



ANNUAL PERFORMANCE REPORT 2021-22

राष्ट्रीय वित्तीय रिपोर्टिंग प्राधिकरण
NATIONAL FINANCIAL REPORTING AUTHORITY



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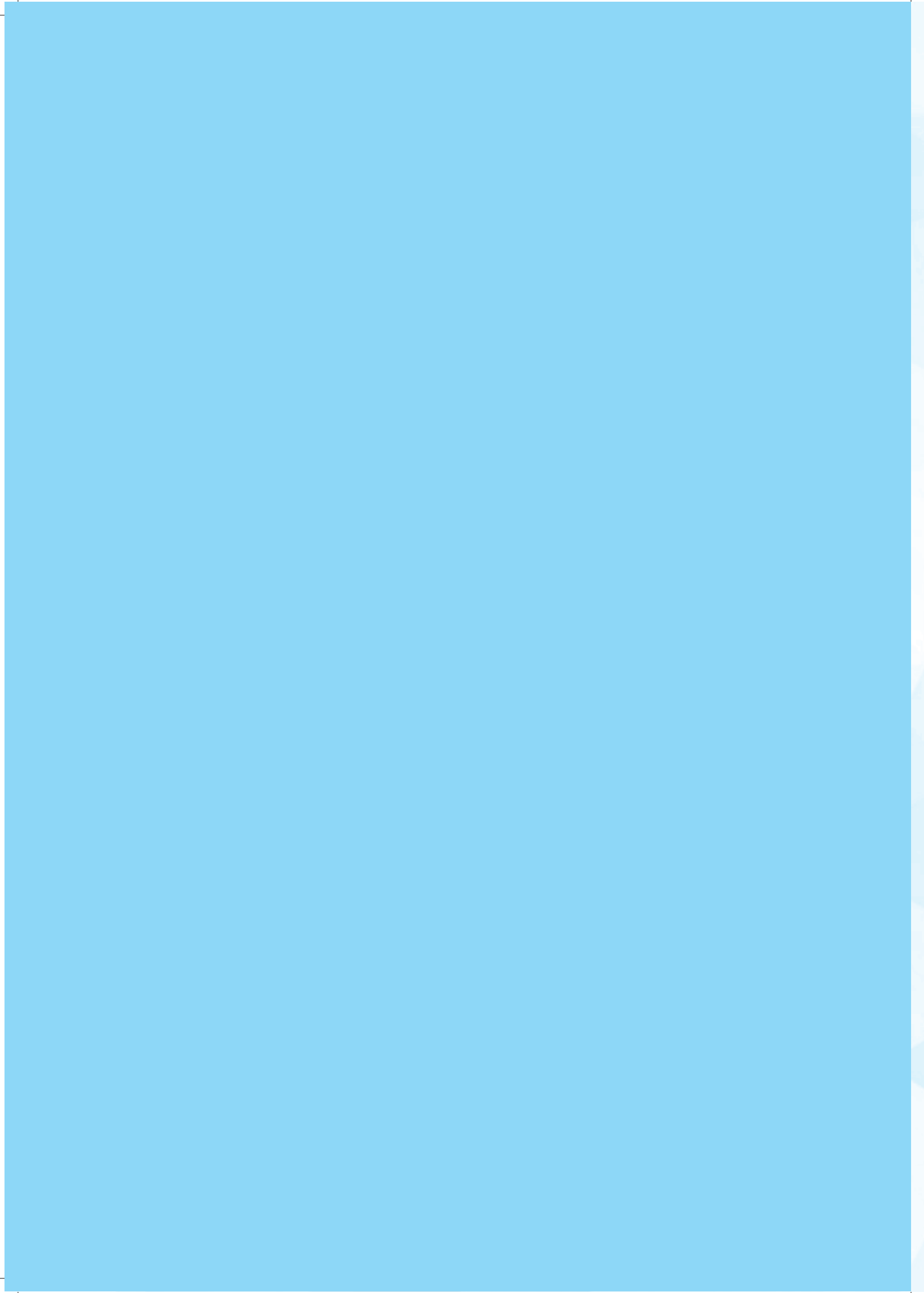
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FROM THE DESK OF THE CHAIRPERSON

NATIONAL FINANCIAL REPORTING AUTHORITY

It is my pleasure to present the Annual Performance Report of the National Financial Reporting Authority for the year 2021-22, to convey to our stakeholders an overview of the significant activities of NFRA. Despite the challenges posed by Covid, significant strides continued to be made by NFRA with its issuance of audit quality review reports and financial reporting review reports.

NFRA took steps to enhance stakeholder engagement and issued a consultation paper, which was very well received. I take this opportunity to thank the respondents for their valuable suggestions. The valuable inputs received have been taken into cognizance, for instance, as we embark upon on-site inspections in the current year.

NFRA also continued its mission to help establish a high-quality financial reporting framework by reviewing and providing recommendations on the proposals received from ICAI on certain accounting standards. In May 2021, NFRA published the first lists of audit firms/auditors who had not filed required forms as per NFRA Rules 2018. NFRA continued its efforts to liaise with the corporate data management center of MCA and various stock exchanges and other regulators for its data requirements on companies and auditors under NFRA's domain. An automated workflow called NFRA Core Application System (NCAS) is under development for paperless working and digitalizing all work within the organization.

This year was also significant as some major steps were taken towards augmenting human resources at NFRA. A new batch of direct recruits joined NFRA. Efforts are ongoing towards capacity building and learning from international best practices.

Requisite outreach was also maintained through webinars organized as part of Azadi Ka Amrit Mahotsav (AKAM), in October 2021, on various issues of topical interest. We received an overwhelming response to a quiz, which was opened to the public and organized under the aegis of AKAM. It demonstrated the value of interest in NFRA exhibited by diverse section of populace of the country and we hope to continue to meet the expectations from us, as we move forward.

I hope this performance report proves useful to our stakeholders in having an overall view of the functioning and activities of NFRA in 2021-22.

I thank my predecessors Shri Rangachari Sridharan and Shri Ashok Kumar Gupta for their stewardship of NFRA during their respective tenures and thank all our stakeholders for their cooperation and contribution and hope that NFRA continues to grow from strength to strength



A handwritten signature in blue ink, which appears to read 'Dr. Ajay Bhushan Prasad Pandey'.

(Dr Ajay Bhushan Prasad Pandey)
Chairperson, NFRA



01 CHAPTER

ABOUT NFRA

1. About NFRA

1.1. Introduction

- 1.1.1. National Financial Reporting Authority (NFRA) is statutory body constituted on 1st October 2018 under Section 132 of the Companies Act, 2013. The main objective is to protect public interest and the interests of investors, creditors and others associated with companies or bodies corporate by establishing high quality standards of accounting and auditing, and exercising effective oversight of accounting functions performed by the companies and bodies corporate and auditing functions performed by auditors.

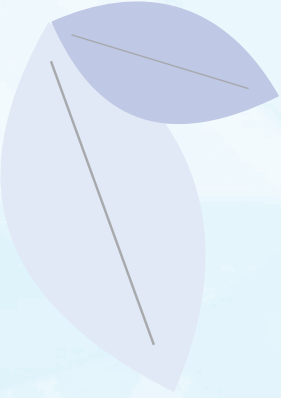
1.2. Evolution and Background

- 1.2.1. It was experienced at various forums that the existing regulatory apparatus provided under the Chartered Accountants Act, 1949 was unable to maintain required discipline and accountability amongst Chartered Accountancy professionals due to challenges posed by self-regulation of the profession. The Standing Committee on Finance-Companies Bill 2009, while discussing the role of auditors, discussed the need for establishment of an independent audit regulator. Further, the Companies Law Committee Report, 2016, highlighted unsatisfactory oversight over the profession prior to establishment of NFRA.
- 1.2.2. The Hon'ble Supreme Court of India vide its judgment dated February 23, 2018, in the matter of S. Sukumar vs The Secretary, Institute of Chartered Accountants of India & Ors., issued the direction to the Union of India for considering appropriate legislation and mechanism for oversight of profession of auditors on the lines of Sarbanes-Oxley Act, 2002, and Dodd Frank Wall Street Reform and Consumer Protection Act, 2010 in US. Accordingly, the Committee of Experts (COE) was set up. The COE in its recommendation stated that the creation of NFRA has been done on basis of international best practices and highlighted the failure of the self-regulatory model.
- 1.2.3. Therefore, in line with the global trend of regulatory shift from self-regulatory organisations to an independent regulatory and oversight body, Parliament, after due deliberation and on the recommendations of various expert committees,

created an independent regulatory authority with the establishment of NFRA in terms of Section 132 of the Companies Act, 2013.

