



सत्यमेव जयते

राष्ट्रीय वित्तीय रिपोर्टिंग प्राधिकरण
**NATIONAL FINANCIAL
REPORTING AUTHORITY**

**ANNUAL
ACCOUNTS
2022-23**

National Financial Reporting Authority



National Financial Reporting Authority

ANNUAL ACCOUNTS 2022-23

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INTRODUCTION

The National Financial Reporting Authority (NFRA) is statutory body notified on 1st October 2018 under Section 132 of the Companies Act, 2013. The main objective of NFRA 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.

Section 132(13) of the Companies Act 2013 states that the National Financial Reporting Authority shall cause to be maintained such books of account and other books in relation to its accounts in such form and in such manner as the Central Government may, in consultation with the Comptroller and Auditor-General of India prescribe.

Parliament authorised grants to NFRA in the Supplementary Budget 2022-23. Grants were subsequently released to NFRA by MCA in March 2023. Accordingly, NFRA has prepared its accounts in the applicable form i.e. Uniform Format of Accounts for Central Autonomous Bodies for March '23. Prior to NFRA becoming a grantee organisation, NFRA's receipts and disbursements were part of accounts of Ministry of Corporate Affairs which in turn were a part of Union Finance and Appropriation Accounts.

Section 132(14) of the Companies Act 2013 states that the accounts of the National Financial Reporting Authority shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and such accounts as certified by the Comptroller and Auditor-General of India together with the audit report thereon shall be forwarded annually to the Central Government by the National Financial Reporting Authority. Accordingly, the C&AG has audited the accounts of the NFRA for the financial year 2022-23 (03.3.2023 to 31.03.2023) and forwarded the Audit Report vide letter no. NFRA/2022-23/2023-24/352-54 dated 01.11.2023. The audit of accounts of NFRA for the period 01.04.2022 to 02.03.2023 will be part of audit of Union Finance and Appropriation Accounts to carried out by CAG and tabled in Parliament.

Accordingly, this report presents the accounts of the NFRA for the financial year 2022-23 (03.03.2023 to 31.03.2023), as certified by the C&AG, in the prescribed format and the audit report thereon. This is being forwarded to the Central Government in accordance with section 132(14) of the Companies Act 2013.



Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of National Financial Reporting Authority, New Delhi for the period 03 March 2023 to 31 March 2023

1. We have audited the attached Balance Sheet of the National Financial Reporting Authority (NFRA), New Delhi as at 31 March 2023 and the Income & Expenditure Account/ Receipts & Payments Account for the period from 03 March 2023 to 31 March 2023 under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 132 of the Companies Act, 2013. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. This Separate Audit Report contains the comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms etc. Audit observation on financial transactions with regard to compliance with the Laws, Rules & Regulations (Propriety and Regularity) and efficiency-cum performance aspects etc., if any, are reported through Inspection Reports/CAG's Audit Report separately.
3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
4. Based on our audit, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) The Balance Sheet and Income & Expenditure Account/Receipts & Payments Account dealt with by this report have been drawn up in the format prescribed by the Ministry of Finance.
 - iii) In our opinion, relevant records are being maintained by the NFRA as required under Section 132 (13) of the Companies Act 2013 in so far as it appears from our examination of such records:
 - iv) We further report that:

A. Grants-in-Aid

NFRA did not have any opening balance of Grants-in-aid. During the year 2022-23, NFRA received ₹7,43,00,000 towards Grants-in-aid (General: ₹5,76,00,000 and Salaries: ₹1,67,00,000), against which it utilized an amount of ₹7,41,82,300 (General: ₹5,76,00,000 and Salaries: ₹1,65,82,300) leaving an unspent balance of ₹1,17,700 under Grants-in-aid Salaries as on 31 March 2023.

B. Others

B.1 Non-submission of accounts of previous years



NFRA has prepared its accounts for the first time pertaining to the period 03.03.2023 to 31.03.2023 on the ground that the Ministry of Finance approved the Grantee status of NFRA on 21.09.2022 and the Ministry of Corporate Affairs released grants to NFRA for the first time vide sanction order dated 03.03.2023. The accounts for the aforesaid period were submitted by NFRA to CAG and the same have been audited.

