

Prateek Agarwal, Partner at Nangia & Co LLP, said the disclosures will enable users of financial statements to understand the effect of these changes, including an entity's progress in completing the transition to alternative benchmark rates.

Prateek Aggarwal, Partner, Nangia & Co LLP said the amendments made by MCA to various Indian Accounting Standards pertains to the the changes required in the relevant standards post Phase 2 of Interest Rate Benchmark Reforms and also due to the issuance of Conceptual Framework for Financial Reporting under Indian Accounting Standards. they believe the changes made by MCA are in line with the earlier recommendations by ICAI.

“Some of these Guidance/disclosures will enable users of financial statements to understand the effect of these changes, e.g. interest rate benchmark reform changes require an entity to disclose information about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform and how the entity manages these risks and the entity’s progress in completing the transition to alternative benchmark rates,” he said.

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