



सत्यमेव जयते

राष्ट्रीय वित्तीय रिपोर्टिंग प्राधिकरण  
NATIONAL FINANCIAL REPORTING AUTHORITY

# ANNUAL ACCOUNTS 2023-24



**National Financial Reporting Authority**

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# **ANNUAL ACCOUNTS**

## **2023-24**

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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 other 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 authorized grants to NFRA in the Supplementary Budget 2022-23. Grands were subsequently released to NFRA by MCA in March 2023, Accordingly, NFRA prepared its accounts in the applicable form i.e. Uniform Format of Accounts for Central Autonomous Bodies for the first time in March '23 for the period 03.03.2023 to 31.03.2023. Prior to NFRA becoming a grantee organization, 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.

The accounts for the financial year 2023-24 have been prepared in the Uniform Format of Accounts for Central Autonomous Bodies. 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 2023-24 and forwarded the Audit Report vide letter no. Report/4(2)/विविध/SAR/2023-24/305-307 dated 25.10.2024.

Accordingly, this report presents the accounts of the NFRA for the financial year 2023-24 with the comparative figures 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 and Auditor General of India on the accounts of National Financial Reporting Authority, New Delhi for the year ended 31 March 2024

1. We have audited the attached Balance Sheet of National Financial Reporting Authority (NFRA), New Delhi as at 31 March 2024 and the Income and Expenditure Account/Receipts & Payments Account for the period from 1 April 2023 to 31 March 2024 under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and 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 observations 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, evidence 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 and Expenditure Account/Receipts and 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 (2) of the Companies Act, 2013 in so far as it appears from our examination of such records.
  - iv) We further report that:

### **A. Balance Sheet as on 31 March 2024**

#### **Fixed Assets (Schedule-8): ₹2,15,03,420**

NFRA received Grants-in-Aid General amounting to ₹23,00,00,000 during the year 2023-24. As per sanction orders of the Government, the Grants-in-Aid General was to be utilised for meeting the recurring general expenditure on domestic and foreign travel expenses, rent and rates, payments to professional services, etc. However, NFRA utilised an amount of ₹28,13,319 out of the above grants towards purchase of fixed assets which have been capitalised in the accounts and depreciation thereon amounting to ₹7,06,630 has been provided during the year. Grants-in-aid General should have been capitalised to the extent of ₹28,13,319 in line with the provisions of Accounting Standard-12.

The accounting treatment of Grants-in-Aid General is, thus, incorrect to that extent, which needs rectification.

## **B. Grants-in-aid**

The opening balance of the Government grants was ₹1,17,700 as on 01.04.2023. During the year 2023-24, NFRA received grants of ₹38,48,82,300 (General: ₹23,00,00,000 and Salary: ₹15,48,82,300), against which it utilized an amount of ₹35,25,00,000 and surrendered an amount of ₹3,25,00,000. NFRA earned interest on the Grants-in-Aid amounting to ₹18,36,423 during the year 2023-24 which was shown as payable to Ministry as on 31.03.2024. The closing balance of the grants was Nil as on 31.03.2024.

**C. Deficiencies which have not been included in the Audit Report, have been brought to the notice of the Management through a Management Letter issued separately for remedial/corrective action.**

- v) Subject to our observations in the preceding paragraph, we report that the Balance Sheet and Income and Expenditure Account/ Receipt and Payment 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 to Accounts, and subject to the significant matters stated above and other matters mentioned in **Annexure-1** to this Audit Report, give a true and fair view in conformation with accounting principles generally accepted in India:
  - a. In so far as it relates to Balance Sheet, of the state of affairs of the NFRA as of 31st March 2024; and
  - b. In so far as it relates to Income and Expenditure Account, of the Excess of Expenditure over Income for the year ended on 31<sup>st</sup> March 2024.

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

Place: New Delhi  
Dated: 25.10.2024

Sd/-  
**(S. Ahladini Panda)**  
**Director General of Audit**  
**Industry & Corporate Affairs**



## **Annexure to Separate Audit Report**

### **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 2023-24.

### **B. Adequacy of Internal Control System**

The 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 2024 were physically verified.

### **D. System of Physical Verification of Inventory**

There was no inventory in the books of NFRA as on 31 March 2024.