1.3. Mandate and Domain

- 1.3.1. NFRA derives its mandate from Section 132 of the Companies Act, 2013. As per Sub Section (2) of Section 132 of the Companies Act, 2013, NFRA shall:
- (a) make recommendations to the Central Government on the formulation and laying down of accounting and auditing policies and standards for adoption by companies or class of companies or their auditors, as the case may be;
 - (b) monitor and enforce the compliance with accounting standards and auditing standards in such manner as may be prescribed;
 - (c) oversee the quality of service of the professions associated with ensuring compliance with such standards, and suggest measures required for improvement in quality of service and such other related matters as may be prescribed; and
 - (d) perform such other functions relating to clauses (a), (b) and (c) as may be prescribed.
- 1.3.2. Sub Rule (1) of Rule 4 of the NFRA Rules, 2018, provides that the Authority shall protect the public interest and the interests of investors, creditors and others associated with the companies or bodies corporate governed under Rule 3 by establishing high quality standards of accounting and auditing and exercising effective oversight of accounting functions performed by the companies and bodies corporate and auditing functions performed by auditors.
- 1.3.3. As per Rule 3 of NFRA Rules 2018, NFRA shall have power to monitor and enforce compliance with accounting standards and auditing standards, oversee the quality of service under sub-section (2) of section 132 or undertake investigation under sub-section (4) of such section of the auditors of the following class of companies and bodies corporate, namely:-
- (a) companies whose securities are listed on any stock exchange in India or outside India;
 - (b) unlisted public companies having paid-up capital of not less than rupees five hundred crores or having annual turnover of not less than rupees one thousand crores or having, in aggregate, outstanding loans, debentures and deposits of not less than rupees five hundred crores as on the 31st March of immediately preceding financial year;
 - (c) insurance companies, banking companies, companies engaged in the generation or supply of electricity, companies governed by any special Act for the time being in force or bodies corporate incorporated by an Act in



accordance with clauses (b), (c), (d), (e) and (f) of sub-section (4) of section 1 of the Act;

- (d) any body corporate or company or person, or any class of bodies corporate or companies or persons, on a reference made to the Authority by the Central Government in public interest; and
- (e) a body corporate incorporated or registered outside India, which is a subsidiary or associate company of any company or body corporate incorporated or registered in India as referred to in clauses (a) to (d), if the income or networth of such subsidiary or associate company exceeds twenty per cent. of the consolidated income or consolidated networth of such company or the body corporate, as the case may be, referred to in clauses (a) to (d).

1.4. Powers

1.4.1. As per Sub Section (4) of Section 132 of the Companies Act, 2013, NFRA shall:

- (a) have the power to investigate, either Suo-motu or on a reference made to it by the Central Government, into the matters of professional or other misconduct committed by any member or firm of chartered accountants, registered under the Chartered Accountants Act, 1949.

Provided that no other institute or body shall initiate or continue any proceedings in such matters of misconduct where the National Financial Reporting Authority has initiated an investigation under this section;

- (b) have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, in respect of the following matters:
 - (i) discovery and production of books of account and other documents;
 - (ii) summoning and enforcing the attendance of persons and examining them on oath;
 - (iii) inspection of any books, registers, and other documents of any person at any place.
 - (iv) issuing commissions for examination of witnesses or documents.
- (c) where professional or other misconduct is proved, have the power to make order for—
 - (A) imposing penalty of –
 - I. not less than one lakh rupees, but which may extend to five times of the fees received, in case of individuals; and not less than five lakh rupees, but which may extend to ten times of the fees received, in case of firms;

(B) debarring the member or the firm from-

- I. for a minimum period of six months or such higher period not exceeding ten years for being appointed as an auditor or internal auditor or undertaking any audit in respect of financial statements or internal audit of the functions and activities of any company or body corporate.
- II. performing any valuation as provided under section 247, for a minimum period of six months or such higher period not exceeding ten years as may be determined by the National Financial Reporting Authority.

1.5. NFRA Charter

- 1.5.1. The objective of the National Financial Reporting Authority (NFRA) is to continuously improve the quality of all corporate financial reporting in India.
- 1.5.2. The quality of corporate financial reporting will be measured and evaluated essentially by its compliance with the law and the statutorily notified accounting standards and auditing standards.
- 1.5.3. NFRA will strive for continuous improvement of corporate financial reporting across all types of Public Interest Entities (PIEs) and across all size categories of audit firms.
- 1.5.4. NFRA aims to be an organization noted for integrity, industry, and competence.
- 1.5.5. Persons who work for NFRA will adhere to the highest standards of uncompromising integrity, possess a vision of transforming the quality of corporate financial reporting, and display high levels of initiative and an unflagging drive for their work.

1.6. Core Values

- Objectivity - No subjective action from either members or staff, openness to all facts/ views/opinions without any pre-conceived conclusions or pre-judging any matter.
- Integrity – Across cases/persons/firms, absence of multiple standards, uniform treatment of all those identically/similarly placed.
- Impartiality – Discharge of its functions without fear or favour.
- Independence – Equidistant from all stakeholders.
- Fairness – Not imposing unfair burdens especially with the benefit of hindsight

- Transparency– Fair and open processes.



Figure 1: Core Values of NFRA

NFRA's functioning will at all times be mindful of the need to promote the ease and speed of doing business and will be guided always by the overall public interest, with all its actions being strictly anchored by and lying within, its legal mandate.

1.7. Organisational Structure

1.7.1. The National Financial Reporting Authority (Manner of Appointment and other Terms and Conditions of Service of Chairperson and Members) Rules, 2018 provides that the National Financial Reporting Authority shall consist of the following persons to be appointed by the Central Government, namely: -

- Chairperson;
- Three full time members; and
- Nine part time members.

1.7.2. Subsection (3B) of section 132 of Companies Act, 2013 provides that there shall be an **Executive Body** of the National Financial Reporting Authority consisting of Chairperson and full-time members of such Authority for efficient discharge of its functions as enumerated in para 1.3.1 (b)-(d) above, which comprises all monitoring, oversight, adjudication, and enforcement functions. Only the responsibility to make recommendations to the Central Government on the formulation and laying down of accounting and auditing policies and standards for adoption by companies or class of companies or their auditors, is entrusted

to the full Authority, which includes the Executive body and part-time members.

- 1.7.3. Subsection 11 of section 132 of Companies Act, 2013 provides that the Central Government may appoint a Secretary and such other employees as it may consider necessary for the efficient performance of functions by the National Financial Reporting Authority under this Act and the terms and conditions of service of the secretary and employees shall be such as may be prescribed.
- 1.7.4. The present sanctioned strength of NFRA stands at 69 against which persons in position on 31st March 2022 were 26.
- 1.7.5. Shri Rangachari Sridharan held the office of Chairperson, NFRA from 1st April 2021 to 30th September 2021 and Shri Ashok Kumar Gupta, Chairperson, Competition Commission of India held the additional charge of NFRA from 1st November 2021 to 31st March 2022 during the reporting year. Dr Prasenjit Mukherjee served as full-time member from 1st April 2021 to 1st October 2021 during the reporting year.



