

Indian Accounting Standards (Ind AS)
(IFRS as applicable in India with certain carve-outs)

Ind AS –Disclosure Checklist (Revised November 2022)

[Dated November 2022](#)

This checklist helps entities identify relevant disclosures required under Ind AS to prepare and present financial statements (FSs) in accordance with Ind AS. Since February 2020, 3 Ind AS (Amendment) Rules have been notified by the MCA covering certain amendments such as Covid-19-Related Rent Concessions; Definition of Material; Interest Rate Benchmark Reform –Phase 1 and 2 and Conceptual Framework under Ind AS. This publication has been updated covering these developments which is applicable for the accounting periods beginning on or after 1st April 2022. This checklist should be read together with the Standards, regulatory requirements and related guidance material.

National Financial Reporting Authority (NFRA)

NFRA circular on non-accrual of interest on borrowings by the companies in violation of Ind AS

[Circular dated 20th October 2022](#)

NFRA has clarified that discontinuation of interest expense recognition on financial liability solely based on borrowing company's expectation of loan/interest waiver/ concession without evidence of legally enforceable contractual documents would result in a major non-compliance with the provisions of Ind AS 109 *Financial Instruments*.

Accordingly, all companies which are required to follow Ind AS and their Audit Committees are advised not to discontinue recognition of the principle or interest merely because of the borrowings being declared non-performing asset (NPA) or the management's expectation of a likely settlement with or without concessions from the bank.

Executive Summary

Particulars

ISSB unanimously confirms Scope 3 GHG emissions disclosure requirements with strong application support, among key decisions (*Details given below*)

ISSB announces guidance and reliefs to support Scope 3 GHG emission disclosures (*Details given below*)

ISSB confirms requirement to use climate-related scenario analysis (*Details given below*)

ISSB progresses discussions on reference to other standards to support increased interoperability (*Details given below*)

ISSB at COP27: CDP to incorporate ISSB Climate-related Disclosures Standard into global environmental disclosure platform (*Details given below*)

ISSB Journey (*Details given below*)

ISSB unanimously confirms Scope 3 GHG emissions disclosure requirements with strong application support, among key decisions

[Announcement dated 21st October 2022](#)

The ISSB of the IFRS Foundation has made significant progress refining its first 2 proposed sustainability-related disclosure standards- IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

At its meeting, following careful analysis of the feedback on its proposed standards, the ISSB voted unanimously to require company disclosures on Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions, applying the current version of the GHG Protocol Corporate Standard. As part of these requirements, the ISSB will develop relief provisions to help companies apply the Scope 3 requirements. This relief will be decided at a future meeting and could include giving companies more time to provide Scope 3 disclosures and working with jurisdictions on so-called 'safe harbour' provisions.

Other key decisions taken during the meeting include:

- Clarifying key concepts in the proposed General Requirements Standard
- Facilitating interoperability with jurisdictional requirements
- Setting out its approach to determining its future agenda priorities

ISSB announces guidance and reliefs to support Scope 3 GHG emission disclosures

[Announcement dated 15th December 2022](#)

At its meeting, the ISSB agreed to set out a framework in S2 for the measurement of Scope 3 GHG emissions that will require the use of reasonable and supportable information that is available without undue cost or effort and incorporates the use of estimation.

The ISSB agreed reliefs including a temporary exemption for a minimum of 1 year following the

effective date of S2, designed to give time for companies to implement their processes. A company will also be able to include information that is not aligned with its reporting period, when that information is obtained from companies in its value chain with a different reporting cycle.

ISSB confirms requirement to use climate-related scenario analysis

[Announcement dated 1st November 2022](#)

At the supplementary board meeting held on 1st November 2022, the ISSB voted to confirm that companies are required to use climate-related scenario analysis to report on climate resilience and to identify climate-related risks and opportunities to support their disclosures.

The ISSB also agreed to provide application support to preparers including making use of materials developed by the Task Force for Climate-Related Financial Disclosures (TCFD) to provide guidance to preparers on how to undertake scenario analysis.

Application support

- The ISSB will refer to TCFD guidance that sets out types of scenario analysis, including quantitative, partially quantitative and qualitative. The ISSB agreed that it would build on the TCFD guidance, specifying that scenario analysis must be applied but setting out the required approach that is scalable to an entity's circumstances.
- At a minimum an entity would need to undertake the qualitative form of scenario analysis as a basis for its resilience analysis.
- The ISSB will provide guidance on which climate scenarios an entity should use, depending on their circumstances, including industry and country exposure, to provide relevant information to investors. This guidance will specify where the inclusion of a Paris-aligned scenario may be relevant.
- To assist preparers the ISSB will also acknowledge in its guidance within the Standard that 'off-the-shelf scenarios' such as those of the Network for Greening the Financial System (NGFS) may be useful resources for companies.

