

2 May 2023

Minutes of the Eleventh Meeting of National Financial Reporting Authority

The 11th Meeting of National Financial Reporting Authority was held on Wednesday 26.04.2023 at 2.30 PM at NFRA office. The meeting was chaired by Dr. Ajay Bhushan Prasad Pandey, Chairperson, NFRA. The meeting was attended by the following Members/officials:

a. Full Time Members –

- i. Dr Praveen Kumar Tiwari
- ii. Ms. Smita Jhingran

b. Part Time Members-

- i. Shri I.D.S. Dhariwal, Joint Secretary, Ministry of Corporate Affairs
- ii. Dr. Kavita Prasad, Director General (Commercial-I), Office of Comptroller & Auditor General of India
- iii. CA. Aniket Talati, President ICAI
- iv. CA. Pramod Jain, Chairman, Accounting Standard Board, ICAI
- v. CA. (Dr.) Sanjeev Kumar Singhal, Chairman, Auditing and Assurance Standard Board, ICAI
- vi. CA. Amarjit Chopra, Ex-President ICAI, M/s GSA Associates, Mehrauli, New Delhi
- vii. CA. Anil Sharma, Partner (M/s A Sharma & Co. Chartered Accountants), New Delhi

c. Ms Vidhu Sood, Secretary, NFRA

d. CA Vidhyadhar Kulkarni, Sr.Consultant, NFRA

2. Leave of absence was granted to Ms. Sudha Balakrishnan, Chief Financial Officer, Reserve Bank of India and Shri S V Muralidhar Rao, Executive Director, Securities and Exchange Board of India.

3. The quorum for the meeting of the authority was met, in accordance with para3(9) of the National Financial Reporting Authority (Meeting for Transaction of Business) Rules, 2019.

4. Chairperson welcomed the participants, made his opening remarks and authorised to commence the remaining proceedings.

5. CA. Vidhyadhar Kulkarni, Sr. Consultant, NFRA made a presentation on the agenda points which were deliberated in the meeting and it was decided to recommend to Ministry of Corporate Affairs for necessary action, as follows:

(a) Agenda Item No.1 - Consideration of the recommendations of the Institute of Chartered Accountants of India (ICAI) regarding issuance of new Indian Accounting Standard- Ind AS 117, *Insurance Contracts*

Issuance of the new Ind AS viz. Ind AS 117, Insurance Contracts in place of the Ind AS 104 and consequential amendments to other Ind ASs as recommended by ICAI were approved for recommendation to MCA, subject to following:

(i) Para C1 in Appendix C of Ind AS 117 be replaced as follows

An entity shall apply Ind AS 117 for annual reporting periods beginning on or after 1 April 2024. Early adoption is permitted. If an entity applies Ind AS 117 earlier, it shall disclose that fact. However, an Insurance Company is permitted to apply Ind AS 117 early only for consolidation purposes by its parent company.

ii) Para 4 of Appendix 1 to Ind AS 117 be deleted as it is a repetition of Para 2 and paras in Appendix I be re-numbered suitably.

iii) Consequential amendments to Ind AS 16, *Property, Plant and Equipment* will be deferred and may be considered later along with ICAI proposal to amend Ind AS 40, *Investment Property*

iv) ICAI proposals in Agenda Item 2 on amendments to Ind AS 117, *Insurance Contracts* shall be combined into one recommendation to be sent to MCA for notification of Ind AS117.

(b) Agenda Item No. 2 - Consideration of the recommendations of the ICAI regarding amendments to Indian Accounting Standard- Ind AS 117, *Insurance Contracts*

Amendments to Ind AS 117 as recommended by ICAI were approved for recommendation to MCA. These amendments shall be incorporated in the new Ind AS 117, *Insurance Contracts* approved as part of Agenda Item 1 above.

The meeting concluded with Vote of Thanks.

-sd/-

Secretary, NFRA