

Comments to Exposure Draft:

**Accounting Standard (AS) 102 Share-
based Payment.**



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Accounting Standard (AS) 102 Share-based Payments

Para	Proposed	Comments
5	<p>As noted in paragraph 2, this Standard applies to share-based payment transactions in which an entity acquires or receives goods or services. Goods include inventories, consumables, property, plant and equipment, intangible assets and other non-financial assets. However, an entity shall not apply this Standard to transactions in which the entity acquires goods as part of the net assets acquired in a business combination as defined by AS 103, Business Combinations¹, in a combination of entities or businesses under common control as described in Appendix C of AS 103, or the contribution of a business on the formation of a joint venture as defined by AS 111, Joint Arrangements².</p> <p>Hence, equity instruments issued in a business combination in exchange for control of the acquiree are not within the scope of this Standard. However, equity instruments granted to employees of the acquiree in their capacity as employees (eg: in return for continued service) are within the scope of this Standard. Similarly, the cancellation, replacement or other modification of share-based payment arrangements because of a business combination or other equity restructuring shall be accounted for in accordance with this Standard. AS 103 provides guidance on determining whether equity instruments issued</p>	<p>This needs to be form part of separate header “Scope Exclusions” for better understanding and structuring within the Standard.</p>

	in a business combination are part of the consideration transferred in exchange for control of the acquiree (and therefore within the scope of AS 103) or are in return for continued service to be recognised in the post-combination period (and therefore within the scope of this Standard).	
6	This Standard does not apply to share-based payment transactions in which the entity receives or acquires goods or services under a contract within the scope of paragraphs B3 of AS 109, Financial Instruments.	This needs to be form part of separate header “Scope Exclusions” for better understanding and structuring within the Standard. Further, AS 109 is to come and notified. Hence, this para may be appropriately worded.
7	This Standard uses the term ‘fair value’ in a way that differs in some respects from the definition of fair value in AS 113, Fair Value Measurement ³ . Therefore, when applying AS 102 an entity measures fair value in accordance with this Standard, not AS 113.	Once AS 113 is issued, then this para needs to be realigned between AS 102 and AS 113.
	Structured Acquisition	Suitable para for structured acquisition may be appropriately in sorted.

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End of document.