

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-25011/1/2021

Dated 22.03.2021

Minutes of the Meeting of National Financial Reporting Authority

A meeting of National Financial Reporting Authority was held on 17.03.2021 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. Shri Amarjit Chopra Ex. President ICAI, M/s GSA Associates, Mehrauli, New Delhi
- ix. Shri Anil Sharma, Partner (M/s A. Sharma & Co. Chartered Accountants), New Delhi

2. Leave of absence was granted to Shri K.V.R. Murty, Joint Secretary, Ministry of Corporate Affairs. Shri Atma Sah, Joint Director, Ministry of Corporate Affairs attended the meeting on his behalf with the permission of Chair.

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. The Chairperson welcomed the participants and made his opening remarks as per Agenda Item No.1.

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

a) **Item No 2: Consideration of the recommendations of the Institute of Chartered Accountants of India (ICAI) for amendments to Indian Accounting Standards (Ind AS 104, Ind AS 107, Ind AS 109 and Ind AS 116)**

Changes to Indian Accounting Standards as recommended by ICAI were approved for recommendation to MCA, subject to the following corrections:

- i. The following sentence may be dropped from paragraph 7.1.10 of Ind AS 109.

"An entity shall apply these amendments for annual periods beginning on or after 1st April 2020, if the transition to alternative benchmark rates occurs during those annual periods. If an entity applies these amendments for an earlier period, it shall disclose that fact."



ii. Paragraph 5 of Appendix 1 to Ind AS 109 may be reworded as follows:

“Paragraph 7.2.35 to 7.2.42 of IFRS 9 relate to amendments/standard not yet effective in India, hence not included in Ind AS 109. However, in order to maintain consistency with paragraph numbers of IFRS 9, these paragraph numbers are retained in Ind AS 109.”

iii. Second bullet in paragraph 3 of Appendix 1 to Ind AS 104 may be reworded as follows:

“give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2023”.

iv. The following sentence may be dropped from paragraph C1B of Ind AS 116.

“An entity shall apply these amendments for annual periods beginning on or after 1st April 2020, if the lease modification required by alternative benchmark rates occurs during those annual periods. If an entity applies these amendments for an earlier period, it shall disclose that fact.”

(b) Item No. 3: Editorial Corrections in Ind ASs

Editorial Corrections to Indian Accounting Standards as recommended by ICAI were approved for recommendation to MCA, with the following modifications:

i. In **Appendix A of Ind AS 109**, Financial Instruments, definition of effective interest method and effective interest rate may be corrected as follows:

(a) In the titles of definitions, "*effective interest method*" may be replaced by "*effective interest rate*".

(b) A new definition may be added in Appendix A of Ind AS 109 as follows:

effective interest method

*The method that is used in the calculation of the **amortised cost of a financial asset or financial liability** and in the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant period.*



Annexure

List of participants from NFRA and ICAI present during meeting of NFRA held on 17.3.2021 via video conferencing

List of participants from NFRA	List of participants from ICAI
i. Shri Vivek Narayan, Secretary, NFRA	CA. Parminder Kaur, Secretary, Accounting Standard Board, ICAI
ii. Shri V. Peri, ED, NFRA	CA S.N. Gupta, Joint Director, Office of Accounting Standard Board, ICAI
iii. Ms. Swati Singla, AGM, NFRA	-
iv. CA Vidhyadhar Kulkarni, Sr. Consultant, NFRA	-
v. Shri Dhananjay – member of IT team of NFRA	-

