

Exposure Draft on Property, Plant and Equipments : Proceeds before Intended Use (Amendments to Ind AS 16, Property, Plant and Equipment) issued by the Accounting Standards Board(ASB)

Nagpur ICAI <nagpur@icai.org>

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To

The Chairman

Accounting Standards Board

The Institute of Chartered Accountants of India

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Sub: Exposure Draft on Property, Plant and Equipments: Proceeds before Intended Use (Amendments to Ind AS 16, Property, Plant and Equipment) issued by the Accounting Standards Board (ASB)

Respected Sir,

The Nagpur Branch of WIRC of ICAI is in receipt of E-mail from your office dated 19th February, 2021 inviting comments on Exposure Draft on Property, Plant and Equipments: Proceeds before Intended Use (Amendments to Ind AS 16, Property, Plant and Equipment) issued by the Accounting Standards Board (ASB).

The Nagpur Branch of WIRC of ICAI is herewith submitting our comments of the aforesaid Exposure Draft for your kind consideration and perusal.

Comments are given below:

(a) Do you agree with the proposed amendments?

1. Yes we agree with the proposed amendments. It were done in the right spirit and would definitely remove ambiguities.

(b) Whether application of the proposed amendments will involve any practical issues. If yes, please explain the practical issues involved.

2. In newly inserted paragraph 80D, some example for understanding the transitional provision can also be incorporated; *The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.* Reading this statement interprets that some income has been recognized earlier which needs to be reduced; now when this exposure draft itself excludes the deducting of income earned on selling before ready for operational use then how this amount would come remains a question. This needs to be clarified.

Thanking You

For Nagpur Branch of WIRC of ICAI

**CA. Saket Bagdia
Chairman**

3/22/2021

Mail - Comments ASB - ICAI - Outlook

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Place: Nagpur

Date: 20.03.2021