Figure - 2: Organisational Structure



02 CHAPTER

KEY RESULTS & ACHIEVEMENTS

2. Key Results & Achievements

2.1. Monitoring and Enforcing Compliance with accounting standards and auditing standards

NFRA Rules 2018 lay down how NFRA shall protect the public interest and the interests of investors, creditors and others associated with the companies or bodies corporate falling within its jurisdiction. Rule 7 to 9 of the NFRA Rules 2018 specifically require the Authority to monitor and enforce compliance with accounting standards and auditing standards and oversee the quality of audit services. These Rules also lay down the processes by which such functions are to be carried out. NFRA has issued audit quality review reports and financial reporting quality reviews, so far, in exercise of its oversight, monitoring and enforcement functions.

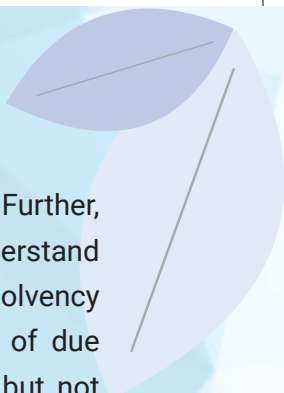
2.1.1. Audit Quality Review Reports (AQRRs)

During the year under report, AQRs in respect of two large company audits were published:

2.1.1.1. Statutory Audit of Jaiprakash Associates Limited (JAL) for the financial year 2017-18 carried out by Rajendra K. Goel & Co. (Firm Registration No. ICAI FRN 001457N) (AQR Dated 27.08.2021)

The following is a summary of the most important observations of the AQRR.

- The audit firm's reporting in the "Basis of opinion" section of Independent Auditors Report was false and misleading. The impact of the transactions violative of accounting and auditing standards, as identified in this AQRR were such that the profit before tax of Rs. 351.71 crores, as reported in the financial statements, would have turned into a loss of at least Rs. 3,215.77 crores. This impact was both material and pervasive. As a result, the audit firm was bound, under the Standards on Auditing, to issue an adverse opinion (Para 8 of SA 705).
- The audit firm did not obtain sufficient appropriate audit evidence to understand the impact that the insolvency petition against



Jaypee Infratech Limited (JIL) had on the company (JAL). Further, the audit firm did not perform any audit procedures to understand as to why the company (JAL) was made a party to this insolvency petition. This indicates gross negligence and total lack of due diligence on the part of the audit firm. Even assuming, but not admitting, that the audit firm was not able, after exercising due diligence, to ascertain the impact of the pendency/ongoing CIRP/ legal proceedings of JIL with the NCLT Allahabad and the Hon'ble Supreme Court of India, the audit firm should have issued a disclaimer of opinion.

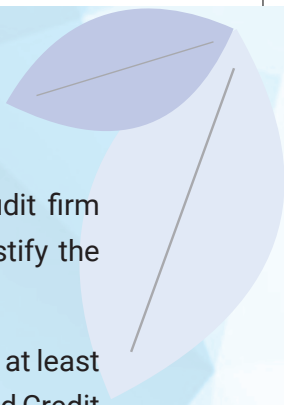
- The audit firm compromised with the effectiveness of the auditor's report by widespread use of Emphasis of Matter (EOM) Paragraphs. They had provided eight EOMs in the financial statements of FY 2017-18. Para A3 of SA 706 states that widespread use of Emphasis of Matter Paragraphs diminishes the effectiveness of the auditor's communication of such matters. Further, the audit firm failed to obtain sufficient appropriate audit evidence for providing these EOMs that was required as per SA 706.
- The audit firm had failed to appropriately and sufficiently evaluate the use of going concern basis of accounting by the management and thus failed to note the implications thereon in the auditor's report.
- In assessing Risk of Material Misstatement (ROMM), the audit firm did not satisfactorily provide rebuttal on the presumption of ROMM due to fraud in respect of revenue recognition and management override of controls. This ultimately resulted in several violations of applicable provisions of Ind AS and SAs.
- The audit firm had not identified and assessed ROMM through understanding the entity and its environment, including the entity's internal control. There were no ROMM procedures performed by the Audit at the assertion level. The audit firm had failed to perform the audit with professional skepticism and had failed to obtain sufficient appropriate audit evidence to reduce ROMM to an acceptably low level.
- JAL's financial exposure in its subsidiaries, associates and joint ventures amounting to Rs. 6,894.02 crore was not properly valued as per the applicable accounting standards. The audit firm had failed to obtain sufficient appropriate evidence on correct valuation of JAL's investment in these entities.

- The company's accounting treatment for non-current assets held for sale was not in accordance with the accounting standards, which led to a huge misstatement in the financial statements. The audit firm also failed to obtain sufficient appropriate audit evidence in this regard.
- The audit firm had made a complete travesty of the EQCR process by appointing the engagement partner himself as its EQCR (Engagement Quality Control Review) partner, thereby negating the very fundamental objectives of the SAs.
- The audit firm had failed to maintain audit documents as per the requirements of SA 230. The integrity and reliability of the audit File is questionable due to inconsistencies arising out of such lack of documentation.

2.1.1.2. Statutory Audit of IL&FS Transportation Networks Limited (ITNL) for the Financial Year 2017-18 carried out by SRBC & Co LLP (Firm Registration Number (FRN): 324982E/E300003) (AQR Dated 23.09.2021)

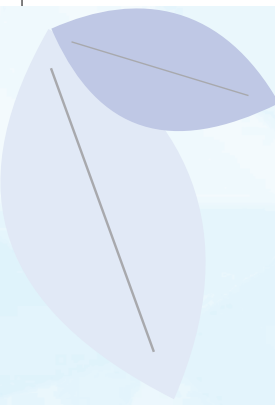
The following is a summary of the most important observations of the AQRR.

- The initial appointment of SRBC & Co LLP, and the continuation of SRBC & Co LLP, as statutory auditor of ITNL, was prima facie illegal and void. Nevertheless, NFRA has proceeded to examine compliance by the audit firm with the SAs, in their performance of this Engagement, without prejudice to this finding.
- The audit firm had failed to appropriately and sufficiently evaluate the use of the going concern basis of accounting by the management and had thus failed to note the implications thereof in the auditor's report.
- In assessing the Risks of Material Misstatements (ROMM), the audit firm did not assess the susceptibility of the financial statements to material misstatement due to fraud, did not identify and assess revenue recognition and management override of controls as serious potential risks, which ultimately resulted in several violations of applicable Ind AS and SAs, as highlighted in the AQRR, thus making the financial statements subject to serious material misstatements and therefore unreliable.
- ITNL's financial exposure to its subsidiaries, associates and joint ventures amounting to Rs. 3,346 crore was not properly valued as



per the applicable accounting standards because the audit firm had failed to obtain sufficient appropriate evidence to justify the valuation of ITNL's investment and loans to these entities.

- The company's losses during 2017-18 were understated by at least Rs. 2021 crore on account of unjustified reversal of Expected Credit Loss (ECL) on loans given to the SPV and on trade receivables, and due to incorrect impairment valuation. This is excluding the impact due to incorrect treatment of the letter of comforts amounting to Rs 2654 crore, which should have been correctly treated as financial guarantees as per the accounting standards, the effect of which on profit/loss is not quantified. NFRA further concludes that there is a clear attempt to obscure material information in the financial statements by vague and misleading disclosures by the management regarding ECL reversal.
- The audit firm had not evaluated the work done by management's expert while adopting the expert's opinion, and thus the auditor's opinion expressed under the Companies' (Auditor's Report) Order, 2019 (CARO) clause (iii) stating that the terms and conditions of the Company's loans of Rs. 111.20 crore to joint ventures and to the not-fully owned subsidiaries at zero interest rate are not prejudicial to the company's interest, was not supported by sufficient appropriate evidence and is in violation of requirements of SA 500.
- The Audit Firm's EQCR (Engagement Quality Control Review) partner had failed to report material misstatements known to him to appear in a financial statement with which he is concerned in his professional capacity and has not exercised due diligence to obtain sufficient information to objectively evaluate the significant judgements of the Engagement Team and conclusions reached by them.
- The audit firm had not determined the persons comprising TCWG (Those Charged with Governance). Further, NFRA has not found any communication to TCWG relating to auditor's independence, and the relationships and other matters between the firm, network firms.
- The audit firm had failed to maintain documents as per SA 230. The integrity of the audit file is questionable due to tampering and inconsistency pointed out at several places in the AQRR.



