Analysis on Form NFRA-1

Form NFRA-1

Vide MCA Notification dated 13th November 2018

Purpose:

Notice to the Authority by a body corporate regarding its auditor.

Provision:

Pursuant to section 132 of the Companies Act, 2013 and Rule 3(2) and 3(3) of the National Financial Reporting Authority Rules, 2018.

Classes of companies and bodies corporate covered Under NFRA RULES:

(a) Every Listed Companies
(Whether Securities listed on Stock Exchange In India or Outside India)

(b) Unlisted Public Companies having-

(i) Paid up Capital not less than Rs. 500 Cr., or

(ii) Annual turnover of not less than Rs. 1000 Cr., or

(iii) in aggregate, outstanding loans, debentures and deposits of not less than rupees 500 Cr. as on the 31st March of immediately preceding financial year;

(c) Insurance companies, Banking companies, companies engaged in the generation or supply of electricity, companies governed by any special Act for the time being in force or bodies corporate incorporated by an Act in accordance with clauses (b), (c), (d), (e) and (f) of sub-section (4) of section 1 of the Act;

(d) any body corporate or company or person, or any class of bodies corporate or companies or persons, on a reference made to the Authority by the Central Government in public interest; and

(e) a body corporate incorporated or registered outside India, which is a subsidiary or associate company of any company or body corporate incorporated or registered in India as referred to in clauses (a) to (d), if-

if the income or net worth of such subsidiary or associate company exceeds 20% of the consolidated income, or

20% consolidated net worth of such company or the body corporate, as the case may be, referred to in clauses (a) to (d).

Every existing body corporate governed by these rules

Shall inform the Authority within 30 Days of from the date of deployment of this form on the website of Ministry/ National Financial Reporting Authority (NFRA) as per General Circular No. 12/2018 in Form NFRA-1, the particulars of the auditor as on the date of commencement of these rules.

Every body corporate, other than a company as defined in clause (20) of section 2, formed in India and governed under this rule

within 15 Days of appointment of an auditor under sub-section (1) of section 139, inform the Authority in Form NFRA-1, the particulars of the auditor appointed by such body corporate: Provided that a body corporate governed under clause (e) of sub-rule (1) shall provide details of appointment of its auditor in Form NFRA-1.

A company or a body corporate other than a company governed under this rule

Continue to be governed by the Authority for a period of three years

- after it ceases to be listed, or
- its paid-up capital, or
- turnover or aggregate of loans, debentures and deposits falls below the limit stated therein

Form NFRA-1

One Time Disclosure

within 30 Days of from the date of deployment of this form on the website of Ministry / National Financial Reporting Authority (NFRA) as per General Circular No. 12/2018

Disclosures on the appointment of the Auditors

within 15 Days of appointment of an auditor under sub section (1) of section 139

Non -Applicability

- LLP (Limited Liability Partnership)
- Private Company
- All Unlisted Companies other than mentioned in clause (b) of Sub-rule (1) of Rule 3.

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