

भारत सरकार / Government of India  
राष्ट्रीय वित्तीय रिपोर्टिंग प्राधिकरण / National Financial Reporting Authority  
\*\*\*\*\*

7<sup>th</sup> Floor, Hindustan Times House,  
Kasturba Gandhi Marg, New Delhi

NF-25011/11/2021

Dated 8 .02.2022

**Minutes of the Ninth Meeting of National Financial Reporting Authority**

Ninth (9<sup>th</sup>) meeting of National Financial Reporting Authority was held on 19.01.2022 at 03:00PM through video conferencing (VC) mode. The meeting was chaired by Shri Ashok Kumar Gupta, Chairperson, NFRA. The meeting was attended by the following Part-time members of NFRA:

- i. Shri K V R Murty, Joint Secretary, Ministry of Corporate Affairs
- 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. CA Nihar N Jambusaria, President, Institute of Chartered Accountants of India (ICAI)
- v. CA M P Vijay Kumar, Chairman, Accounting Standards Board, ICAI
- vi. CA G Sekar, Chairman, Auditing and Assurance Standards Board, ICAI
- vii. CA Amarjit Chopra, Ex President ICAI, M/s GSA Associates, Mehrauli, New Delhi.
- viii. CA Anil Sharma, Partner, M/s A. Sharma & Co. Chartered Accountants, New Delhi.

2. Leave of absence was granted to Shri Amarjeet Singh, Executive Director, Securities and Exchange Board of India.

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 of MCA, 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; Each of the points were deliberated at length in the meeting, and it was decided to recommend to Ministry of Corporate Affairs for necessary further action, as follows:

**a) Item No 1: Consideration of the recommendations of the Institute of Chartered Accountants of India (ICAI) regarding amendments to Indian Accounting Standard Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets- Onerous Contracts – Cost of Fulfilling a Contract.**

Changes to Indian Accounting Standard Ind AS 37 as recommended by ICAI were approved.

**b) Item No 2: Consideration of the recommendations of the Institute of Chartered Accountants of India (ICAI) regarding amendments to Indian Accounting Standards Ind AS 16, Property, Plant and Equipment- Property, Plant and Equipment: Proceeds before Intended Use.**

(i) Recommendation of ICAI not to make any changes in Ind AS 16 were approved. It was noted that this will result in a carve out vis a vis IAS 16 standard of IFRS.

(ii) This carve out needs to be documented in Appendix I of Ind AS 16 where differences between Ind AS 16 and IAS 16 are stated. This is as per para 2.5.3 of the Agenda Note.

(iii) The suggestion of NFRA in para 2.5.2 of the agenda note to include the following Note at the end of Para 17 of Ind AS 16 was approved:

*Note at the end of Para 17 of Ind AS 16:*

*Note: Excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.*

7. It was also agreed that :

(i) ICAI may pursue with IASB of IFRS foundation to review their (May 2020) amendment regarding Para 17(e) IAS 16.

(ii) Further, ICAI may review the carve out resulting from not amending Ind AS 16 in line with the IFRS amendment regarding Para 17(e) IAS 16. The said review may be undertaken within 5 years as an effort to ensure that carve outs are minimised.

8. This issues with the approval of Chairperson NFRA.

Yours Faithfully,



Vivek Narayan  
Secretary, NFRA

Encl. As Above.

To:

1. Chairperson, NFRA
2. All the members of NFRA Authority
3. All other participants of the meeting
4. Guard file.

**Annexure**

**List of participants from NFRA and ICAI present during meeting of NFRA held on 19.01.2022 via video conferencing**

<b>List of participants from MCA and NFRA</b>	<b>List of participants from ICAI</b>
i. Shri Vivek Narayan, Secretary NFRA	i. CA. Parminder Kaur, Secretary, Accounting Standard Board, ICAI
ii. Shri Atma Sah, Joint Director	
iii. CA Vidhyadhar Kulkarni, Sr. Consultant, NFRA	
iv. Ms. Swati Singla, AGM, NFRA	-
v. Shri Tahir Hussain – member of IT team of NFRA	-