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Para 1: Companies Auditor's Report Order, 2016

- # Order on Auditor # u/s 143(12) Companies Act
- # Annexure to Auditor's Report
- # Total 16 clauses (given in para 3)
- # Yes/No Type comments.
- # If answer is -ve, comments.
- # Some are compliance clauses. — comply Co. Act.

- # Neednot to take seperate effort for the purpose of CARO. You can use inputs of ~~a~~ audit procedures already carried out.

Para. 2 Applicability : To Every Co.

Exceptions

1) Banking Co. ... subject to ~~E EF~~ LFAR < RBI / Banking Reg.
2) Insurance co. ... seperate Annexure Required
3) Sec. 8 Co.
4) Small Co. [2(85)]; OPC [2(62)]

5) A private Limited co. (Not being Holding/subsidiary of public co.)
(Exmpted from CARO if all tree conditions satisfied)

- ~~F~~ Revenue (Sch. III). ≤ 10 Cr.
- ② Outstanding Loans ≤ 1 Cr.
- ③ Paid up cap + Reserves. (Sch III Note.1 + Note 2 B/S) ≤ 1 Cr.

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para 3 Clause Reporting

(i) Fixed Assets 500, 570 a) Records; b) Physical verifica? c) Deeds. docs?	**(ii) Inventories** 501 physical varifica" atleast once a year.	**(iii) Related parties** comply - 189 (550) AS18 a) prejudicial to co.? b) Regularity of Receipts? c) Details of amt?	**(iv) 185, 186** comply 185, 186
(v) Public Deposites compliance • 73-76 Co. Act • other Laws	**(vi) Cost Records** compliance 148 Records are maintained or not?	**(vii) Govt. Dues** ** 250 a) Regularity of depositing dues? Delay > 6 m? b) Details of Legal Disputes.	**(viii) Defaulted in** Repayment to • Govt Banks • FI • Debentureholders
(ix) Utilizing Funds → Raised through • IPO, FPO, • Term Loans Used for Intended Purpose	**(x) Fraudulent** Frauds by Employees / KMP / Directors against Co. ... 143(12) Reporting. 240	**(xi) Mangerial Remunera"** compliance 197 + sch. V to Companies Act	**(xii) NIDHI** Nidhi co. Rules. a) 10% of Total Deposits are FD b) Ratio 1:20 owned : Deposites
(xiii) Related Party COMPLIANCE a) 188, 177 b) AS 18 (550)	**(xiv) Utiliza" of funds** • privately placed securities. • used for intented / specified purpose	**(xv) Non-cash Transa"** COMPLIANCE sec. 192 Non-cash Trnx with DIR	**(xvi) NBFC** RBI - 45-IA whether co. Required to ger Registered?

** Important for Exams. — memory Tech SA ... Audit proced.