs. of Public Company.



Appl.



Appl.



Not Appl.\*

## ★ Additional Conditions

(1) Paid up Share Capital

Equity Shares ✓

Preference Shares ✓

Bonus Shares ✓

Right Shares ✓

Calls in Advance x

Calls in Arrears (-)

₹

Reserves & Surplus > 1 cr. (as on

Capital Reserve ✓

BS Date  
of CY)

Revenue Reserve ✓

Capital Reserve ✓

Reserve Capital x

→ Charge on Profits Appropriated.  
Provisions x

GR ✓

RR ✓

DRA ✓

CRR ✓

ADR x

SPA ✓

RDD x

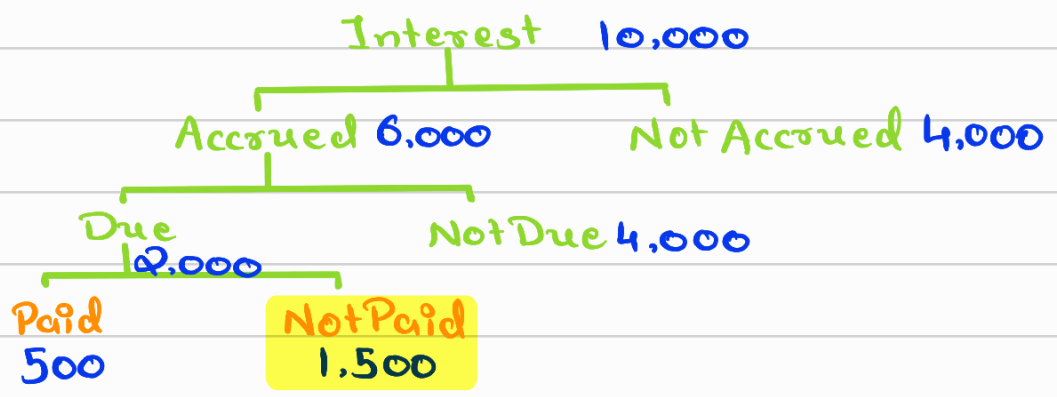


AND

(2) Borrowings Banks or Financial Inst. \* 1 Cr. at any point of time (CY)

- Short Term ✓
- Long Term ✓
- Secured ✓
- Unsecured ✓
- Cash Credit ✓
- Overdraft ✓

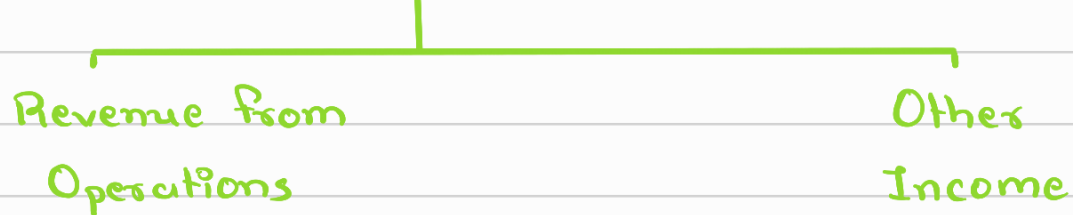
Principal ✓



- Fund Based ✓
- Non-Fund Based e.g. Bank Guarantee or LOC ✗

AND

(3) Total Revenue (Disclosed in Sch III) \* 10 Cr. for the period (CY)



a) Sales 100 — A

TD 10

---

Net Sales 90 — B

b) Sales 100 — A

CD 10

---

Net Sales 90 — B

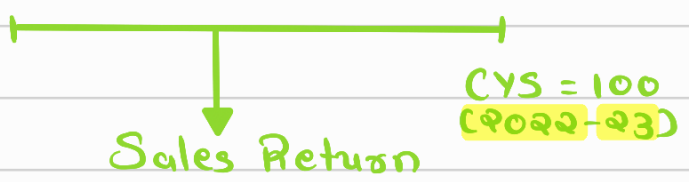
d) Sales 100

GST 18

---

Total 118

Inclusive 100      Exclusive 100



c) Sales 100 — A

(FY 2021-22)

Comm<sup>n</sup>. 10

10

Net Sales 90 — B

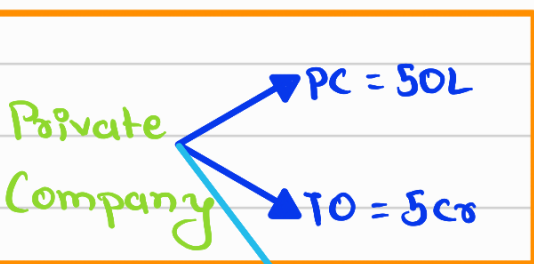
→ Net Sales = 90

### Case Study.

"Small Co."