2.1.2. Financial Reporting Quality Review Reports (FRQRRs)

During the year under report, two FRQRs were published.

2.1.2.1. Financial Reporting Quality Review (FRQR) Report in respect of KIOCL Ltd for the FY 2019-20 (FRQRR dated 28.09.2021)

NFRA Conclusions/Recommendations in respect of its observations have been categorized into 'High' and 'Moderate' Impact. Some of the main high impact non-compliances with respect to accounting standards on part of KIOCL were as follows:

- KIOCL's accounting policy for Foreign Exchange (Fx) Forward Contracts is erroneous and it is non-compliant with the classification and measurement requirements of Ind AS 109, Financial Instruments (Ind AS 109).
- The accounting policy for a material element i.e., revenue (with corresponding impact on related assets such as trade receivables, inventories etc.) as stated in its statement of significant accounting policies is erroneous. This erroneous accounting policy raises questions over the reliability and accuracy of the financial statements of the company.
- Adequate evidence, such as valuation reports, if any, have not been provided by KIOCL in respect of application of Indian Accounting Standard (Ind AS) 36, *Impairment of Assets* in the case of the Blast Furnace Unit that was non-operational. Also, there is no evidence that impairment loss computations were considered/reviewed/presented to audit committee and the Board of Directors (BoD) of the company.
- There were many other errors in disclosures in the notes to financial statements. These disclosures were either not relevant or useful to the users of financial statements and had the potential to obscure the material information in the financial statements.
- NFRA had recommended KIOCL to examine if it is necessary to prepare and publish restated financial statements as per Ind AS 8 and Section 131 of the Companies Act, 2013.
- KIOCL vide its action taken report-interim, dated 08.02.2022, informed that an external expert agency was appointed to guide the company to comply with the observations made in FRQRR and for further improvement in compliances with applicable Ind AS and Schedule III of the Companies Act, 2013.

2.1.2.2. Financial Reporting Quality Review Report (FRQRR) of Prabhu Steels Industries Limited for FY 2019-20 (FRQRR dated 14.02.2022)

Some of the main observations classified as high impact with respect to Non-Compliances of Accounting Standards on part of the company are as follows:

- PSIL is a listed company and therefore it was required to follow the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013. However, the company had provided contradictory disclosures in the Director's Report and the notes to annual accounts regarding the fundamental aspect of the applicable accounting framework followed in the preparation of financial statements for the year 2019-20.
- By not complying with the material requirements of Ind AS Framework and providing disclosures under previously applicable accounting framework, the company had violated the provisions of the companies act, 2013 regarding the preparation and presentation of the financial statements.
- The company failed to present a component of financial statements i.e., statement of changes in equity in the financial statements as required by sub-section 40 of section 2 of the CA, 2013, Ind AS 1, and Schedule III to the CA, 2013.
- The company had failed to comply with the key requirements of Ind ASs on financial instruments and fair value measurement viz. Ind AS 109, Ind AS 107, Ind AS 32 and Ind AS 113; it had failed to perform proper evaluation of impairment loss allowance for its major category of its financial assets viz. trade receivables, loans and advances and bank balances; in the financial statements, there is absence of disclosures required by Ind AS 107 regarding significance of financial Instruments, nature and extent of risk arising from the financial instruments.
- The company had failed to make appropriate disclosure as required by Schedule III to CA, 2013 regarding its borrowings in the form of loans taken and the assets in the form of loans and advances given.
- The company had also failed to provide depreciation on its idle plant and machinery, thus violated the underlying principle of Ind AS 16.

- In view of the errors/omissions being pervasive across the entire set of financial statements, PSIL had agreed to prepare and publish restated financial statements as per Companies Act, 2013, within 90 days.

2.2. Professional Standards & Quality Management

Subsection 2(b) of section 132 of Companies Act 2013 prescribes that NFRA shall oversee the quality of service of the professions associated with ensuring compliance with such standards, and suggest measures required for improvement in quality of service and such other related matters as may be prescribed.

2.2.1. Review of un-notified standards

2.2.1.1. Standards on Auditing and ICAI Handbook of Auditing Pronouncements

During July 2021, NFRA performed a high-level review of text of the auditing and assurance standards issued by the ICAI. This review helped correct references to applicable accounting standards frameworks and Companies Act, to correctly reflect significant reforms/changes made during the last decade. ICAI was advised to review the entire set of auditing pronouncements to address issues pointed out and submit the amendments for NFRA's review and recommendation to Ministry of Corporate Affairs for further action required under section 143 (10) of Companies Act 2013.

2.2.1.2. Revision of Accounting Standards for Companies other than those required to follow Indian Accounting Standards (Ind AS) i.e. Micro, Small and Medium-sized Companies (MSMCs)

During the year, NFRA reviewed the ICAI's proposals on revision of existing accounting standards notified under Companies (Accounting Standards) Rules 2006. These accounting standards (ASs) are primarily applicable to MSMCs and were proposed to be upgraded to bring them closer to high quality Ind ASs substantially converged with globally accepted IFRS Standards. In this context, NFRA performed preliminary research on the nature and size of six (6) lakh companies to whom these revised set of ASs will be mandatory applicable.

Based on this preliminary research, NFRA advised the ICAI following course of actions.

- Perform a comprehensive and robust 'Regulatory Impact Assessment' in line with contemporary global practices; comprehensive study and research should be performed on the costs to the preparers of compliance with these revised ASs and their technical resource capacity, which should be evaluated

against the likely benefits to all the stakeholders of AS Companies segment

- Develop the approach paper after extensive nation-wide consultation with the primary stakeholders i.e., the preparers - MSMCs and auditors - MSMPs (micro, small and medium-size practitioners).
- Align the revised ASs to the commercial needs, business size, and capacity of MSMCs to comply with the prescribed standards and make them relevant to the users of these financial statements.

2.2.2. New Standards for recommendation

2.2.2.1. Ind AS Amendment Proposals Reviewed and Approved

During the year, NFRA continued its mission to enable high quality financial reporting framework by reviewing and recommending the ICAI proposals on convergence with high quality globally accepted IFRS Standards. NFRA reviewed and approved a total of three (3) proposals of ICAI dated 28.04.2021, 09.08.2021 and 27.10.2021 for amendments pursuant to amendments in corresponding IFRS Standards. Authority meetings were held on 20.05.2021, 20.09.2021 and 19.01.2022 to deliberate on these Ind AS amendment proposals. The amendments primarily related to the following seven (7) Ind ASs and consequential amendments in a few other Ind ASs.

S. No	Title of Ind AS	Amendment Title	ICAI Proposal Date	NFRA Meeting Date	Date of Recommendation to MCA	Gazette Notification
1.	Ind AS 116, <i>Leases</i>	Amendment – COVID 19 relief	28.04.2021	20.05.2021	27.05.2021	18.06.2021
2.	Ind AS 103, <i>Business Combinations</i>	References to New Conceptual Framework	09.08.2021	20.09.2021	30.09.2021	23.03.2022
3.	Ind AS 101, <i>First-time adoption of Ind ASs</i>	Annual Improvements (2021)- Subsidiary as a First-time Adopter	9.8.2021	20.09.2021	30.09.2021	23.03.2022
4.	Ind AS 109, <i>Financial Instruments</i>	Annual Improvements (2021)- Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	9.8.2021	20.09.2021	30.09.2021	23.03.2022

S. No	Title of Ind AS	Amendment Title	ICAI Proposal Date	NFRA Meeting Date	Date of Recommendation to MCA	Gazette Notification
5.	Ind AS 41, Agriculture	Annual Improvements (2021)- Taxation in Fair Value Measurements	9.8.2021	20.09.2021	30.09.2021	23.03.2022
6.	Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets	Onerous Contracts- Cost of Fulfilling a Contract	27.10.2021	19.01.2022	08.02.2022	23.03.2022
7.	Ind AS 16, Property, Plant and Equipment	Proceeds from Intended Use	27.10.2021	19.01.2022	08.02.2022	23.03.2022



