



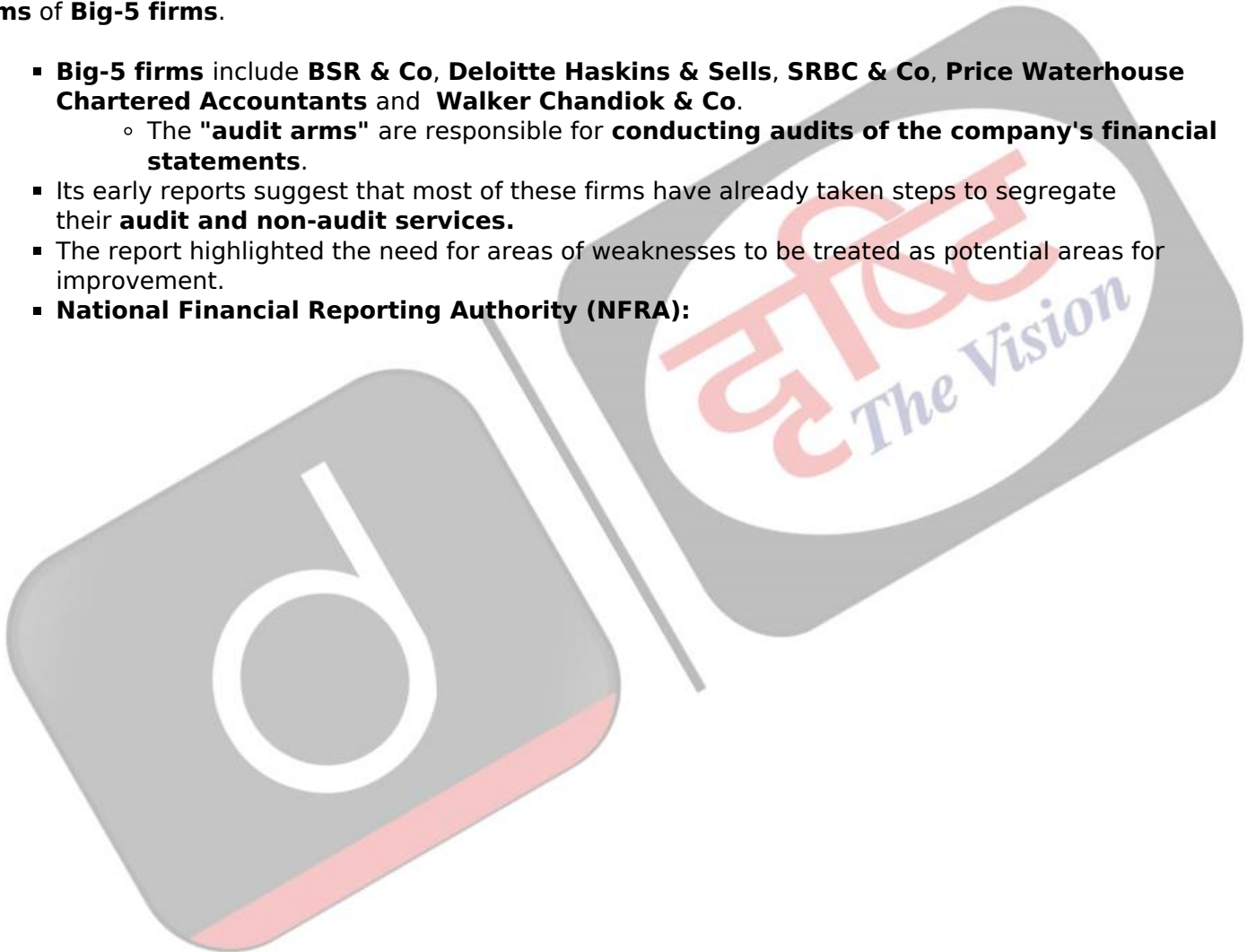
## National Financial Reporting Authority

[Source: BS](#)

Recently, the [National Financial Reporting Authority \(NFRA\)](#) has started inspection of the **audit arms** of **Big-5 firms**.

- **Big-5 firms** include **BSR & Co, Deloitte Haskins & Sells, SRBC & Co, Price Waterhouse Chartered Accountants** and **Walker Chandiok & Co.**
  - The "**audit arms**" are responsible for **conducting audits of the company's financial statements.**
- Its early reports suggest that most of these firms have already taken steps to segregate their **audit and non-audit services.**
- The report highlighted the need for areas of weaknesses to be treated as potential areas for improvement.
- **National Financial Reporting Authority (NFRA):**

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# NATIONAL FINANCIAL REPORTING AUTHORITY

## IN NEWS

The National Financial Reporting Authority (NFRA) has started inspections of five audit firms.



The Conference on "Financial Reporting & Governance Framework – Building Trust" was organised by the Confederation of Indian Industry(CII)

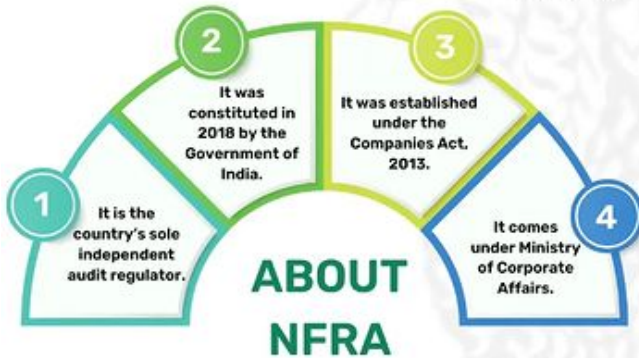


There is a need to revisit the existing short-term and vague 'Going Concern' accounting concept and replace it with long-term viability or Resilience Statements by the Management and Board.



## AIM

To continuously improve the quality of all corporate financial reporting in India.



## COMPOSITION

Chairperson is a Chartered Accountant and a person of eminence having expertise in accountancy, auditing, finance or law (appointed by the Central Government) and a maximum of 15 members.

## FUNCTIONS AND DUTIES



## POWERS

- The NFRA has the same powers as the Civil Court.
- Debarring the member/firm from practice as a member of ICAI between 6 months to 10 years as may be decided.
- To investigate the matters of professional or other misconduct.

## SCOPE

COMPANIES LISTED IN INDIA

UNLISTED COMPANIES

COMPANIES WHOSE SECURITIES ARE LISTED OUTSIDE INDIA

Net worth  $\geq$  Rs. 500 crore

Paid up Capital  $\geq$  Rs. 500 crore

Annual turnover  $\geq$  Rs. 1000 crore (As on 31st March of the preceding financial year)

Read more: [National Financial Reporting Authority](#)

