



Guwahati Branch
Eastern India Regional Council
The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)
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Exposure Draft Annual Improvements to Ind AS (2021) (Corresponding to Annual Improvements to IFRS Standards 2018–2020 Cycle issued by the IASB)

Review Comments

1) Amendments to Ind AS 101, First-time Adoption of Indian Accounting Standards

Ind AS 101

Comments

This amendment, aligned to Annual Improvements to IFRS Standards, is expected to ease transition to Ind AS for subsidiaries applying this optional exemption by:

- reducing undue costs; and
- Avoiding the need to maintain parallel sets of accounting records.

Para 39 AG and Para D 13 A : Appears in order, no comments

2) Amendment to Ind AS 109, Financial Instruments Ind AS 109 –

Comments

This is a welcome clarification. The amendment clarifies that – for the purpose of performing the “10 per cent test” for derecognition of financial liabilities under Ind AS 109, in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

Para 7.1.9 & para 7.2.35, para B3.3.6: no comments



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3) Amendment to Ind AS 41, Agriculture

Comments

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value. Hence it aligns the fair value measurement requirements in Ind AS 41 with those in Ind AS 113 *Fair Value Measurement*. When a present value technique is used to measure fair value, the assumptions used for the cash flows and discount rates should be internally consistent, in other words, the moot point is using either after tax or pre-tax for both. The amendments provide the flexibility to use either, as appropriate, in line with Ind AS 13.

PARA 22 & 65: No comments

Dated at Guwahati,
22nd day of February, 2021

For, Guwahati Branch of EIRC of ICAI

(Sd/-)
CA. Kamal Mour
(Vice Chairman)