Figure 3: Authority Meeting dated 20.05.2021

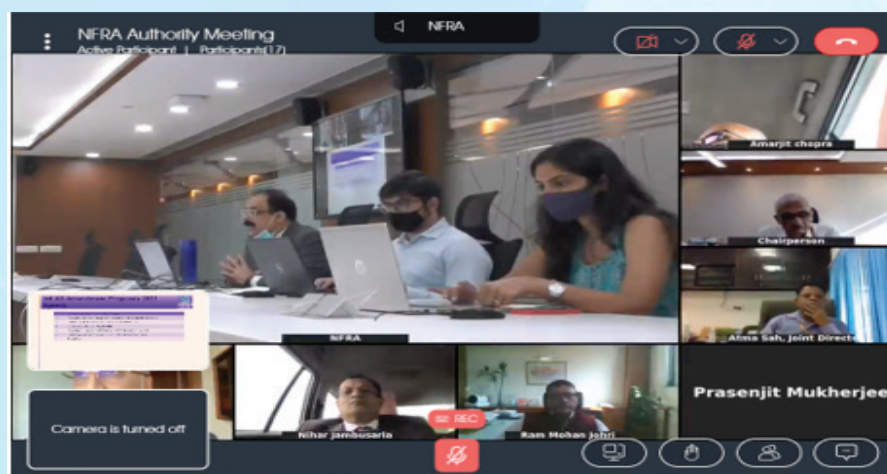


Figure 4: Authority Meeting dated 20.09.2021



AGENDA

1	Agenda # Item 1 (Annexure III) : Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets Amendments Proposal
1.1	Background of Amendment Proposal : Onerous Contracts-Cost of Fulfilling a Contract - Amendments to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
1.2	ICAI Proposal, Public Consultation and Due Process
1.3	Issues for Discussion
2	Agenda # Item 2 (Annexure IV) : Ind AS 16, Property, Plant and Equipment Amendments Proposal
2.1	Background of Amendment Proposal: Proceeds before Intended Use - Amendments to Ind AS 16, Property, Plant and Equipment
2.2	ICAI Proposal, Public Consultation and Due Process
2.3	Issues for Discussion



Figure5: Authority Meeting dated 19.01.2022

2.2.2.2. Ind AS Proposals under Review: NFRA has received the following proposals relating to issuance of a new Ind AS on Insurance Contracts and amendments to Ind AS on Investment Properties:

2.2.2.2.1 New Standard on insurance contract viz. Ind AS 117, Insurance Contracts: This is a new Ind AS which will replace the existing Ind AS that is applicable for accounting of Insurance Contracts. Ind AS 117 is based on IFRS 17, which is the first comprehensive and truly international IFRS Standard that established the accounting for insurance contracts issued by a company. Ind AS 117 introduces paradigm shift in the way the insurance contracts are accounted and reported presently. It is a complete overhaul of the approach and principles of accounting and reporting of insurance contracts. Therefore, NFRA had initiated following steps to reach out to the critical stakeholders of this Ind AS.

- Two technical sessions were conducted by The Institute of Actuaries of India on 7th & 8th July 2021.
- NFRA is in discussion with the Insurance Regulatory and Development of India (IRDAI) and awaiting 'in-principle' approval of this new standard from them as this standard is expected to have significant impact on the accounting, reporting and operational aspects of the insurance companies in India.

2.2.2.2.2 Amendment to Ind AS 40, Investment Property: There is a proposal to amend Ind AS 40, *Investment Property*, wherein the option to measure the investment property at fair value and recognise the resultant fair value gains or losses in the Statement of Profit and Loss. NFRA is in the process of evaluating whether the reasons and concerns for not incorporating this fair value option while initial notification of this Ind AS during 2015 have now been adequately addressed to prevent any misuse of these fair value option.



03 CHAPTER

INTERACTION WITH KEY STAKEHOLDERS

3 Interaction with key stakeholders

The primary stakeholders include the Parliament, Ministry of Corporate Affairs, financial statement preparers, auditors, users of financial statements, academia, and ICAI. Other key stakeholders include government departments and ministries, as well as organisations and individuals with specific interest in the subjects of the accounting and audit quality like SFIO, SEBI, RBI, etc and media.

3.1 Members of financial reporting supply chain

Auditors impart credibility to the information presented in the financial reports. Preparers produce the financial reports and are primarily responsible for the accuracy and reliability of the information in them. Users are the *raison d'être* of financial reporting and, therefore, are central to its purpose. Academicians use financial reports in their teaching and research. Auditors, preparers, users, and academia have significant stakes in the development of accounting and auditing regulations and in their effective monitoring and enforcement.

Acknowledging these members as the significant stakeholders in NFRA's functioning, NFRA released consultation paper on Enhancing Engagement with Stakeholders Report and invited public comments for this exercise.

3.2 NFRA's Engagement with Media

NFRA has established communication policy that guides our interactions with external stakeholders. NFRA undertake a range of actions to communicate its messages to its clients through its website, like:

3.2.1 Speeches and interviews

Speech delivered by Shri R. Sridharan, Chairperson, National Financial Reporting Authority on 16-September-2021 at CII Conference on Financial Reporting and Governance Framework.

3.2.2 Press briefs

Press briefs are also issued highlighting the contents of disciplinary orders, AQRRs, FRQRRs, etc.

3.3 Interaction with Indian Corporate Law Service Academy, Ministry of Corporate Affairs (ICLSA)

During January 2022, a comprehensive five (5) day training programme was conducted for the officers of 10th Batch of Indian Corporate Law Service of Government of India. Overall objective of the training programme was to provide a holistic exposure to the newly joined ICLS officers regarding the role, responsibilities and functioning of the NFRA. The training programme structure covered the following key aspects:

- Statutory Mandate, Purpose and Objective of setting up of the NFRA.
- 21st Century Era of Independent Audit and Accounting Regulators- Global Perspective: International Forum of Independent Audit Regulators (IFIAR), NFRA Peer Group in U.S., U.K., Australia.
- Role of NFRA in corporate governance
- Policy and process of review and recommendation of Accounting and Auditing Standards in line with international standards
- NFRA database of companies and auditors
- Techniques and tools for monitoring compliance with auditing standards – audit quality review reports
- Techniques and Tools for monitoring compliance with Accounting Standards – financial reporting quality review reports
- Enforcement and disciplinary mechanisms for compliance with the applicable standards

Number of Entities under NFRA Domain	
Provisional Data Base as of 31 March 2019	
Listed Companies	5,356
Unlisted Companies above prescribed threshold	1,011
Special Companies – Banking, Insurance	98
Total Companies	6,465
Total Statutory Auditors	2,692
Important Notes	
i) Details Available on Website at https://nfra.gov.in/nfra_domain	
ii) Companies continue to be within NFRA ambit over 3 Years even after it ceases to be listed prescribed thresholds fall below limits.	

