

Dear Sir,

Agra Branch of CIRC is pleased to respond to the Exposure Drafts of Amendments to Ind AS 1 and Ind AS 116.

We appreciate the efforts of the ICAI AASB on the aim of amending the standards as per current prevailing provisions/references of relevant Acts, Rules, Regulations, Accounting Standards and other pronouncements issued by the ICAI.

Below is our comment in respect of the exposure draft:

Do you agree with removal of the carve-out made in paragraph 74 of Ind AS 1? If not, why?

“We are agree with the removal of the carve-out made in paragraph 74 of Ind AS 1 as the existing carve-out is not conceptually aligned with the other prescriptions of the Standard for classification of liabilities as current or non-current and definitely this removal will be a step towards getting better financial discipline amongst the entities since a breach of a loan covenant even if subsequently condoned by a lender signifies an inherent weakness in the financial condition of an entity.”

CA Sudeep Kumar Jain
Agra