

NFRA-2 Annual Return Know ‘Why’ & ‘How’

What is NFRA-2 Annual Return?

NFRA-2 is an annual return that specified auditors must file with the National Financial Reporting Authority (NFRA). It serves as a report by the auditor regarding their practice and compliance with NFRA rules. This return is mandatory for the auditors of a specified class of companies, including listed companies, large unlisted public companies, and companies in sectors like banking and insurance. (Refer Rule 5 read with 3 of NFRA Rules 2018)

As per NFRA Rules 2018,
“Every auditor of companies & body corporate specified in rule 3 shall file a return with the Authority on or before 30th November every year in such form as may be specified by the Central Government.”

Who is required to file NFRA-2 ?

Auditors of following class of companies and bodies corporate (Rule 5 read with 3 of NFRA Rules 2018)			
Category	Prescribed Criteria		
Listed Companies	whose securities are listed on any stock exchange in India or outside India		
Unlisted Public Companies	i) Paid up capital of not less than ₹ 500 Cr	ii) Annual Turnover of not less than ₹ 1,000 Cr	iii) Aggregate outstanding loans, debentures and deposits of not less than ₹ 500 Cr
Companies engaged in Specialized Activities and Special Acts	Insurance Companies	Banking Companies	Generation or Supply of Electricity
	Company governed by Special Act	Company & Body Corporate incorporated by an Act in accordance with clauses (b) to (f) of sub-section 4 of section 1 of the Companies Act, 2013	
Central Govt reference in public interest	any body corporate or company or person, or any class of bodies corporate or companies or persons		
Foreign Body Corporate	Foreign incorporated Subsidiary or Associate of any company or body corporate mentioned above and whose net worth or income exceeds 20% of the Consolidated net worth or income		

What is the Reporting Period for NFRA-2 due on 30th November 2025 ?

- ❖ In the case of NFRA-2 due by 30th November 2025, the reporting period is 1st April 2024 to 31st March 2025.
- ❖ In the NFRA-2 due by 30th November 2025, details of audit reports signed off during the reporting period 1st April 2024 to 31st March 2025 will have to be reported. In most cases, these audit reports will relate to audit of financial statements for the year 1st April 2023 to 31st March 2024.
- ❖ Refer FAQ #18 on NFRA website and the table below for further guidance.

NFRA-2 Filing Due Dates	Reporting Period in clause 2 of NFRA-2	Audit Reports signed off during the year	Financial Statements for the year (in most cases)
30.11.2025	01.04.2024 – 31.03.2025	01.04.2024 – 31.03.2025	01.04.2023 – 31.03.2024
30.11.2024	01.04.2023 – 31.03.2024	01.04.2023 – 31.03.2024	01.04.2022 – 31.03.2023
30.11.2023	01.04.2022 – 31.03.2023	01.04.2022 – 31.03.2023	01.04.2021 – 31.03.2022

What are the key contents of NFRA -2?

- ❖ Identity of the auditor and contact persons
- ❖ Audit clients and audit reports of the auditor (& fees related information)
- ❖ Audit-related memberships, affiliations, or similar arrangements of the auditor
- ❖ Partners and Employees of the Auditor
- ❖ Details of any Disciplinary or Other Proceedings initiated against the Auditor
- ❖ Resignations and Withdrawal of Audit Reports
- ❖ Quality Control Policies of the Auditor
- ❖ Consent to co-operate and comply with any information request by NFRA



QUICK LINKS

i) Frequently Asked Questions pertaining to NFRA-2:

https://eformnfra2.nic.in/resources/docs/NFRA2_FAQ.pdf

ii) User Registration instructions for NFRA-2 e-form

https://eformnfra2.nic.in/resources/docs/NFRA%202%20User%20Registration%20Instructions_v%201.pdf

iii) Provisional list of companies under the domain of NFRA, provisional list of audit firms that have not filed NFRA-2 Annual Return

<https://nfra.gov.in/document-category/nfra-domain/>

iv) NFRA Rules, 2018, which prescribe the requirements of annual filing by every auditor covered under Rule 3 of the said Rules

<https://cdnbbsr.s3waas.gov.in/s3e2ad76f2326fbc6b56a45a56c59fafdb/uploads/2023/01/2023010585.pdf>

v) NFRA-2 e-form

<https://eformnfra2.nic.in/>