

ONE PAGE NOTE ON COMPANIES (AUDITOR'S REPORT) ORDER, 2020
(CARO 2020)

❖ **EFFECTIVE DATE:-**

CARO 2020 is applicable for the financial year commencing **on or after the 1st April, 2019.**

❖ **APPLICABILITY:-**

It shall be applicable to the following companies:-

1. Every Public Company.

2. Every Private Companies :-

- a) Which is subsidiary or holding company of a public company, or
- b) Having paid up share capital and reserves and surplus of **Rupees one Crore or more** as on the balance sheet date, or
- c) Having total borrowings **of Rupees one Crore or more** from any bank or financial institution at any point of time during the financial year, or
- d) Having total revenue **of Rupees ten Crore or more** during the financial year as per the financial statements.

❖ **Non- Applicability:-**

Caro 2020 is not applicable to the following Companies:-

1. Banking Company.
2. Insurance company.
3. Section 8 Company.
4. One Person Company defined under Section 2(62) of the Company Act 2013.
5. Small Company defined under Section 2(85) of the Company Act 2013.
6. Every Private limited company which is not covered under the heading "Applicability" as stated above.

❖ **Matters to be included in auditor's report:-**

The auditor's report on the accounts of a company to which this Order applies shall **include a statement** on the matters stated in the below link:-

http://www.mca.gov.in/Ministry/pdf/Orders_25022020.pdf