



Comparison between CARO 2020 and 2016 for companies in India

1. Reporting for Property, Plant and Equipment (PPE) and Intangible Assets

- **CARO-2020 – Clause 3(i) for maintaining of records for PPE and Intangible assets**

(a) (A) Whether the company is **maintaining proper records** showing full particulars, including quantitative details and situation of **PPE** ?

(B) Whether the company is maintaining proper records showing full particulars of **intangible assets** ?

- **CARO-2016 – Clause 3(i) for maintaining of proper records for fixed assets**

(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of **fixed assets** ?

- **Changes between CARO-2020 and CARO-2016**

(A) **Separate Reporting** for PPE in CARO 2020 instead of Fixed Assets **only** in CARO 2016

(B) **Separate Reporting** for Intangible Assets in CARO 2020 instead of Fixed Assets **only** in CARO 2016

- **CARO-2020– Clause 3(i) for physical verification of PPE**

(b) Whether these Property, Plant and Equipment have been **physically verified** by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account ?

- **CARO-2016– Clause 3(i) for physical verification of fixed assets**

(b) Whether these fixed assets have been **physically verified** by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account ?

- **Changes between CARO-2020 and CARO-2016**

(b) **Physical verification of PPE in CARO 2020** instead of physical verification of **fixed assets only** in CARO 2016.

- **CARO-2020- Clause 3(i) for title deed of immovable property not in name of company**

(c) Whether the **title deeds of all the immovable properties** (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company, **if not** provide the following details ?

(i) Description of property

(ii) Gross Carrying Value

(iii) Held in name of

(iv) Whether promoter director or their relative or employee

(v) Period held indicate range, where appropriate

(vi) Reason for not being in name of company

- **CARO-2016- Clause 3(i) for title deed of all immovable property not in name of company**

(c) Whether the **title deeds of immovable properties** are held in the name of the company. **If not** provide the details there of ?

- **Changes between CARO-2020 and CARO-2016**

(c) **Specific 6 details** are required to be given for the title deeds **not in the name of Company** in CARO 2020 instead of **not specific details** in CARO 2016.

- **CARO-2020- Clause 3(i) for revaluation of PPE and intangible assets**

(d) Whether the company has **revalued** its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer specify the amount of change, if change is **10%** or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets ?

- **CARO-2016**

(d) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

- **CARO-2020- Clause 3(i) for proceedings initiated or pending under Benami Transactions (Prohibition), Act 1988**

(e) Whether any proceedings have been initiated or are pending against the company for holding any benami property under the **Benami Transactions (Prohibition) Act, 1988 (45 of 1988)** and rules made there under, if so, whether the company has appropriately disclosed the details in its financial statements ?

- **CARO-2016**

(e) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

2. Reporting for Inventories

- **CARO-2020- Clause 3(ii) for physical verification for inventories**

(a) Whether **physical verification** of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the **coverage and procedure** of such verification by the management is appropriate; whether any discrepancies of **10%** or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account ?

- **CARO-2016- Clause 3(ii) for physical verification for inventories**

- Whether **physical verification** of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt within the books of account?

- **Changes between CARO-2020 and CARO-2016**

- Now auditor is required to report about **coverage and procedure** of the physical verification as followed by the company are **appropriate or not appropriate** in CARO 2020 instead of **coverage and procedure** of the physical verification as followed by the company were **not** required in CARO 2016

- Now auditor is required to report the discrepancies for **each class** of inventory where discrepancies is minimum **10%** of each class of inventory

- **CARO-2020- Clause 3(ii) for verification of quarterly returns filed with banks etc.**

(b) Whether during any point of time of the year, the company has been **sanctioned working capital limits in excess of five crore** rupees in aggregate, from **banks or financial institutions** on the basis of security of current assets ?

Whether the quarterly returns or statements filed by the company with such banks or financial institutions are in **agreement with the books of account** of the Company, if not, give details ?

- **CARO-2016**

(b) This clause was **not** in CARO **2016**. Hence **new clause** is introduced in CARO **2020**.

3. Reporting for Loans, Investments, Guarantees, Securities and Advances

- **CARO-2020- Clause 3(iii) for loans/investments and guarantees/securities and advance**

- Whether during the year the company has made investments in, provided any guarantee or security or granted any **loans or advances in the nature of loans**, secured or unsecured, to companies, firms, Limited Liability Partnerships or **any other parties**, if so ?

