

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 3541
ANSWERED ON TUESDAY, THE 27TH MARCH, 2018**

EMPOWERING ICAI TO IMPLEMENT ORDERS OF NFRA

QUESTION

3541. SHRI NARAIN DASS GUPTA:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government proposes to empower The Institute of Chartered Accountants of India (ICAI) to implement orders passed by National Financial Reporting Authority (NFRA), if so, the details thereof;
- (b) whether ICAI has power under the existing Chartered Accountants Act, 1949 to implement orders passed by NFRA under Companies Act, 2013, if so, the details thereof;
- (c) the mechanism of implementing orders of NFRA towards debarring the members of ICAI and Chartered Accountants firms from practice by ICAI; and
- (d) whether it is to be done by ICAI, if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR LAW AND JUSTICE
AND CORPORATE AFFAIRS

(SHRI P. P. CHAUDHARY)

(a) to (d):- In accordance with provisions of section 132 of the Companies Act, 2013 and rules to be made thereunder read with relevant applicable provisions of Chartered Accountants Act, 1949 and regulations made thereunder, National Financial Reporting Authority (NFRA) would perform the functions relating to making recommendation on framing accounting and auditing policies/standards, monitoring and enforcing compliance with such standards, overseeing quality of service of auditing profession and investigating and ordering action against professional and other misconduct as provided under the Act. The provisions of section 132 of the Act have provided for suitable clarity and flexibility to ensure that harmony and coordination is maintained in the role and powers of NFRA and Institute of Chartered Accountants of India.