Since its inception in the year 2018-19 to the year 2021-22, NFRA did not prepare its separate accounts nor got them audited by the CAG as required under Section 132 of the Companies Act, 2013, on the ground that the drawing and disbursement function of NFRA was carried out through Ministry of Corporate Affairs and audit of the Ministry has been conducted by the CAG. NFRA, however, prepared its Annual Reports for the years 2018-19 to 2021-22, including therein the details of receipt and expenditure of each year, and got the Annual Reports placed in the Parliament.

In this regard, NFRA has stated that *in the absence of financial arrangements necessary for the purpose of separation of its accounts from Union Accounts, NFRA was not in a position to prepare its separate accounts. However, after the Parliament authorised grants to NFRA in the Supplementary Budget 2022-23, grants were released to NFRA by the Ministry of Corporate Affairs in March 2023 under the newly created budget head. Accordingly, NFRA prepared its accounts in the applicable form for March 2023 and submitted the same for audit to CAG.*

- C. Deficiencies that have not been included in this Separate Audit Report have been brought to the notice of the Management through a Management Letter issued separately for remedial/collective action.
- v) Subject to the observations in the preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account and Receipts & Payments Account dealt with by this report are in agreement with the books of accounts.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure, give a true and fair view in conformity with accounting principles generally accepted in India.
- (a) In so far as it relates to the Balance Sheet, of the state of affairs of NFRA, as on 31 March 2023, and
- (b) In so far as it relates to the Income & Expenditure Account, of the Surplus for the period ended on that date.

For on the behalf of the
Comptroller and Auditor General of India

Place : New Delhi
Date : 01.11.2023

Sd/-
(Sanjay K Jha)
Principal Director of Audit
(Industry & Corporate Affairs)



**Annexure to Separate Audit Report
(on the accounts of NFRA, New Delhi for the year 2022-23)**

A. Adequacy of Internal Audit System

There is no separate internal audit wing in NFRA. The internal audit of NFRA was conducted by All India Council of Auditors and Accountants, New Delhi. The internal audit has been completed for the year 2022-23.

B. Adequacy of Internal Control System

Internal control system was found to be adequate.

C. System of Physical verification of fixed assets

All the fixed assets as shown in the financial statements as on 31 March 2023 were not physically verified as the physical verification was conducted more than three months before the year end (i.e. in December 2022).

D. System of physical verification of inventory

There was no inventory in the books of NFRA as on 31 March 2023.

E. Regularity in payment of statutory dues.

There were no instances of irregularity in payment of statutory dues.

Sd/-
Director (AMG-I)



NATIONAL FINANCIAL REPORTING AUTHORITY
Ministry of Corporate Affairs, Govt. of India, New Delhi

BALANCE SHEET AS ON 31 MARCH 2023

(Amount in ₹)

Fund and Liabilities	Schedule	Current Period
Fund	1	1,39,63,645
Reserves and Surplus	2	1,188
Earmarked/ Endowment Funds	3	-
Secured Loans and Borrowings	4	-
Unsecured Loans and Borrowings	5	-
Deferred Credit Liabilities	6	-
Current Liabilities and Provisions	7	1,94,73,540
Total		3,34,38,373
Assets	Schedule	Current Period
Fixed Assets	8	1,94,19,231
Investments- From Earmarked/ Endowment Funds	9	-
Investments- Others	10	-
Current Assets, Loans and Advances	11	1,40,19,142
Miscellaneous Expenditure (to the extent not written off or adjusted)		-
Total		3,34,38,373
Significant Accounting Policies	22	
Contingent Liabilities and Notes on Accounts	23	

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member



NATIONAL FINANCIAL REPORTING AUTHORITY
Ministry of Corporate Affairs, Govt. of India, New Delhi

INCOME AND EXPENDITURE ACCOUNTS FOR THE PERIOD
3RD MARCH TO 31ST MARCH 2023

(Amount in ₹)

