MCA Notified the Companies (Auditor's Report) Order, 2020 (CARO 2020)

Clause by clause changes CARO 2020 is given below:

Clause i

1. Verification of the title deeds of the immovable properties and it's disclosure in financial statements

2. The format for maintaining the details of the fixed asset

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*
-	--	-	-	-	*also indicate if in dispute

3. In case of revaluation of Property, Plant and Equipment (Including Right of Use assets) or intangible assets, whether the revaluation is based on the valuation by a Registered Valuer, if the change is 10% or more of the net carrying value

4. In case of any proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions Act and rules made there under if so, whether the company has appropriately disclosed the details in its financial statements

Clause ii

1. In case of working capital based on current assets in excess of 5 crore rupees is sanctioned from the financial institutions, the quarterly returns or statements filed by the company are in agreement with the books of accounts, if not, give details

Clause iii

1. In case of any investments, provision of loans or advances in the nature of loans, or stood guarantee, or provided security, indicate the aggregate amount during the year, and balance outstanding at the balance sheet date

2. to subsidiaries, joint ventures and associates

3. to parties other than subsidiaries, joint ventures and associates

4. In case of provision of loans or advances in the nature of loans repayable on demand, without the any terms or period of payment, then specify the amount of such loans or advances given to the promoters, related parties

Clause viii

1. In case of any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments, if so, whether the previously unrecorded income has been properly recorded in the books of account

Clause ix

1. format for reporting the details of the default in repayment of loans or other borrowings

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
*lender wise details to be provided in case of defaults to banks, financial institutions and Government.					

2. reporting clauses of sec 143 is inserted as a part of CARO in respect of term loans, short term loans, funds raised to meet the obligations of subsidiaries.

Clause x

1. Merged clause (xiv) of **CARO 2016** – compliance in relation to preferential allotment or private placement of shares

Clause xi

1. Any report in ADT-4 in relation to fraud is filed by auditor to the central government u/s 143 and any complaints from whistle-blowers is considered by the auditor while submitting such report

Clause xiv

1. whether the company has an internal audit system commensurate with the size and nature of its business

2. whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;

Clause xvii

1. State amount of cash losses, in case of cash losses in the financial year and in the immediately preceding financial year

Clause xviii

1. In case of any resignation of the statutory auditors during the year, if so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors;

Clause xix

1. whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

Clause xx

1. the company has transferred unspent amount in respect of other than ongoing projects and ongoing projects to specified funds/accounts as per sec 135(5) and 135(6) respectively

Clause xxi

1. In case of any qualifications or adverse remarks by the auditors in the CARO reports of the companies included in the consolidated financial statements, if yes, indicate the details of the companies and the clauses of the CARO report containing the qualifications or adverse remarks