- **CARO-2016- Clause 3(iii) for loans/investments and guarantees/securities**

- Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or **other parties covered in the register maintained under section 189** of the Companies Act, **2013**. If so ?

- **Changes between CARO-2020 and CARO-2016**

- Reporting for loans, investments and guarantees/securities given to **any party** in CARO **2020** instead of given to **related party only** in CARO **2016**

- **CARO-2020- Clause 3(iii) for loans/guarantees or securities given to any other entity**

(a) Whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to **any other entity [not applicable to companies whose principal business is to give loans]**, if so, indicate ?

- **CARO-2016- Clause 3(iii) for terms and conditions *not prejudicial* to company interest**
 - (a) Whether the terms and conditions of the grant of such loans are **not prejudicial** to the company's interest ?

- **Changes between CARO-2020 and CARO-2016**
 - (a) Reporting for loans or advances in nature of loan and guarantee/security given to **any other party** in CARO 2020 instead of terms and conditions of loans are **not prejudicial** to the company's interest in CARO 2016

- **CARO-2020- Clause 3(iii) for loans or advances given to the *subsidiaries, joint ventures and associates***
 - (A) The **aggregate** amount during the year, and **balance outstanding** at the balance sheet date with respect to such loans or advances and guarantees or security to **subsidiaries, joint ventures and associates** ?

- **CARO-2016- Clause 3(iii) for repayment of principal and payment of interest**
 - (b) Whether the schedule of **repayment of principal and payment of interest** has been stipulated and whether there payments or receipts are **regular** ?

- **Changes between CARO-2020 and CARO-2016**
 - **Additional** reporting for loans or advances, guarantees and securities given to **subsidiaries, joint ventures and associates** in CARO 2020 instead of **repayment** of principal and payment of interest with in **stipulated time** in CARO 2016

- **CARO-2020- Clause 3(iii) for outstanding loans or advances to *non-subsidiary joint ventures and associates***
 - (B) The **aggregate amount** during the year, and **balance outstanding** at the balance sheet date with respect to such loans or advances and guarantees or security to parties **other than** subsidiaries, joint ventures and associates ?

- **CARO-2016- Clause 3(iii) for amount *overdue* more than 90 days and steps for recovery**
 - (c) If the amount is overdue, state the total amount overdue for **more than 90 days**, and whether **reasonable steps** have been taken by the company **for recovery** of the **principal and interest** ?

- **Changes between CARO-2020 and CARO-2016**

- Reporting for **aggregate amount** during the year, and **balance outstanding** at the balance sheet date against loans or advances and guarantees or securities given to the parties **other than** subsidiaries, joint ventures and associates in CARO 2020 instead of total amount **overdue more than 90 days** and also **reasonable steps** are taken for recovery of principle and interest in CARO 2016.

- **CARO-2020- Clause 3(iii) for investments made guarantees or security given are not prejudicial to the company's interest.**

- (b) Whether the investments made, guarantees provided, security given and the **terms and conditions** of the grant of all loans and advances in the nature of loans and guarantees provided are **not prejudicial** to the company's interest ?

- **CARO-2016 Clause 3(iii)**

- (b) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

- **CARO-2020- Clause 3(iii) for repayment of principle and interest with in stipulated time**

- (c) In respect of **loans and advances in the nature of loans**, whether the respect of loans and advances in the nature of loans, whether the schedule of repayment of **principal and payment of interest** has been schedule of repayment of principal and payment of interest has been **stipulated** and whether there payments or receipts are **regular** ?

- **CARO-2016- Clause 3(iii)**

- (c) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

- **CARO-2020- Clause 3(iii) for amount overdue more than 90 days and steps for recovery.**

- (d) If the amount is overdue, state the total amount overdue for **more than 90 days**, and whether **reasonable steps** have been taken by the company **for recovery** of the principal and interest ?

- **CARO-2016- Clause 3(iii)**

- (d) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

- **CARO-2020- Clause 3(iii) for loans and advances as fallen due but renewed or extended**

(e) Whether any **loan or advance** in the nature of loan granted which has **fallen due** during the year, has been **renewed or extended** or fresh loans granted to settle the over dues of existing loans given to the **same parties**, if so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the **percentage of the aggregate to the total loans or advances** in the nature of loans granted during the year *[not applicable to companies whose principal business is to give loans] ?*

- **CARO-2016- Clause 3(iii)**

(e) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

- **CARO-2020- Clause 3(iii) for loans and advances given to promoters or related parties**

(f) Whether the company has granted any loans or advances in the nature of loans either repayable on demand or **without specifying any terms or period of repayment**, if so, specify the **aggregate amount, percentage thereof** to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 ?

