# NATIONAL FINANCIAL REPORTING AUTHORITY (NFRA)-Section-132

<table>
<tr><th>S.No.</th><th>Particulars</th><th>Descriptions</th></tr>
<tr><td>1</td><td>Constitution by</td><td>Central Government</td></tr>
<tr><td>2</td><td>Functions</td><td><ul><li>Recommendations to the CG on the formulation and laying down of accounting and auditing policies and standards for adoption by companies or their auditors.</li><li>Monitor and enforce the compliance with accounting standards and auditing standards.</li><li>Oversee the quality of service of the professions associated with ensuring compliance and suggest measures required for improvement.</li><li>Perform such other functions relating to above.</li></ul></td></tr>
<tr><td>3</td><td>Head Office</td><td>New Delhi</td></tr>
<tr><td>4</td><td>Auditing of books by</td><td>Comptroller and Auditor-General of India (CAG)</td></tr>
<tr><td>5</td><td>Combination</td><td>CHAIRMAN: a person of eminence and having expertise in accountancy, auditing, finance or law.<br>MEMBERS: (Maximum 15)</td></tr>
<tr><td>6</td><td>Not Associated</td><td>Chairman & Members of NFRA shall not be associated with any audit firm (including related consultancy firms) during the course of their appointment and two years after ceasing to hold such appointment.</td></tr>
<tr><td>7</td><td>Powers<br><br>(Notwithstanding anything contained in any other law for the time being in force)<br><br>(No other institute or body shall initiate or continue any proceedings in such matters of misconduct where the NFRA has initiated an investigation under this section)</td><td>General Powers<ul><li>Investigate, either suo moto or on a reference made to it by the CG for bodies corporate or persons into the matters of professional or other misconduct committed CA or CA Firm.</li><li>Same powers as are vested in a civil court, while trying a suit.</li></ul>Penalty powers<br>(where professional or other misconduct is proved)<ul><li>Impose penalty</li></ul><table><tr><th></th><th>Individuals</th><th>Firms</th></tr><tr><td>Minimum</td><td>1,00,000</td><td>10,00,000</td></tr><tr><td>Maximum</td><td>5 Times of fees received</td><td>10 Times of fees received</td></tr></table><ul><li>Debar from practice as member of the ICAI for:</li></ul><table><tr><th></th><th>Individuals</th><th>Firms</th></tr><tr><td>Minimum</td><td>6 Months</td><td>6 Months</td></tr><tr><td>Maximum</td><td>10 Years</td><td>10 Years</td></tr></table></td></tr>
<tr><td>8</td><td>Appeal against the order of NFRA</td><td>NFRA Appellate Authority<br>consisting of :<ul><li>Chairperson</li><li>Members (Maximum 2)</li></ul></td></tr>
<tr><td>9</td><td>Advising to CG on standards of accounting or any addendum there<br>(U/s 133)</td><td>Central Government may prescribe the standards of accounting or any addendum thereto, as recommended by the ICAI in consultation with and after examination of the recommendations made by the NFRA .</td></tr>
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