



LARSEN & TOUBRO

Ref: CA/Aug 17/ICAI/6

August 31, 2017

The Secretary,
Accounting Standards Board,
The Institute of Chartered Accountants of India,
ICAI Bhawan, Post Box No. 7100, Indraprastha Marg,
New Delhi 110 002.

Dear Sir,

**Sub: Our comments on Exposure Draft (ED) on Indian Accounting
Standard (Ind AS) 116 - Leases**

This has reference to exposure draft on Ind AS 116, Leases. We enclose herewith our comments as given in annexure I.

Thanking you,

Yours faithfully,

For Larsen & Toubro Limited

Vikash Baingani

Vikash L Baingani
Joint General Manager (Corporate Accounts)

Annexure – 1

Sr. No	ED Requirement	Comments
1	Para B31	<p>The arrow is missing at the end of the flowchart after the box which states as “<i>Did the customer design the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use? Consider paragraph B24(b)(ii).</i>”</p> <p>Similarly, the tip of the arrow is missing in the line which leads to the oval shape which states “<i>the contract does not contain a lease</i>”.</p>
2	<p>Para D9 (Existing text)</p> <p>A first-time adopter may assess whether a contract apply paragraphs 6-9 of the Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the date of transition to Ind ASs contains a lease by applying paragraphs 9-11 of Ind AS 116 to those contracts on the basis of facts and circumstances existing at that the date of transition to Ind AS, except where the effect is expected to be not material.</p>	<p>The amended text need to appear as follows:</p> <p>A first-time adopter may assess whether a contract apply paragraphs 6-9 of the Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the date of transition to Ind ASs contains a lease by applying paragraphs 9-11 of Ind AS 116 to those contracts on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material</p> <p>.</p>