- **CARO-2016- Clause 3(iii)**

(f) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

4. Reporting for loans, investments, guarantees and security section 185 and 186

- **CARO-2020- Clause 3(iv)**

- In respect of loans, investments, guarantees, and security, whether provisions of sections 185 and 186 of the Companies Act have been complied with, **if not**, provide the details thereof ?

- **CARO-2016- Clause 3(iv)**

- In respect of loans, investments, guarantees, and security, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with. **If not**, provide the details thereof ?

- **Changes between CARO-2020 and CARO-2016**

- No Change in this clause

5. Reporting for compliances of RBI against deposits and deemed to be deposits

- **CARO-2020- Clause 3(v)**

- In respect of deposits accepted by the company or amounts which are **deemed to be deposits**, whether the directives issued by the **Reserve Bank of India** and the provisions of sections **73 to 76** or any other relevant provisions of the Companies Act and the rules made there under, where applicable, have been complied with, **if not**, the nature of such **contraventions** be stated; if an **order** has been passed by **Company Law Board** or **National Company Law Tribunal** or **Reserve Bank of India** or any **court** or any other **tribunal**, whether the same has been complied with or not ?

- **CARO-2016- Clause 3(v)**

- In case, the company has accepted deposits, whether the directives issued by the **Reserve Bank of India** and the provisions of sections **73 to 76** or any other relevant provisions of the Companies Act, **2013** and the rules framed there under, where applicable, have been complied with? **If not**, the nature of such contraventions be stated; If an order has been passed by **Company Law Board** or **National Company Law Tribunal** or **Reserve Bank of India** or any **court** or any other **tribunal**, whether the same has been complied with or not ?

- **Changes between CARO-2020 and CARO-2016**

- **Additional** reporting for regulatory compliances against the **deemed to be deposits** is added in CARO **2020** instead of deposits **only** in CARO **2016**.

6. Reporting for maintenance of Cost Records as specified by Central govt.

- **CARO-2020- Clause 3(vi)**

- Whether **maintenance of cost records** has been **specified by the Central Govt.** under sub-section **(1)** of section **148** of the Companies Act and whether such accounts and records have been so made and maintained ?

- **CARO-2016- Clause 3(vi)**

- Whether **maintenance of cost records** has been **specified by the Central Govt.** under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained ?

- **Changes between CARO-2020 and CARO-2016**

- No Change in this clause

7. Reporting for Undisputed and Disputed Statutory Dues more than 6 months

- **CARO-2020- Clause 3(vii) for outstanding undisputed statutory dues**

- (a) Whether the company is regular in depositing **undisputed** statutory dues **including Goods and Services Tax**, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the **appropriate authorities** and if not, the extent of the arrears of outstanding **statutory dues** as on the last day of the financial year concerned for a period of **more than 6 months** from the date they became payable shall be indicated ?

- **CARO-2016- Clause 3(vii) for outstanding undisputed statutory dues**

- (a) Whether the company is regular in depositing **undisputed** statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the **appropriate authorities** and if not, the extent of the arrears of outstanding **statutory dues** as on the last day of the financial year concerned for a period of **more than 6 months** from the date they became payable, shall be indicated ?

- **Changes between CARO-2020 and CARO-2016**

- (a) **Additional** reporting for **Goods and Service Tax (GST)** under **undisputed** Statutory Dues

- **CARO-2020- Clause 3(vii) for outstanding disputed statutory dues**

- (b) Where statutory dues referred to in sub-clause (a) have not been deposited on account

of any **dispute**, then the amounts involved and the forum where **dispute** is pending shall be mentioned (a mere representation to the concerned Department shall not be treated as a dispute) ?

- **CARO-2016- Clause 3(vii) for outstanding **disputed** statutory dues**

(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any **dispute**, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute) ?