Q: Is CARO 2020 Applicable?

Not Applicable.



### ★ Matters:

#### I. Property, Plant & Equipment:

a) Records:



Maintained →

Quantitative Details & Situation of PPE + Records showing full Particulars of Intangible Assets

SA-370  
if material discrepancies are observed by management or reasonable party

Company

Proper Records

b) Physical Verification: by management or reasonable party

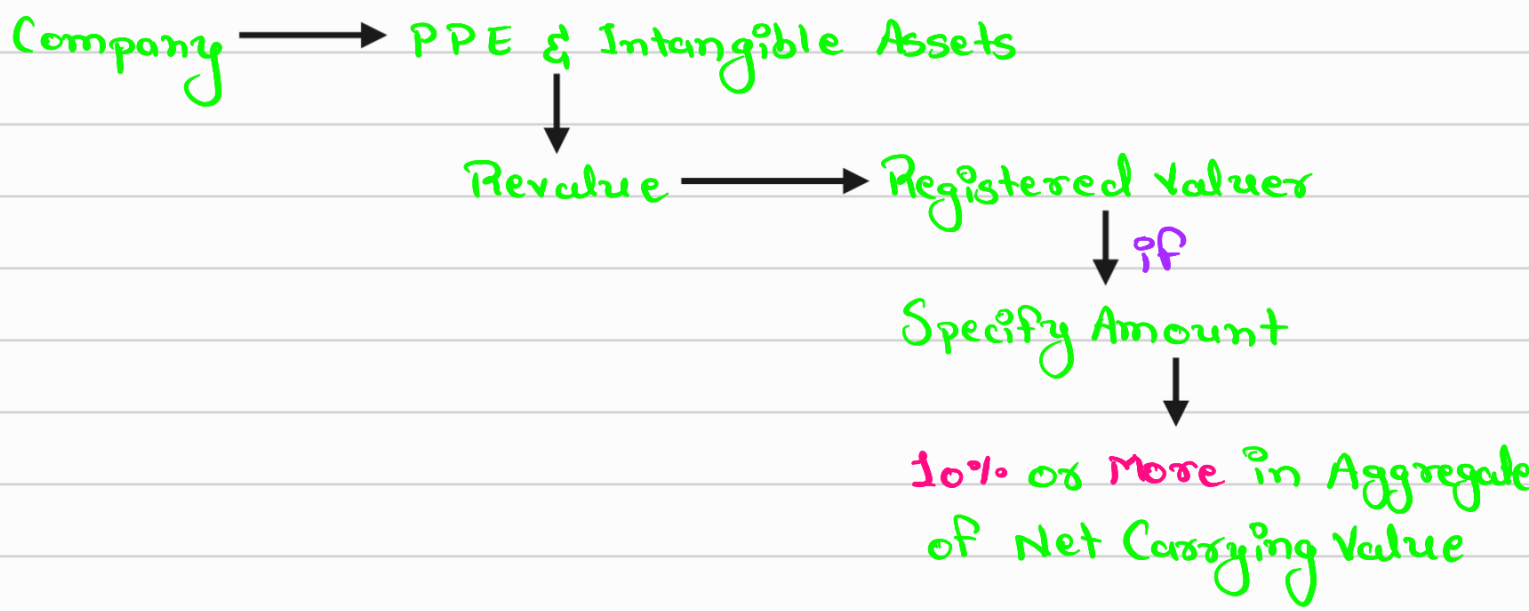
c) Title Deeds: of all immovable properties

Other than where Company is lessee & lease agreement duly executed or not.

Disclosed in FS in whose name they are held & if not? Company

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company *
Classroom No. 135	50 Cr.	AB	Director	1 Year	*also indicate if in dispute

d) Revaluation:



e) Benami Property:

Any proceedings are initiated or pending against Co. For holding as per Benami Transactions Act, 1988 specify company disclosed it appropriately or not in FS.

