

CARD, 2020

Applicability :-

All companies (including foreign companies) except

1. Banking company

2. Insurance company

3. Section 8 company

4. OPC & small company.

5. Private company, not being holding or subsidiary of public company Being :-

(a) PUC + R&S < 1 cr

(b) Borrowings < 1 cr

(c) Turnover < 10 cr

Para 3

(i) Property, Plant & Equipment + Intangible assets :-

(a) Records - Proper records are maintained showing full particulars.

(b) Physical verification - of PPE.

(c) Title deeds of immovable property in name of company.

(d) Revaluation - whether valuation in name of company values.

specify change $> 10\%$ of net carrying value of each class of PPE.

(e) Benami Property: Proceeding against company holding benami property.

(ii) Inventory

(a) physical verification of inventory, any discrepancies $> 10\%$.

(b) Stock statement - sanction limit greater than 5 cr. on basis of security as current asset, whether, quarterly statement filed, agree with books of a/c.

(iii) Loans & Advances

(a) loans, advances, guarantee, security given :-

(a) Aggregate amt & o/s Balance of loans, adv; guarantee, security given to subsidiary, joint venture or associate.

(b) Aggregate amt & o/s Balance of L, A, G & S given to other than S, J-V & Asso.

(b) T & C are not prejudicial to interest of company.

(c) Schedule of repayment is given & receipts are regular.

(d) State total amt overdue for more than 90 days

(e) loan due in C-Y \rightarrow loan has been renewed or extended or fresh loan given to pay old loan.

(f) loan repayable on demand.

(iv) loans to director \rightarrow compliance with sec
or their relative 185 & 186.

(v) Public deposit \rightarrow Directives (directions) of RBI
section 73 to 76.

(vi) maintenance of cost records u/s 148(1).

(vii) Statutory dues:

(a) Regular in paying disputes statutory dues specify amt o/s on last day which are overdue. > 6 months.

(b) Disputed → specify amt & forum

(viii) Unrecorded income → undisclosed income disclosed in tax assessment should be recorded in BOA.

(ix) Repayment of loan:

(a) Defaulted in payment of principal or interest.

(b) Declared as wilful defaulter.

(c) Applied for purpose for which loan taken.

(d) Short term fund utilized for ~~term~~ long term purpose.

(e) Loan taken to pay obligation of subsidiary, JV or associate.

(f) Loan taken by pledging security of subsidiary, JV or associate.

(x) IPO/FPO:

(a) funds applied for the purpose for which raised

(b) private placement / preferential allotment → compliance with sec 42 & 62.

(xi) Frauds:

(a) amt & nature of fraud by company or on company.

(b) Fraud reported by auditor u/s 143(12) ADT 4

(c) Whistle blower complaints.

(xii) Nidhi company:

(a) NOF :- Deposit :- 1:20.

(b) 10% Deposit → unencumbered

(c) default in payment of interest on deposit or repayment.

(xiii) Related party transaction → compliance with section 177 & 188.

(xiv) Internal auditor:

(a) company has internal audit system as per size & nature.

(b) Auditor to consider report on Internal auditor

(xv) Non-cash transaction → comply with sec 192 with director

(xvi) NBFC :-

(a) Registered u/s 45-1A of RBI Act.

(b) conducting NBFC activities without valid CR

(c) If company is CIC → whether conditions are fulfilled.

(d) group has more than one CIC → indicate number.

(xvii) cash losses in CV & PY → specify amt

(xviii) Auditor: whether any auditor has resigned & current auditor has considered issues & objectives of previous auditor.

(xix) going concern: no material uncertainty exists as to company's ability to meet its liability.

(xx) corporate social responsibility:

(a) other than ongoing project :- Trf to schedule VII funds within 6 months of end of FY.

(b) ongoing project :- Trf to special account.

(xxi) Qualifications / Adverse remark in CARO of FS of any company included in CFS.