

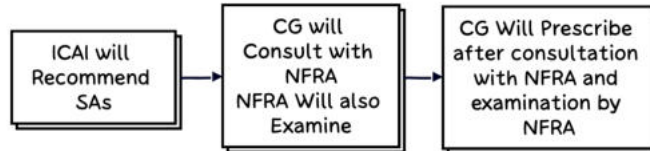
**143(4) - Reasons**

If any matter in the audit report under this section is answered negatively or with a qualification, the report must state the reasons.

**143(9)**

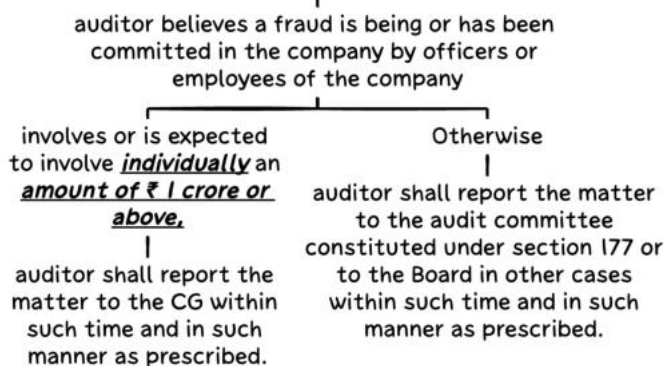
Every auditor shall comply with the auditing standards.

**143(10)**



Until new auditing standards are officially notified, existing standards specified by the ICAI will be deemed to be auditing standards to be used for this subsection.

**143(12) + Rule 13 of the Companies (Audit and Auditors) Rules**



**Audit of Branch Office Accounts**

**Books of accounts**

At Registered Office, Accrual Basis, Double entry system of accounting

As per section 128(1) of the Companies Act, 2013,

- every company shall prepare and
- keep at its registered office
- books of account and other relevant books and papers and FS for every financial year
- which give a true and fair view of the state of the affairs of the company,
  - including that of its branch office or offices, if any, and
- explain the transactions effected both at the registered office and its branches and
- such books shall be kept on accrual basis and according to the double entry system of accounting.

**Place other than Registered office**

The Board of Directors may choose a different location within India for keeping books of account, and if so, the company must file with the Registrar a notice in writing giving the full address within 7 days.

**Books of account kept at branch office**

If a company with a branch office, either in or outside India, maintains proper books for branch transactions and keeps it at the branch office and sends summarized returns to its registered office, it shall be deemed to comply with sub-section (1).

**Audit of Branch Accounts – Section 143(8)****Who can become branch auditor**

- Branch *in India*
  - *Company Auditor*
  - Person *qualified* to be an auditor and appointed as per section 139
- Branch *outside India*
  - *Company auditor*
  - Any person *qualified* to act as an auditor in *accordance* with *laws* of *that country*

The branch auditor shall prepare a report on the accounts of the branch examined by him and send it to the auditor of the company who shall deal with it in his report in such manner as he considers necessary.

Duties and powers of the company's auditor with reference to the audit of the branch and the branch auditor. – Rule – 12, Companies (Audit and Auditors) Rules, 2014

1. For the purposes of sub section (8) of section 143, the duties and powers of the company's auditor with reference to the audit of the branch and the branch auditor, if any, shall be as contained in sub sections (1) to (4) of section 143.
2. The branch auditor shall submit his report to the company's auditor.
3. The provisions of sub section (12) of section 143 read with regarding reporting of fraud by the auditor shall also extend to such branch auditor to the extent it relates to the concerned branch.