The above will be developed in the final IFRS Sustainability Disclosure Standard S2—*Climate-related Disclosures* including through guidance issued with the Standard.

ISSB progresses discussions on reference to other standards to support increased interoperability

[Announcement dated 3rd November 2022](#)

In the meeting held to review staff proposals to enhance interoperability with other international and jurisdictional sustainability-related standards, the ISSB confirmed the following:

- **a requirement to consider Sustainability Accounting Standards Board (SASB) Standards.** In meeting the requirements for the ISSB's proposed general sustainability requirements (S1), companies should consider SASB Standards both when identifying what sustainability matters to report on and in developing appropriate disclosures.
- **Climate Disclosure Standards Board (CDSB) materials serve as a useful reference.** The ISSB decided that content from the former CDSB (whose materials are also now materials of the ISSB) may be considered by companies as a useful framework to identify sustainability risks and opportunities as well as disclosures.
- **Discussions about allowing European Sustainability Reporting Standards (ESRS) and Global Reporting Initiative (GRI) Standards to be referenced in the absence of directly applicable ISSB Standards.** The ISSB also discussed but did not vote on whether S1 should reference

additional standards that are created for a broader stakeholder’s group extending beyond the primary users that are the focus of ISSB standards.

ISSB at COP27: CDP to incorporate ISSB Climate-related Disclosures Standard into global environmental disclosure platform

[Announcement dated 8th November 2022](#)

CDP (formerly known as Carbon Disclosure Project), the not-for-profit which runs the global environmental disclosure platform for corporations, and the IFRS Foundation announced that CDP will incorporate the ISSB IFRS S2 *Climate-related Disclosures Standard* into its global environmental disclosure platform, in a major step towards delivering a comprehensive global baseline for capital markets through the adoption of ISSB standards. The Standard, currently being finalised, will be incorporated into CDP’s existing questionnaires, which are issued to companies annually on behalf of 680 financial institutions with over \$130 trillion in assets.

CDP’s decision accelerates the early adoption of IFRS S2 disclosures, thereby providing investors with consistency of climate-related information they need sooner and reducing the reporting burden on entities through an alignment of requirements.

By collecting this data, CDP will provide investors and other stakeholders access to corporate environmental information that is consistent, comprehensive and comparable across geographies. It will also reduce the reporting burden on companies. In turn, CDP will provide the IFRS Foundation with access to data on disclosures made against the climate standard for monitoring uptake and implementation of the standards and pursuing their continuous improvement.

ISSB Journey

Date	Particulars
3 rd November 2021	IFRS Foundation announces ISSB, consolidation with Climate Disclosure Standards Board (CDSB) and Value Reporting Foundation (VRF), and publication of prototype disclosure requirements
31 st March 2022	ISSB delivers proposals that create comprehensive global baseline of sustainability disclosures
31 st March 2022	ISSB communicates plans to build on SASB’s industry-based Standards and leverage SASB’s industry-based approach to standards development
27 th April 2022	ISSB establishes working group to enhance compatibility between global baseline and jurisdictional initiatives
18 th May 2022	ISSB outlines actions required to deliver global baseline of sustainability disclosures
25 th May 2022	Integrated Reporting—articulating a future path
23 rd June 2022	ISSB and Global Reporting Initiative (GRI) provide update on ongoing collaboration
1 st August 2022	IFRS Foundation completes consolidation with Value Reporting Foundation

Date		Particulars
21 st October 2022		ISSB unanimously confirms Scope 3 GHG emissions disclosure requirements with strong application support, among key decisions
1 st November 2022		ISSB confirms requirement to use climate-related scenario analysis
3 rd November 2022		ISSB progresses discussions on reference to other standards to support increased interoperability
8 th November 2022		ISSB at COP27: CDP to incorporate ISSB Climate-related Disclosures Standard into global environmental disclosure platform
14 th December 2022		ISSB describes the concept of sustainability and its articulation with financial value creation, and announces plans to advance work on natural ecosystems and just transition
14 th December 2022		ISSB deepens engagement with Global South jurisdictions to advance adoption of IFRS Sustainability Disclosure Standards
15 th December 2022		ISSB announces guidance and reliefs to support Scope 3 GHG emission disclosures

