



Schedule III of Companies Act 2013 & CARO 2020

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Background & general aspects

Background

- The Ministry of Corporate Affairs has amended Schedule III of Companies Act 2013 on March 24, 2021 with an objective to increase transparency and provide additional disclosures to users of financial statements. **These amendments are effective from 1 April 2021.**
- Many of the amendments to Schedule III are aligned with CARO 2020.
- ICAI in January 2022 revised:
 - Guidance note on Division I – Non Ind AS Schedule III to the Companies Act 2013
 - Guidance note on Division I – Ind AS Schedule III to the Companies Act 2013
 - Guidance note on Division I – Schedule III to the Companies Act 2013 for NBFC that is required to comply with Ind AS

Rounding off of figures

- Instead of optional, it is now mandatory to round off the figures in the financial statements.

Level of Total Income	Rounding off of the figures should be to the nearest
Less than Rs 100 Crores	Hundreds, lakhs, millions or thousands.
>= Rs 100 Crores	Lakhs, millions or Crores.

- There is also an amendment in P/L statement. The erstwhile wordings “Total Revenue” are replaced by the wordings “Total Income”. So, it may be inferred that total Income means what can be considered as the total revenue of the company.

Changes in Schedule III without corresponding reporting in CARO

Promoter Shareholding

Div I - Yes

Div II - Yes

Div III - Yes

- The company shall disclose the following:

Shares held by promoters at the end of the year				% change
Sr. No.	Promoter's name	No. of shares	% of total shares	During the Year

- Percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.
- Details shall be given separately for each class of shares.
- Promoter here means promoter as defined in Companies Act 2013

Trade Receivable

Div I - Yes

Div II - Yes

Div III - Yes

- The following additional details to be given:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	More than 3 years	
Undisputed Trade receivables considered good						
Undisputed Trade Receivable considered doubtful						
Disputed Trade Receivables considered good						
Disputed Trade Receivables considered doubtful						

- Similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction

Trade Payable

Div I - Yes

Div II - Yes

Div III - Yes

- The following details are to be given:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	
MSME					
Others					
Disputed dues – MSME					
Disputed dues – Others					

- Similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

CWIP & Intangible Assets under Development

Div I - Yes

Div II - Yes

Div III - Yes

- For CWIP & intangible assets under development, the following ageing schedule should be provided:

CWIP / Intangible assets	Amount in CWIP for a period of				Total
	Less than 1 year	1 -2 years	2 – 3years	More than 3 years	
Projects in progress					
Projects temporarily suspended					

CWIP & Intangible Assets under Development (....continued)

Div I - Yes

Div II - Yes

Div III - Yes

- For CWIP & intangible assets whose completion is overdue or has exceeded its cost compared to its original plan, following details should be provided:

CWIP / intangible assets	To be completed in			
	Less than 1 year	1 -2 years	2 – 3years	More than 3 years
Project 1				
Project 2				

Grants or donation received

Div I - Yes

Div II - No

Div III - No

- Section 8 Companies are required to make a new insertion in Schedule of Revenue from operations for “Grants or donation” received.

Relationship with Struck off Companies

Div I - Yes

Div II - Yes

Div III - Yes

- Where the company has any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, the company shall disclose the following details:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	Investments in securities		
	Receivables		
	Payables		
	Shares held by struck off company		
	Other outstanding balances (to be specified)		

- Where the company has traded or invested in crypto currency or virtual currency during the financial year, the following shall be disclosed:
 - a. Profit or loss on transactions involving crypto currency or virtual currency
 - b. Amount of currency held as at the reporting date
 - c. Deposits or advances from any person for the purpose of trading or investing in crypto currency/ virtual currency.

Registration of charges or satisfaction with Registrar of Companies

Div I - Yes

Div II - Yes

Div III - Yes

- Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof shall be disclosed.

Compliance with number of layers of companies

Div I - Yes

Div II - Yes

Div III - Yes

- Where the company has not complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, the name and CIN of the companies beyond the specified layers and the relationship/extent of holding of the company in such downstream companies shall be disclosed.

