

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA  
UNSTARRED QUESTION NO. 1133**

ANSWERED ON – 29.07.2024

**ACCOUNTING STANDARDS FOR INSURANCE SECTOR**

1133. SHRI SUDHEER GUPTA and  
SHRI DHAIRYASHEEL SAMBHAJIRAO MANE

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government along with the Institute of Chartered Accountants of India (ICAI) proposes to aggregate accounting and auditing firms and have accounting standards for the insurance sector and Limited Liability Partnerships (LLPs) in the country;
- (b) if so, the manner in which it will help in improving the corporate governance in the country;
- (c) whether the Government has held any discussion with Reserve Bank of India and Insurance Companies regarding proposed accounting standards for banks and insurance companies; and
- (d) if so, the details thereof and the time by which these standards will be implemented?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) to (d): In order to remain converged with International Financial Reporting Standards (IFRS), Ministry of Corporate Affairs has notified the Indian Accounting Standards under Companies (Indian Accounting Standards) Rules, 2015 in compliance with Section 133 of the Companies Act, 2013. Insurance companies are following the same.

Recently, IFRS 17 – Insurance Contracts has been issued internationally which provides a single accounting model that measures insurance contracts using current estimates so that investors across the globe can understand and compare the financial positions and performances of companies that issue insurance contracts in any country.

A discussion with respect to Ind AS 117, which is in line with IFRS 17, has been held between Ministry of Corporate Affairs and Insurance Regulatory and Development Authority of India (IRDAI). IRDAI has held discussions with Insurance Companies for implementation of IFRS/IND AS in insurance sector. There is no proposal for such standard to be notified for LLPs at this stage.

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