

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 1794
ANSWERED ON TUESDAY, THE 15th DECEMBER, 2015**

ADHERANCE TO COMPANIES ORDER, 2015

QUESTION

1794. SHRI AMBETH RAJAN:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government had issued Companies (Auditor Report) Order, 2015;
- (b) reasons for issuing this Order;
- (c) whether any mechanism exist to supervise/monitor and whether Company Auditors are adhering to this order or not; and
- (d) if so, the reasons therefor?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

(a) to (d):- Yes, Sir. The Government has issued Companies (Auditor's Report) Order, 2015 as required u/s 143(11) of the Companies Act, 2013 vide S.O. No. 990(E) dated 10.04.2015, whereby the auditors of the company have been mandated to additionally report on various issues such as maintenance of assets register, loans to related parties, verification of inventory and its records, compliance of provision related to deposits, maintenance of cost records, internal controls, frauds etc. CARO report is a part of Auditor's Report which is placed before the shareholders alongwith Balance Sheet and Profit and Loss account for each year for their consideration. Thereafter, it is filed with the concerned Registrar of Companies (RoCs) and is available for public viewing as well as for regulatory purposes. Section 206 of the Companies Act, 2013 empowers the RoCs, upon scrutiny of any document including CARO report filed by a company, to call for further information or explanation and to take appropriate action in case of any non compliance noticed therein.