### **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 2024**

(Amount in ₹)

Fund and Liabilities	Schedule	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
Fund	1	(1,22,06,538)	1,39,63,645
Reserves and Surplus	2	1,188	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	4,67,11,116	1,94,73,540
<b>Total</b>		<b>3,45,05,765</b>	<b>3,34,38,373</b>
Assets	Schedule	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
Fixed Assets	8	2,15,03,420	1,94,19,231
Investments- From Earmarked/ Endowment Funds	9	-	-
Investments- Others	10	-	-
Current Assets, Loans and Advances	11	1,30,02,345	1,40,19,142
Miscellaneous Expenditure (to the extent not written off or adjusted)		-	-
<b>Total</b>		<b>3,45,05,765</b>	<b>3,34,38,373</b>
Significant Accounting Policies	22		
Contingent Liabilities and Notes on Accounts	23		

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place : New Delhi  
Date : 27.06.2024

Sd/-  
Chairperson

Sd/-  
Member

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

**INCOME AND EXPENDITURE ACCOUNTS**  
**FOR THE PERIOD 1<sup>ST</sup> APRIL 2023 TO 31<sup>ST</sup> MARCH 2024**

(Amount in ₹)

Income	Schedule	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
Grants	12	35,23,82,300	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	-	-
Other Income	17	110	15,011
<b>Total (A)</b>		<b>35,23,82,410</b>	<b>7,43,15,011</b>
Expenditure	Schedule	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
Establishment Expenses	18	12,56,46,621	2,76,20,746
Other Administrative Expenses, etc	19	25,29,05,972	3,27,30,620
Expenditure on Grants, Subsidies, etc.	20	-	-
Interest	21	-	-
<b>Total (B)</b>		<b>37,85,52,593</b>	<b>6,03,51,366</b>
Balance being excess of Income over Expenditure (A-B)		(2,61,70,183)	1,39,63,645
Transfer to Special Reserve		-	-
Transfer to/ from General Reserve		-	-
<b>Balance being Surplus(Deficit) carried to Corpus/Capital Fund</b>		<b>(2,61,70,183)</b>	<b>1,39,63,645</b>
Significant Accounting Policies	22	-	-
Contingent Liabilities and Notes on Accounts	23	-	-

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place : New Delhi  
Date : 27.06.2024

Sd/-  
Chairperson

Sd/-  
Member

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

**RECEIPT AND PAYMENT ACCOUNTS FOR THE PERIOD 1<sup>st</sup> APRIL 2023 TO 31<sup>st</sup> MARCH 2024**

(Amount in ₹)

Receipts	Current Period FY 2023-24		Previous Period 03.03.23 to 31.03.2023		Payments	Current Period FY 2023-24		Previous Period 03.03.23 to 31.03.2023	
<b>I. Opening Balances</b>									
(a) Cash in Hand	-				12,11,07,966		1,66,70,650.00		
(b) Bank Balances					23,62,33,846		2,53,75,548		
(i) In Current Accounts - Punjab National Bank	1,38,27,554	1,38,27,554				35,73,41,813		4,20,46,198	
(ii) In Deposit Accounts - Fixed Deposit - Savings Accounts	-	-			-	-		-	-
<b>II. Grants Received</b>									
(a) From Government of India	38,48,82,300		7,43,00,000		28,13,319		15,28,308		
(b) From State Government	-								
(c) From Other Sources	-	38,48,82,300		7,43,00,000		28,13,319		1,70,20,839	1,85,49,147
<b>III. Income on Investment From</b>									
(a) Earmarked/ Endowment Funds	-								
(b) Own Funds (Other Investments)	-								
<b>IV. Interest Received</b>									
(a) On Bank Deposits	16,51,144		16,51,144		3,25,00,000		3,25,00,000		
(b) Loans, advances etc.	-			1,07,888	-		-		-
<b>V. Other Income</b>									
(a) Fees Received	-								
(b) Sale of Scrap/ Assets	-								
<b>VI. Amount Borrowed</b>									
<b>VII. Any other receipts</b>									
a) Other Receipts	72,860								
b) Income Tax Refund	5,140		78,000,000		77,83,866		1,38,27,554		1,38,27,554
<b>Total</b>		<b>40,04,38,998</b>		<b>7,44,22,899</b>		<b>40,04,38,998</b>		<b>7,44,22,899</b>	

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place : New Delhi  
Date : 27.06.2024

Sd/-  
Chairperson

Sd/-  
Member

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

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31 MARCH 2024**

**SCHEDULE - 1**  
**FUND**

	(Amount in ₹)	
	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
Balance as at the beginning of the Period	1,39,63,645	-
Add: Contributions towards fund	-	-
Add/ (Deduct): Balance of net income/ (expenditure) transferred from the Income and Expenditure Account	(2,61,70,183)	1,39,63,645
<b>Balance as at the Period end</b>	<b>(1,22,06,538)</b>	<b>1,39,63,645</b>

**SCHEDULE - 2**  
**RESERVES AND SURPLUS**

	(Amount in ₹)	
	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
<b>1. Capital Reserve</b>		
As per last Account	1,188	-
Add: Nominal Value of fixed assets procured by Ministry	-	1,188
Less: Deductions during the Period	-	-
<b>2. Revaluation Reserve</b>		
As per last Account	-	-
Addition during the Period	-	-
Less: Deductions during the Period	-	-
<b>3. Special Reserves</b>		
As per last Account	-	-
Addition during the Period	-	-
Less: Deductions during the Period	-	-
<b>4. General Reserve</b>		
As per last Account	-	-
Addition during the Period	-	-
Less: Deductions during the Period	-	-
<b>Total</b>	<b>1,188</b>	<b>1,188</b>

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place : New Delhi  
Date : 27.06.2024

Sd/-  
Chairperson

Sd/-  
Member

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

(Amount in ₹)

				Total	Total
	Fund XX	Fund YY	Fund ZZ	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
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	-	-	-	-	-
<b>Total (a+b)</b>	-	-	-	-	-
c) Utilisation/ Expenditure towards objective of funds					
<b>i) Capital Expenditure</b>					
- Fixed Assets	-	-	-	-	-
- Others	-	-	-	-	-
Total	-	-	-	-	-
<b>ii) Revenue Expenditure</b>					
- Salaries, Wages and Allowances etc.	-	-	-	-	-
- Rent	-	-	-	-	-
- Other Administrative Expenses	-	-	-	-	-
Total	-	-	-	-	-
<b>Total (c)</b>	-	-	-	-	-
<b>Net balance as at the Period end (a+b-c)</b>	-	-	-	-	-

**SCHEDULE - 4**  
**SECURED LOANS AND BORROWINGS**

(Amount in ₹)

	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
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	-	
<b>Total</b>		
Note: Amounts due within one Period.		

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place : New Delhi  
Date : 27.06.2024

Sd/-  
Chairperson

Sd/-  
Member

**SCHEDULE - 5**  
**UNSECURED LOANS AND BORROWINGS**

(Amount in ₹)

	<b>Current Period FY 2023-24</b>	<b>Previous Period 03.03.23 to 31.03.2023</b>
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	-	-
<b>Total</b>	-	-
Note: Amounts due within one Period.	-	-

**SCHEDULE - 6**  
**DEFERRED CREDIT LIABILITIES**

(Amount in ₹)

	<b>Current Period FY 2023-24</b>	<b>Previous Period 03.03.23 to 31.03.2023</b>
1. Acceptances secured by hypothecation of capital equipment and other assets.	-	-
2. Others	-	-
<b>Total</b>	-	-
Note: Amounts due within one Period.	-	-

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place : New Delhi  
Date : 27.06.2024

Sd/-  
Chairperson

Sd/-  
Member

**SCHEDULE - 7****CURRENT LIABILITIES AND PROVISIONS****(Amount in ₹)**

	<b>Current Period FY 2023-24</b>		<b>Previous Period 03.03.23 to 31.03.2023</b>	
<b>A. Current Liabilities</b>				
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	55,93,446	55,93,446	1,37,43,469	1,37,43,469
6. Other Current Liabilities		2,98,49,771		16,81,300
<b>Total (A)</b>		<b>3,54,43,217</b>		<b>1,54,24,769</b>
<b>B. Provisions</b>				
1. For Taxation		-		4,700
2. Gratuity		5,70,972		-
3. Superannuation/ Pension		-		-
4. Accumulated Leave Encashment		26,98,059		-
5. Trade Warranties/ Claims		-		-
6. Others:				
a) For Salaries	19,79,570		15,78,781	
b) For Outsourced Staff	5,34,715		11,38,876	
c) For Professional Services	13,75,601		6,38,387	
d) For Office Expenses	41,08,982	79,98,868	6,88,027	40,44,071
<b>Total (B)</b>		<b>1,12,67,899</b>		<b>40,48,771</b>
<b>Total (A+B)</b>		<b>4,67,11,116</b>		<b>1,94,73,540</b>

**For NATIONAL FINANCIAL REPORTING AUTHORITY**Place : New Delhi  
Date : 27.06.2024Sd/-  
ChairpersonSd/-  
Member



**SCHEDULE - 8  
FIXED ASSETS**

(Amount in ₹)

Description	Gross Block			Depreciation			Net Block			
	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	As at the Previous 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	74,560	-	75,381	41	1,466	-	1,507	73,874	780
6. Office Equipments	2,45,770	1,64,841	-	4,10,611	18,432	55,609	-	74,041	3,36,570	2,27,338
7. Computers/Peripherals	10,47,134	12,41,813	-	22,88,947	2,09,427	4,13,174	-	6,22,601	16,66,346	8,37,707
8. Electrical Installations	-	-	-	-	-	-	-	-	-	-
9. Library Books	11,456	1,40,044	-	1,51,500	2,291	17,024	-	19,315	1,32,185	9,165
10. Tubewells & Water Supply	-	-	-	-	-	-	-	-	-	-
11. Other Fixed Assets	2,45,789	11,92,061	30,000	14,07,850	28,435	2,19,357	7,500	2,40,292	11,67,558	2,17,354
<b>Total of Current Period</b>	<b>15,50,970</b>	<b>28,13,319</b>	<b>30,000</b>	<b>43,34,289</b>	<b>2,58,626</b>	<b>7,06,630</b>	<b>7,500</b>	<b>9,57,756</b>	<b>33,76,533</b>	<b>12,92,344</b>
<b>Previous Period</b>	-	15,50,970	-	15,50,970	-	2,58,626	-	2,58,626	12,92,344	-
Capital Work in Progress										
<b>Total</b>	<b>15,50,970</b>	<b>28,13,319</b>	<b>30,000</b>	<b>43,34,289</b>	<b>2,58,626</b>	<b>7,06,630</b>	<b>7,500</b>	<b>9,57,756</b>	<b>2,15,03,420</b>	<b>1,94,19,231</b>

Note: Negative figures are denoted in brackets (-).

**For NATIONAL FINANCIAL REPORTING AUTHORITY**

Place : New Delhi  
Date : 27.06.2024

Sd/-  
Chairperson

Sd/-  
Member

**SCHEDULE - 9****INVESTMENTS FROM EARMARKED / ENDOWMENT FUNDS**

(Amount in ₹)

	<b>Current Period FY 2023-24</b>	<b>Previous Period 03.03.23 to 31.03.2023</b>
1. In Government Securities	-	-
2. Other Approved Securities	-	-
3. Shares	-	-
4. Debentures and Bonds	-	-
5. Subsidiaries and Joint Ventures	-	-
6. Others	-	-
<b>Total</b>	-	-

**SCHEDULE - 10****INVESTMENTS - OTHERS**

(Amount in ₹)

	<b>Current Period FY 2023-24</b>	<b>Previous Period 03.03.23 to 31.03.2023</b>
1. In Government Securities	-	-
2. Other Approved Securities	-	-
3. Shares	-	-
4. Debentures and Bonds	-	-
5. Subsidiaries and Joint Ventures	-	-
6. Others	-	-
<b>Total</b>	-	-

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place : New Delhi  
Date : 27.06.2024Sd/-  
ChairpersonSd/-  
Member

**SCHEDULE - 11**

**CURRENT ASSETS, LOANS, ADVANCES ETC.**

(Amount in ₹)

	Current Period FY 2023-24		Previous Period 03.03.23 to 31.03.2023	
<b>Current Assets, Loans, Advances etc.</b>				
<b>A. Current Assets</b>				
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	77,83,866	77,83,866	1,38,23,554	1,38,23,554
ii) In Deposit Accounts (incl. margin money)				
a) Fixed Deposits- PNB		-		-
iii) On Savings Accounts		-		-
4. Post Office - Savings Accounts		-		-
<b>Total (A)</b>		<b>77,83,866</b>		<b>1,38,23,554</b>
<b>B. Loans, Advances and Other Assets</b>				
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	34,13,896		21,813	
c) Others - Security Deposit	-		-	
- Vendors	6,15,598		-	
- Staff	6,36,254	46,65,748	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	1,85,279		12,481	
- Others	3,67,452	5,52,731	-	12,481
<b>Total (B)</b>		<b>52,18,479</b>		<b>1,95,588</b>
<b>Total (A+B)</b>		<b>1,30,02,345</b>		<b>1,40,19,142</b>

**For NATIONAL FINANCIAL REPORTING AUTHORITY**

Place : New Delhi  
Date : 27.06.2024

Sd/-  
Chairperson

Sd/-  
Member

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

(Irrevocable Grants & Subsidies Received)

(Amount in ₹)

	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
1. Central Government	35,23,82,300	7,43,00,000
2. State Government(s)	-	-
3. Government Agencies	-	-
4. Institutions / Welfare Bodies	-	-
5. International Organisations	-	-
6. Others	-	-
<b>Total</b>	<b>35,23,82,300</b>	<b>7,43,00,000</b>

**SCHEDULE - 13**  
**FEES / SUBSCRIPTIONS**

(Amount in ₹)

	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
1. Entrance Fees	-	-
2. Filing Fees	-	-
3. Seminar/ Program Fees	-	-
4. Consultancy Fees	-	-
5. Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**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 FY 2023-24	Previous Period 03.03.23 to 31.03.2023	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
1. Interest				
a) On Govt. Securities	-	-	-	-
b) Other Bonds/ Debentures	-	-	-	-
2. Dividends				
a) On Shares	-	-	-	-
b) On Mutual Fund Securities	-	-	-	-
3. Rents	-	-	-	-
4. Others	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transferred to Earmarked/Endowment Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place : New Delhi  
Date : 27.06.2024

Sd/-  
Chairperson

Sd/-  
Member

**SCHEDULE - 15**  
**INCOME FROM ROYALTY, PUBLICATION ETC.**

(Amount in ₹)

	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
1. Income from Royalty	-	-
2. Income from Publications	-	-
3. Others	-	-
<b>Total</b>	-	-

**SCHEDULE - 16**  
**INTEREST EARNED**

(Amount in ₹)

	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
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	-	-
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	-	-
<b>Total</b>	-	-

**SCHEDULE - 17**  
**OTHER INCOME**

(Amount in ₹)

	Current Period FY 2023-24	Previous Period 03.03.23 to 31.03.2023
1. Profit on Sale / Disposal of Assets:		
a) Owned Assets	-	-
b) Assets acquired out of grants, or received free of cost	-	-
2. RTI Fee	110	10
3. Miscellaneous Income (other receipts)	-	15,001
<b>Total</b>	<b>110</b>	<b>15,011</b>

For NATIONAL FINANCIAL REPORTING AUTHORITY

Place : New Delhi  
Date : 27.06.2024

Sd/-  
Chairperson

Sd/-  
Member

**SCHEDULE - 18****ESTABLISHMENT EXPENSES****(Amount in ₹)**

	<b>Current Period FY 2023-24</b>	<b>Previous Period 03.03.23 to 31.03.2023</b>
1. Salaries & Wages	8,99,83,878	1,41,09,926
2. Allowances and Bonus	1,18,14,454	1,00,46,449
3. Contribution to Provident Fund/ New Pension Scheme	78,77,721	11,47,854
4. Contribution to Other Funds	-	-
5. Staff Welfare Expenses	9,47,721	1,06,163
6. Expenses on Employees' Retirement and Terminal Benefits		
a) Gratuity	5,70,972	4,57,732
a) LS & PC	1,19,29,932	-
7. Others - Domiciliary/ Medical	25,21,943	17,52,622
<b>Total</b>	<b>12,56,46,621</b>	<b>2,76,20,746</b>

**SCHEDULE - 19****OTHER ADMINISTRATIVE EXPENSES****(Amount in ₹)**

	<b>Current Period FY 2023-24</b>	<b>Previous Period 03.03.23 to 31.03.2023</b>
1. Purchases	-	-
2. Labour & Processing Expenses	-	-
3. Cartage and Carriage inwards	-	-
4. Electricity, Power and Water Charges	22,49,665	4,40,032
5. Water charges	-	-
6. Insurance	-	-
7. Repair & Maintenance/ AMC	10,32,998	2,24,069
8. Rent of Building (Office Premises)		
a) Rent of premises	6,80,30,016	56,69,168
b) Maintenance of premises	12,53,30,751	1,58,06,155
9. Rent, Rates & Taxes	-	-
10. Vehicles running, maintenance or hiring charges	12,45,140	8,58,977
11. Postage, Telephone & Communication charges	23,64,267	15,97,035
12. Printing & Stationery	10,26,761	2,52,505
13. Travelling and conveyance expenses	-	-
a) Foreign	27,91,732	-
b) Domestic	23,15,677	11,75,514
14. Subscription expenses	-	-
15. Staff welfare Expenses	-	-
16. Auditors Remuneration/ Legal fee	5,72,895	57,500
17. Hospitality Expenses	5,30,817	3,27,075
18. Professional Charges	1,71,72,067	13,56,837
19. Provision for Bad and Doubtful Debts/ Advances	-	-
20. Irrecoverable Balances Written Off/ Net Loss on Sale of Assets	-	-
21. Packing Charges	-	-
22. Freight and Forwarding Expenses	-	-
23. Expenses on Seminar & workshop	1,06,71,720	1,31,678
24. Advertisement and Publicity	8,05,576	-
25. Others	-	-
a) Membership Fees	8,08,494	-
b) Bank Charges	393	-
c) Depreciation	7,06,630	2,58,626
d) Publications	75,840	51,470
e) Outsourcing of Security/ Other Services	1,38,65,986	37,67,355
f) Modernisation & Computer networking	4,06,941	2,02,749
g) Periodicals & Newspapers	7,00,876	4,25,059
h) Miscellaneous Expenses	1,98,014	1,24,116
i) Income Tax Expense	2,716	4,700
<b>Total</b>	<b>25,29,05,972</b>	<b>3,27,30,620</b>

**For NATIONAL FINANCIAL REPORTING AUTHORITY****Place : New Delhi****Date : 27.06.2024****Sd/-  
Chairperson****Sd/-  
Member**

**SCHEDULE - 20****EXPENDITURE ON GRANTS, SUBSIDIES ETC.****(Amount in ₹)**

	<b>Current Period FY 2023-24</b>	<b>Previous Period 03.03.23 to 31.03.2023</b>
1. Grants given to Institutions/ Organisations	-	-
2. Subsidies given to Institutions/ Organisations	-	-
<b>Total</b>	-	-

**SCHEDULE - 21****INTEREST****(Amount in ₹)**

	<b>Current Period FY 2023-24</b>	<b>Previous Period 03.03.23 to 31.03.2023</b>
1. On Fixed Loans	-	-
2. On Other Loans (including Bank charges)	-	-
3. Others	-	-
<b>Total</b>	-	-

**For NATIONAL FINANCIAL REPORTING AUTHORITY**Place : New Delhi  
Date : 27.06.2024Sd/-  
ChairpersonSd/-  
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. FIXED ASSETS**

2.1 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.

2.2 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.

2.3 The fixed assets consisting laptop, notebook, tablet, ultrabook, notebook and mobile handsets (all including accessories) given to the employees as reimbursement for official purpose are classified as 'Other fixed assets' (in Schedule 8). In case, the officer leaves service or NFRA before completion of four years of procurement of such reimbursed asset, the officer needs to carry the equipment being used by him at a buyback value which shall be value of the device as on the date of leaving/ superannuation. This accounting policy has been adopted by NFRA taking life of asset as 4 years based on the terms and conditions of reimbursement of assets.

Useful life of the assets is taken as below:

<b>Nature of the Assets</b>	<b>Useful Life of the assets</b>
Furniture & Fixtures	10
Office Equipments	5
Computers/Peripherals	3
Library Books	3
Other Fixed Assets	4

#### **3. DEPRECIATION**

3.1 Depreciation is provided as per useful life of the assets and the useful life of the assets had been taken from Schedule-II of the Companies Act, 2013 except for other fixed assets as mentioned in Policy number 2.3 of significant accounting policy on which depreciation is charged at the rate of 25% per year on the straight line method without residual/salvage value.



- 3.2 In respect of additions/ deductions to fixed assets during the period, depreciation is charged on the proportionate basis of days used/hold in a year.
- 3.3 Assets valuing below Rs 5,000/- are fully depreciated in that period except for library books.

#### **4. GOVERNMENT GRANTS/ SUBSIDIES**

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

#### **5. REVENUE RECOGNITION**

- 5.1 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.
- 5.2 Funds in hand at the time of becoming grantee organization is recognised as revenue.
- 5.3 The interest earned from bank is to be remitted to Ministry as per sub rule 9 of Rule 230 of General Financial Rules, 2017. The policy of treating interest received from bank as revenue and expenditure has been changed from this year. Accordingly the previous year figures are also regrouped. The interest earned on grant amount is recognized as the liability of Interest payable to the Ministry. Further, interest accrued as on ast day of the previous year is reversed by the bank in the current financial year since Autosweep FDR gets pre matured and such reversal interest amount is reversed/adjusted from the liability of interest payable to the ministry as the same was paid in excess last year.

#### **6. FOREIGN CURRENCY TRANSACTIONS**

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

#### **7. RETIREMENT BENEFITS**

- 7.1 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.

7.2 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.

## **8. LEASE**

8.1 Lease rentals are expensed with reference to lease terms and booked under the head 'Rent of Building' in Schedule-19:Other Administration Expenses.

**For NATIONAL FINANCIAL REPORTING AUTHORITY**

Place : New Delhi  
Date : 27.06.2024

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 (previous year NIL)
- Letters of Credit opened by bank on behalf of the NFRA are NIL (previous year NIL)
- Bill discounted with banks are NIL (previous year NIL)
- There are no disputed demands.

#### **2. CAPITAL COMMITMENTS**

2.1 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 (NICSI) under Ministry of Electronics and Information Technology of the Government of India. The NCAS project commenced in Oct 2019 with the estimated project cost of ₹ 8,99,36,604/- and tentative duration of 5 years. As per the existing status of the project the estimated cost of the project has been arrived at ₹ 5,92,11,608/- out of which ₹ 5,77,11,608/- has been incurred on the project upto 31.03.2024. Estimated value of contract remaining to be executed on capital account and not provided for (net of advances) is ₹ 15,00,000/- approximately. (Previous year ₹ 15,00,000/-)

#### **3. GRANTEE STATUS TO NFRA**

- 3.1 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.
- 3.2 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.
- 3.3 The figures presented for the previous year in the financial statements pertain to a period from 03.03.2023 to 31.03.2023 only as the accounts in the present format were prepared for the period from 03.03.2023 to 31.03.2023 in the FY 2022-23.

#### **4. CAPITAL WORK IN PROGRESS**

4.1 Upto the FY 2021-22, Ministry of Corporate Affairs (MCA) had remitted total amount of ₹ 3,95,84,722/- towards the NCAS project and the same has been booked under the head 347500105069913 {IT Office Expenses of NFRA (ITOE)(Object Head)} under the Finance Account of the Union Government for the year 2021-22. After NFRA attaining the grantee status

and switching to preparation of books of accounts in Uniform Format of Accounts for Autonomous Bodies, the said amount is booked at a nominal value of Re 1 in the Schedule 8 Fixed Asset in the FY 2022-23. Further, during the FY 2022-23, NFRA has released ₹1,81,26,886/- to NICSII from Grants in Aid General and booked capital work in progress (Schedule 8- Fixed Assets) in FY 2022-23. In the Fy 2023-24 no payment had been made on the said project, the total capital work in progress as on 31 March 2024 is same as the opening balance amounting to ₹ 1,81,26,887/-. The capital commitments on the project are mentioned at point 2 of schedule 23.

## 5. CURRENT ASSETS

5.1 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.

## 6. TAXATION

6.1 The income tax liability is not created for the interest earned on autosweep from bank since it is not the income of NFRA and it has to be transferred to the Ministry vide sub rule 9 of Rule 230 of General Financial Rules, 2017.

