



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
(Set up by an Act of Parliament)

October 27, 2021

Mr. Ian Carruthers  
Chairman,  
International Public Sector Accounting Standards Board,  
The International Federation of Accountants,  
277 Wellington Street West,  
Toronto, Ontario M5V 3H2 CANADA

Dear Ian Carruthers,

**Sub: Comment on Exposure Draft 79, 'Non-current Assets Held for Sale and Discontinued Operations'**

We are pleased to provide comments on the Exposure Draft 79, 'Non-current Assets Held for Sale and Discontinued Operations' issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC). Our comments on the Exposure Draft 79 are enclosed with this letter.

Please feel free to contact us, in case any further clarification in this regard is required.

Thanking you,

Yours sincerely,

(CA. Dheeraj Khandelwal)  
Chairman, Committee on Public &  
Government Financial Management  
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Encl.: As above



**Comments on Exposure Draft 79, 'Non-current Assets Held for Sale and Discontinued Operations'**

**Specific Matter for Comment**

The IPSASB decided that there was no public sector specific reason to depart from the measurement requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. However, the IPSASB considers that, where materially different, disclosures of the fair value of non-current assets classified as held for sale measured at a lower carrying amount would provide useful information to users of financial statements for accountability purposes.

The additional proposed disclosure is shown at paragraph 52 of this ED.

Do you agree with this disclosure proposal? If not, why not?

**ICAI's views:**

We agree with the disclosure proposal of IPSASB as mentioned in paragraph 52 to disclose in the notes to the financial statements, the fair value of the non-current asset (or disposal group) classified as held for sale when that non-current asset (or disposal group) is measured at a materially lower carrying amount than fair value.

The assets held by public sector mainly to provide services to the citizens. Therefore, the transparent and strong accountability mechanism is the requirement for efficient and effective management of assets. The said disclosure proposal related to sales of non-current asset of public sector is in public interest and will help in this regard.

**Other Comments**

- Paragraph 12 of IPSAS ED 79 prescribes the conditions for classification of a non-current asset (or disposal groups) as held for sale. It is suggested that a clarification may be added in paragraph 12 that *the non-current asset (or disposal group) cannot be classified as held for sale, if the entity intends to sell it in a distant future*.
- Paragraphs 48-49 of IPSAS ED 79 talks about the disclosure of 'major classes of assets and liabilities'. It is suggested to clarify what constitutes "major".
- Paragraph 51: Similar additional disclosures may be considered to be prescribed for non-current assets held for distribution to owners.
- Some typo errors are as follows that needs to be corrected appropriately:



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- Example 11: At page no. 58 “x” is appearing in front of heading “revenue” and “\_\_” is appearing below amount x is appearing in front of heading “taxes”.
- Footnote numbers appearing at page no. 59 & 60 seem incorrect.
- Example 13 (page no. 62), to replace the term “holding company” with “controlling entity” to make it more relevant in the context of public sector.