- **Changes between CARO-2020 and CARO-2016**

- No Change in this clause

8. Reporting for Surrendered as Income of Transaction not recorded into books

- **CARO-2020- Clause 3(viii)**

- Whether any **transactions not recorded** in the books of account have been **surrendered or disclosed as income** during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), if so, whether the previously unrecorded income has been **properly recorded in the books** of account during the year ?

- **CARO-2016**

- This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

9. Reporting for default in repayment, willful defaulter and diversion of fund etc.

- **CARO-2020- Clause 3(ix) for default in repayment of loans from any lender**

(a) Whether the company has **defaulted in repayment of loans or other borrowings** or in the **payment of interest** thereon to **any lender** like inter-corporate lender if yes, the period and the amount of default to be reported as below

- Nature of borrowing, including debt securities
- Name of lender (Lender wise details to be provided in case of defaults to banks, financial institutions and Government)-
- Amount not paid on due date
- Whether principal or interest

- No. of days delay or unpaid

- Remarks, if any

- **CARO-2016- Clause 3(viii) for default in repayment of loans from banks etc.**

- Whether the company has **defaulted in repayment of loans or borrowing** to a **FI, bank, Government or dues to debenture holders**? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender-wise details to be provided).

- **Changes between CARO-2020 and CARO-2016**

- **Default of Interest** payment is also covered in CARO 2020 instead of **default of principle amount only** in CARO 2016.
- Now reporting for defaults in payment of **principle and interest** against the loans or borrowings taken from **any lender** are covered in CARO 2020 instead of default in payment of **principle only** against the loans taken from **Banks, FI, Government and Debenture holders** is covered in CARO 2016

- **CARO-2020- Clause 3(ix) for willful defaulter by any banks etc. or other lender.**

(b) Whether the company is a **declared willful defaulter** by any bank or financial institution or **other lender** ?

- **CARO-2016- Clause 3(ix)**

(b) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

- **CARO-2020- Clause 3(ix) for diversion of amount of term loans for any other purpose**

(c) Whether term loans were **applied for the purpose** for which the loans were obtained; **if not**, the amount of loan so **diverted** and the purpose for which it is used maybe reported ?

- **CARO-2016- Clause 3(ix)**

(c) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

- **CARO-2020- Clause 3(ix) for utilization of short term loan for long term purpose**

(d) Whether funds raised on **short term** basis have been **utilized for long term** purposes, **if yes**, the nature and amount to be indicated ?

- **CARO-2016- Clause 3(ix)**

(d) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

- **CARO-2020- Clause 3(ix) for loans utilized by subsidiaries, associates or joint ventures**

(e) Whether the company has taken any funds from any entity or person on account of or **to meet the obligations of its subsidiaries, associates or joint ventures**, if so, details thereof with **nature** of such transactions and the **amount** in each case ?

- **CARO-2016- Clause 3(ix)**

(e) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

- **CARO-2020- Clause 3(ix) for pledging of securities of subsidiaries and joint ventures etc**

(f) Whether the company has raised loans during the year on the **pledge of securities held in its subsidiaries, joint ventures or associate companies**, if so, give details thereof and also report if the company has **defaulted in repayment of such loans** raised ?

- **CARO-2016- Clause 3(ix)**

(f) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

10. Reporting for use of money raised through issue of own shares

- **CARO-2020- Clause 3(x) for diversion of money as raised through IPO, FPO or debt**

(a) Whether amounts of money raised by way of **initial public offer** or further **public offer** (including debt instruments) during the year were **applied** for the purposes for which those are raised, **if not**, the details together with **delays** or **default** and subsequent rectification, if any, as may be applicable, be reported ?

- **CARO-2016- Clause 3(ix) for diversion of money as raised through IPO, FPO or debt**
 - Whether money raised by way of **initial public offer** or further **public offer** (including debt instruments) and **term loans** were **applied** for the purposes for which those are raised. If not, the details together with **delays** or **default** and subsequent rectification, if any, as may be applicable, be reported ?
- **Changes between CARO-2020 and CARO-2016**
 - Reporting for diversion of fund as raised for **IPO, FPO or debt** instruments in CARO 2020 instead of IPO, FPO or debt instruments and **term loans** in CARO 2016
- **CARO-2020- Clause 3(x) for preferential allotment or private placement of shares etc.**
 - (b) Whether the company has made any **preferential allotment** or **private placement** of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the **funds raised** have been **used** for the purposes for which the funds were raised, **if not**, provide details in respect of **amount** involved and **nature of non-compliance** ?
- **CARO-2016- Clause 3(xiv) for preferential allotment or private placement of shares etc**
 - Whether the company has made any **preferential allotment** or **private placement** of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the **amount raised** have been used for the purposes for which the funds were raised. **If not**, provide the details in respect of the **amount** involved and **nature of non-compliance** ?
- **Changes between CARO-2020 and CARO-2016**
 - Now compliance of the provisions under **section 42** and **62** both are to be obeyed in CARO 2020 instead of section 42 is **only** to be obeyed in CARO 2016