Executive Summary

Particulars

IASB adds narrow-scope project to work plan on possible amendments to financial instruments Accounting Standard (*Details given below*)

IASB amends accounting standard to improve information about long-term debt with covenants (*Details given below*)

IASB votes to retain impairment-only approach for goodwill accounting (*Details given below*)

IASB proposes accelerated narrow-scope amendments to Accounting Standard on IAS 12 *Income Taxes* (*Details given below*)

New and revised pronouncements as on 31st December 2022 (applicable for reporting period ending on 31st December 2022) (*Details given below*)

IASB adds narrow-scope project to work plan on possible amendments to financial instruments Accounting Standard

[Announcement dated 24th October 2022](#)

The International Accounting Standards Board (IASB) has expanded the scope of its maintenance project on the work plan for proposed narrow-scope amendments to IFRS 9 *Financial Instruments*.

The proposed amendments will cover 3 areas:

- **Contractual cash flow characteristics** - clarification of the requirements to assess whether a financial asset's contractual cash flows are solely payments of principal and interest and new requirements to disclose information about the variability in contractual cash flows for financial assets and financial liabilities not measured at fair value through profit or loss.
- **Electronic cash transfers** - proposed amendments to the derecognition requirements in IFRS 9 to permit an accounting policy choice to allow an entity to derecognise a financial liability before it delivers cash on the settlement date when specified criteria is met.
- **Equity instruments and other comprehensive income** - proposed amendments to IFRS 7 *Financial Instruments: Disclosures* would require disclosure of the aggregated fair value of equity investments for which the OCI presentation option is applied at the end of the reporting period; and changes in fair value recognised in other comprehensive income during the period.

IASB amends accounting standard to improve information about long-term debt with covenants

[Dated 31st October 2022](#)

The IASB has issued amendments to IAS 1 *Presentation of Financial Statements* that aim to improve the information companies provide about long-term debt with covenants.

IAS 1 requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company's ability to do so is often subject

to complying with covenants. For e.g., a company might have long-term debt that could become repayable within 12 months if the company fails to comply with covenants in that 12-month period.

The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the FSs.

The IASB expects the amendments to improve the information a company provides about long-term debt with covenants by enabling investors to understand the risk that such debt could become repayable early.

The amendments are effective for annual reporting periods beginning on or after 1st January 2024. Early adoption is permitted.

IASB votes to retain impairment-only approach for goodwill accounting

[Announcement dated 24th November 2022](#)

At its meeting held in November 2022, the IASB has voted to retain the impairment-only approach to account for goodwill. This tentative decision culminates a thorough evaluation that began with the Post-implementation Review (PIR) of IFRS 3 *Business Combinations* in 2014. The IASB concluded that extensive evidence collected did not demonstrate a compelling case to change its previous decision about accounting for goodwill.

IASB proposes accelerated narrow-scope amendments to Accounting Standard on IAS 12 Income Taxes

[Announcement dated 24th November 2022](#)

At its November 2022 meeting, the IASB decided to add to its work plan an accelerated project proposing narrow-scope amendments to IAS 12 *Income Taxes*.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published its Pillar Two model rules. These rules provide a template for the implementation of a minimum corporate tax rate of 15% that large multinational companies would pay on income generated in each jurisdiction in which they operate.

The IASB's project responds to stakeholders' concerns about the potential implications of the imminent implementation of these rules on the accounting for income taxes. In particular, the IASB has tentatively decided to introduce:

- a temporary exception from accounting for deferred taxes arising from the implementation of the rules; and
- targeted disclosures requirements for affected companies.

The IASB expects to publish an exposure draft in January 2023.

New and revised pronouncements as on 31st December 2022 (applicable for reporting period ending on 31st December 2022)

Table providing summary of the pronouncements which will be mandatorily applied by entities for the first time on 31st December 2022

Pronouncements	Effective Date	Corresponding Ind AS
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 st January 2022	Ind AS 103
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	1 st January 2022	Ind AS 16
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	1 st January 2022	Ind AS 37
Annual Improvements to IFRS Standards 2018–2020	1 st January 2022	NA

Table showing the effective dates of IFRS and IAS, separately identifying the effective date of each significant amendment made to those standards

IFRS/IAS	Pronouncements	Issued	Effective Dates	Corresponding Ind AS
IFRS 16 <i>Leases</i>	Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	September 2022	Annual periods beginning on or after 1 st January 2024	Ind AS 116
IAS 1 <i>Presentation of Financial Statements</i>	Amendments regarding the classification of debt with covenants	October 2022	Annual periods beginning on or after 1 st January 2024	Ind AS 1



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