Exposure Draft Comments

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This is for Companies which issue both both debts and shares. These hybrid instruments can cause confusion about how to account for them in financial reports. The Exposure Draft proposes changes to three accounting standards (IAS 32, IFRS 7, and IAS 1) to address this. So these makes the classification clear and helps in following-
Clearer rules: The draft clarifies how to distinguish between "true" debts and instruments with equity-like features. This should help companies avoid accidentally putting things in the wrong category.

Better disclosures: Companies will need to explain these hybrid instruments more clearly in their financial reports. This gives investors a better understanding of what the company owes and how it shares profits.

Fairer presentation: The changes aim to ensure that profits and losses are attributed to the right groups of investors. This means investors holding equity-like instruments wouldn't have their share of profits impacted by debt-like features, and vice versa.

Thank You.

Best Regards,
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