

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

STARRED QUESTION NO:394
ANSWERED ON:20.02.2014
NATIONAL FINANCIAL REPORTING AUTHORITY
Abdulrahman Shri ;Gowda Shri D.B. Chandre

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government proposes to establish National Financial Reporting Authority (NFRA);
- (b) if so, the details thereof including the powers vested with the NFRA and its functions;
- (c) whether the Government has issued any rule for the purpose and if so, the details thereof;
- (d) whether the Institute of Chartered Accountants of India (ICAI) have opposed the proposed move by the Government;and
- (e) if so, the apprehensions/objections raised by ICAI in this regard and the action taken/being taken by the Government to address their concern in this matter?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI SACHIN PILOT)

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN ANSWER TO LOK SABHA STARRED QUESTION NO. 394 FOR 20.02.2014 REGARDING NATIONAL FINANCIAL REPORTING AUTHORITY.

(a) to (e) Section 132 of the Companies Act, 2013 provides for establishment of the National Financial Reporting Authority (NFRA) with powers such as recommending accounting and audit policies, monitoring compliance of accounting and auditing standards and with certain enforcement functions including dealing with cases of professional misconduct. The said provision has not yet come into force and Rules to be made thereunder are being finalized in the light of public comments received, including the comments received from Institute of Chartered Accountants of India (ICAI) in respect of draft rules exposed on the Ministry's website before their legal vetting and notification.