Income	Schedule	Current Period
Grants/ Subsidies	12	7,43,00,000
Fees/ Subscriptions	13	-
Income from Investments (Income on investment, from earmarked/ endowment funds transferred to fund).	14	-
Income from Royalty, Publications, etc.	15	-
Interest Earned	16	1,20,369
Other Income	17	15,011
Total (A)		7,44,35,380
Expenditure	Schedule	Current Period
Establishment Expenses	18	2,76,20,746
Other Administrative Expenses, etc	19	3,27,30,620
Expenditure on Grants, Subsidies, etc.	20	-
Interest	21	1,20,369
Total (B)		6,04,71,735
Balance being excess of Income over Expenditure (A-B)		1,39,63,645
Transfer to Special Reserve		-
Transfer to/ from General Reserve		-
Balance being Surplus(Deficit) carried to Corpus/ Capital Fund		1,39,63,645
Significant Accounting Policies	22	-
Contingent Liabilities and Notes on Accounts	23	-

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member



RECEIPT AND PAYMENT ACCOUNTS FOR THE PERIOD 3rd MARCH 2023 TO 31st MARCH 2023

Receipts		Current Period	Payments	Current Period	Amount in ₹
I. Opening Balances					
(a) Cash in Hand	-		(a) Establishment Expenses (Corresponding to Sch. 18)	1,66,70,650	
(b) Bank Balances			(b) Administrative Expenses (Corresponding to Sch-19)	2,53,75,548	
(i) In Current Accounts - Punjab National Bank	-	-	II. Payment made against funds for various projects		4,20,46,198
(ii) In Deposit Accounts - Fixed Deposit	-	-	III. Investments and Deposits made		-
(iii) Savings Accounts	-	-	a) Out of Earmarked/ Endowment funds	-	
			b) Out of own Funds (Investment others)	-	
II. Grants Received			IV. Expenditure on Fixed Assets & Capital Work-in-progress		
(a) From Government of India	7,43,00,000		a) Purchase of Fixed Assets	15,28,308	
(b) From State Government	-		b) Expenditure on Capital Work-in-progress	1,70,20,839	
(c) From Other Sources	-	7,43,00,000	V. Refund of surplus money/ loans		
III. Income on Investment From			a) To the Government of India	-	
(a) Earmarked/ Endowment Funds	-		b) To the State Government	-	
(b) Own Funds (Other Investments)	-		c) To other providers of funds	-	
IV. Interest Received					
(a) On Bank Deposits	1,07,888				



(b) Loans, advances etc.	-	1,07,888			-
V. Other Income					
(a) Fees Received	-				-
(b) Sale of Scrap/Assets	-				-
VI. Amount Borrowed					
VII. Any other receipts					
c) Other Receipts	15,011	15,011			
Total		7,44,22,899		Total	7,44,22,899
				VI. Finance Charges (Interest)	
				VII. Other Payments	
				VIII. Closing Balances	
				a) Cash in Hand	
				b) Bank Balances:	
				(i) In Current Accounts	
				- Punjab National Bank	1,38,27,554
				(ii) In Deposit Accounts	
				- Fixed Deposit	
				(iii) Savings Accounts	1,38,27,554

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023Sd/-
ChairpersonSd/-
Member



NATIONAL FINANCIAL REPORTING AUTHORITY
Ministry of Corporate Affairs, Govt. of India, New Delhi

SCHEDULE - 1
FUND

(Amount in ₹)

	Current Period
Balance as at the beginning of the Period	
Add: Contributions towards fund	-
Add/ (Deduct): Balance of net income/ (expenditure)	1,39,63,645
transferred from the Income and Expenditure Account	
Balance as at the Period end	1,39,63,645

SCHEDULE - 2
RESERVES AND SURPLUS

	Current Period
1. Capital Reserve	
As per last Account	-
Add: Nominal Value of fixed assets procured by Ministry	1,188
Less: Deductions during the Period	-
2. Revaluation Reserve	
As per last Account	-
Addition during the Period	-
Less: Deductions during the Period	-
3. Special Reserves	
As per last Account	-
Addition during the Period	-
Less: Deductions during the Period	-
4. General Reserve	
As per last Account	-
Addition during the Period	-
Less: Deductions during the Period	-
Total	1,188

