

**Record note of the 23rd Meeting of the National Financial Reporting Authority held on
14 January 2026**

The 23rd Meeting of the National Financial Reporting Authority was held on 14 January 2026. The meeting was chaired by Shri Nitin Gupta, Chairperson, NFRA. The meeting was attended by:

I. Full-Time Members:

- a) Ms. Smita Jhingran
- b) Shri P Daniel
- c) Shri Sushil Kumar Jaiswal

II. Part-Time Members:

- a) Shri A M Bajaj, Deputy Comptroller and Auditor General (Commercial and Central Receipt Audit), O/o CAG of India
- b) Ms. Sudha Balakrishnan, Chief Financial Officer, RBI
- c) Professor R. Narayanaswamy, Ex-Faculty, Finance & Accounting, IIM Bangalore
- d) Professor Sanjay Kallapur, Professor of Accounting at ISB, Hyderabad
- e) CA. Charanjot Singh Nanda, President, ICAI
- f) CA. (Dr.) Sanjeev Kumar Singhal, Chairman, ASB, ICAI
- g) CA. Sripriya Kumar, Chairperson, AASB, ICAI

III. Officials

- a) Ms. Vidhu Sood, Secretary, NFRA
- b) CA Vidhyadhar Kulkarni, Principal Consultant, NFRA
- c) CA Parminder Kaur, Secretary, ASB, ICAI
- d) CA Megha Saxena, Secretary, AASB, ICAI

1. The quorum for the meeting of the Authority was met in accordance with para 3 (9) of the National Financial Reporting Authority (Meeting for Transaction of Business) Rules, 2019. Part-Time Members, Shri Balamurugan D, JS, MCA and Shri Jeevan Sonparote, Executive Director, SEBI, were granted leave of absence. The meeting was held in a virtual mode, with Part-Time members joining virtually.

2. At the outset, the Secretary, NFRA, welcomed all members to the Meeting.

3. Chairperson, NFRA, welcomed all members to the meeting. Chairperson, NFRA, introduced the agenda for the day, deliberations on the proposed amendments to two Ind ASs, viz. Ind AS 109, *Financial Instruments* and Ind AS 107, *Financial Instruments: Disclosures*. Chairperson, NFRA, stated that these two amendments have arisen due to amendments made to corresponding IFRS Accounting Standards by the International Accounting Standards Board (IASB) of the IFRS Foundation. Chairperson, NFRA gave a brief background for these amendments, i.e., to provide relief from complexity and challenges in accounting for certain physical power purchase agreements of very long tenors and related to the purchase of electricity, the generation of which is nature-dependent. The Chairperson then asked the Secretariat, NFRA, to make a presentation.

4. A presentation on the proposal was made covering key aspects of the amendments to Ind AS 109 and Ind AS 107. The presentation covered the following technical aspects

- a) Accounting challenges of application of 'own use contracts' exception of Ind AS 109 to the purchaser of nature-dependent electricity under physical PPAs, thereby leading to unintended consequences of accounting such commodity contracts as Derivatives.
- b) Key rationale for making this limited scope amendment to Ind AS 109, i.e.,

purchasers' practical inability to avoid sale of unused electricity under such physical PPAs due to the nature of electricity, which cannot be 'Stored'.

- c) Practical expedient to enable cash flow hedge accounting if the purchasing companies choose to designate such PPAs as hedging instruments for future forecast purchase of nature-dependent electricity.
- d) Specific additional disclosures in Ind AS 107 for such nature-dependent electricity purchase contracts.

5. On conclusion of the presentation, the Chairperson invited comments from all members.

6. Members deliberated on the proposals and noted the rationale behind these limited scope amendments to Ind AS 109 and Ind AS 107 to address the accounting challenges of the nature-dependent electricity contracts, which cannot be stored. Members also noted the clarifications regarding accounting for Renewable Energy Certificates (RECs), which are at times part of these Physical PPAs and disclosures about these contracts.

7. At the close of the meeting, the following were the decision points:

- a) The Authority decided to recommend the ICAI proposal to NFRA on Ind AS 109 and Ind AS 107 amendments (Contracts referencing nature-dependent electricity), which was reviewed by NFRA, to the Central Government for consideration of notification. These amendments would be made effective for the annual financial reporting period beginning on or after 1.04.2026.

8. The meeting ended with a vote of thanks.

sd/-
Secretary, NFRA