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# SONEPAT BRANCH OF NIRC

OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

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To  
The Secretary,  
Accounting Standard Board,  
The Institute of Chartered Accountants of India  
ICAI Bhawan, A-29, Sector-62, NOIDA, Uttar Pradesh – 201309

**Sub: Comments on Exposure Draft of Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12, Income Taxes**

Dear Sir/Madam,

We have the following comments from the Sonepat Branch Member :

After reading the contents of the exposure draft of Deferred Tax Related to Assets and Liabilities Arising from a Single transaction related to Ind AS 12, Income Tax

As Para 15 and Para 24 of Ind As 12, The initial Recognition Of an Assets or Liability at the time of transaction, does not give rise to equal Taxable and Deductible Temporary Difference, this amendments limiting the recognition Exemption but the amendments will improve the comparability and provide more relevant information the user of Financial statements about the Tax Consequences of Lease and Decommissioning obligation.

The amendment clarify that the exemption does not apply the transaction such as lease and Decommissioning obligations because these give to equal and offsetting temporary difference.

All companies will now need to reflect the future tax impacts of these and recognize the deferred tax.

Therefore giving an amendment of proposed Ind as would add an additional responsibility on the management and auditors of initial recognition of deferred tax of Lease and Decommissioning obligation.

The above mentioned comments are just our opinion and suggestions. We do not want to convey any mislead information and except from the above changes, rest everything seems to be fine.

*SarashKumarJain*

**CA Sarash Jain**  
Chairman