

Dear Sir,

Agra Branch of CIRC is pleased to respond to the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India (the ICAI) exposure draft of Disclosure of Accounting Policies - Amendment to Ind AS 1, Presentation of Financial Statements.

We support the Board's initiative to help entities provide accounting policies disclosure that are more useful to primary users of financial statements by introducing guidance to identify accounting policies that contribute to the understandability of the financial statements and help eliminate the clutter from disclosure of immaterial accounting policies.

Below is our comment in respect of the exposure draft:

"We agree that not all accounting policies relating to material transactions, other events or conditions are themselves material. We believe that proposed paragraph 117A should be limited to its first sentence ("Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed."). The statement in Paragraph 117A that 'not all accounting policies relating to material transactions, other events or conditions are themselves material to an entity's financial statements', would result into non-disclosure of such accounting policies which pertain to material transactions and those can be helpful in understanding an entity's reported financial performance and financial position. Moreover, the manner of application of requirements of Ind AS Standards by an entity in its facts and circumstances would generally be essential to understand the material transactions, other events or conditions, which are communicated through disclosure of accounting policies. Therefore, we are of the view that all accounting policies relating to material transactions, other events or conditions, should be disclosed irrespective of whether they themselves are material or not to the entity's financial statements."

Kind Regards,  
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