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member

**SCHEDULE-3****EARMARKED / ENDOWMENT FUNDS**

(Amount in ₹)

	Fund XX	Fund YY	Fund ZZ	Total Current Period
a) Opening Balance of the funds	-	-	-	-
b) Additions to the funds:				
i) Donations/ Grants	-	-	-	-
ii) Income from investments made on account of funds	-	-	-	-
iii) Other Additions	-	-	-	-
Total (a+b)	-	-	-	-
c) Utilisation/ Expenditure towards objective of funds				
i) Capital Expenditure				
- Fixed Assets	-	-	-	-
- Others	-	-	-	-
Total	-	-	-	-
ii) Revenue Expenditure				
- Salaries, Wages and Allowances etc.	-	-	-	-
- Rent	-	-	-	-
- Other Administrative Expenses	-	-	-	-
Total	-	-	-	-
Total (c)	-	-	-	-
Net balance as at the Period end (a+b-c)	-	-	-	-

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023Sd/-
ChairpersonSd/-
Member



SCHEDULE - 4
SECURED LOANS AND BORROWINGS

(Amount in ₹)

	Current Period
1. Central Government	-
2. State Government	-
3. Financial Institutions	
a) Term Loans	-
b) Interest accrued and due	-
4. Banks:	
a) Term Loans	
- Interest accrued and due	-
b) Other Loans	
- Interest accrued and due	-
5. Other Institutions and Agencies	-
6. Debentures and Bonds	-
7. Others	-
Total	
Note: Amounts due within one Period.	

SCHEDULE - 5
UNSECURED LOANS AND BORROWINGS

(Amount in ₹)

	Current Period
1. Central Government	-
2. State Government	-
3. Financial Institutions	-
4. Banks:	
a) Term Loans	-
b) Other Loans	-
5. Other Institutions and Agencies	-
6. Debentures and Bonds	-
7. Fixed Deposits	-
8. Others	-
Total	-
Note: Amounts due within one Period.	

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member



SCHEDULE - 6
DEFERRED CREDIT LIABILITIES

(Amount in ₹)	
	Current Period
1. Acceptances secured by hypothecation of capital equipment and other assets.	-
2. Others	-
Total	-
Note: Amounts due within one Period.	
	-

SCHEDULE - 7
CURRENT LIABILITIES AND PROVISIONS

		Amount in ₹	
		Current Period	
A. Current Liabilities			
1. Acceptances			-
2. Sundry Creditors:			
a) For Goods	-		
b) Others	-		-
3. Advances Received			
4. Interest accrued but not due on:			
a) Secured Loans/ Borrowings	-		
b) Unsecured Loans/ Borrowings	-		-
5. Statutory Liabilities:			
a) Overdue	-		
b) Others	1,37,43,469		1,37,43,469
6. Other Current Liabilities			16,81,300
Total (A)			1,54,24,769
B. Provisions			
1. For Taxation			4,700
2. Gratuity			-
3. Superannuation/ Pension			-
4. Accumulated Leave Encashment			-
5. Trade Warranties/ Claims			-
6. Others:			
a) For Salaries	15,78,781		
b) For Outsourced Staff	11,38,876		
c) For Professional Services	6,38,387		
d) For Office Expenses	6,88,027		40,44,071
Total (B)			40,48,771
Total (A+B)			1,94,73,540

