

## STATUTORY AUDIT REPORT

TO

THE EXECUTIVE COMMITTEE

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **National Board of Accreditation** which comprise the Balance Sheet as at March 31, 2024, the Income & Expenditure Accounts for the year ended 2024, receipt & payment account and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Board (NBA) in accordance with the Accounting Standards notified by Institute of Chartered Accountants of India and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and we report as under: -


a. 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;



b. In our opinion, proper books of account have been kept by the NBA so far as appears from our examination of those books.

c. The Balance Sheet, Income and Expenditure Account and Receipt & Payment Account dealt with by this Report are in agreement with the books of account.

For Gaurav K Arora & Co.  
(Chartered Accountants)

  
Gaurav Arora

**Proprietor** (M. No.: 519054)

Firm Registration No: 025899N

Place: Delhi

Dated: September 27, 2024

UDIN: -



## **SCHEDULE: 23**

### **SIGNIFICANT ACCOUNTING POLICIES (ILLUSTRATIVE)**

#### **1. BASIS FOR PREPARATION OF ACCOUNTS**

The accounts are prepared under the Historical Cost Convention unless otherwise stated and generally on the Accrual method of accounting.

#### **2. REVENUE RECOGNITION**

2.1 Fees and Subscription and interest on savings bank account are accounted on accrual basis.

2.2 Fee is accounted for net of refund during the year.

2.3 Interest on Investments are accounted on accrual basis.

#### **3. FIXED ASSETS AND DEPRECIATION**

3.1 Fixed assets are stated at cost of acquisition including inward freight, duties and taxes and incidental and direct expenses related to acquisition, installation and commissioning.

3.2 Fixed assets are valued at cost less accumulated depreciation. Depreciation on fixed assets is provided on Written down value method, at the following rates:

##### **Tangible Assets:**

1. Furniture, Fixtures and Fittings	10%
2. Office Equipment	15%
3. Vehicles	15%
4. Electrical Equipment's	15%
5. Logo Stationery	25%



## **Intangible Assets:-**

1. Software	40%
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3.3 Depreciation is provided at full rate on addition of assets used for more than 180 days. If assets are used for less than 180 days, depreciation is provided for half rate.

3.4 Where an asset is fully depreciated, it will be carried at a residual value of Re 1 in the Balance Sheet and will not be further depreciated. Thereafter, depreciation is calculated on the additions of each year separately at the rate of depreciation applicable for that asset head.

**4. INTANGIBLE ASSETS:** Computer Software are grouped under Intangible Assets.

4.1 Expenditure on acquisition of software has been separated from computers and peripherals, as apart from being intangible assets, the rate of obsolescence in respect of these is very high. Depreciation is provided in respect of software at a higher rate of 40%.

**5. STOCK** - N/A

## **6. RETIREMENT BENEFITS**

All employees are on contract basis or outsourced. Remuneration of the employee is fixed and approved by Executive Committee/Finance committee on consolidated basis. Having no permanent employees, the society does not provide for retirement benefits.

## **7. INVESTMENTS**

Long term investments include Fixed Deposit are carried at their cost plus interest accrued thereon.

## **8. EARMARKED/ ENDOWMENT FUNDS**

**8.1 CORPUS FUND** was established in (year).

Income from investments of the fund is added to the Fund. The Corpus Fund is utilized for both Revenue and Capital expenditure based on the guidelines issued from time to time. The assets





created out of the Corpus Fund are merged with the assets of the Institution by crediting an equal amount to the Capital Fund.

**8.2 A.D. FUND** - N/A-

**8.3 HOUSE BUILDING/ ADVANCES FUND** - N/A-

**8.4 JRF/ SRF FUND** - N/A-

**8.5 CONVEYANCE FUND** - N/A-

**8.6 RAJIV GANDHI NATIONAL FELLOWSHIP FUND** - N/A-

## **9. GOVERNMENT AND UGC GRANTS**

Government grants and UGC grants are accounted on realization basis. During the year NBA has received fund from Ministry of Education department of Higher Education. The aforesaid fund was utilized for the expenses incurred by NIRF.

Unutilized grants are carried forward and exhibited as liability in the Balance Sheet.

## **10. INVESTMENTS OF EARMARKED FUNDS AND INTEREST INCOME ACCRUED ON SUCH INVESTMENTS: -** -N/A-

## **11. SPONSORED PROJECTS** -N/A-

## **12. INCOME TAX**

The income of the Institution is exempt from Income Tax under Section 11 of the Income Tax Act 1961. However, it has failed to do investment under section 11(5) within the time limit prescribed. Therefore, liability to pay Income Tax arises



## SCHEDULE: 24

### CONTINGENT LIABILITIES AND NOTES TO ACCOUNTS (ILLUSTRATIVE)

#### 1. CONTINGENT LIABILITIES:

1.1 As on 31.03.2024 NBA has pending litigations with Income Tax Department

#### 2. CAPITAL COMMITMENTS - N/A-

#### 3. FIXED ASSETS:

3.1 Additions in the year to Fixed Assets in Annexure-4 include Assets purchased amounting to Rs. 5,88,181.41

3.2 The details of assets added during the year are as follows: -

Assets	Additions during the year (Rs)	Depreciation on additions	Closing Book value of additions
Furniture & Fixtures	1,70,882.50	14,014.35	1,56,868.15
Office Equipment's	1,49,626.39	14,242.39	1,35,384.00
E- governance (software)	1,91,452.35	40,053.12	1,51,399.23
Electrical Equipment's	76,220.17	7,511.45	68,708.72
<b>Total</b>	<b>5,88,181.41</b>	<b>75,821.31</b>	<b>5,12,360.10</b>

4. PATENTS – Company does not have any patents.

#### 5. DEPOSIT LIABILITIES

The amount outstanding as Earnest Money Deposit & security deposits from customers are accounted as liabilities. As & when it gets matured it will be paid not taken into revenue

#### 6. EXPENDITURE IN FOREIGN CURRENCY:

a. Subscription fees Paid Rs 3,33,429.00

#### 7. CURRENT ASSETS, LOANS, ADVANCES AND DEPOSITS

In the opinion of the Management, the current assets, Loans, Advances and Deposits have a value on realization in the ordinary course, equal at least to the aggregate amount shown in the Balance Sheet.




8. The details of balances in Saving Bank Accounts, Current Accounts and Fixed Deposit Accounts with Banks are enclosed as attachment 'A' to the Schedule of Current Assets.

9. Previous year's figures have been regrouped wherever necessary.

10. Advances & other Amounts recoverable as shown in Schedule 11(B) include Rs. 10,68,398.68/- as Service Tax Receivable from Institution for the year 2012-13 & 2013-14

11. Schedules I to 24 are annexed to and form an integral part of the Balance Sheet at 31 " March 2024 and the Income & Expenditure account for the year ended on that date.

For Gaurav K Arora & Co.  
(Chartered Accountants)

  
Gaurav Arora  
**Proprietor (M. No.: 519054)**  
Firm Registration No: 025899N  
Place: Delhi  
Dated: September 27, 2024  
UDIN: -