II. Inventory

a) Physical Verification:

At reasonable intervals by Mgmt.



aggregate of each class of inventory

Cover & Procedure of Verification  
Appro. or Not

## b) Working Capital:



Basis of Security



Current Asset

In excess of 5 Crores

"Stock Statement" → Filed in Quarterly Returns

Stk. Statement

=

Books of Accounts



Auditor

OR  
FS

## III. Loans [Investments, Guarantee, Security, Advances]

Companies, Firms, LLPs, Any Other Parties

a) Company has provided any Loans / Advances [NA to COs whose Principal Business is Giving Loans]  
Balance 0/1s  
&  
Amt. during the year  
Subsidiaries, Associates & Joint Ventures  
& other than that.

## b) Investments / Guarantee / Security

Terms & Conditions not Prejudicial to the inter. of the Co

c) In case of Loans & Advances Schedule of Repayment of principal & int. paid regularly.

d) Total Amt. overdue for more than 90 days  
+  
Reasonable Steps for Recovery.

e) Any amt. fallen due has been renewed/extended/fresh loan in order to settle overdue of any existing loan then, that loan's amt. & percentage to be disclosed

f) Loan repayable on Demand to Promoters, Related Parties } Amt. & % to be disclosed separately

#### IV. Loans, Investments & Guarantee

As per provisions of Sec-185 & Sec-186 complied with or not.

Loans to Directors, etc.

Loans & Investment by Company.

#### V. Public Deposits

Deposits accepted by Co. from Directors to be considered as deemed deposits as directed by RBI & Section 73 to Section 76 complied with or not & contravention to be stated if order passed by CLB, NCLT, RBI, Court.

#### VI. Cost Records

Section-128



Section - 148(C)

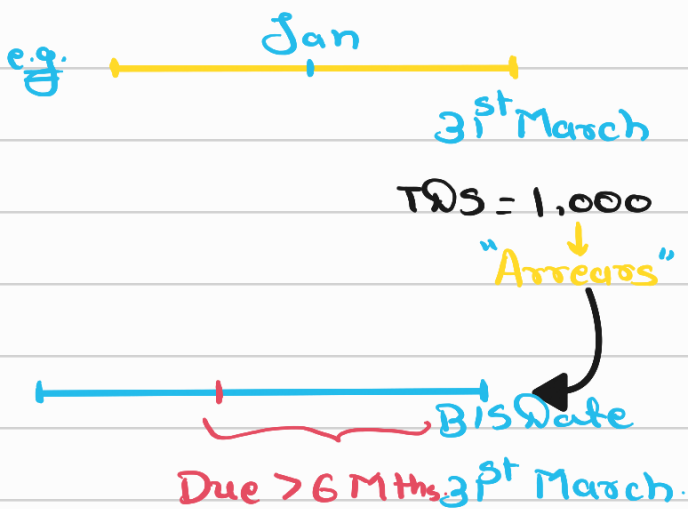
Co's Specified to Maintain Cost Records

CARO, 2020 ✓

(vi) → Report

### VII. Statutory Dues

a) Undisputed Statutory dues paid Regularly to appropriate authorities



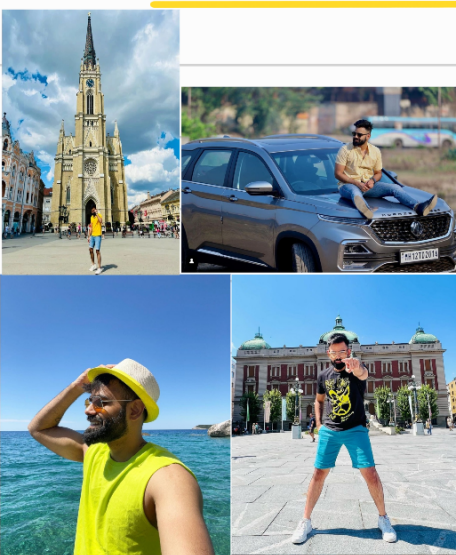
✓      ✗

Arrears of > 6 Mths. have elapsed from BIS Date from the date they become payable shall be indicated.

b) Any Dispute on Account of Deposited Amt.

