

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 1845  
ANSWERED ON FRIDAY, THE 29<sup>TH</sup> DECEMBER, 2017/  
PAUSHA 8, 1939 (SAKA)**

**NFRA**

**QUESTION**

**1845. SHRI MAHEISH GIRRI:  
SHRI RAM CHARITRA NISHAD:**

**Will the Minister of CORPORATE AFFAIRS  
be pleased to state:**

**कारपोरेट कार्य मंत्री**

- (a) whether the Companies Act, 2013 provides for constitution of the National Financial Reporting Authority (NFRA) as regulatory body for accounting sector;**
- (b) if so, the details thereof and the reasons for not notifying the relevant section till date;**
- (c) whether his Ministry has received objections from Institute of Chartered Accountants of India (ICAI) for constitution of NFRA and if so, the reasons therefor;**
- (d) whether his Ministry intend to notify the relevant section and constitute NFRA, if so, the details thereof and the time by which the NFRA is likely to be constituted;**
- (e) if not, the reasons therefor; and**
- (f) whether there are more than 1,400 pending cases against Chartered Accountants in the country and if so, the details thereof?**

**ANSWER**

**MINISTER OF STATE FOR LAW AND JUSTICE  
AND CORPORATE AFFAIRS**

**(SHRI P. P. CHAUDHARY)**

**(श्री पी. पी. चौधरी)**

विधि और न्याय एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

**(a) to (e):- Yes, Madam. The Companies Act, 2013 provides for establishment of the National Financial Reporting Authority (NFRA) for, inter-alia, recommending to Government on formulation and laying down of accounting and auditing policies, adoption of standards, monitoring their compliances and overseeing quality of service of professionals associated with such compliance. The Institute of Chartered Accountants of India (ICAI) has represented to the Ministry broadly stating that the existing framework in the ICAI for performing these functions is adequate. The Government however is of the view that, in addition to the self-regulation mechanism existing within the ICAI framework, there is need for an independent regulator to inter**

alia oversee compliance with accounting and auditing standards and for oversight of audit professionals. Internationally also, independent regulators have been assigned these functions in over 50 countries. Steps are underway for establishing NFRA.

(f):- ICAI has informed that as on 20<sup>th</sup> December, 2017, 1583 cases are pending at different stages of disciplinary proceedings. The detail of stages at which these are pending is as under:-

<b>Stage at which cases are Pending</b>	<b>Number of Cases</b>
<b>Cases before the Board of Discipline and Disciplinary Committee for hearing</b>	<b>395</b>
<b>Cases where prima facie opinion is to be placed before the Board of Discipline/Disciplinary Committee (BOD/DC)</b>	<b>186</b>
<b>Cases where prima facie opinion formed placed before BOD/DC but referred back to Director (Discipline)</b>	<b>15</b>
<b>Cases where prima facie opinion is under finalization</b>	<b>543</b>
<b>Cases where prima facie opinion is to be formed</b>	<b>102</b>
<b>Cases where additional documents have been called from the parties</b>	<b>183</b>
<b>Cases where Rejoinder is awaited from Complainant</b>	<b>30</b>
<b>Cases where Written Statement is awaited from Respondent</b>	<b>129</b>
<b>Total</b>	<b>1583</b>

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