

## **Suggestion on the exposure draft covering amendments to Ind AS 20**

### **Para 40A**

An entity availing the option of presentation of non-monetary government grants at nominal value or of government grants related to assets including non-monetary grants at fair value by deducting the same from the carrying amount of the asset shall either:

- (i) \_\_\_\_\_ adjust its financial statements for the change in accounting policy in accordance with Ind AS 8; or
- (ii) \_\_\_\_\_ (ii) apply only to the grants or portions of grants becoming receivable or repayable after the effective date of the amendments.

Deleted: and

### **Reason for the suggestion:**

The amendments covers two changes:

Under first option, now non-monetary asset received as government grant can be recognised at nominal amount. Presently, the recognition at fair value is must.

Under the second change, government grants related to assets, including non-monetary assets recorded at fair value, can now be presented by deducting the amount of grant from the cost of assets.

As per existing norms, such grants shall be presented as deferred income and related assets at their original cost.

Therefore, instead of using “and”, the words “or” may be used.

Further words “including non-monetary grants at fair value” may be added after “of government grants related to assets” as deduction option is also available for non-monetary grants at fair value.

## **Appendix 1**

### **Comparison with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance and SIC 10**

References/paragraph for paragraph 40A and 48A needs to be added as both 40A and 48A do not exist in the IAS 20 since these two paragraphs are added for removing the carve out that exist in the Ind AS 20 before the amendment.