

## Updates on 255<sup>th</sup> Accounting Standards Board (the Board) Meeting

*255<sup>th</sup> Accounting Standards Board Meeting held on August 8, 2019, ICAI Bhawan, New Delhi*

### **(I) AS Upgradation**

- **Comments on Exposure Draft of upgraded AS 41, Agriculture:** The Board considered the comments received on the Exposure Drafts of upgraded AS 41 and placed on record deep appreciation of the commentators for sending comments. The Board did not accept any comment out of 26 comments received. The Board debated extensively on the requirement to measure Biological Assets at fair value less cost to sell. Some of the members were of the view that it is difficult for SMEs/SMCs to calculate the fair value while other felt that fair value model is better for biological assets related to agricultural activity because of the unique nature and characteristics of agricultural activity. However, it was felt that in cases where market-determined prices or values are not available and alternative estimates of fair value are determined to be unreliable, fair value cannot be measured reliably. It was highlighted that in those cases, draft AS 41 provides that biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Accordingly, the Board decided not to make any change in this regard.

### **(II) IFRS Standards and Ind AS**

- (i) The Board discussed the seven comments received on Exposure Draft of Annual Improvements to following IFRS Standards issued by the IASB:
- IFRS 1 *First-time Adoption of International Financial Reporting Standards*
  - IFRS 9 *Financial Instruments*
  - Illustrative Examples accompanying IFRS 16 *Leases*
  - IAS 41 *Agriculture*

Out of 7 comments, 3 comments were in agreement with the amendments stated in the Exposure Draft and 4 comments were not accepted. The Board authorised the Chairman to finalise the views and submit the same to IASB.

- (ii) The Board noted that the following Tentative Agenda Decisions (TAD) issued by IFRS Interpretation Committee (IFRS(IC)) for comments appears to be in line with text of the IFRS Standards:
- Disclosure of Changes in Liabilities arising from Financing Activities (IAS 7)
  - Compensation for Delays or Cancellations (IFRS 15)
  - Lease Term and Useful Life of Leasehold Improvements (IFRS 16 and IAS 16)
  - Presentation of Liabilities or Assets related to Uncertain Tax Treatments (IAS 1)
  - Subsequent Expenditure on Biological Assets (IAS 41)
  - Fair Value Hedge of Foreign Currency Risk on Non- Financial Assets (IFRS 9)
  - Lessee's Incremental Borrowing Rate (IFRS 16)

The Board authorized the Chairman to finalise the views for submission to IFRS (IC).

### **(III) Others**

- (i) The Board considered that Draft Accounting Standards for notification under Companies Act, 2013, mirroring existing Companies (Accounting Standards) Rules, 2006. The Board suggested few changes and authorised Chairman to finalise the draft Rules for consideration by the Council.
- (ii) The Board noted that FAQ on Presentation of Dividends and Dividend Distribution Tax (DDT) needs to be revised to align the presentation of DDT along with Dividends in line with the guidance available in paragraph 65A of Ind AS 12, *Income Taxes*.
- (iii) The Board also noted that an outreach programme will be organised tentatively on August 28 or August 29, 2019, in Mumbai, so as to obtain the views/suggestions from India stakeholders on the Exposure Draft of Amendments to IFRS 17 issued by the IASB. This will help to formulate India's views on the proposed amendments to IFRS 17 and submit the same to the IASB.

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