

Lease Liability in a Sale and Leaseback –Amendments to Ind AS 116, Leases

We agree with the proposed changes that require a seller lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. Here, we suggest adding illustrations clarifying this proposed change. We also support the decision on the effective date of initial application of suggested amendments being 1 April 2024. However, we suggest reconsidering the implication of and increased burden due to retrospective application as indicated in C20E.

Best Regards,

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