

भारत सरकार / Government of India

राष्ट्रीय वित्तीय रिपोर्टिंग प्राधिकरण / National Financial Reporting Authority

7th Floor, Hindustan Times House,
Kasturba Gandhi Marg, New Delhi

No. NF-25011/5/2021

Dated /3.04.2021

Minutes of the Meeting of National Financial Reporting Authority

A meeting of National Financial Reporting Authority was held on 30.03.2021 through video conferencing (VC) mode. The meeting was chaired by Shri R Sridharan, Chairperson, NFRA. The meeting was attended by the following members of NFRA:

- i. Dr. Prasenjit Mukherjee, Member NFRA

Part time members:

- ii. Shri Ram Mohan Johri, Director General, Office of Comptroller & Auditor General of India
iii. Ms. Sudha Balakrishnan, Chief Financial Officer, Reserve Bank of India
iv. Shri Amarjeet Singh, Executive Director, Securities and Exchange Board of India
v. CA. Nihar N Jambusaria, President, Institute of Chartered Accountants of India (ICAI)
vi. CA M P Vijay Kumar, Chairman, Accounting Standards Board, ICAI
vii. CA G Sekar, Chairman, Auditing and Assurance Standards Board, ICAI
viii. CA Amarjit Chopra, Ex President ICAI, M/s GSA Associates, Mehrauli, New Delhi.
ix. CA Anil Sharma, Partner (M/s A. Sharma & Co. Chartered Accountants), New Delhi.

2. Leave of absence was granted to Shri KVR Murty, Joint Secretary, Ministry of Corporate Affairs.

3. The quorum for the meeting of the Authority was met in accordance with para 3(9) of National Financial Reporting Authority (Meeting for Transaction of Business) Rules, 2019.

4. The Officials/Staff of NFRA and ICAI as per list enclosed at **Annexure** were also present in the meeting with the permission of Chair.

5. Chairperson welcomed the participants and made his opening remarks.

6. CA Vidhyadhar Kulkarni, Sr. Consultant, NFRA made presentation on the agenda points; they were deliberated at length in the meeting and it was decided as follows:

A) Item No 1: Consideration of the recommendations of the Institute of Chartered Accountants of India (ICAI) regarding amendments to Indian Accounting Standards (Ind AS) consequential to issuance of new Conceptual Framework.

a) Changes to Accounting Standards as recommended by ICAI were approved for recommendation to Ministry of Corporate Affairs, subject to the following corrections:

- i) Ind AS 102, *Share-based Payments*

In 1st sentence of paragraph 63E, year 2020 may be replaced by 2021.

- ii) Ind AS 106, *Exploration for and Evaluation of Mineral Resources*

In 1st sentence of paragraph 26A, year 2020 may be replaced by 2021.

- iii) Ind AS 114, *Regulatory Deferral Accounts*

In paragraph 13, the position of asterisk after the word 'reliable' may be changed and placed as follows.

13 An entity shall not change its accounting policies in order to start to recognise regulatory deferral account balances. An entity may only change its accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable*, or more reliable and no less relevant to those needs. An entity shall judge relevance and reliability using the criteria in paragraph 10 of Ind AS 8.

iv) Ind AS 1, *Presentation of Financial Statements*

In 1st sentence of paragraph 139S, year 2020 may be replaced by 2021.

v) Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*

In 1st sentence of paragraph 54F, year 2020 may be replaced by 2021.

vi) Ind AS 34, *Interim Financial Reporting*

In 1st sentence of paragraph 58, year 2020 may be replaced by 2021.

vii) Appendix A to Ind AS 38, *Intangible Assets—Web Site Costs*

In 1st sentence of newly added paragraph with heading Effective date, year 2020 may be replaced by 2021.

b) Further, certain issues were discussed and decided as follows.

i) Even though the Conceptual Framework issued by the ICAI is referred in various Ind ASs for the critical definitions such as Asset, Liability and forms the basis of principles in Ind ASs, Conceptual Framework is not part of the Ind AS Rules under the Companies Act. ICAI was, therefore, requested to examine the reasons for not notifying the Conceptual Framework as part of Ind AS Rules 2015 and come up with suitable recommendations.

ii) ICAI has proposed continued application of definition of assets and liabilities as per the old Framework in some of Ind ASs viz. Ind AS 103, Ind AS 37 and Ind AS 38, while definitions of the new Conceptual Framework are proposed to be applicable in other Ind ASs, viz. Ind AS 106, Ind AS 1 and Ind AS 8. Rationale of such staggered application of the new Conceptual Framework by the IFRS is to examine the implications of these revised definitions in critical areas like Business Combinations, Provisions and Intangible Assets etc. On the same lines, ICAI has been recommended to do an impact study of application of definitions of the Conceptual Framework.

iii) In view of the retrospective application of the amendments, and the application of different definitions of Conceptual Frameworks in different Ind ASs, ICAI has been requested to take steps to provide suitable guidance and create awareness among stakeholders.



Annexure

List of participants from NFRA and ICAI present during meeting of NFRA held on 30.3.2021 via video conferencing

List of participants from NFRA	List of participants from ICAI
i. Shri Vivek Narayan, Secretary, NFRA	(i)CA. Parminder Kaur, Secretary, Accounting Standard Board, ICAI
ii. Ms. Swati Singla, AGM, NFRA	-
iii. CA Vidhyadhar Kulkarni, Sr. Consultant, NFRA	-
iv. Shri Tahir – member of IT team of NFRA	-

