Companies (Indian Accounting Standards) Amendment Rules, 2026

Effective date: Annual reporting periods beginning on or after 1 April 2026 (FY 2026-27); notified 12 August 2026, G.S.R. 725(E)

MCA has amended the Companies (Indian Accounting Standards) Rules, 2015 on the following areas:

- **Loans and investments with performance-linked terms:** Clearer guidance where interest or other cash flows change on the occurrence of a condition, including sustainability-linked conditions; the accounting classification of such instruments may need to be revisited.
- **Electronic payments:** In limited cases, a payable may be treated as settled before the bank completes the payment, provided the payment cannot practically be stopped, the cash is no longer available to the company, and settlement risk is insignificant. The approach must be applied consistently.
- **Electricity purchase contracts:** New rules cover contracts where the quantity of electricity depends on natural conditions, clarifying when such contracts remain outside financial-instrument accounting, with specific guidance for related hedging arrangements.
- **Disclosures:** Additional disclosures may be required for the above arrangements, including possible changes in cash flows, electricity purchase commitments, and their financial impact.
- **Other amendments:** Minor clarifications for first-time adoption of Ind AS, control assessments, and cash-flow reporting.

Source: [Notification G.S.R. 725(E) – The Companies (Indian Accounting Standards) Amendment Rules, 2026]