

COMPANIES ACT,2013

section 143

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SECTION 143

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Auditor shall enquire into following matters:-

- a) Whether loans and advances made by the company on the basis of security have been properly secured and whether the terms on which they have been made are prejudicial to the interests of the company or its members;
- b) Whether transactions of the company which are represented merely by book entries are prejudicial to the interests of the company;

SECTION 143

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Auditor shall enquire into following matters:-

- c) Where the company not being an investment company or a banking company, whether so much of the assets of the company as consist of shares, debentures and other securities have been sold at a price less than that at which they were purchased by the company;
- d) Whether loans and advances made by the company have been shown as deposits;

SECTION 143

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Auditor shall enquire into following matters:-

- e) Whether personal expenses have been charged to revenue account;
- f) Where it is stated in the books and documents of the company that any shares have been allotted for cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance sheet is correct, regular and not misleading.

Auditor Report

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Auditor has right to access to the records of all the subsidiaries which are required for consultation of financial statements.

Section 143(2)

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- Report on every financial statement which are required to be led before company in general meeting.
- Compliance of auditing and accounting standard.
- Audit report as required under any order in sub-section 11.

Section 143(3)

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Auditor shall also state in his report

- a) Whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;
- b) Whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him.

Section 143(3)

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Auditor shall also state in his report

- c) Whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;
- d) Whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;

Section 143(3)

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Auditor shall also state in his report

- e) Whether, in his opinion, the financial statements comply with the accounting standards;
- f) The observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
- g) Whether any director is disqualified from being appointed as a director under sub-section (2) of section 164.

Section 143(3)

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Auditor shall also state in his report

- h) Any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
- i) Whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- j) Such other matters as may be prescribed.

Reporting of Fraud

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If the auditor of company

- In the performance of his duties as Auditor has reason to believe that an offence involving fraud is being or has been committed against company by officer / employee.



THANK YOU