Statutory Auditors details are available for 5,100 companies only

Figure6: ICLS Training at NFRA on 20.01.2022

3.4 Webinars, events and Quiz for awareness generation and engagement

3.4.1 Webinars on the occasion of Azadi Ka Amrit Mahotsav (AKAM) – October 2021

NFRA actively participated in the nationwide celebration of Rastriya Ekta Diwas during the week 24 to 31 October 2021. During this week, NFRA conducted the following webinars on 26th and 27th October 2021:

- (a) Strengthening Audit Firms' Culture by Dr R. Narayanswamy, Chairperson, Technical Advisory Committee, NFRA
- (b) 21st Century- Era of Independent Accounting & Auditing Regulator by CA Vidhyadhar Kulkarni, Senior Consultant, NFRA
- (c) Auditors Role and Responsibility under the Companies Act by Advocate Shri Suhas Tulzapurkar, Member, Technical Advisory Committee, NFRA
- (d) Fraud in a financial statement Audit by CA Ms. Vidya Rajarao Member, Technical Advisory Committee, NFRA

WEBINAR

DAY 1: 26th October, 2021

21st Century- Era of Independent Accounting & Auditing Regulator at 04:00PM-05:00PM IST by CA Vidhyadhar Kulkarni

Strengthening Audit Firms' Culture at 05:00PM-06:00PM IST by Dr R. Narayanswamy

DAY 2: 27th October, 2021

Auditors Role and Responsibility under the Companies Act at 04:00PM-05:00PM IST by Shri Suhas Tulzapurkar

Fraud in a Financial Statement Audit at 05:00PM-06:00PM IST by Ms. Vidya Rajarao

GOVERNMENT OF INDIA
NATIONAL FINANCIAL REPORTING AUTHORITY

Dr R. Narayanswamy
Ex -Professor of Accounting & Finance in IIM-B & Chair of Technical Advisory Committee, NFRA

Ms. Vidya Rajarao
Founder and Director of Fraudopedia Private Limited & Member of the Technical Advisory Committee, NFRA

Shri Suhas Tulzapurkar
Founder Director of Legasis & Member of Technical Advisory Committee, NFRA

CA Vidhyadhar Kulkarni
Chartered Accountant with three decades of experience in Financial Reporting & Sr. Consultant in NFRA


Join Webinar at: <https://webcastmca.nic.in>

For further details, please visit <https://nfra.gov.in/>

Figure7: Details of Webinar organised as part of AKAM

3.4.2 Nationwide Quiz on Accounting and Auditing Standards in India- 24.12.2021 to 26.01.2022

With the objective to promote understanding and awareness of accounting standards and auditing standards among the citizens of the country, NFRA conducted a nationwide quiz programme on the topic 'Auditing and Accounting Standards in India', as part of the commemoration of 75 Years of India's Independence 'Azadi Ka Amrit Mahotsav'. The quiz competition was conducted



through MyGov portal of Government of India in which NFRA received overwhelming response from all over the country with a total participation of 27,299 people. This quiz was also a part of NFRA's initiative to spread awareness regarding its primary objective of continuously improving the quality of financial reporting framework in India.

3.5 Stakeholder Consultation Papers

3.5.1 NFRA Consultation Paper on Enhancing Engagement with Stakeholders Report of Technical Advisory Committee (March 2021)

In June 2021, NFRA had issued a consultation paper ("CP") seeking public comments in relation to the action it proposes to take on the recommendations of its Technical Advisory Committee (TAC), on enhancing NFRA's engagement with Stakeholders. TAC was set up to provide NFRA with inputs from the perspective of users, preparers, and auditors of financial statements; and advise on suitable methods for promoting awareness relating to compliance with accounting and auditing standards. The TAC submitted its first report and recommendations on "Enhancing Engagement with Stakeholders" in March 2021, and the key areas of recommendations were NFRA's approach towards stakeholders engagement, inspections, NFRA's regulatory capacity, independence, funding and accountability of NFRA. The details can be accessed at http://nfra.gov.in/consultation_papers.

3.5.2 Consultation Paper on Statutory Audit and Auditing Standards for Micro, Small and Medium Companies (MSMCs)

In September 2021, NFRA had issued a consultation paper to seek public views on the issues relating to mandatory audit of Micro, Small and Medium-sized Companies (MSMCs). The details can be accessed at http://nfra.gov.in/consultation_papers.

3.6 Complaint Management & Whistle-blower facilitation

NFRA has issued guidelines on procedure for Complaint handling in NFRA and separate dedicated platform, in the name of <https://nfracoms.nic.in/> for online submission of complaints. Special procedure has also been devised for handling complaints from whistleblowers where the complainant requests to keep his name and contact details confidential.

04 CHAPTER

INFORMATION TECHNOLOGY INITIATIVES

4 Information Technology Initiatives

4.1 Data Management Initiatives

4.1.1 Database of Companies

Rule 3 of the NFRA Rules 2018, prescribes the classes of companies and their auditors within the purview of the functions and duties of the NFRA relating to monitoring and ensuring compliance with accounting and auditing standards, overseeing the quality of service of the professions associated with ensuring compliance with such standards. To perform the functions and duties of the Authority, one of the important pre-requisites is to compile and establish a comprehensive master database of the companies and their auditors within the scope of the Authority. This exercise involves following critical steps and reconciliations of data from different sources.

Critical steps involved are identification and verification of the primary data source and reconciliation of data (such as Corporate Identification Number (CIN) which is dynamic) from different sources. In this regard, NFRA has been engaging with the Ministry of Corporate Affairs (MCA) and its Corporate Data Management (CDM) infrastructure, three recognised and active Stock Exchanges in India, and other Regulators such as RBI, IRDAI and Central Electricity Authority.

This comprehensive exercise of compilation of data base of companies covered by NFRA Rules/their auditors from CDM and its reconciliation with other external data sources was performed for the first time as of 31.03.2019 and is being updated on annual basis. NFRA published provisional database for the companies under the regulatory ambit of National Financial Reporting Authority on 7th May 2021.

#	Specified Class of Companies	No. of Companies		
		31/03/2021	31/03/2020	31/03/2019
1.	Listed Companies	5,563	5,522	5,356
2.	Unlisted Public Companies meeting prescribed financial parameters	1,156	1,053	1,011
3.	Companies engaged in Specialised Activities (Insurance, Banking, Electricity etc) and those governed by Special Acts	101	170	98
5	Three years carry forward	322	322	-
	Total	7,142	7,037	6,465

4.1.2 Monitoring Filing of Annual Return – NFRA 2

Rule 4(2) of the NFRA Rules 2018 requires the Authority, inter alia, to maintain details of particulars of auditors appointed in the companies and bodies corporate specified in Rule 3 of NFRA Rules 2018. Further, Rule 5 of the aforesaid Rules requires every auditor of the companies prescribed under Rule 3 to file an annual return by 30 November each year in the form specified by the Central Government. Accordingly, the Central Government has specified filing of annual return in 'Form NFRA - 2' which contain certain important details about the auditors.

The details required to be filed in Form NFRA 2 relate to details of the companies audited, audit fees and non-audit fees received, particulars of the partners and employees of the audit firm, affiliation or membership of any audit firm network, details of disciplinary proceedings initiated against the auditor and quality control policies of the audit firm.

NFRA, based on its database of companies as of the end of its first financial year i.e., 31.03.2019, commenced monitoring the filing of Form NFRA - 2 by the auditors for the first Reporting Period 01.04.2018 to 31.03.2019 (2018-19). NFRA had sent intimations to 1,500 audit firms for non-filing of the form and advised ICAI to create awareness of this statutory compliance among its members.

4.2 Cyber Security Initiatives

During the year NFRA took many initiatives to enhance security checks like:

- 4.2.1 Transfer of data from auditors and preparers on secured NIC server with enhanced security protocol. File transfer protocol was shifted from FTP to SFTP at secured port number 22.
- 4.2.2 Third party Information Security audit of NFRA's web tools was conducted.
- 4.2.3 Applications were shifted to secured SSL protocol.
- 4.2.4 Captcha was made mandatory for all types of submissions on the website to protect from spam and password decryption.

4.3 NFRA has launched a cloud-based IT tool for its operations management

NFRA Core Application System (NCAS) is being developed for paperless working and workflow within the organization. NCAS is designed to enable the collection, handling and processing of huge volumes of documents, end-to-end management of quality review, investigation, and enforcement activities.

As the entire infrastructure is hosted on cloud servers and user access is enabled through highly secured web interfaces, NCAS will also help NFRA staff in functioning remotely without any hindrance. NCAS is designed in such a way that all the required documents and workspaces are created/stored/enabled within the application, so that staff changes

and hardware issues do not affect the smooth functioning of the organisation.

NCAS is being developed by the National Informatics Centre (NIC) under the Ministry of Electronics and Information Technology of the Government of India.

During the year 2021-22 NFRA rolled out various modules of NCAS such as Library, NFRA forms, Complaint Receipt, and the Audit Quality Review. A few other modules like the Financial Reporting Quality Review, Disciplinary action and Complaint processing are under implementation.