Disclosure of Ratios

Div I - Yes

Div II - Yes

Div III - Yes

- Illustrative format for ratios is given below:

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for variance
Current ratio						
Debt-equity ratio						
Debt service coverage ratio						
Return on equity ratio						
Inventory turnover ratio						
Trade receivables turnover ratio						
Trade payables turnover ratio						
Net capital turnover ratio						
Net profit ratio						
Return on capital employed						
Return on investment						

Compliance with approved Scheme of arrangement

Div I - Yes

Div II - Yes

Div III - Yes

- Where any scheme of arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, the Company shall disclose that the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company in accordance with Scheme and in accordance with accounting standards and deviation in this regard shall be explained

Changes in Schedule III with corresponding reporting in CARO

Title deeds of immovable

Div I - Yes

Div II - Yes

Div III - Yes

properties not held in name of the company

- The company shall provide the following details 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) whose title deeds are not held in the name of the company and where such immovable property is jointly held with others, details are required to be given to the extent of the company's share:

Relevant line items in Balance sheet	Description of property	Title in name of	Whether title holder is promoter/director/relative of promoter/director/employee of promoter/director	Property held since which date	Reason for not being held in name of the company**
PPE	Land Building				** also indicate if in dispute
Investment property	Land Building				
PPE retired from active use and held for disposal	Land Building				
Others					

Clause 1: Reporting on Property, Plant and Equipment and Intangible Assets

	CARO 2016		CARO 2020					
i (c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof	i (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 favour of the lessee) disclosed in the financial statements are held in the name of the company, if not, provide the following details:					
			Description of property	Gross carrying value	Held in name of	Whether promoter, director or relative or employee	Period held – indicate range, where applicable	Reason for not being held in name of company*
								*also indicate if in dispute

Revaluation of PPE and Intangible Assets

Div I - Yes

Div II - Yes

Div III - Yes

- In case any revaluation of PP&E / Intangible assets of the company is undertaken during the year, it is required to make disclosure with respect to amount of change due to revaluation (if change is 10% or more in aggregate of the net carrying value of each class of PP&E / Intangible assets).
- Further, it shall disclose as to whether the revaluation (where carried out) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Clause 1: Reporting on Property, Plant and Equipments and Intangible Assets

	CARO 2016		CARO 2020
		i (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

Details of Benami Property Held

Div I - Yes

Div II - Yes

Div III - Yes

- Where any proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company shall disclose the following:
 - a. Details of such property,
 - b. Amount thereof,
 - c. Details of beneficiaries,
 - d. If property is in the books, then reference to the item in the balance sheet,
 - e. If property is not in the books, then the fact shall be stated with reasons,
 - f. Where there are proceedings against the company under this law as an a better of the transaction or as the transferor then the details shall be provided,
 - g. Nature of proceedings, status of same and company's view on same.

Clause 1: Reporting on Property, Plant and Equipment and Intangible Assets

	CARO 2016		CARO 2020
		i (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 thereunder, if so, whether the company has appropriately disclosed the details in its financial statements

Discrepancy in utilisation of Borrowings

Div I - Yes

Div II - Yes

Div III - Yes

- Where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date, the company shall disclose the details of where they have been used.

Clause 9: Reporting on Repayment and Usage of Borrowings

	CARO 2016		CARO 2020
		ix (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 may be reported

- Where a company is a declared wilful defaulter by any bank or financial Institution or other lender, following details shall be given:
 - a. Date of declaration as wilful defaulter
 - b. Details of defaults (amount and nature of defaults).
- Wilful defaulter” here means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.”

Clause 9: Reporting on Repayment and Usage of Borrowings

	CARO 2016		CARO 2020
		ix (b)	Whether the company is a declared willful defaulter by any bank or financial institution or other lender;

Borrowings obtained on the basis of security of current assets

Div I - Yes

Div II - Yes

Div III - Yes

- Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:
 - a. Whether quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts;
 - b. If not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.
- The indicative disclosure in case of reconciliation, is as follows:

Quarter	Bank	Securities provided	Amounts as per Books	Amount as reported in quarterly return	Amount of difference	Reason for material discrepancy
June 20XX	Bank X	Finished Goods	XX	XX	XX	

Clause 2: Reporting on Inventory

	CARO 2016		CARO 2020
		ii (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

- Following disclosures shall be made where loans or advances in the nature of loans are granted to promoters, directors, key managerial personnel (KMPs) and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are:
 - a. Repayable on demand or
 - b. Without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters		
Directors		
KMPs		
Related parties		

Clause 3: Reporting on Loans, Investments, Guarantees, Securities and Advances in nature of Loan

	CARO 2016		CARO 2020
		iii (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;

- The Company shall give details of any transaction not recorded in the books of accounts that has been **surrendered or disclosed as income** during the year **in the tax assessments** under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.

