

To,
Chairman / Vice Chairman,
Accounting Standards Board
The Institute of Chartered Accountants of India
commentsasb@icai.in

Re : Exposure Draft of AS 113, *Fair Value Measurement*

1. **Para 15** A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

Comment :

Reference to current market condition may be clearly mentioned as market conditions on the measurement date. This may give clear reference to the date on which measurement is done, as one may infer the current market condition as current date of his review.

2. **Para 26 : Transaction costs do not include transport costs. If location is a characteristic of the asset (as might be the case, for example, for a commodity), the price in the principal (or most advantageous) market shall be adjusted for the costs, if any, that would be incurred to transport the asset from its current location to that market**

Comment :

Since clarification regarding transport cost has been specifically mentioned, it is advisable to have a specify clarification of transfer cost to avoid difference of opinion.

3. **Para 38 : In such cases, an entity shall measure the fair value of the liability or equity instrument as follows:**

Comment :

Reference can be given to Valuation Standards issued by ICAI.