Figure-8: NFRA Core Application System (NCAS) Inauguration 24-09-2021

The module also has capabilities to connect with other databases of external agencies such as stock exchanges and Corporate Data Management of the Ministry of Corporate Affairs through application protocol interfaces.

05 CHAPTER

RESOURCE MANAGEMENT

5 Resource Management

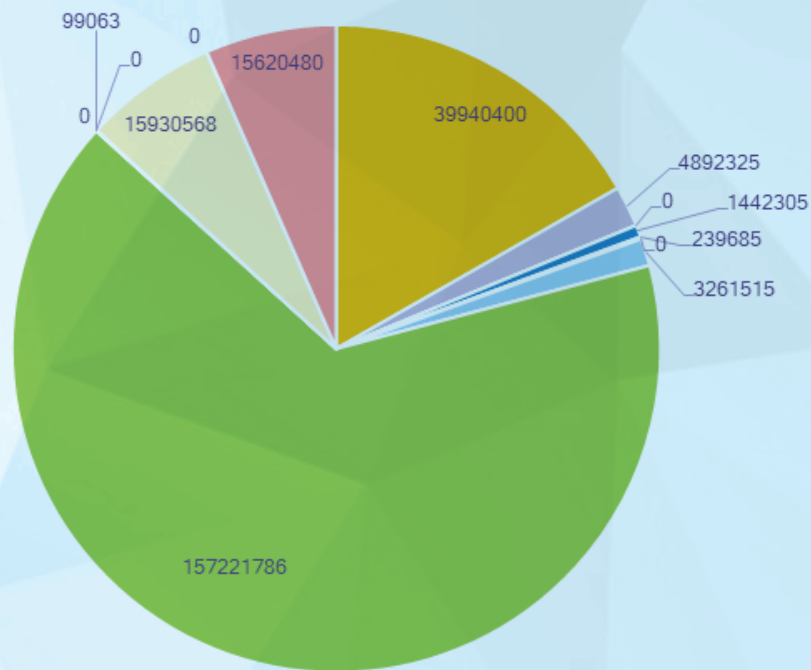
5.1 Finance and Budgeting information

(In Rupees)

Code	Description	Budget Allocation	Actual Expenditure
6	NATIONAL FINANCIAL REPORTING AUTHORITY (Sub Minor)	267124000	238648127
60001	SALARIES (Object Head)	50640000	39940400
60002	WAGES (Object Head)	5635000	4892325
60003	OVERTIME ALLOWANCE (Object Head)	75000	0
60006	MEDICAL TREATMENT (Object Head)	1975000	1442305
60011	DOMESTIC TRAVEL EXPENSES (Object Head)	431000	239685
60012	FOREIGN TRAVEL EXPENSES (Object Head)	4000000	0
60013	OFFICE EXPENSES (Object Head)	4100000	3261515
60014	RENTS, RATES AND TAXES (Object Head)	157222000	157221786
60016	PUBLICATIONS (Object Head)	200000	0
60020	OTHER ADMINISTRATIVE EXPENSES (Object Head)	1000000	99063
60026	ADVERTISING AND PUBLICITY (Object Head)	600000	0
60028	PROFESSIONAL SERVICES (Object Head)	16246000	15930568
60032	CONTRIBUTIONS (Object Head)	2000000	0
69913	INFORMATION TECHNOLOGY - OFFICE EXPENSES (Object Head)	23000000	15620480
	TOTAL	267124000	238648127

*The drawing and disbursement function of NFRA was carried out through Ministry of Corporate Affairs during this period and the audit of Ministry of Corporate Affairs has been conducted by office of the Comptroller and Auditor General of India.

Actual Expenditure



- SALARIES (Object Head)
- WAGES (Object Head)
- OVERTIME ALLOWANCE (Object Head)
- MEDICAL TREATMENT (Object Head)
- DOMESTIC TRAVEL EXPENSES (Object Head)
- FOREIGN TRAVEL EXPENSES (Object Head)
- OFFICE EXPENSES (Object Head)
- RENTS, RATES AND TAXES (Object Head)
- PUBLICATIONS (Object Head)
- OTHER ADMINISTRATIVE EXPENSES (Object Head)
- ADVERTISING AND PUBLICITY (Object Head)
- PROFESSIONAL SERVICES (Object Head)
- CONTRIBUTIONS (Object Head)
- INFORMATION TECHNOLOGY - OFFICE EXPENSES (Object Head)

5.2 HR Management

The overall mandate is to create a work environment that can continuously identify, nurture and utilize the capabilities of its officers and staff through appropriate policies in the area of training, career development and performance management.

The existing welfare measures such as housing, medical, etc. are extended to the employees of NFRA under various approved institutional schemes.

5.2.1 MANPOWER

NFRA sanctioned strength as on 31.03.2022 was 69. However, the total strength of officers and staff as on 31.03.2022 was 26.

5.2.2 Recruitment

Key importance is laid to the competency requirements of the individuals, required for contributing effectively and efficiently towards realization of the organizational goals and resulting achievements. Hence stringent recruitment process is adopted to ensure quality personnel are inducted into the system and greater importance is attached towards continuous development of the human resources, periodically in tune with the programmatic requirements.

NFRA issued result of direct recruitment of 7 Managers and 7 Assistant Manager on 04.01.2022 and issued offer letters on 20.01.2022

5.2.3 Training and Human Resources Development

“Intellectual growth should commence at birth and cease only at death.”

- Albert Einstein

In today's dynamic world, regular training is essential for any organisation. It has become vital to maintain pace with technological evolution and meet rising expectations of its stakeholders. Suitable training ensures that human resources operate at peak performance levels. It makes the employees creative, constructive, imaginative, innovative, professional and technology enabled.

5.2.3.1 OBJECTIVES

- Keep updated and enhance professional knowledge, skills and attitude needed for better performance of our employees and organization.
- Promote better understanding of professional requirements and sensitization to the professional, socio-economic, and political environment.
- Bring about right attitudinal orientation.

5.2.3.2 HIGHLIGHTS OF TRAINING ACTIVITIES DURING THE YEAR 2021-2022

5.2.3.2.1 Staff Training on financial instruments related Ind ASs – May to June 2021

Ind ASs relating to financial instruments form an important part of the Ind AS Framework. Accounting aspects of financial instruments in the Ind AS Framework are very comprehensive but complex and require extensive training by the subject matter experts. Accordingly, a comprehensive training plan covering the following Ind ASs was designed, and technical sessions were held during May to July 2021.

- Ind AS 32, *Financial Instruments: Presentation*

- Ind AS 109, *Financial Instruments*
- Ind AS 107, *Financial Instruments: Disclosures*
- Ind AS 113, *Fair Value Measurement*

5.2.3.2.2 Ind AS 117 (IFRS 17) Training by Institute of Actuaries

Ind AS 104, current standard for accounting of Insurance Contracts will be replaced by a new comprehensive and robust standard called Ind AS 117, Insurance Contracts, which in turn is based on its international equivalent viz. IFRS 17 issued by the International Accounting Standards Board of IFRS Foundation. This new standard brings in paradigm shift in the approach towards recognition, measurement, presentation and disclosures of insurance contracts and requires extensive knowledge and expertise about the actuarial valuation and practices. Therefore, two technical sessions were organised on 7th and 8th July 2021 wherein the subject matter experts from the Institute of Actuaries presented the key technical aspects of Ind AS 117 to staff and officials of NFRA.

