



Outlook

Exposure Draft of Contracts Referencing Nature-dependent Electricity: Amendments to Ind AS 109 and Ind AS 107 for comments

From AHMEDABAD BRANCH OF WIRC OF ICAI <ahmedabad@icai.org>
Date Thu 5/15/2025 5:50 PM
To asb@icai.in <asb@icai.in>; Comments ASB - ICAI <commentsasb@icai.in>
Cc Neerav Agarwal <caneerav@gmail.com>

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

Subject: Comments on Exposure Draft of IND AS 107 – Financial Instruments: Disclosures

Dear Sir,

We appreciate the opportunity to provide feedback on the Exposure Draft of IND AS 107 – Financial Instruments: Disclosures. Below are our key comments and suggestions:

1. Clarity and Understandability:

- The draft provides a comprehensive framework, but certain disclosures, especially for financial instruments measured at both fair value and amortized cost, could benefit from additional clarity. We recommend simplifying these disclosures for better understanding and application.

2. Relevance of Disclosures:

- The expanded disclosures may increase the reporting burden on smaller entities. A tiered approach based on entity size would reduce this burden without compromising transparency.

3. Fair Value Disclosures:

- We suggest clarifying the application of fair value disclosure requirements, particularly for assets disclosed at fair value but measured at amortized cost.

4. Credit Risk Disclosures:

- Enhanced credit risk disclosures are valuable, but additional context on an entity's credit risk management approach would make these disclosures more useful for stakeholders.

5. Hedge Accounting Disclosures:

- The requirement to disclose hedge ineffectiveness may be challenging for non-financial companies. We recommend providing practical examples or case studies to assist in these disclosures.

6. Liquidity Risk Disclosures:

- The maturity analysis of financial liabilities could be burdensome for companies with complex financial structures. We suggest simplifying these disclosures for smaller entities.

7. Disclosure of Significant Judgments:

- We propose refining the wording to ensure that only material judgments affecting the financial statements are disclosed.

We appreciate the opportunity given to us to comment for the Exposure Draft of Contracts Referencing Nature-dependent Electricity: Amendments to Ind AS 109 and Ind AS 107 for comments.

Please do not hesitate to contact us.

Kindly confirm

सादर / With Regards,

CA. Neerav Agarwal
Chairman
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

AHMEDABAD BRANCH (WIRC)

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On Fri, Apr 18, 2025 at 10:21 AM asb@icai.in <asb@icai.in> wrote:

Dear Sir/Madam,

Sub: Exposure Draft of Contracts Referencing Nature-dependent Electricity: Amendments to Ind AS 109 and Ind AS 107 for comments

As you are kindly aware that the Indian Accounting Standards (Ind AS) are based on the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB). In this regard, it may be noted that IFRS Accounting Standards are being issued/revised by the IASB from time to time. As a part of convergence with IFRS Accounting Standards, the Ind AS may be issued/revised corresponding to the IFRS Accounting Standards. Accordingly, whenever any amendments are made or new IFRS Accounting Standard/IFRIC is issued by the IASB, the Accounting Standards Board (ASB) of the ICAI considers those amendments and other related aspects for formulating or amending the corresponding Ind AS.

In this regard, the ASB has issued the following Exposure Draft of Amendments to Ind AS corresponding to amendments in IFRS Accounting Standards for public comments **with the last date of comments being May 16, 2025**:

- **Exposure Draft of Contracts Referencing Nature-dependent Electricity: Amendments to Ind AS 109 and Ind AS 107** - The downloadable version is available at

<https://www.icai.org/post/asb-ed-indas109-107>

Comments on the abovementioned Exposure Draft may be submitted through any of the following modes:

- | | | |
|---|-----------------|---|
| 1 | Electronically: | Click on http://www.icai.org/comments/asb/ to submit comment online (Preferred method) |
| 2 | Email: | Comments can be sent to: commentsasb@icai.in |
| 3 | Postal: | Secretary, Accounting Standards Board,
The Institute of Chartered Accountants of India,
ICAI Bhawan, Post Box No. 7100,
Indraprastha Marg, New Delhi 110 002 |

You are also requested to give the aforesaid Exposure Drafts the widest possible publicity in your area. Further clarifications on the Exposure Drafts may be sought by e-mail to asb@icai.in.

Thanking You,

Yours sincerely,



चेयरमैन
लेखा मानक बोर्ड



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Chairman

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