



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

Western India Regional Council

WIRC/ICAI/ 2881 / 2017

15th December, 2017

Ms. Deepti Dhiman

The Secretary,
Committee on Accounting Standards for Local Bodies,
The Institute of Chartered Accountants of India,
ICAI Bhawan,
Indraprastha Marg, New Delhi,

Dear Sir/Madam,

Kindly find the attached file containing suggested changes to exposure draft:

Exposure Draft on – (Accounting Standard of Local Bodies (ASLB) 20, 'Related Party Disclosures')

Overall Comments

- Deletion of para 3 and 23 of IPSAS : agreed as not relevant to local bodies in India
- Deletion of para 17 : concept of voting power not relevant for local bodies
- Deletion of Para 29 to 35 : agreed as to make suitable for India
- Amendment in para 2,15A and 20A in line with local bodies context in India
- Amendment: definition of relative and KMP to bring in line with Ind AS

Thanking You,

Regards,

CA. Vishnu Agarwal,
Chairman - WIRC



Comments to ASLB 20

1. Para 4: Exclusion to the definition of Related Party Transaction shall be omitted as it would not serve the purpose of disclosing transaction with related parties. If the said change is made then para 14 shall also be omitted.
2. Para 4: The phrase Close Member of the family of an individual shall be replaced by Relative of individual as the same will widen the scope.
3. Para 5: Close members of the family of an individual shall also include brother and sister of either parent.
4. Comparative information shall also be disclosed so as to understand the volume and amount of transactions with related parties.
5. Para 15: Individual having oversight responsibilities of reporting entity which gives a significant influence must be covered under definition of Related party.