

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 2488
ANSWERED ON MONDAY, AUGUST 04, 2025/ SRAVANA 13, 1947 (SAKA)**

Audit and Reviews Conducted by NFRA

QUESTION

2488. Shri Arun Bharti:

Will the Minister of CORPORATE AFFAIRS

be pleased to state:

- (a) the year-wise details of the audits and reviews conducted by National Financial Reporting Authority (NFRA) during the last five years and the mechanisms in place to monitor NFRA's effectiveness in achieving its goals;**
- (b) the details of the partnerships with academic and professional institutions to advance research in financial reporting standards;**
- (c) the initiatives undertaken by NFRA to raise awareness among companies and auditors about their responsibilities and the importance of compliance;**
- (d) the steps taken to ensure timely resolution of complaints and maintain the confidence of stakeholders in its regulatory processes; and**
- (e) whether the Government is considering to expand NFRA's jurisdiction to cover additional entities or sectors and if so, the details thereof?**

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS AND
MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND
HIGHWAYS.**

(SHRI HARSH MALHOTRA)

- (a) (i) Year-wise details of Audit Quality Reviews (AQRs), Financial Reporting Quality Reviews (FRQR) and Audit quality inspections of audit firms conducted by NFRA are as follows:**

Financial Year	Reviews	No. of Reviews
2019-20	Audit Quality Review	01
2020-21	Audit Quality Review	01
	Supplementary Audit Quality Review	01
2021-22	Audit Quality Review	02
	Financial Reporting Quality Review	02
2022-23	Audit Quality Review	01
	Financial Reporting Quality Review	02
2023-24	Audit Quality Inspection	05
2024-25	Audit Quality Inspection	07

(ii) A Memorandum of Understanding between Ministry of Corporate Affairs and National Financial Reporting Authority spells out clearly performance parameters, output targets in terms of details of programme of work and qualitative improvement in output, along with commensurate input requirements.

- (b) NFRA has not partnered with any academic or professional institute for research in financial reporting standards.**
- (c) NFRA has engaged extensively and periodically with stakeholders including CEOs, CFOs, Independent Directors and members of the profession and conducted a number of webinars on various topics related to financial reporting and auditing, including an international conference in 2024. It also issues circulars, reiterating provisions in law and standards, to help prevent recurrence of some observed non-compliances and to help bring in systematic improvement in the quality of financial reporting in India, towards advising and guiding various stakeholders. Further, NFRA publishes the auditor-audit committee interaction series to help improve communication between auditors and committees as it is a significant parameter towards ensuring better audit quality.**

NFRA has also collaborated with Indian Institute of Corporate Affairs (IICA) and a 4-month course has been launched for capacity building of independent directors and audit committee members of companies.

(d) NFRA has a dedicated online portal for filing complaints. The complaints received are dealt with as per extant guidelines on procedure for complaint handling in NFRA. Quarterly reports on status of show cause notices are also published on NFRA website.

(e) At present, there is no such proposal under consideration.
