CARO 2020 IN SIMPLE FORM

CA MALLA RAVITEJA

I – PLANT, PROPERTY AND EQUIPMENT & INTANGIBLE ASSETS

- Whether proper records are maintained?
  IF NO → To be reported

- Whether physical verification @ regular intervals conducted?
  IF NO → To be reported

  IF YES → Any discrepancies noticed?
  Then the same were given impact in the books of accounts?
  If no the same to be reported

- Whether the title deeds of all the immovable properties are in the name of the company? → IF NO → Detailed format to be reported
- Whether PPE has revalued? → IF YES → Change is ≥ 10% ,to be reported
- Whether proceedings have been initiated under Benami Act? → IF YES → Details to be reported

II – INVENTORY

Whether physical verification @ regular intervals conducted?

IF NO

To be reported

IF YES

Any discrepancies of ≥ 10% noticed?
Then the same were given impact in the books of accounts?
If no the same to be reported

If company got working capital limit > ₹ 5 Crores from banks or FI,
Whether Qtly returns filed with them?

IF NO

To be reported

III – INVESTMENTS (Any guarantee, security or any loans and advances in nature of loans secured or unsecured to companies, firms, LLP or other parties

whether above such loans are given
(i) subsidiaries, JV's & Associates
(ii) Other than (i), ?

IF YES

Aggregate amount & outstanding balance to be reported separately for (i) & (ii);

whether above such loans are prejudicial to the company's interest

IF YES

To be reported

whether schedule repayment of principal & payment of interest has been stipulated?
Whether the repayments or receipts are regular?

IF NO

To be reported

If the total amount is overdue for more than 90 days, whether reasonable steps taken for recovery of principal & interest?

IF NO

To be reported

Whether such loan or advance has been renewed or extended or fresh loans granted to settle the overdues of existing loans?

IF YES

% of the aggregate to total Loans & Advances granted during the year

Whether granted loans or advances are repayable on demand or without specifying any terms or period of repayment?

IF NO

To be reported the aggregate amount, % thereof to total loans including loans to related parties

IV – Compliance with Sections 185 & 186 of the Companies Act, 2013

★ **Whether provisions of above sections are complied?**

IF NO →

To be reported

V – Deposits accepted with respect to provisions of Sections 73 to 76 of the Companies Act, 2013

★ Whether provisions of above sections and rules thereon are complied? → IF NO → To be reported

★ If any order has been passed by Company Law Board or RBI or NCLT, whether the same has been complied? → IF NO → To be reported

VI – Cost Records

If cost records to be maintained as per section 148(1) of the Companies Act, 2013, whether such accounts and records have been made and maintained?

IF NO

To be reported

VII – Statutory Dues

Whether company is regular in depositing undisputed statutory dues like GST, PF, ESI, IT, ST, VAT, CST, CD, ED, cess and any other dues?

IF NO

If the arrears of O/s Statutory Dues > 6 months to be reported.

Whether above statutory dues have not been deposited due to any dispute?

IF YES

Amount involved in the dispute to be reported.

VIII – Unrecorded Income

- Whether previously unrecorded income has been properly recorded in the books of accounts during the year?

IF NO

To be reported

IX – LOANS & OTHER BORROWINGS GIVEN

Whether company defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender?

IF YES

To be reported in prescribed format

Whether company is a declared wilful defaulter by any bank or financial institution or other lender?

IF YES

To be reported

Whether company diverted loan funds without applying for purpose for which loan taken?

IF YES

To be reported

Whether company uses short term funds for long term purposes?

IF YES

To be reported

Whether company taken any funds to meet obligations of its subsidiaries, associates or joint ventures?

IF YES

To be reported

Whether company raised loans on the pledge of securities held in its Subsidiaries, Associates and Joint Ventures?

IF YES

To be reported

X – INITIAL PUBLIC OFFER (IPO)

Whether company applied funds from IPO or further Public Offer for the purpose for which those are raised?

IF YES

To be reported

Whether section 42 & 62 of the companies Act, 2013 have been complied, if any preferential allotment or private placement of shares or convertible debentures made?

IF YES

To be reported

XI – FRUAD

- Whether any fraud has been noticed in the company? → IF YES → To be reported
- Whether Form ADT-4 has been filed as per Section 143(12) of the Companies Act, 2013? → IF NO → To be reported
- Whether the auditor considered whistle-blower complaints? → IF NO → To be reported

XII – NIDHI COMPANY

- Whether company complied with the ratio of net owned funds to deposits in the ration of 2:1? → IF NO → To be reported
- Whether company is maintaining 10% of unencumbered term deposits? → IF NO → To be reported
- Whether company is default in payment of interest on deposits or repayment? → IF NO → To be reported

XIII – RELATED PARTIES

Whether all transactions with related parties are in compliance with section 177 & 188 of the Companies Act, 2013 and the details have been disclosed in Financial Statements?

IF NO

To be reported

XIV – INTERNAL AUDIT

- **Whether company has an internal audit system?** → IF NO → To be reported

- **Whether Internal Audit Reports are considered by the statutory auditor?** → IF NO → To be reported

XV – NON-CASH TRANSACTIONS

Whether company has entered into any non-cash transactions with directors or persons connected u/s 192 of the Companies Act, 2013?

IF YES

To be reported

XVI – COMPLIANCE WITH OTHER ACTS

- Whether company is required to be registered under section 45 IA of the RBI Act & Registration obtained?

  IF NO → To be reported

- Whether company has been conducted any Non-Banking or Housing Finance Activities without Certificate of Registration from RBI?

  IF NO → To be reported

Whether company is a Core Investment Company (CIC), it is continues to fulfil the criteria of a CIC?

IF NO

To be reported

Whether company has more than one CIC as a part of the Group?

IF YES

To be reported the No. of CIC's

XVII – CASH LOSSES

Whether company has incurred cash losses in the Financial Year and in the immediately preceding Financial Year?

IF YES

To be reported

XVIII – RESIGNATION OF STATUTORY AUDITORS

Whether present auditors considered issues, objections or concerned raised by the outgoing auditors?

IF NO

To be reported

XIX – MATERIAL UNCERTAINITY ON FINANCIAL POSITION

❄ Whether 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 1 year from the balance sheet date?

IF YES → To be reported

XX – COMPLIANCE WITH SEC – 135 OF THE COMPANIES ACT, 2013

Whether company has transferred unspent amount to a fund specified in Schedule VII of Companies Act, within a period of 6 months of the expiry of the Financial Year in compliance with 2nd Proviso of sec 135(5) of the said Act?

IF NO → **To be reported**

Whether company has transferred remaining unspent amount under sec – 135(5) of the Companies Act, has been transferred to special account in compliance with Provisions of sec 135(6) of the said Act?

IF NO → **To be reported**

XXI – REMARKS BY RESPECTIVE AUDITORS OF THE COMPANY'S CARO OF A CONSOLIDATED FINANCIAL STATEMENTS

Whether there have been any qualification or adverse remarks by respective auditors in the CARO reports of the companies included in the consolidated financial statements?

IF YES

To be reported, the details of companies & paragraph no of CARO report