

CARO 2020 REPORT - NEW FORMAT

ANNEXURE(B) REFERRED TO IN PARAGRAPH 1 OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF XYZ PRIVATE LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2022.

In terms of Companies (Auditor's Report) Order 2020, issued by the Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that :-

- 1) (i) (a) The company is/ **is not** maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
(b) The company is/ **is not** maintaining proper records showing full particulars of intangible assets.
- (ii) The Property, Plant & Equipment have/ have not been physically verified by the management at reasonable intervals.
- (iii) The title deeds of immovable properties shown in the financial statements are held in the name of the company.

If not, provide the details thereof in the format below:-

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 mention any dispute.

- (iv) The company has/ has not revalued its Property, Plant & Equipment or Intangible assets or both during the year. **The revaluation is based on the valuation of registered valuer. The change in value is Rs ----- (if more than 10% or more in the carrying value of each class of PPE/IA)**

- (v) The following/No proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder and the details have been appropriately disclosed in the financial statements.
- 2) (i) Physical verification of inventory has been / has not been conducted at reasonable intervals by management. In our opinion, the coverage and procedure by the management is appropriate. The aggregate of discrepancies of 10% or more in each class of inventory noticed have been properly dealt with in the books of account.
- (ii) The quarterly returns/statements filed by the company with banks/financial institutions are/ are not in agreement with the books of the company.
- 3) (i) The company has made/has not made investments in, provided any guarantee or security granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLPs, or any other parties.

If yes,

- a) the aggregate amount, balance outstanding to subsidiaries/joint ventures/associates/other parties,
- b) whether the terms and conditions are prejudicial to the interests of the company
- c) whether schedule of repayment has been stipulated and that it is regular/not,
- d) if overdue for more than 90 days, whether reasonable steps have been taken for recovery,
- 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 overdues 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];
- 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.

4) The company has (not) given any loans or guarantees/made any investments within the meaning of sections 185 & 186 of The Companies Act, 2013.

If yes, whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof

5) The company has (not) accepted any deposits from the public in terms of Section 73 to 76 or any other relevant provisions of the Companies Act,2013.

If yes, 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 thereunder, 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?

6) The Central Government has (not) prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the products manufactured by the company.

7) (i) The company is regular in depositing undisputed statutory dues with appropriate authorities.

(ii) According to records of the company, there are no statutory dues which have not been deposited on account of any dispute. **except the following:**

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending	Amount paid under Protest

8) There are /are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;

if so, whether the previously unrecorded income has been properly recorded in the books of account during the year;

- 9) (i) The company has **(not)** defaulted in any repayment of dues to any financial institution or bank or debenture holders. if yes, the period and the amount of default to be reported as per the format below:

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.				

- (ii) The company has **(not)** been declared as a wilful defaulter by any bank or financial institution or other lender.
- (iii) The term loans have **(not)** been utilised for the purposes for which they were obtained.
If not, the amount of loan so diverted and the purpose for which it is used may be reported
- (iv) The funds raised on short term basis have **(not)** been utilised for long term purposes.
If yes, the nature and amount to be indicated.
- (v) The Company has **(not)** 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;
- (vi) The Company has **(not)** raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
If yes, give details thereof and also report if the company has defaulted in repayment of such loans raised.

- 10) (i) The company has **(not)** made any initial public offer during the year.
If yes, whether the moneys raised 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;
- (ii) The company has **(not)** made any preferential allotment or private placement of shares/debentures during the year.
If yes, 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.
- 11) (i) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the company or on the company by its officers/employees have **(not)** been noticed or reported during the course of our audit.
if yes, the nature and the amount involved is to be indicated;
- (ii) whether any report under sub-Section (12) of Section 143 of the Companies Act has **(not)** 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.
- (iii) whether the auditor has **(not)** considered whistle-blower complaints, if any, received during the year by the Company.
- 12) The transactions entered into with related parties are **(not)** in compliance with section 177 & 188 of The Companies Act 2013 and the details have **(not)** been disclosed in the financial statements as required by the applicable accounting standards.
- 13) (i) The company has an internal audit system commensurate with the size and nature of its business.
- (ii) The reports of the Internal Auditors for the period under audit has been considered.
- 14) The company has **(not)** entered into any non-cash transactions with directors or persons connected with directors, during the year.
If yes, whether the provisions of section 192 of Companies Act have been complied with.

- 15) (i) The company is **(not)** required to be registered under section 45-IA of The Reserve Bank of India Act, 1934.
if yes, whether the registration has been obtained;
- (ii) whether the Company has **(not)** 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.
- (iii) whether the Company is a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India? **If so, whether it continues to fulfil the criteria of a CIC and In case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria**
- (iv) Whether the Group has more than one CIC as part of the Group, **If yes, indicate the number of CICs which are part of the Group.**
- 16) The company has **(not)** incurred cash losses of Rs.-----lakhs in the Financial Year and Rs. ----- lakhs in the immediately preceding Financial Year.
- 17) There has **(not)** 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;
- 18) On the basis of the financial ratios, ageing 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, we are 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.
- 19) (i) In respect of other than ongoing projects, the company has/ **has not** 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.
- (ii) In respect of other than ongoing projects, the company has/ **has not** transferred any amount remaining unspent under section (5) of section 135 of Companies Act to special account in compliance with provision of sub section (6) of section 135 of the said Act

20) There are no 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.

21) In the case of a Nidhi Company, the following points should also be considered:

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

For ABC
Chartered Accountants

A
Partner
M.No.
UDIN:

Place:
Date: