



राष्ट्रीय वित्तीय रिपोर्टिंग प्राधिकरण
NATIONAL FINANCIAL REPORTING AUTHORITY

ANNUAL ACCOUNTS
2024-25



National Financial Reporting Authority

ANNUAL ACCOUNTS 2024-25

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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.

NFRA receives Grant-in-Aid under two object heads, Grant-in-Aid Salaries and Grant-in-Aid General. During the financial year 2024-25, the NFRA had received a total grant of ₹ 44.00 crores. The expenditure incurred by NFRA during the financial year 2024-25 was ₹ 44.00 crores. Out of this total expenditure, ₹ 15.50 crore was incurred from the Grants-in-Aid Salaries and ₹ 28.50 crore from Grants-in-Aid General.

The accounts for the financial year 2024-25 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 2024-25 and forwarded the Audit Report vide letter no. SMG-I/8/(5)/NFRA/वार्षिक खाते (2024-25)/(2025-26) date 14.11.2025

Accordingly, this report presents the accounts of the NFRA for the financial year 2024-25 with the comparative figures for the financial year 2023-24, 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.

Opinion of the Comptroller and Auditor General of India on the Accounts of National Financial Reporting Authority for the year ended 31 March 2025

Opinion

We have audited the financial statements of National Financial Reporting Authority which comprise the Balance Sheet as at 31 March 2025, the Income and Expenditure Account and Receipt and Payment Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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.

This 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, disclosure norms, etc. Audit observations on financial transactions regarding compliance with the Law, Rules and Regulations (Propriety and Regularity) and efficiency cum performance aspects, etc, if any, are reported through inspection reports/CAG's audit reports separately.

In our opinion the accompanying financial statements of National Financial Reporting Authority, read together with the accounting policies and Notes thereon and matters mentioned in the Separate Audit Report, which follows, **give a true and fair view** of the financial position of the autonomous body as at March 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with the Uniform Format of Accounts prescribed by the Ministry of Finance.

Basis for Opinion

We conducted our audit in accordance with the CAG's auditing regulations/standards/manuals/guidelines/guidance-notes/orders/circulars etc. Our responsibilities are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the autonomous body in accordance with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the financial statements

National Financial Reporting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with Uniform Format of Accounts prescribed by the Ministry of Finance, and for internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion in accordance with CAG's auditing regulations/standards/manuals/guidelines/guidance-notes/orders/circulars etc.

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

**Sd/-
(Dr. Pawan Kumar Konda)
OSD
(Industry and Corporate Affairs)
New Delhi**

Place: New Delhi

Date: 14 Nov., 2025

Separate Audit Report on the Accounts of National Financial Reporting Authority for the year ended 31 March 2025

A. Balance Sheet

A.1 Corpus/Capital Fund and Liabilities

Corpus/Capital Fund (Schedule-I): (-) ₹ 27,40,122

National Financial Reporting Authority (NFRA) receives 'Grants-in-Aid-Salaries' and 'Grants-in-Aid-General' from Ministry of Corporate Affairs (MCA) to meet all its expenditure. In this regard, reference is invited to Para 15 of Accounting Standard - 12 (Accounting for Government Grants), which, *inter-slia*, provides that, Government grants related to revenue should be recognised on a systematic basis in the profit and loss statement over the periods necessary to match them with the related costs which they are intended to compensate.

NFRA, however, recognised the entire grant of ₹ 44.00 crore as Income against the Expenses of ₹ 42.67 crore¹ incurred during FY 2024-25.

The accounting treatment of recognising the entire amount of grants as Income without matching it with related expenditure was, thus, not in line with the requirements of aforesaid provisions of AS-12, which needs rectification.

A.2 Assets

A.2.1 Fixed Assets (Schedule-8): ₹ 2,28,62,745

NFRA received Grant-in-Aid - General amounting to ₹ 57.26 crore (₹ 5.76 crore in 2022-23, ₹ 23.00 crore in 2023-24 and ₹ 28.50 crore in 2024-25) since it became a grantee institution on 3 March 2023. 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 ₹ 2.77 crore out of the above grants towards purchase of Fixed Assets (including Intangible Assets) which have been capitalised in the accounts and accumulated depreciation thereon amounting to ₹ 0.48 crore was provided till 31 March 2025. Grants-in-aid General should have been capitalised to the extent of ₹ 2.77 crore in line with the provisions of Accounting Standard- 12.

The accounting treatment of Grants-in-Aid General was, thus, not appropriate to that extent, which needs rectification.

Despite raising the issue in the Separate Audit Report for the previous year i.e. 2023-24, no corrective action was taken by NFRA.

B. Management Letter

Deficiencies which 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/corrective action.

¹Excluding depreciation amounting to ₹ 38.46 lakh

C. Assessment of Internal Controls

a. Adequacy of Internal Control System:

The Internal control system was found to be adequate.

b. 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 2024-25.

c. System of Physical verification of fixed assets:

All the fixed assets as shown in the financial statements as on 31 March 2025 were physically verified.

d. System of Physical verification of inventory:

There was no inventory in the books of NFRA as on 31 March 2025.

e. Regularity in payment of statutory dues:

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

D. Grants-in-aid

There was no opening balance of the Government Grants in NFRA as on 1 April 2024. During the year 2024-25, NFRA received Grants of ₹ 44,00,00,000 (General: ₹ 28,50,00,000 and Salary: ₹ 15,50,00,000) which was fully utilised.

NFRA earned interest amounting to ₹ 16,44,292 on the Grants-in-Aid during the year 2024-25. The same was remitted (3 July 2025) to the Ministry.

NATIONAL FINANCIAL REPORTING AUTHORITY

Ministry of Corporate Affairs, Govt. of India, New Delhi

BALANCE SHEET AS ON 31 MARCH 2025

(Amount in ₹)

Corpus/Capital Fund and Liabilities	Schedule	Current Period FY 2024-25	Previous Period FY 2023-24
Corpus/Capital Fund	1	(27,40,122)	(1,22,06,538)
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	3,82,55,466	4,67,11,116
Total		3,55,16,532	3,45,05,765
Assets	Schedule	Current Period FY 2024-25	Previous Period FY 2023-24
Fixed Assets	8	2,28,62,745	2,15,03,420
Investments-From Earmarked/Endowment Funds	9	-	-
Investments- Others	10	-	-
Current Assets, Loans and Advances	11	1,26,53,787	1,30,02,345
Miscellaneous Expenditure (to the extent not written off or adjusted)		-	-
Total		3,55,16,532	3,45,05,765
Significant Accounting Policies	24		
Contingent Liabilities and Notes on Accounts	25		

For National Financial Reporting Authority

Sd/-
Chairperson

Sd/-
Member

Place: New Delhi

Date : 07/08/2025

NATIONAL FINANCIAL REPORTING AUTHORITY

Ministry of Corporate Affairs, Govt. of India, New Delhi

INCOME AND EXPENDITURE ACCOUNTS FOR THE PERIOD 1st APRIL 2024 TO 31st MARCH 2025

(Amount in ₹)

Income	Schedule	Current Period FY 2024-25	Previous Period FY 2023-24
Income from Sales/Services	12	-	-
Grants	13	44,00,00,000	35,23,82,300
Fees/ Subscriptions	14	-	-
Income from Investments (Income on investment, from earmarked/ endowment funds transferred to fund).	15	-	-
Income from Royalty, Publications, etc.	16	-	-
Interest Earned	17	-	-
Other Income	18	-	-
Increase/(decrease) in stock of Finished goods and works-in-progress	19	-	-
Total (A)		44,00,00,000	35,23,82,300
Expenditure	Schedule	Current Period FY 2024-25	Previous Period FY 2023-24
Establishment Expenses	20	15,59,97,945	12,56,46,621
Other Administrative Expenses, etc	21	27,03,58,313	25,21,99,342
Expenditure on Grants, Subsidies, etc.	22	-	-
Interest	23	-	-
Depreciation (Net total at the year end - corresponding to Schedule 8)		38,36,046	7,06,630
Total (B)		43,01,92,304	37,85,52,593
Balance being excess of Income over Expenditure (A-B)		98,07,696	(2,61,70,293)
Add/(Less) : Prior Period Adjustment (Refer Schedule 25, Note 5)		(3,41,280)	110
Balance being excess of Income over Expenditure after prior period items		94,66,416	(2,61,70,183)
Transfer to Special Reserve		-	-
Transfer to/ from General Reserve		-	-
Balance being Surplus(Deficit) carried to Corpus/ Capital Fund		94,66,416	(2,61,70,183)
Significant Accounting Policies	24	-	-
Contingent Liabilities and Notes on Accounts	25	-	-

For National Financial Reporting Authority

Sd/-
Chairperson

Sd/-
Member

Place: New Delhi

Date : 07/08/2025

NATIONAL FINANCIAL REPORTING AUTHORITY

Ministry of Corporate Affairs, Govt. of India, New Delhi

RECEIPT AND PAYMENT ACCOUNTS FOR THE PERIOD 1st APRIL 2024 TO 31st MARCH 2025

(Amount in ₹)

Receipts	Current Period FY 2024-25	Previous Period FY 2023-24	Payments	Current Period FY 2024-25	Previous Period FY 2023-24
I. Opening Balances			I. Expenses		
(a) Cash in Hand	-		(a) Establishment Expenses	15,19,57,526	12,11,07,966
(b) Bank Balances			(Corresponding to Sch. 20)		
(i) In Current Accounts			(b) Administrative Expenses	28,29,61,467	23,62,33,846
- Punjab National Bank	77,83,866	1,38,27,554	(Corresponding to Sch.21)	43,49,18,992	35,73,41,813
(ii) In Deposit Accounts	-		II. Payment made against		
- Fixed Deposit	-		funds for various projects	-	
(iii) Savings Accounts	-	-	III. Investments and Deposits made		
			(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	44,00,00,000	38,48,82,300	(a) Purchase of Fixed Assets	51,70,336	28,13,319
(b) From State Government	-		(b) Expenditure on Capital Work-in-progress	-	51,70,336
(c) From Other Sources	-	44,00,00,000	V. Refund of surplus money/ loans	-	28,13,319
III. Income on Investment From			(a) To the Government of India	-	3,25,00,000
(a) Earmarked/ Endowment Funds	-		(b) To the State Government	-	
(b) Own Funds (Other Investments)	-	-	(c) To other providers of funds	-	3,25,00,000
IV. Interest Received			VI. Finance Charges (Interest)	-	-
(a) On Bank Deposits	14,77,461	16,51,144		-	-
(b) Loans, advances etc.		14,77,461	VII. Other Payments		
		16,51,144	Security Deposit	-	-
V. Other Income			Interest and other paid to Ministry	18,86,748	18,86,748
(a) Fees Received	-			-	-
(b) Sale of Scrap/Assets	6,563	6,563	VIII. Closing Balances		
		-	(a) Cash in Hand	-	-
			(b) Bank Balances:		
VI. Amount Borrowed	-				
VII. Any other receipts					
(a) Other Receipts	4,45,613	72,860	(i) In Current Accounts		77,83,866
(b) Income Tax Refund	1,85,279	5,140	- Punjab National Bank	79,22,706	
		78,000	(ii) In Deposit Accounts		
			- Fixed Deposit	-	
			(iii) Savings Accounts	-	77,83,866
Total	44,98,98,782	40,04,38,998	Total	44,98,98,782	40,04,38,998

For National Financial Reporting Authority

Place: New Delhi
Date : 07/08/2025

Sd/-
Chairperson
Member

NATIONAL FINANCIAL REPORTING AUTHORITY

Ministry of Corporate Affairs, Govt. of India, New Delhi

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31 MARCH 2025

SCHEDULE - 1

CORPUS/CAPITAL FUND

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
Balance as at the beginning of the Period	(1,22,06,538)	1,39,63,645
Add: Contributions towards fund	-	-
Add/ (Deduct): Balance of net income/ (expenditure)	94,66,416	(2,61,70,183)
transferred from the Income and Expenditure Account		
Balance as at the Period end	(27,40,122)	(1,22,06,538)

SCHEDULE - 2

RESERVES AND SURPLUS

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
1. Capital Reserve		
As per last Account	1,188	1,188
Add: Nominal Value of fixed assets procured by Ministry	-	-
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	1,188

For National Financial Reporting Authority

Sd/-
Chairperson

Sd/-
Member

SCHEDULE - 3
EARMARKED / ENDOWMENT FUNDS

(Amount in ₹)

	Fund XX	Fund YY	Fund ZZ	Total	
				Current Period FY 2024-25	Previous Period FY 2023-24
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)	-	-	-	-	-

SCHEDULE - 4
SECURED LOANS AND BORROWINGS

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
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.		

For National Financial Reporting Authority

 Sd/-
Chairperson

 Sd/-
Member

SCHEDULE - 5**UNSECURED LOANS AND BORROWINGS**

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
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.	-	-

SCHEDULE - 6**DEFERRED CREDIT LIABILITIES**

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
1. Acceptances secured by hypothecation of capital equipment and other assets.	-	-
2. Others	-	-
Total	-	-
Note: Amounts due within one Period.	-	-

For National Financial Reporting Authority**Sd/-
Chairperson****Sd/-
Member**

SCHEDULE - 7
CURRENT LIABILITIES AND PROVISIONS

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24		
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	55,07,139	55,07,139	55,93,446	55,93,446
6. Other Current Liabilities		2,17,93,342		2,98,49,771
Total (A)		2,73,00,481		3,54,43,217
B. Provisions				
1. For Taxation			-	-
2. Gratuity		10,09,081		5,70,972
3. Superannuation/ Pension			-	-
4. Accumulated Leave Encashment		38,28,283		26,98,059
5. Trade Warranties/ Claims			-	-
6. Others:				
a) For Salaries	16,05,676		19,79,570	
b) For Outsourced Staff	6,21,082		5,34,715	
c) For Professional Services	14,73,080		13,75,601	
d) For Office Expenses	24,17,783	61,17,621	41,08,982	79,98,868
Total (B)		1,09,54,985		1,12,67,899
Total (A+B)		3,82,55,466		4,67,11,116

For National Financial Reporting Authority

 Sd/-
Chairperson

 Sd/-
Member

SCHEDULE - 8
FIXED ASSETS

FIXED ASSETS							(Amount in ₹)		
Receipts	Cost as at beginning of the Period	Additions during the Period	Gross Block	Cost at the Period end	As at the beginning of the Period	Depreciation & Amortization	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	75,381	1,11,540	1,86,921	1,507	13,427	(1,815)	16,749	1,70,172	73,874
6. Office Equipments	4,10,611	1,17,602	5,28,213	74,041	90,670	(8,605)	1,73,316	3,54,897	3,36,570
7. Computers/Peripherals	22,79,947	26,33,550	-	49,13,497	6,22,523	13,75,615	-	19,98,138	29,15,359
8. Electrical Installations	-	-	-	-	-	-	-	-	16,57,424
9. Library Books	1,51,500	23,446	-	1,74,946	19,315	48,750	-	68,065	1,06,881
10. Tubewells & Water Supply	-	-	-	-	-	-	-	-	1,32,185
11. Other Fixed Assets	14,16,850	8,26,198	9,000	22,34,048	2,40,370	4,37,921	2,455	6,75,836	15,58,212
12. Intangible Assets (Software)	-	1,96,26,887	-	1,96,26,887	-	18,69,663	-	18,69,663	1,77,57,224
Total of Current Period	43,34,289	2,33,39,223	9,000	2,76,64,512	9,57,756	38,36,046	(7,965)	48,01,767	2,28,62,745
Previous Period	15,50,970	28,13,319	30,000	43,34,289	2,58,626	7,06,630	7,500	9,57,756	33,76,533
Capital Work in Progress (Refer Sch 25, Note 3)	1,81,26,887	15,00,000	1,96,26,887	-	-	-	-	-	1,81,26,887
Total	43,34,289	2,33,39,223	9,000	2,76,64,512	9,57,756	38,36,046	(7,965)	48,01,767	2,28,62,745
									2,15,03,420

Note: Negative figures are denoted in brackets ().

For National Financial Reporting Authority

Sd/-
Chairperson
Member

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

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
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 FY 2024-25	Previous Period FY 2023-24
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**Sd/-
Chairperson****Sd/-
Member**

SCHEDULE - 11
CURRENT ASSETS, LOANS, ADVANCES ETC.

(Amount in ₹)

		Current Period FY 2024-25		Previous Period FY 2023-24
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	79,22,706	79,22,706	77,83,866	77,83,866
ii) In Deposit Accounts (incl. margin money)				
a) Fixed Deposits- PNB			-	
iii) On Savings Accounts			-	-
4. Post Office - Savings Accounts			-	-
Total (A)		79,22,706		77,83,866
B. Loans, Advances and Other Assets				
1. Loans to :				
a) Staff				
b) Other Entities engaged in activities/objectives similar to that of the Entity		-		-
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	36,00,174		34,13,896	
c) Others - Security Deposit		-		-
- Vendors	9,37,000		6,15,598	
- Staff		-	45,37,174	6,36,254
3. Income Accrued				46,65,748
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	1,66,831		1,85,279	
- Others		-	1,66,831	3,67,452
5. Other Asset				5,52,731
a) Unamortised Expenses	27,076	27,076	-	
Total (B)		47,31,081		52,18,479
Total (A+B)		1,26,53,787		1,30,02,345

For National Financial Reporting Authority

 Sd/-
Chairperson

 Sd/-
Member

SCHEDULE - 12**INCOME FROM SALES/SERVICES**

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
1. Income from Sales	-	-
a) Sale of Finished Goods	-	-
b) Sale of Raw Material	-	-
c) Sale of Scraps	-	-
2. Income from Services	-	-
a) Labour and Processing Charges	-	-
b) Professional/Consultancy Services	-	-
c) Agency Commission or Brokerage	-	-
d) Maintenance Services (Equipment/Property)	-	-
e) Others (Specify)	-	-
Total	-	-

SCHEDULE - 13**GRANTS / SUBSIDIES (Irrevocable Grants & Subsidies Received)**

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
1. Central Government	44,00,00,000	35,23,82,300
2. State Government(s)	-	-
3. Government Agencies	-	-
4. Institutions / Welfare Bodies	-	-
5. International Organisations	-	-
6. Others	-	-
Total	44,00,00,000	35,23,82,300

SCHEDULE - 14**FEES / SUBSCRIPTIONS**

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
1. Entrance Fees	-	-
2. Filing Fees	-	-
3. Seminar/ Program Fees	-	-
4. Consultancy Fees	-	-
5. Others	-	-
Total	-	-

For National Financial Reporting Authority**Sd/-
Chairperson****Sd/-
Member**

SCHEDULE - 15**INCOME FROM INVESTMENTS**

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

(Amount in ₹)

	Investment from Earmarked Funds		Investment - Others	
	Current Period FY 2024-25	Previous Period FY 2023-24	Current Period FY 2024-25	Previous Period FY 2023-24
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 - 16**INCOME FROM ROYALTY, PUBLICATION ETC.**

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
1. Income from Royalty	-	-
2. Income from Publications	-	-
3. Others	-	-
Total	-	-

SCHEDULE - 17**INTEREST EARNED**

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
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	-	-
Total	-	-

For National Financial Reporting Authority

Sd/-
Chairperson

Sd/-
Member

SCHEDULE - 18
OTHER INCOME

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
1. Profit on Sale / Disposal of Assets:		
a) Owned Assets	-	-
b) Assets acquired out of grants, or received free of cost	-	-
2. RTI Fee	-	-
3. Miscellaneous Income (other receipts)	-	-
Total	-	-

SCHEDULE - 19

INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS AND WORKS-IN-PROGRESS

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
a) Closing Stock		
Finished Goods	-	-
Work in Progress	-	-
Less : Opening Stock		
Finished Goods	-	-
Work in Progress	-	-
Total	-	-

SCHEDULE - 20

ESTABLISHMENT EXPENSES

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
1. Salaries & Wages	11,82,13,370	8,99,83,878
2. Allowances and Bonus	1,51,14,020	1,18,14,454
3. Contribution to Provident Fund/New Pension Scheme	1,00,94,686	78,77,721
4. Contribution to Other Funds	-	-
5. Staff Welfare Expenses	2,19,444	9,47,721
6. Expenses on Employees' Retirement and Terminal Benefits		
a) Gratuity	4,38,109	5,70,972
b) LS & PC	85,25,433	1,19,29,932
7. Others - Domiciliary/ Medical	33,28,383	25,04,943
- Rewards	64,500	17,000
Total	15,59,97,945	12,56,46,621

For National Financial Reporting Authority

Sd/-
Chairperson

Sd/-
Member

SCHEDULE - 21
OTHER ADMINISTRATIVE EXPENSES

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
1. Purchases		-
2. Labour & Processing Expenses		-
3. Cartage and Carriage inwards		-
4. Electricity and Power	16,00,985	16,00,036
5. Water charges	6,10,681	6,49,629
6. Insurance		-
7. Repair & Maintenance/ AMC	14,62,476	10,32,998
8. Rent of Building (Office Premises)		
a) Rent of premises	6,80,30,017	6,80,30,016
b) Maintenance of premises	11,96,42,664	12,53,30,751
9. Rent, Rates & Taxes		-
10. Vehicles running, maintenance or hiring charges	17,23,331	12,45,140
11. Postage, Telephone & Communication charges	17,65,861	23,64,267
12. Printing & Stationery	11,30,910	10,26,761
13. Travelling and conveyance expenses		-
a) Foreign	43,56,938	27,91,732
b) Domestic	47,78,581	23,15,677
14. Subscription expenses		-
15. Staff welfare Expenses		-
16. Auditors Remuneration/ Legal fee	4,25,930	5,72,895
17. Hospitality Expenses	5,71,416	5,30,817
18. Professional Charges	4,06,69,444	1,71,72,067
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	8,78,532	1,06,71,720
24. Advertisement and Publicity	4,00,961	8,05,576
25. Others		-
a) Membership Fees	21,34,224	8,08,494
b) Bank Charges	4,957	393
c) Publications	1,05,501	75,840
d) Outsourcing of Security/ Other Services	1,42,89,186	1,38,65,986
e) Modernisation & Computer networking	42,48,396	4,06,941
f) Periodicals & Newspapers	12,79,136	7,00,876
g) Miscellaneous Expenses	2,48,186	1,98,014
h) Income Tax Expense		2,716
Total	27,03,58,313	25,21,99,342

For National Financial Reporting Authority

 Sd/-
Chairperson

 Sd/-
Member

SCHEDULE - 22**EXPENDITURE ON GRANTS, SUBSIDIES ETC.**

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
1. Grants given to Institutions/ Organisations	-	-
2. Subsidies given to Institutions/ Organisations	-	-
Total	-	-

SCHEDULE - 23**INTEREST**

(Amount in ₹)

	Current Period FY 2024-25	Previous Period FY 2023-24
1. On Fixed Loans	-	-
2. On Other Loans (including Bank charges)	-	-
3. Others	-	-
Total	-	-

For National Financial Reporting Authority

Sd/-
Chairperson

Sd/-
Member

SCHEDULE - 24

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

1.1 The financial statements are prepared in accordance 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:

Nature of the Assets	Useful Life of the assets (in years)
Furniture & Fixtures	10
Office Equipments	5
Computers/Peripherals	3
Library Books	3
Other Fixed Assets	4
Software	5

3. DEPRECIATION

3.1 With effect from FY 2023-24, NFRA has revised its policy on depreciation. In FY 2022-23, depreciation was charged as per the rates prescribed under the Income Tax Act, 1961. From FY 2023-24 onwards, depreciation is being charged based on the useful life of the assets. 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 ₹ 5,000/- are fully depreciated in that period except for library books.

4. INTANGIBLE ASSETS

4.1 Intangible assets are recognized at acquisition cost. Amortization of such assets commences when the asset is available for use. The depreciable amount of an intangible asset is allocated over its useful life on a systematic basis.

4.2 An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the Statement of Income and Expenditure in the year of derecognition.

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. The presentation is made as per the uniform Format of Accounts for Central Autonomous Bodies.

5.2 Unutilised grants, if any, are adjusted against the release of first or subsequent installment(s) of the next Financial year.

6. REVENUE RECOGNITION

6.1 NFRA does not generate any income on its own, nor undertake any income generating activities.

6.2 The interest earned from bank on Grants received is to be remitted to Ministry as per sub rule 8 of Rule 230 of General Financial Rules, 2017. The interest earned on grant funds and the amount of RTI fee is recognized as a liability under Payable to the Ministry instead of being treated as revenue.

6.3 The interest accrued as on the last day of the previous financial year is reversed by the bank during the current year due to pre-mature withdrawal of Auto-Sweep Fixed Deposit Receipts (FDRs). The amount of such reversed interest is accordingly adjusted against the liability of interest payable to the Ministry, since the same was accounted for and remitted in excess in the previous year.

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 and leave encashment on death/retirement of 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 and booked under the head 'Rent of Building' in Schedule-21:Other Administration Expenses.

For National Financial Reporting Authority

**Sd/-
Chairperson**

**Sd/-
Member**

SCHEDULE - 25

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.
- The escalated amount of rent & maintenance of office premises may not be paid subject to ongoing discussion with the landlord and such rent of ₹ 84,34,760/- hence been shown as contingent liability (Previous Year NIL)

2. CAPITAL COMMITMENTS

2.1 The NFRA Core Application System (NCAS), a workflow-based software application, has been developed on behalf of NFRA by the National Informatics Centre (NIC) through National Informatics Centre Services Incorporated (NICSI), under the Ministry of Electronics and Information Technology, Government of India. The development of the NCAS project commenced in October 2019 and was completed on 30th September 2024. Upon completion, the application has been capitalised under Fixed Assets as Software. There is no capital commitment towards the same. (Previous year ₹ 15,00,000/-)

3. CAPITALISATION OF NFRA CORE APPLICATION SYSTEM (NCAS)

3.1 Subsequent to NFRA becoming a grantee organisation on 03.03.2023 and up to 31.03.2024, an amount of ₹1,81,26,886/- was released to NICSI towards the development of the NFRA Core Application System (NCAS), which was recorded under Capital Work-in-Progress (CWIP) under Schedule 8 – Fixed Assets. During the financial year 2024-25, an additional payment of ₹15,00,000/- was made for the said project, taking the total CWIP to ₹ 1,96,26,886/- as on 30.09.2024. As all the modules of the NCAS project were handed over to NFRA by 30.09.2024 and are operational as per the requirements of the office, the entire CWIP amount has been capitalised under Intangible Assets (Software).

4. DEPRECIATION

4.1 The NFRA has not changed its policy for charging depreciation during the financial year 2024-25 and continues to charge depreciation based on the useful life of the assets. During the financial year 2022-23 (for the period from 03.03.2023 to 31.03.2023), depreciation was charged as per the rates prescribed under the Income Tax Act, 1961. However, in year 2023-24 to ensure better presentation of the financial statements, NFRA revised its policy to charge depreciation based on the useful life of the assets instead of following the rates under the Income Tax Act, 1961. This change in policy impacted both depreciation and the carrying value of fixed assets. As a result, depreciation was charged in excess by an amount of ₹1,90,078/-, and consequently, the written down value (WDV) of fixed assets was reduced by the same amount in the year 2023-

24. In the year, 2024-25 depreciation on these assets has been charged after adjusting for the aforementioned amount. The opening WDV as on 01.04.2024 has been depreciated based on the remaining useful life of the assets to ensure fair presentation and alignment of depreciation with the WDV at the end of the assets' useful life.

5. PRIOR PERIOD ADJUSTMENT

5.1 Capitalization of Previously Expensed Items: During the financial year 2022-23 (for the period from 03.03.2023 to 31.03.2023), an amount of ₹ 30,000/- towards two fans and ₹ 12,000/- towards one TV stand, aggregating to ₹ 42,000/-, was erroneously charged as an expense in the financial statements. In the current financial year, the NFRA has rectified this error by capitalizing the said amount under Fixed Assets. Accordingly, ₹ 42,000/- has been debited to Fixed Assets and credited to the Prior Period Adjustment Account. Further, depreciation amounting to ₹10,420/- on these assets for the period from 03.03.2023 to 31.03.2024 has been provided and adjusted through the Prior Period Adjustment Account by crediting the same to Fixed Assets.

5.2 Invoices raised by vendors pertaining to FY 2023-24, which were paid during FY 2024-25 and for which no provisions were made in the accounts of FY 2023-24, have been accounted for under 'Prior Period Adjustments' as prior period expenses.

6. GRANTS-IN-AID

6.1 Grants received by NFRA from the government are not for specified fixed assets but are in the nature of Grant-in-Aid Salaries and Grant-in-Aid General. Grant-in-Aid (Salaries) is exclusively utilized for meeting salary and related expenses of the sanctioned posts in NFRA. Grant-in-Aid (General) is used to meet all other revenue expenditures such as office expenses, administrative costs, etc., and also capital expenditures incurred on procurement of assets such as furniture, fixtures, computers, peripherals, and other office equipment. The expenditure is accounted for in accordance with the Uniform Format of Accounts for Central Autonomous Bodies, which mandates that any expenditure on capital items exceeding ₹ 5,000 be classified and booked under capital expenditure.

7. CURRENT ASSETS

7.1 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.

8. TAXATION

8.1 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 8 of Rule 230 of General Financial Rules, 2017.

9. REVENUE RECOGNITION

9.1 Interest earned during the FY 2024-25 on grants - in- aid amounting to ₹ 16,44,292/- is recognised as Interest payable to the Ministry (Point 6 other current liabilities, schedule 7) as per sub rule 8 of Rule 230 of General Financial Rules, 2017.

9.2 All receipts, recoveries from officers pertaining to the retention of mobile handsets, laptops, and other such assets issued prior to NFRA becoming a grantee organisation are accounted for as liabilities under "Payable to the Ministry." (Point 6 other current liabilities, schedule 7)

9.3 Any refunds or reversals from the parent offices of officers on deputation to NFRA, relating to expenses charged to grants of previous financial years, are accounted for as liabilities under "Payable to the Ministry".

10. FOREIGN CURRENCY TRANSACTIONS

10.1 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
<i>Value of imports</i>	<i>NIL</i>	<i>NIL</i>
<i>Expenditure incurred in Foreign Currency</i>		
<i>- Travel</i>	<i>Euro€ 2543</i>	<i>Euro€ 2700</i>
	<i>US\$ 10331</i>	<i>US\$ 5200</i>
	<i>RM 402</i>	<i>NIL</i>
	<i>MUR 13200</i>	<i>NIL</i>
	<i>NIL</i>	<i>Jap¥ 935840</i>
<i>-Others:</i>		
<i>Membership (IFIAR)</i>	<i>Jap¥ 2895470</i>	<i>Jap¥ 4924078</i>
<i>Subscription (eIFRS)</i>	<i>NIL</i>	<i>GB£ 231</i>
<i>Certification courses (IFR)</i>	<i>GB£ 435</i>	<i>GB£ 2330</i>
	<i>US \$ 955</i>	<i>NIL</i>

11. RETIREMENT BENEFITS

11.1 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.

12. CURRENT LIABILITIES

12.1 The amounts deducted by NFRA from employees and vendors on account of TDS and GST-TDS during the month of March 2025 have been shown under 'Statutory Liabilities – Others' in Schedule 7. These amounts were subsequently remitted to the respective authorities after 31.03.2025.

12.2 Amounts payable towards rent of office premises for the month of March 2025 and maintenance of office premises for part of February and March 2025, interest earned on Auto Sweep FDRs

and other receipts payable to the Ministry, as well as recoveries from employees towards Pay and Accounts Office recoveries, etc have been classified under 'Other Current Liabilities' in Schedule 7. These amounts were subsequently remitted after 31.03.2025.

13. Corresponding figures for the previous year have been regrouped/ rearranged wherever necessary.
14. Schedules 1 to 25 are annexed to and form an integral part of the Balance Sheet as at 31 March 2025 and the Income and Expenditure Account for the period ended on that date.

For National Financial Reporting Authority

Sd/-
Chairperson

Sd/-
Member

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 2025

<p>National Financial Reporting Authority (NFRA) receives 'Grants-in-Aid-Salaries' and 'Grants-in-Aid-General' from Ministry of Corporate Affairs (MCA) to meet all its expenditure. In this regard, reference is invited to Para 15 of Accounting Standard - 12 (Accounting for Government Grants), which, inter-alia, provides that, Government grants related to revenue should be recognised on a systematic basis in the profit and loss statement over the periods necessary to match them with the related costs which they are intended to compensate.</p> <p>NFRA, however, recognised the entire grant of ₹ 44.00 crore as Income against the Expenses of ₹ 42.67 crore incurred during FY 2024-25.</p> <p>The accounting treatment of recognising the entire amount of grants as Income without matching it with related expenditure was, thus, not in line with the requirements of aforesaid provisions of AS-12, which needs rectification.</p>	<p>NFRA is a statutory body established under Section 132 of the Companies Act, 2013, and is fully funded through the Consolidated Fund of India (CFI) through Grants-in-Aid sanctioned by Parliament, received from the Ministry of Corporate Affairs (MCA).</p> <p>The Grants-in-Aid received from MCA is accounted for as income in the year of receipt, and the related expenditure is recorded on an accrual basis, in accordance with the Uniform Format of Accounts for Central Autonomous Bodies prescribed by the Comptroller and Auditor General of India (CAG) and communicated by the Ministry of Corporate Affairs for adoption by NFRA. This accounting treatment has been consistently followed since inception and duly disclosed in the Significant Accounting Policies forming part of the Annual Accounts.</p> <p>On applicability of AS 12 to NFRA</p> <p>As has been intimated to Audit, Accounting Standard (AS)-12 on "Accounting for Government Grants" is designed primarily for visibility on utilisation of Government Grants in commercial or profit-oriented entities. In contrast, NFRA is a non-commercial regulatory authority, which is entirely financed from the CFI. Hence, in NFRA view, as also conveyed to Audit, AS 12 is not applicable to bodies like NFRA.</p> <p>However, since Audit is of the view that the presentation needs to change and has advised a different treatment, it will be examined for being taken up for application, suitably, in future accounting periods.</p>
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<p>NFRA received Grant-in-Aid - General amounting to ₹ 57.26 crore (₹ 5.76 crore in 2022-23, ₹ 23.00 crore in 2023-24 and ₹ 28.50 crore in 2024-25) since it became a grantee institution on 3 March 2023. 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.</p> <p>However, NFRA utilised an amount of ₹ 2.77 crore out of the above grants towards purchase of Fixed Assets (including Intangible Assets) which have been capitalised in the accounts and accumulated depreciation thereon amounting to ₹ 0.48 crore was provided till 31 March 2025. Grants-in-aid General should have been capitalised to the extent of ₹ 2.77 crore in line with the provisions of Accounting Standard- 12. The accounting treatment of Grants-in-Aid General was, thus, not appropriate to that extent, which needs rectification.</p> <p>Despite raising the issue in the Separate Audit Report for the previous year i.e. 2023-24, no corrective action was taken by NFRA.</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 ₹ 5,000 as capital expenditure.</p> <p>Accordingly, NFRA has capitalised items, as above, in the accounts for all the years, 2022-23, 2023-24 and 2024-25, and accordingly depreciation has also been provided.</p> <p>NFRA had explained to Audit that the grants received by it from Government are not for specified fixed assets but are for operational purposes. NFRA views on applicability of AS 12 had been apprised to Audit (as above).</p> <p>Action taken by NFRA pursuant to SAR 2023-24 comprised detailed discussions with Audit to apprise Audit of NFRA views.</p> <p>However, since Audit is of the view that the presentation needs to change and has advised a different treatment, it will be examined for being taken up for application, suitably, in future accounting periods.</p>
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National Financial Reporting Authority
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