Clause 8: Reporting on Unreported Income

	CARO 2016		CARO 2020
		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

Corporate Social Responsibility (CSR)

Div I - Yes

Div II - Yes

Div III - Yes

- Where the company covered under section 135 of the Companies act, the following shall be disclosed with regard to CSR activities:
 - a. Amount required to be spent by the company during the year
 - b. Amount of expenditure incurred
 - c. Shortfall at the end of the year
 - d. Total of previous years shortfall
 - e. Reason for shortfall
 - f. Nature of CSR activities
 - g. Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard
 - h. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.
- This amendment to Schedule III is made to align financial statements with CARO 2020.

Clause 20: Reporting on CSR Compliances

	CARO 2016		CARO 2020
		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;
		xx (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;

New reporting requirements in CARO

Clause 3: Reporting on Loans, Investments, Guarantees, Securities and Advances in nature of Loan

	CARO 2016		CARO 2020
		iii (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-
		iii (a) (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;
		iii (a) (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

Clause 3: Reporting on Loans, Investments, Guarantees, Securities and Advances in nature of Loan

	CARO 2016		CARO 2020
		iii (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]

Clause 9: Reporting on Repayment and Usage of Borrowings

	CARO 2016		CARO 2020
		ix (d)	whether funds raised on short term basis have been utilised for long term purposes, if yes, the nature and amount to be indicated
		ix (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;
		ix (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;

Clause 11: Reporting on Frauds

	CARO 2016		CARO 2020
		xi (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
		xi (c)	whether the auditor has considered whistle-blower complaints, if any, received during the year by the company;

Clause 14: Reporting on Internal Audit

	CARO 2016		CARO 2020
		xiv (a)	whether the company has an internal audit system commensurate with the size and nature of its business
		xiv (b)	whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor;

Clause 16: Reporting on Registration under section 45A of RBI Act

	CARO 2016		CARO 2020
		xvi (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
		xvi (c)	whether the company is a Core Investment Company (CIC) as defined in the regulations made 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
		xvi (d)	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

Clause 17: Reporting on cash losses

	CARO 2016		CARO 2020
		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;

Clause 18: Reporting on Auditor's Resignation

	CARO 2016		CARO 2020
		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;

Clause 19: Reporting on Financial Position

	CARO 2016		CARO 2020
		xxi	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, 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 21: Applicability on Consolidated Financial Statements

	CARO 2016		CARO 2020
	The order shall not apply to auditor's report on consolidated financial statements.	xxi	<p>The order shall not apply to auditor's report on consolidated financial statements except clause (xxi) which states:</p> <p>Whether there have been any qualifications or adverse remarks by the respective auditors in the CARO report 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 qualification or adverse remarks.</p>

Marginal changes in reporting requirements in CARO

Clause 1: Reporting on Property, Plant and Equipments and Intangible Assets

	CARO 2016		CARO 2020
i (a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets	i (a) (A)	whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
		i (a) (B)	Whether the company is maintaining proper records showing full particulars of intangible assets
i (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	i (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

Clause 2: Reporting on Inventory

	CARO 2016		CARO 2020
ii	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 with in the books of account;	ii (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

Clause 3: Reporting on Loans, Investments, Guarantees, Securities and Advances in nature of Loan

	CARO 2016		CARO 2020
iii	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,	iii	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,-

Clause 3: Reporting on Loans, Investments, Guarantees, Securities and Advances in nature of Loan

	CARO 2016		CARO 2020
iii (a)	whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest	iii (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
iii (b)	whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular	iii (c)	In respect of loans and advances in the nature of loans, whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular

Clause 5: Reporting on Deposits

	CARO 2016		CARO 2020
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?	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 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