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member



SCHEDULE - 8 FIXED ASSETS

Description	Gross Block			Depreciation			Amount in ₹		
	Cost as at beginning of the Period	Additions during the Period	Deductions/ adjustments during the Period	Cost at the Period end	As at the beginning of the Period	During the Period	Deductions/ adjustments during the Period	Total up to the Period end	As at the current Period end
A. Fixed Assets									
1. Land									
a) Freehold	-	-	-	-	-	-	-	-	-
b) Leasehold	-	-	-	-	-	-	-	-	-
2. Buildings									
a) On Freehold Land	-	-	-	-	-	-	-	-	-
b) On Leasehold Land	-	-	-	-	-	-	-	-	-
c) Ownership Flat/ Premises	-	-	-	-	-	-	-	-	-
d) Superstructures on Land not belonging to the entity	-	-	-	-	-	-	-	-	-
3. Plant Machinery & Equipment									
4. Vehicles	-	-	-	-	-	-	-	-	-
5. Furniture & Fixtures	-	821	-	821	-	41	-	41	780
6. Office Equipments	-	4,11,559	-	4,11,559	-	30,867	-	30,867	3,80,692
7. Computers/Peripherals	-	11,27,134	-	11,27,134	-	2,25,427	-	2,25,427	9,01,707
8. Electrical Installations	-	-	-	-	-	-	-	-	-
9. Library Books	-	11,456	-	11,456	-	2,291	-	2,291	9,165
10. Tubewells & Water Supply	-	-	-	-	-	-	-	-	-
11. Other Fixed Assets	-	-	-	-	-	-	-	-	-
Total of Current Period	-	15,50,970	-	15,50,970	-	2,58,626	-	2,58,626	12,92,344
Capital Work in Progress									
Total	-	15,50,970	-	15,50,970	-	2,58,626	-	2,58,626	1,81,26,887

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member



SCHEDULE - 9
INVESTMENTS FROM EARMARKED / ENDOWMENT FUNDS

(Amount in ₹)

	Current Period
1. In Government Securities	-
2. Other Approved Securities	-
3. Shares	-
4. Debentures and Bonds	-
5. Subsidiaries and Joint Ventures	-
6. Others	-
Total	-

SCHEDULE - 10
INVESTMENTS - OTHERS

(Amount in ₹)

	Current Period
1. In Government Securities	-
2. Other Approved Securities	-
3. Shares	-
4. Debentures and Bonds	-
5. Subsidiaries and Joint Ventures	-
6. Others	-
Total	-

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member



SCHEDULE - 11
CURRENT ASSETS, LOANS, ADVANCES ETC.

	Current Period	
Current Assets, Loans, Advances etc.		
A. Current Assets		
1. Sundry Debtors		
a) Debts outstanding for a period exceeding six months	-	-
b) Others	-	-
2. Cash balances in hand (including cheques/drafts & Imprest)		-
3. Bank Balances : With Scheduled Banks:		
i) In Current Account a) PNB	1,38,23,554	1,38,23,554
ii) In Deposit Accounts (incl. margin money)		
iii) On Savings Accounts		-
4. Post Office - Savings Accounts		-
Total (A)		1,38,23,554
B. Loans, Advances and Other Assets		
1. Loans to : a) Staff		
b) Other Entities engaged in similar activities/ objectives	-	-
c) Others	-	-
2. Advances and other amount recoverable in cash or in kind or for value to be received:		
a) On Capital Account	-	-
b) Prepayments	21,813	
c) Others - Staff	1,61,294	1,83,107
3. Income Accrued		
a) On Investments from Earmarked/ Endowment Fund	-	-
b) On Investments -others	-	-
c) On Loans & Advances	-	-
d) Others :- Interest Accrued	-	-
- Grants in Aid	-	-
4. Claims Receivable - TDS	12,481	
- Others	-	12,481
Total (B)		1,95,588
Total (A+B)		1,40,19,142

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member

**SCHEDULE - 12****GRANTS / SUBSIDIES**

(Irrevocable Grants & Subsidies Received)

(Amount in ₹)

	Current Period
1. Central Government	7,43,00,000
2. State Government(s)	-
3. Government Agencies	-
4. Institutions / Welfare Bodies	-
5. International Organisations	-
6. Others	-
Total	7,43,00,000

SCHEDULE - 13**FEES / SUBSCRIPTIONS**

(Amount in ₹)

	Current Period
1. Entrance Fees	-
2. Filing Fees	-
3. Seminar/ Program Fees	-
4. Consultancy Fees	-
5. Others:	
a) RTI fee	-
Total	-

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member



SCHEDULE - 14
INCOME FROM INVESTMENTS

(Income on Investment from Earmarked/Endowment Funds transferred to Funds)

(Amount in ₹)

	Investment from Earmarked Funds	Investment - Others
	Current Period	Current Period
1. Interest		
a) On Govt. Securities	-	-
b) Other Bonds/ Debentures	-	-
2. Dividends		
a) On Shares	-	-
b) On Mutual Fund Securities	-	-
3. Rents	-	-
4. Others	-	-
Total	-	-
Transferred to Earmarked/Endowment Funds	-	-