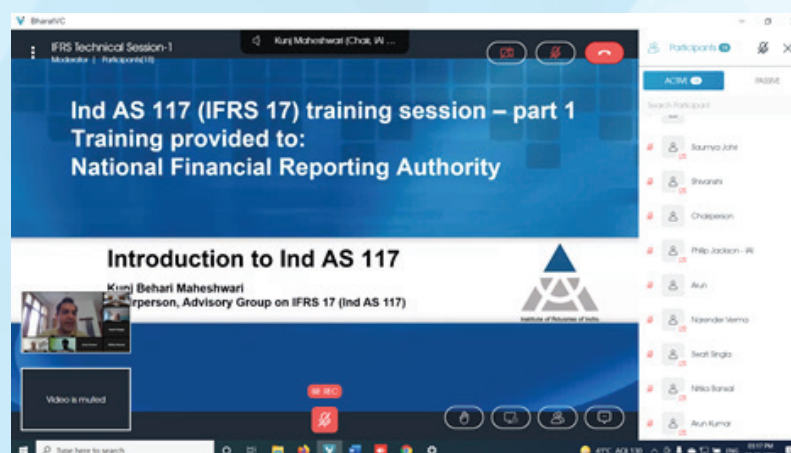


Figure-9: Training session provided to NFRA by experts from Institute of Actuaries

5.2.3.2.3 CDM Training

Corporate Data Management infrastructure of MCA, GOI, has been identified as an important source of data and information for the operational activities of the NFRA, starting from establishment of primary database of companies and auditors which are within the ambit of NFRA's monitoring and supervisory functions. In order to gain greater insights into the functionalities and utilities of the CDM, interactive training session was conducted on 30.06.2021 between the officials

of NFRA and the Division handling CDM infrastructure of MCA, GOI.

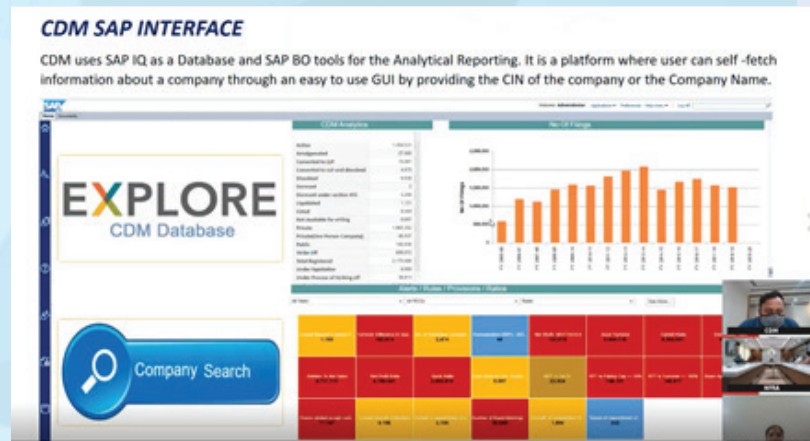


Figure10: CDM Training conducted on 30.06.2021

5.2.3.2.4 NCAS Training: To familiarize and use NCAS to its potential, a training programme was organised about its architecture and usage.

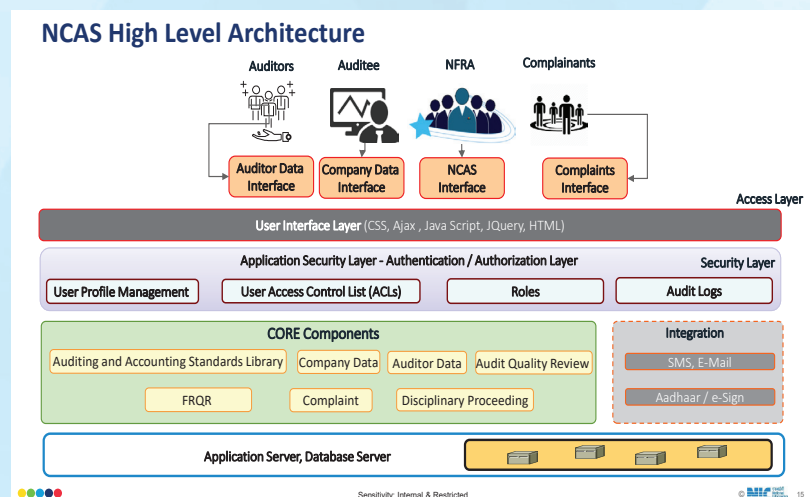


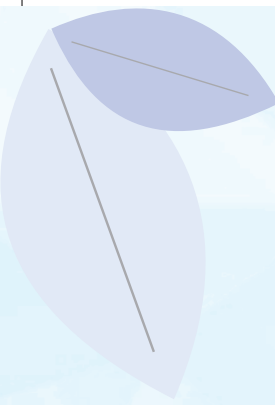
Figure11: NCAS Training Programme

5.2.4 Performance Evaluation

Performance Evaluation is a vital element of employees' growth and development and realization of diverse need of each individual.

Objective of performance evaluation in NFRA are:

- 5.2.4.1 Training and Placement Function: To assess the officer's professional capabilities, with a view to determining capacity building needs and suitability for particular areas of responsibility/assignments.
- 5.2.4.2 Feedback and Counselling Function: To counsel the officer on directions for improving performance, professional capabilities, and conduct with peers, juniors, etc.

- 
- 5.2.4.3 Planning of Work Function: To be a tool for developing a work plan for the year
 - 5.2.4.4 Promotion Function: To make an objective assessment of the officer's performance in the current assignment, including performance in training, study courses and deputation outside the government, based on monitorable inputs, relative to his/her peers, with a view to determining suitability for higher responsibilities and special assignments.
 - 5.2.4.5 Recognition Function: To identify genuinely exceptional work accomplished, including innovations, with a view to giving due recognition.
 - 5.2.4.6 Strengthening Governance Function: To enable officers to identify systemic shortcomings in the organization with a view to improving governance standards.

Thus, recognizing the significance of performance evaluation, NFRA adopted APAR (Annual Performance Assessment Report) system to evaluate its employees in diligent manner.

5.2.5 Gender Balance

To achieve gender equity, NFRA tries to mainstream gender across all programmes and projects and tries to create a gender-sensitive work environment. Following areas are focused for this objective:

- When designing programme and project activities, the NFRA targets appropriate participants and strives to maintain balance of gender roles and responsibilities with a commitment to simultaneously advancing long-term strategic gender interests.
- All employment decisions related to recruitments, transfers, compensation, and promotion are made without gender discrimination.
- NFRA's benefits policy is equitable and responsive to the need to balance work and family.
- NFRA works towards creating an environment where non-discriminatory working relationships and respect for diversity in work and management styles is encouraged.
- NFRA also organised events to increase awareness of gender equity and felicitate Women Workforce:
 - o One-day awareness programme on the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 at NFRA on 09.12.2021.



Figure-12: One day awareness programme about POSH Act, 2013 on 09.12.2021.



Figure-13: Celebration of International Women's Day on 08.03.2022

5.2.6 Other HR activities undertaken by NFRA:

5.2.6.1 Celebration of Vigilance Awareness Week: Integrity remains the significant virtue for any organization. It is a core value for NFRA as mentioned in its Charter. On the occasion of the Vigilance Awareness Week 2021, all the employees took the integrity pledge to fight corruption and be an important part of multi-stakeholder approach to fight corruption.



Figure14: Vigilance Awareness Week – 2021 on 26.10.2021

- 5.2.6.2 Celebration of Swacchta Pakhwada:** 'Swachh Bharat Abhiyan' is a massive mass movement that seeks to create a Clean India. The employees of NFRA took Swachhta Pledge to devote 100 hours per year, that is two hours per week, to voluntarily work for cleanliness.



Figure15: Employees of NFRA taking Swacchta Pledge on 18-08-2021

- 5.2.6.3 Constitution Day Oath Ceremony:** Constitution Day also known as 'Samvidhan Divas', is celebrated in our country on 26th November every year to commemorate the adoption of the Constitution of India. On 26th November 1949, the Constituent Assembly of India adopted the Constitution of India, which came into effect from 26th January 1950. In this spirit, NFRA employees took an oath to preserve and protect the constitution of India.



Figure16: NFRA staff and officers taking oath on 26.11.2021

5.2.6.4 NFRA Vaccine Drive: NFRA organized vaccination drive against COVID-19 virus for its employees on 13.09.2021.



Figure17: Vaccine Drive organised by NFRA on 13.09.2021