Clause 7: Reporting on Payment of Statutory Dues

	CARO 2016		CARO 2020
vii (a)	whether company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, VAT, cess & any other statutory dues to appropriate authorities and if not, extent of arrears of outstanding statutory dues as on last day of financial year concerned for a period of more than 6 months from date they became payable, shall be indicated	vii (a)	whether company is regular in depositing undisputed statutory dues including Goods and Services Tax , provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, VAT, cess & any other statutory dues to appropriate authorities and if not, extent of arrears of outstanding statutory dues as on last day of financial year concerned for a period of more than 6 months from date they became payable, shall be indicated
vii (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 amounts involved & forum where dispute is pending shall be mentioned. (A mere representation to concerned Department shall not be treated as a dispute).	vii (b)	where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then amounts involved & forum where dispute is pending shall be mentioned (a mere representation to concerned Department shall not be treated as a dispute);

Clause 9: Reporting on Repayment and Usage of Borrowings

	CARO 2016		CARO 2020																	
viii	whether the company has defaulted in repayment of loans or borrowing to a financial institution, 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) .	ix (a)	Whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender , if yes, the period and the amount of default to be reported as below :																	
			<table border="1"> <thead> <tr> <th>Nature of borrowing</th> <th>Name of lender*</th> <th>Amount not paid on due date</th> <th>Whether principal or interest</th> <th>No of days delay or unpaid</th> <th>Remarks, if any</th> </tr> </thead> <tbody> <tr> <td></td> <td>*Lender wise details to be provided</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>						Nature of borrowing	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				
Nature of borrowing	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																			

Clause 10: Reporting on moneys raised

	CARO 2016		CARO 2020
ix	whether moneys raised by way of IPO or further public offer (including debt instruments) and term loans were applied for purposes for which those are raised. If not, details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	x (a)	whether moneys raised by way of IPO or further public offer (including debt instruments) during the year were applied for purposes for which those are raised, if not, details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;
xiv	whether company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during year under review and if so, as to whether requirement of section 42 of Companies Act, 2013 have been complied with and amount raised have been used for purposes for which funds were raised. If not, provide details in respect of amount involved and nature of non-compliance;	x (b)	whether company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during year and if so, whether requirements of section 42 and section 62 of Companies Act, 2013 have been complied with and funds raised have been used for purposes for which funds were raised, if not, provide details in respect of amount involved & nature of non-compliance;

Clause 11: Reporting on Frauds

	CARO 2016		CARO 2020
x	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;	xi (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;

Clause 12: Reporting on Nidhi Company

	CARO 2016		CARO 2020
xii	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	xii (a&b)	(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;
		xii (c)	whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;

No changes in reporting requirements in CARO

Clause 3: Reporting on Loans, Investments, Guarantees, Securities and Advances in nature of Loan

	CARO 2016		CARO 2020
iii (c)	if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest	iii (d)	if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest

Clause 16: Reporting on Registration under section 45A of RBI Act

	CARO 2016		CARO 2020
xvi	whether company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 & if so, whether registration has been obtained.	xvi (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;

Earlier reporting requirements in CARO now deleted

Clause 11 (erstwhile): Reporting on Managerial Remuneration

	CARO 2016		CARO 2020
xi	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by provisions of section 197 read with schedule V of the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same.		

Changes in Schedule III requiring reporting in main audit report

- Where a company has received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the company shall disclose the following:
 - a. Date and amount of fund received from Funding parties with complete details of each Funding party
 - b. Date and amount of fund further advanced or loaned or invested other intermediaries or Ultimate Beneficiaries along with complete details of the other intermediaries' or ultimate beneficiaries.
 - c. Date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries
 - d. Declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

- Where company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries; the company shall disclose the following:
 - a. Date and amount of fund advanced or loaned or invested in Intermediaries with complete details of each Intermediary.
 - b. Date and amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries along with complete details of the ultimate beneficiaries.
 - c. Date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries.
 - d. Declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

Reporting requirement in main audit report

- (e) (i) Whether the management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) Whether the management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

Additional reporting requirement in main audit report

Additional reporting requirement in main audit report

- (f) Whether the dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013

Reclassifications under schedule III

Reclassifications

Item	Applicability	Earlier disclosed under	Now to be disclosed under
Current maturities of long term borrowings	Div I, II and III	Other current liabilities	Short term borrowings
Security deposits	Div I, II and III	Long term loans and advances	Other non-current assets
Lease liabilities (long term)	Div II	Borrowings	Separate head on face of balance sheet
Lease liabilities (other than long term)	Div II	Other financial liabilities	Separate head on face of balance sheet

THANK YOU!

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**SUSHRUT
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