SCHEDULE 15
INCOME FROM ROYALTY, PUBLICATIONS ETC

(Amount in ₹)

	Current Period
1. Income from Royalty	-
2. Income from Publications	-
3. Others	-
Total	-

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member


SCHEDULE - 16
INTEREST EARNED

(Amount in ₹)

	Current Period
1. On Term Deposits: (FDR)	
a) With Scheduled Banks	-
b) With Non-Scheduled Banks	-
c) With Institutions	-
d) Others	-
2. On Savings / Auto Sweep Accounts:	
a) With Scheduled Banks	1,20,369
b) With Non-Scheduled Banks	-
c) Post Office Savings Accounts	-
d) Others	-
3. On Loans & Advances:	
a) Employees/ Staff	-
b) Others	-
4. Interest on Debtors and Other Receivables	-
Total	1,20,369

SCHEDULE - 17
OTHER INCOME

(Amount in ₹)

	Current Period
1. Profit on Sale / Disposal of Assets:	
a) Owned Assets	-
b) Assets acquired out of grants, or received free of cost	-
2. RTI Fee	10
3. Miscellaneous Income(other receipts)	15,001
Total	15,011

SCHEDULE - 18
ESTABLISHMENT EXPENSES

(Amount in ₹)

	Current Period
1. Salaries & Wages	1,41,09,926
2. Allowances and Bonus	1,00,46,449
3. Contribution to Provident Fund/ New Pension Scheme	11,47,854
4. Contribution to Other Funds	-
5. Staff Welfare Expenses	1,06,163
6. Expenses on Employees' Retirement and Terminal Benefits	
a) Gratuity	4,57,732
7. Others - Domiciliary/ Medical	17,52,622
Total	2,76,20,746

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023Sd/-
ChairpersonSd/-
Member

**SCHEDULE - 19****OTHER ADMINISTRATIVE EXPENSES**

(Amount in ₹)

	Current Period
1. Purchases	-
2. Labour & Processing Expenses	-
3. Cartage and Carriage inwards	-
4. Electricity, Power and Water Charges	4,40,032
5. Water charges	-
6. Insurance	-
7. Repair & Maintenance/ AMC	2,24,069
8. Rent of Building (Office Premises)	2,14,75,323
9. Rent, Rates & Taxes	-
10. Vehicles running, maintenance or hiring charges	8,58,977
11. Postage, Telephone & Communication charges	15,97,035
12. Printing & Stationery	2,52,505
13. Travelling and conveyance expenses	-
a) Foreign	-
b) Domestic	11,75,514
14. Expenses on seminar/ workshops	-
15. Subscription expenses	-
16. Staff welfare Expenses	-
17. Auditors Remuneration/ Legal fee	57,500
18. Hospitality Expenses	3,27,075
19. Professional Charges	13,56,837
20. Provision for Bad and Doubtful Debts/ Advances	-
21. Irrecoverable Balances Written Off/ Net Loss on Sale of Assets	-
22. Packing Charges	-
23. Freight and Forwarding Expenses	-
24. Expenses on Seminar & workshop	1,31,678
25. Advertisement and Publicity	-
26. Others	-
a) Membership Fees	-
b) Bank Charges	-
c) Depreciation	2,58,626
d) Publications	51,470
e) Outsourcing of Security/ Other Services	37,67,355
f) Modernisation & Computer networking	2,02,749
g) Periodicals & Newspapers	4,25,059
h) Miscellaneous Expenses	1,24,116
i) Income Tax Expense	4,700
Total	3,27,30,620

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023Sd/-
ChairpersonSd/-
Member



SCHEDULE - 20
EXPENDITURE ON GRANTS, SUBSIDIES ETC.

