

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 3426
ANSWERED ON MONDAY, THE 15th JULY 2019
[ASHADHA 24, 1941 (SAKA)]**

Illegal operation of Multi-national Accounting Firms

QUESTION

**3426. SHRI ASADUDDIN OWAISI:
SHRI SYED IMTIAZ JALEEL:**

Will the Minister of CORPORATE AFFAIRS

कॉर्पोरेट कार्य मंत्री

be pleased to state:

- (a) whether the Government has set up a Committee of experts to look into the alleged illegal operation of multi-national accounting firms in the country;**
(b) if so, the details thereof;
(c) whether the Government proposes to set up National Financing Reporting Authority (NFRA) to track and penalize such firms;
(d) if so, the details and the reasons therefor; and
(e) the steps taken/being taken by Government in this regard?

ANSWER

**THE MINISTER OF STATE FOR FINANCE
AND CORPORATE AFFAIRS**

(SHRI ANURAG SINGH THAKUR)

वित्त एवं कॉर्पोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री अनुराग सिंह ठाकुर)

(a) & (b): Yes, In compliance of the Order dated 23.02.2018 passed by the Hon`ble Supreme Court of India in the Civil Appeal No. 2422 of 2018, Government constituted a three member Committee of Experts (CoE) on 20.04.2018 under the Chairmanship of Joint Secretary, Ministry of Corporate Affairs to look into the statutory and other issues related to Multi-National Accounting Firms (MAFs). The Report of the Committee of Experts was submitted to Government on 25.10.2018 as well as to the Hon`ble Supreme Court of India. The said report is also available on MCA's website at http://www.mca.gov.in/Ministry/pdf/2018_CommitteeExperts_Report_08112018.pdf.

(c) to (e): National Financial Reporting Authority (NFRA) has been constituted under Section 132 of the Companies Act, 2013 on 1st October, 2018 to protect public interest and interests of the investors, creditors and others associated with the companies or bodies corporate by establishing high quality standards of accounting and auditing and exercising effective oversight of accounting functions performed by the companies and bodies corporate and auditing functions performed by auditors in respect of certain classes of companies and bodies corporate.

The NFRA Rules 2018 have also been notified vide notification dated 13th November, 2018.
