**,Appointment of auditors- Form ADT-1 to be filed in 15 days**

Now that 30th September is over most of the companies would have convened the AGM for the FY 2013-14.

Appointment of auditors is an ordinary business to be convened at the AGM.

As per section 139(1) of the Companies Act ‘2013, the company has to inform the auditor of his appointment within 15 days of the meeting in which he is appointed as an auditor.

The Company has to also inform the Registrar of Companies of the appointment within fifteen days of the meeting in which the auditor is appointed.

Explanation to Section 139 says that the appointment includes reappointment. Therefore, the Company has to inform the Registrar within 15 days of the meeting in which auditor is appointed whether it is appointment of first auditor or reappointment of auditor.

Since the last date for conducting the AGM for most companies was 30th September’2014 and the auditors would have been appointed in the AGM, therefore the notice of appointment of auditors is to be filed with the Registrar by the 15th October’2014.

The notice of appointment of auditor is to be filed with the Registrar in Form ADT-1 as per the Companies (Audit and Auditors) Rules’2014.

As of now there is no e-form available for filing Form ADT-1 with the Registrar. The physical copy of the form duly filled up and signed on behalf of the company by the authorised person has to be scanned and attached with the e-form GNL-2 and filed with the Registrar of Companies.

The Basic information needed for filing the form ADT-1 for notice of appointment of auditors is:

1.(a) Corporate identity number (CIN) or foreign company registration  number (FCRN) of the company

   (b) Global Location Number (GLN) of company

2. (a) Name of the company:

   (b) Address of the registered office or of the principal place of business  in India of the company:

   (c) E-mail ID of the company

3. Date of meeting at which the auditor appointed \_\_\_\_\_\_\_\_\_\_\_\_\_

4. Category of Auditor- Individual or Firm

5. (a) Income Tax PAN of Auditor or auditor’s firm

   (b) Name of the Auditor or Auditor’s firm

   (c) Membership Number of Auditor or auditor’s firm’s registration number

   (d) Address of the Auditor or auditor’s firm

   (e) City

   (f) State

   (g) Pin code

   (h) Email id of the auditor or auditor’s firm.

The Company also has to pass a Board Resolution in order to authorize a person to sign and submit the form ADT-1 with the registrar. The date and the number of resolution authorising a person to sign and submit the form is to be mentioned in the e-form.

Before the appointment of auditor, a written consent has to be taken from the auditor of his willingness to be appointed as auditor.

Also as per Rule 4 of the Companies (Audit and Auditors) Rules’2014, before appointment the company has to obtain from the auditor a certificate that:

(a) the individual or the firm, as the case may be, is eligible for appointment and is not  disqualified for appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder;

(b) the proposed appointment is as per the term provided under the Act;

(c) the proposed appointment is within the limits laid down by or under the authority of the   Act;

(d) the list of proceedings against the auditor or audit firm or any partner of the audit firm pending with respect to professional matters of conduct, as disclosed in the certificate, is true and correct.

The form ADT-1 has to be filed within 15 days of the meeting in which the auditors is appointed. Filing form ADT-1 after 15 days of appointment would attract late fee.

Other points to be noted:

* The appointment of auditors will be for a period of five years.
* Since the draft notification for granting relief to auditors about the audit of maximum 20 Companies is not yet passed, therefore the auditor cannot be appointed as an auditor in more than 20 Companies. The company has to obtain a certificate from the auditor in this regard that his appointment does not exceed the maximum limit as prescribed under the Act.
* The appointment though for five years has to be ratified by the shareholders every year.

Hope you find the above information relevant and useful in your daily practice

***Source : Taxguru.com***

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