(Amount in ₹)

	Current Period
1. Grants given to Institutions/ Organisations	-
2. Subsidies given to Institutions/ Organisations	-
Total	-

SCHEDULE - 21
INTEREST

(Amount in ₹)

	Current Period
1. On Fixed Loans	-
2. On Other Loans (including Bank charges)	-
3. Others	1,20,369
Total	1,20,369

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member



SCHEDULE - 22

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

1.1 The financial statements are prepared in keeping with the Uniform Format of Accounts for Central Autonomous Bodies, as advised by the Ministry of Corporate Affairs and by the C&AG. The Accounts have been prepared under the historical cost convention and on accrual basis in accordance with generally accepted accounting principles (Indian GAAP) and applicable accounting standards.

2. INVESTMENTS

- 2.1 All investments are valued at cost.
- 2.2 Investments classified as “ Long term investments” are carried at cost. Provisions for decline, other than temporary, is made in carrying cost of such investments.
- 2.3 Investments classified as “current” are carried at lower of cost and fair value. Provision for shortfall on the value of such investments is made for each investment considered individually and not on a global cost.

3. FIXED ASSETS

- 3.1 Fixed Assets are stated at their original cost less accumulated depreciation and provision for impairment, if any. The cost includes expenditure direct and incidental expenses incurred in bringing the assets to working condition for their intended use.
- 3.2 The cost of assets not ready to use before balance sheet date are disclosed under capital work in progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.
- 3.3 Intangible assets are amortised on a straight-line basis over the estimated economic useful life.
- 3.4 Fixed Assets received before becoming grantee organization have been capitalized at ₹ 1 per item, by corresponding credit to Capital Reserve.

The details of such Assets are as under:		
Block of Asset	No of Item	Value (In ₹)
Furniture & Fixtures	821	821
Computers & Peripherals	250	250
Office Equipment	116	116

4. DEPRECIATION

- 4.1 Depreciation is provided on written down value method as per rates specified in the Income Tax Act, 1961.
- 4.2 In respect of additions/ deductions to fixed assets during the period, depreciation is considered as per the rates and method as specified in the Income Tax Act, 1961.
- 4.3 Assets valuing below ₹ 5,000/- are fully depreciated in that period except for library books.

**5. GOVERNMENT GRANTS/ SUBSIDIES**

- 5.1 Government grants are treated as income of the period in which they are realized. The utilisation of the same is accounted on accrual basis.
- 5.2 Unutilised grants are adjusted against the release of first or subsequent installment(s) of the next Financial year.

6. REVENUE RECOGNITION

- 6.1 NFRA is a grantee organisation. The revenue is limited to interest and miscellaneous receipts. Such miscellaneous Revenues/ incomes are generally accounted for on an accrual basis, as they are earned.
- 6.2 Funds in hand at the time of becoming grantee organization is recognised as revenue.
- 6.3 The interest earned on grant amount is recognized as the revenue with the corresponding booking of Interest payable to the Ministry.

7. FOREIGN CURRENCY TRANSACTIONS

- 7.1 Transactions denominated in foreign currency are accounted at the exchange rate prevailing at the date of the transaction.
- 7.2 Current assets and/ or current liabilities denominated in foreign currency are converted at the exchange rate prevailing as at the period end.

8. RETIREMENT BENEFITS

- 8.1 The Direct recuritees of NFRA are covered under National Pension System (NPS) and the officers on deputation to NFRA are covered under NPS or Contributory Provident Fund (CPF) as applicable to their respective parent organisations. NFRA is contributing towards employer's share of the respective fund as applicable.
- 8.2 Short-term employee benefits are expensed at the undiscounted amount in the Income and Expenditure statement in the year the employee renders the service. Payment to defined contribution retirement benefit schemes is recognized as an expense in the Statement of Profit and Loss, when due. Liability towards gratuity payable on death/ retirement employees is accrued based on actuarial valuation. Provision for accumulated leave encashment benefit to the employees is accrued and computed on the assumption that employees are entitled to receive the benefit as at each year end.

9. LEASE

- 9.1 Lease rentals are expensed with reference to lease terms.

For NATIONAL FINANCIAL REPORTING AUTHORITY

**Place: New Delhi
Date: 30.06.2023**

**Sd/-
Chairperson**

**Sd/-
Member**



SCHEDULE - 23

CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES

1.1 In respect of :

- Bank Guarantees given by/on behalf of the NFRA are NIL
- Letters of Credit opened by bank on behalf of the NFRA are NIL
- Bill discounted with banks are NIL
- There are no disputed demands.

