



Date: - 3rd February, 2022

**Submission of Suggestions/Comments on Exposure Draft of
“Accounting Standard (AS) 103 - Accounting for
Amalgamations”**

Comment 1

Please provide specific accounting guidance on the following aspects

- Step acquisition (For e.g., earlier investee was an associate company, nor after additional investment, investee has become a subsidiary)
- Para 10 and 11 – treatment of accounting for deferred and contingent consideration

Comment 2

Para 12 – Please clarify whether appointed date stated in NCLT order will supersede the actual date of amalgamation i.e., the date on which the transferee obtains control of the transferor is generally the date on which the transferee legally transfers the consideration, acquires the assets and assumes the liabilities of the transferor – the closing date.

Comment 3

Para 14 – Suggestion – Treatment of amortization of goodwill should be in consistent with Ind AS 103 Business Combination. Further, recent amendments in Income Tax law also prohibit amortization of goodwill.

Comment 4

Please clarify on whether deferred tax needs to be recognized in case there is a difference between fair value and cost of net assets acquired in an amalgamation.

With warm regards,

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