11. Reporting for any fraud committed by company or on the company

- **CARO-2020- Clause 3(xi) for any fraud by company or on the company**

(a) Whether any fraud **by the company** or any fraud **on the company** has been noticed or reported during the year, if yes, the nature and the **amount** involved is to be indicated?

- **CARO-2016- Clause 3(x) for any fraud by company or on the company by its officers and employees**

- Whether any fraud **by the company** or any fraud **on the Company by its officers or employees** has been noticed or reported during the year; If yes, the nature and the **amount** involved is to be indicated ?

- **Changes between CARO-2020 and CARO-2016**

- Reporting for any frauds **by the company** or **on the company** is required in CARO 2020 instead of any fraud **by its employees or officers only** in CARO 2016

- **CARO-2020- Clause 3(xi) for report as filed by statutory auditors with the central govt.**

(b) Whether any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in **Form ADT-4** as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government ?

- **CARO-2016- Clause 3(xi)**

- This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

- **CARO-2020-Clause 3(xi) for considering whistle-blower complaints by statutory auditors**

(c) Whether the auditor has **considered whistle-blower complaints**, if any, received during the year by the company ?

- **CARO-2016- Clause 3(xi)**

- This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

12. Reporting for Net Owned Fund, Unencumbered Term Deposit and Default in payment of Principle and Interest by Nidhi Company

- **CARO-2020- Clause 3(xii) for term deposits and default in payment of interest**

- (a) Whether the Nidhi Company has complied with the **Net Owned Funds to Deposits** in the ratio of **1:20** to meet out the liability ?
- (b) Whether the Nidhi Company is maintaining **ten per cent unencumbered term deposits** as specified in the Nidhi Rules, **2014** to meet out the liability ?
- (c) Whether there has been any **default in payment of interest** on deposits or **repayment** thereof for any period and if so, the details there of ?

- **CARO-2016- Clause 3(xii) for term deposits and default in payment of interest**

- Whether the Nidhi Company has complied with the **Net Owned Funds to Deposits** in the ratio of **1: 20** to meet out the liability and whether the Nidhi Company is maintaining **ten per cent unencumbered term deposits** as specified in the Nidhi Rules, **2014** to meet out the liability ?

- **Changes between CARO-2020 and CARO-2016**

- Reporting for ratios, unencumbered term deposits and **default in payment of principle and interest** in CARO **2020** instead of ratio and **unencumbered term deposits only** in CARO **2016**

13. Reporting for compliance against Related Party Transactions

- **CARO-2020- Clause 3(xiii)**

- Whether all transactions with the **related parties** are in compliance with sections **177** and **188** of Companies Act where applicable and the details have been **disclosed in the financial statements**, etc., as required by the applicable accounting standards ?

- **CARO-2016- Clause 3(xiii)**

- Whether all transactions with the **related parties** are in compliance with sections **177** and **188** of Companies Act, **2013** where applicable and the details have been

disclosed in the Financial Statements etc., as required by the applicable accounting standards ?

- **Changes between CARO-2020 and CARO-2016**

- *No Change in this clause*

14. Reporting for Internal Audit System and role of the Statutory Auditors

- **CARO-2020- Clause 3(xiv)**

*(a) Whether the company has an **internal audit system** commensurate with the size and nature of its business ?*

*(b) Whether the **reports** of the Internal Auditors for the period under audit were **considered by the statutory auditor** ?*

- **CARO-2016**

- *This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.*

15. Reporting for Non-cash transactions with Directors and Connected Persons

- **CARO-2020- Clause 3(xv)**

- *Whether the company has entered into any **non-cash transactions** with **directors or persons connected** with him and if so, whether the provisions of section 192 of Companies Act have been complied with ?*