## 7. REVENUE RECOGNITION

7.1 Interest earned during the period under consideration on grants - in- aid amounting to ₹18,36,423/- is recognised as Interest payable to the Ministry (Point 6 other current liabilities, schedule 7) as per sub rule 9 of Rule 230 of General Financial Rules, 2017.

## 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, following transactions were denominated in or required settlement in a foreign currency.

Nature of expenses	Amount (In foreign currency)	
	Current Year	Previous Year
Value of imports	NIL	NIL
Expenditure incurred in Foreign Currency		
-Travel	Euro€ 2700	NIL
	US\$ 5200	
	Jap¥ 935840	
-Others:		
Membership (IFIAR)	Jap¥ 4924078	NIL
Subscription (eIFRS)	GB£ 231	GB£ 220.5
Certification courses (IFR)	GB £ 2330	NIL

## **9. RETIREMENT BENEFITS**

9.1 The provisioning for employee benefits such as leave encashment and gratuity contribution has been done based on the principal actuarial assumptions on discount rate, mortality rate, attrition rate, salary escalation rate and certain economic assumptions taken by the actuarial.

## **10. STATUTORY LIABILITIES**

10.1 The amount deducted by NFRA from employees and vendors towards TDS, GST-TDS, NPS, GPF, and GIS etc during the month of March 24 is shown under Statutory Liabilities others in Schedule 7. After 31.03.2024, the same were remitted to the concerned authorities.

11. Corresponding figures for the previous year have been regrouped/ rearranged wherever necessary.

12. Schedules 1 to 23 are annexed to and form an integral part of the Balance Sheet as at 31 March 2024 and the Income and Expenditure Account for the period ended on that date.

## COMPLIANCE TO AUDIT OBSERVATIONS

### Reply to Separate Audit Report of the Comptroller General of India on the Accounts of National Financial Reporting Authority for the year ended 31st March 2024

Audit observation	Reply to Audit observation
<p>A. Balance Sheet as on 31 March 2024 Fixed Assets (Schedule-8): ₹ 2,15,03,420</p> <p>NFRA received Grants-in-Aid General amounting to ₹ 23,00,00,000 during the year 2023-24. As per sanction orders of the Government, the Grants-in-Aid General was to be utilised for meeting the recurring general expenditure on domestic and foreign travel expenses, rent and rates, payments to professional services, etc. However, NFRA utilised an amount of ₹28,13,319 out of the above grants towards purchase of fixed assets which have been capitalised in the accounts and depreciation thereon amounting to ₹7,06,630 has been provided during the year. Grants-in-aid General should have been capitalised to the extent of ₹28,13,319 in line with the provisions of Accounting Standard- 12.</p> <p>The accounting treatment of Grants-in-Aid General is, thus, incorrect to that extent, which needs rectification.</p>	<p>As advised by the CAG and MCA, Government of India, NFRA has been, after getting the grantee status from 1st March 2023, following the Uniform Format of Accounts for Central Autonomous Bodies, in accordance with which NFRA classifies any expenditure on capital items exceeding Rs. 5,000 as capital expenditure. For the FY 2023-24, NFRA has booked as capital expenditure an amount of ₹28,13,319 spent on purchase of fixed assets (furniture, fixtures, computers and peripherals etc.), and also booked depreciation thereon amounting to ₹7,06,630.</p> <p>NFRA has already explained to Audit that the grants received by it from Government are not for specified fixed assets but are in the nature of omnibus Grant-in-Aid General from which NFRA incurs expenditure on revenue (salary, office expenses etc.) and capital items (like furniture, fixtures, computers and peripherals etc). The expenditure is booked as per the Uniform Format of Accounts for Central Autonomous Bodies, which requires expenditure on capital items exceeding Rs 5,000 to be booked as capital expenditure. This is a more conservative approach as it specifies a very low monetary ceiling of Rs. 5,000 for capital items. As the provisions of AS-12 apply to Grants for Specific Fixed Assets, which is not the case in NFRA currently, NFRA has adopted the more conservative approach in line with the Uniform Format. However, NFRA will engage with the Audit further to work out if its current accounting policy requires further fine tuning or any changes in the accounting format.</p>





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