2. GRANTEE STATUS TO NFRA

2.1 Ministry of Finance vide order no. DEA ID Note F. No. 7(5)-B(W&M)/NS 2021 dated 21.9.2022 approved the Grantee status of NFRA. Parliament approval, authorising grants to NFRA was granted, as part of the Appropriation (No 5) Act, 2022 (Gazette of India (Extraordinary) notification dated 24.12.2022), also consequently notified vide DEA order no. 4(17)-B(SD)/2022 dated 26.12.2022.

2.2 Subsequently, the first-time release of Grants in Aid (GIA) to NFRA was made by M/o Corporate Affairs vide sanction orders no. NFRA-05/2/2023 dated 03.03.2023.

3. CAPITAL WORK IN PROGRESS

3.1 On behalf of NFRA, NFRA Core Application System (NCAS) workflow application is being developed by National informatics Centre (NIC) through National Informatics Centre Services Incorporated (NICS) under Ministry of Electronics and Information Technology of the Government of India. The NCAS project commenced in Oct 2019 with projected cost of ₹ 8,99,36,604/-. The tentative duration of the project was 5 years. The Ministry of Corporate Affairs (MCA) has remitted the total amount of ₹3,95,84,722/- upto the FY 2021-22, towards the NCAS project. The amount remitted by MCA towards NCAS project has been taken at nominal value of ₹ 1 in the Schedule 8 Fixed Asset. During the FY 2022-23, after becoming grantee organisation, NFRA has released ₹1,81,26,886/- to NICS and the same is booked under the head capital work in progress (Schedule 8- Fixed Assets). The total capital work in progress as on 31 March 2023 is ₹1,81,26,887/-.

4. CURRENT ASSETS

4.1 In the opinion of the NFRA, the current assets have a value on realisation in the ordinary course of business equal to the aggregate amount shown in the Balance Sheet.

5. TAXATION

5.1 Income tax provision is created as applicable to the local authority.

6. REVENUE RECOGNITION

6.1 The balance of Imprest account as on 03.03.2023 amounting to ₹15,000/- granted by MCA is recognised as other income in the Income & Expenditure account.



6.2 Interest earned during the period under consideration on grants - in- aid amounting to ₹1,20,369/- is recognised as other income with the corresponding booking of Interest payable to the Ministry (Refer schedule 7.and 21).

7. RENT PAYABLE

7.1 The expenditure booked under the head Rent of building (Refer schedule No 19) is the amount payable on account of revision in the rate of maintenance charges from 18% to 24% for the period Dec'22 to March'23 in respect of 7th Floor and for the period Jan'23 to March'23 in respect of 8th Floor of Hindustan Times House, 18-20 KG Marg, New Delhi-110001.

8. FOREIGN CURRENCY TRANSACTIONS

8.1 A Foreign Currency Transaction is recognized when a transaction is denominated in or requires settlement in a foreign currency. During the Current period, no transaction is denominated in or requires settlement in a foreign currency.

9. RETIREMENT BENEFITS

9.1 The financial statements presented herewith cover a period of less than a month. As such, recognising a provision for employee benefits such as leave encashment, gratuity and pension contribution is not practical or meaningful. Hence the provision for employee benefits has not been made in the current period.

10. STATUTORY LIABILITIES

10.1 The amount deducted by NFRA from employees and vendors for TDS, GST-TDS, NPS, GPF, and GIS during the month of March 23 is shown under Statutory Liabilities on Schedule 7. After 31.03.2023, the same were remitted to the concerned authorities.

11. Schedules 1 to 23 are annexed to and form an integral part of the Balance Sheet as at 31 March 2023 and the Income and Expenditure Account for the period ended on that date.

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place: New Delhi
Date: 30.06.2023

Sd/-
Chairperson

Sd/-
Member



COMPLIANCE TO AUDIT OBSERVATION

No Audit observations

National Financial Reporting Authority,
7th - 8th Floor, Hindustan Times House,
18-20, Kasturba Gandhi Marg, New Delhi 110001