- **CARO-2016- Clause 3(xv)**

- *Whether the company has entered into any **non-cash transactions** with **directors or persons connected** with him and if so, whether the provisions of section 192 of Companies Act 2013 have been complied with ?*

- **Changes between CARO-2020 and CARO-2016**

- *No Change in this clause*

16. Reporting for Non Banking Finance Business without valid COR from RBI

- **CARO-2020- Clause 3(xvi) for registration of company with the RBI**
 - (a) Whether the company is **required to be registered** under section **45-IA** of the Reserve Bank of India Act, **1934 (2 of 1934)** and if so, whether the **registration** has been **obtained** ?
- **CARO-2016- Clause 3(xvi) for registration of company with the RBI**
 - Whether the company is **required to be registered** under section **45-IA** of the Reserve Bank of India Act, **1934** and if so, whether the **registration** has been **obtained** ?
- **Changes between CARO-2020 and CARO-2016**
 - No Change in this clause
- **CARO-2020- Clause 3(xvi) for conducting NBFC without a COR from RBI**
 - (b) Whether the company has **conducted** any Non-Banking Financial or Housing Finance activities **without a valid Certificate of Registration (COR)** from the Reserve Bank of India as per the Reserve Bank of India Act, **1934** ?
- **CARO-2016- Clause 3(xvi)**
 - (b) This clause was **not** in CARO **2016**. Hence **new clause** is introduced in CARO **2020**.
- **CARO-2020- Clause 3(xvi) for company as a Core Investment Company (CIC)**
 - (c) Whether the company as a **Core Investment Company (CIC)** as defined in the regulations made by the Reserve Bank of India, if so, whether it continues to fulfill the criteria of a CIC, and in case the company is an **exempted or unregistered** CIC, whether it continues to fulfill such criteria ?
- **CARO-2016- Clause 3(xvi)**
 - (c) This clause was **not** in CARO **2016**. Hence **new clause** is introduced in CARO **2020**.
- **CARO-2020- Clause 3(xvi) for more than 1 CIC in 1 group**
 - (d) Whether the Group has **more than 1 CIC as part of the Group**, if yes, indicate the number of CICs which are part of the Group ?

- **CARO-2016**

(d) This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

17. Reporting for Cash Losses

- **CARO-2020- Clause 3(xvii)**

- Whether the company has **incurred cash losses** in the financial year and in the immediately **preceding financial year**, if so, state the amount of cash losses ?

- **CARO-2016**

- This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

18. Reporting for Resignation of Statutory Auditors

- **CARO-2020- Clause 3(xviii)**

- Whether there has been 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** ?

- **CARO-2016**

- This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

19. Reporting for Company's capability to pay against existing liabilities

- **CARO-2020- Clause 3(xix)**

- On the basis of the **financial ratios, aging and expected dates of realization of financial assets** and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, 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 ?

- **CARO-2016**

- This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

20. Reporting for CSR Compliance

- **CARO-2020- Clause 3(xx)**

(a) Whether in respect of **other than ongoing projects**, the company has **transferred unspent amount** to a Fund specified in Schedule VII to the Companies Act within a period of **six months** of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act ?

(b) Whether any amount **remaining unspent** under sub-section (5) of section 135 of the Companies Act, pursuant to any **ongoing project**, has been **transferred to special account** in compliance with the provision of sub-section (6) of section 135 of the said Act ?

- **CARO-2016**

- This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

21. Reporting for Qualifications or adverse remarks in CARO 2020

- **CARO-2020 Clause 3(xxi)**

Whether there have been any **qualifications or adverse remarks** by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the **consolidated financial statements**, if yes, indicate the details of the companies and the paragraph numbers of the **CARO** report containing the qualifications or adverse remarks

- **CARO-2016**

- This clause was **not** in CARO 2016. Hence **new clause** is introduced in CARO 2020.

- **Removed the Reporting for Managerial Remuneration**

- **CARO-2020**

- This clause is **not** existed in CARO 2020

- **CARO-2016- Clause 3(xi)**

- Whether **managerial remuneration** has been paid or provided in accordance with the **requisite approvals mandated** by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same ?

- **Changes between CARO-2020 and CARO-2016**

- Now reporting for managerial remuneration is **not needed** in CARO 2020 instead of it was needed in CARO 2016
- Now reporting for managerial remuneration is incorporated in **main audit report**. Hence **duplication is removed**.

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