Report the Amount of Forum & Dispute

### VIII. Unrecorded Transactions.



HJ - Disclosed Income of 50 Students  
- Promo Video - Teaching 300+ Students

← Purchases Car  
← Doing Foreign Trips Regularly

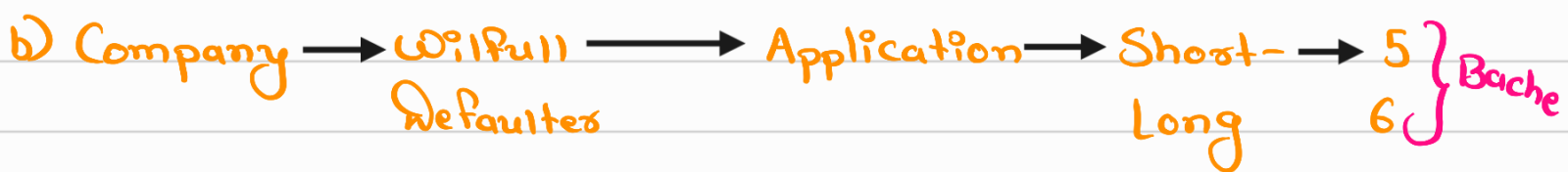
- Unrecorded Transactions to be disclosed / Surrendered

## IX. Repayment of Loans.

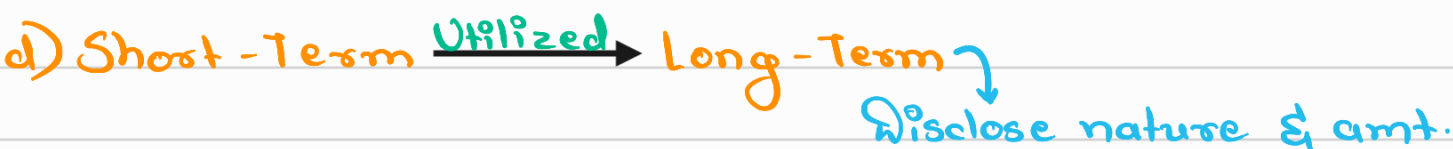
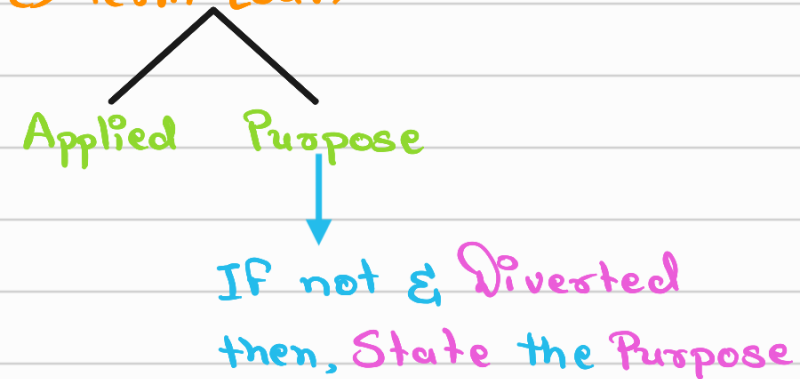
Co. defaulted in repayment of loan or borrow or interest thereon & if yes then, show period & amt. in the prescribed format:

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
- Term Loan - CC / OD - Debenture - Govt.	lender wise details to be provided in case of defaults to "banks," "financial institutions" and "Government."				

Deb<sup>n</sup>. Holders X



### c) Term Loan





Subs. Asso. JV.  
Disclose Details

D) Co. → ₹ Loan

Mortgage Securities

Subs. Asso. JV.  
Disclose Details

X IPO / FPO / Debt Finance

a) ₹ Raised → IPO / FPO / Debt Finance

Applied for Purpose for  
which Raised

Default - Disclose it & also  
Disclose subsequent  
Rectification if Applicable.

b) Co. Made any Pref. Allotment / Pvt. Placement / Conv. Deb<sup>n</sup>.  
Further Issue of Share Capital

Complied Prov. of Section-42 & Section-62

Private Placement

Funds raised are for purpose specified & not  
provided with details

Memory Technique from Pt. XI to XII

- Fraud Huva !!
- Kaha Huva !! → Nidhi Company ma.
- Kisme Kiya ?? → Related Party Transactions
- Kisko Bulaya ? → Internal Auditor
- Kya Discovers Kiya !! → Non-Cash Transactions
- Kaha Gaye ? → NBFC Ma
- Unhone Kaha ? → Lossess Huva Hai
- Auditor ko Kaha Ja Tu ...
- Auditor na Ratios Nihale
- Bola Unspent Amount sa loss set-off Karlo !!

