

Indian Accounting Standards (Ind AS), International Sustainability Standard Board (ISSB) and International Financial Reporting Standards (IFRS)

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Indian Accounting Standards (Ind AS)

Compendium of Indian Accounting Standards (Year 2024-2025)

[Announcement dated July 2025](#)

The Accounting Standard Board of the ICAI has issued the aforesaid compendium incorporating 3 Ind AS amendments issued by the MCA, i.e., Companies (Ind AS) Amendment Rules, 2024, Companies (Indian Accounting Standards) 2nd Amendment Rules, 2024 and Companies (Indian Accounting Standards) 3rd Amendment Rules, 2024.

Companies (Ind AS) 2nd Amendment Rules, 2025

[Notification dated 13th August 2025](#)

Companies (Ind AS) Rules, 2015 have been amended through the aforesaid notification. *Inter alia*, the key amendments include the following:

- **Ind AS 1 *Presentation of Financial Statements* - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

Inter alia, as per the amendment, the entity should classify a liability as current when it does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The amendment specifies that the entity's right to defer settlement is subject to the entity complying with covenants within 12 months after the reporting period. The entity should disclose information in the notes that enables users of financial statements (FS) to understand the risk that the liabilities could become repayable within 12 months after the reporting period. This amendment applies retrospectively for annual reporting periods beginning on or after 1st April 2025.

The amendment also states that when an entity breaches a covenant of a long-term loan arrangement on or before the end of the reporting period resulting in the liability being payable on demand, such liability will be classified as current. If the breach is rectified after the reporting date, it

will be treated as a non-adjusting event. This requirement will be applicable from annual reporting periods beginning on or after the 1st April 2026.

- **Ind AS 107 *Financial Instruments Disclosures* and Ind AS 7 *Statement of Cash Flows* - Supplier finance arrangements**

The amendments require an entity to disclose information about its supplier finance arrangements that will enable users of FS to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

An entity should apply these amendments for annual reporting periods beginning on or after the 1st April 2025.

- **Ind AS 12 *Income Taxes* - International tax reform—Pillar Two model rules**

The amendment has introduced an exception whereby an entity should neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amendment also requires an entity to disclose that it has applied the deferred tax exception and it should separately disclose its current tax expense (income) related to Pillar Two income taxes.

An entity should apply above amendments for annual reporting periods beginning on or after the 1st April 2025.

Amendments have also been made in the below mentioned Ind AS:

Ind AS	Particulars
101	<i>First-time Adoption of Indian Accounting Standards</i>
108	<i>Operating Segments</i>
109	<i>Financial Instruments</i>
115	<i>Revenue from Contracts with Customers</i>
10	<i>Events after the reporting period</i>
28	<i>Investments in Associates and Joint Ventures</i>
32	<i>Financial Instruments Presentation</i>

IFRS Foundation publishes educational material about using ISSB Industry-based Guidance when applying ISSB Standards

[Announcement dated 10th July 2025](#)

The IFRS Foundation has published [educational material](#) to help companies understand the role of the ISSB industry-based guidance when applying IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* to identify:

- sustainability-related risks and opportunities; and
- information to disclose about sustainability-related risks and opportunities

The educational material explains:

- the requirement in ISSB Standards that an entity ‘shall refer to and consider the applicability of the ISSB industry-based guidance, specifically:
 - ▲ the Sustainability Accounting Standards Board Standards (SASB Standards) in the context of IFRS S1; and
 - ▲ the *Industry-based Guidance on Implementing IFRS S2* in the context of IFRS S2;
- considerations related to applying the ISSB industry-based guidance; and
- disclosure requirements that can relate to how an entity has used the ISSB industry-based guidance.

The publication of this educational material is part of the ISSB’s commitment to supporting the implementation of ISSB Standards and is intended to help companies understand how the ISSB industry-based guidance can be used when applying ISSB Standards.

Educational Material on disclosing information about anticipated financial effects of sustainability-related risks and opportunities

[Announcement dated 18th August 2025](#)

This [educational material](#) focuses on disclosures of information about **anticipated financial effects of**

climate-related risks and opportunities, in the light of stakeholders’ feedback that educational material on how to apply the relevant requirements in ISSB Standards would support companies applying these requirements.

The requirements to disclose information about anticipated financial effects of climate-related risks and opportunities are set out in the context of disclosing information that enables investors to understand a company’s strategy for managing sustainability-related risks and opportunities. ISSB Standards require a company to disclose the effects of sustainability-related risks and opportunities on its:

- business model and value chain;
- strategy and decision-making; and
- financial position, financial performance and cash flows-i.e., the financial effects.

The financial effect element of this information is an essential part of a company’s general purpose financial reports to enable investors’ understanding of how sustainability-related risks and opportunities affect the company’s prospects, complementing information in the company’s FS.

Information about anticipated financial effects provides a complementary perspective about how the FS are expected to be affected over the short, medium and long term. This educational material focuses on these key disclosure requirements and comprises 3 sections:

- Overview of the requirements in the ISSB Standards on disclosures about current and anticipated financial effects of sustainability-related risks and opportunities and the rationale for those requirements.
- Mechanisms in ISSB Standards that help companies to prepare disclosures about anticipated financial effects.
- Illustrations of disclosure of information about anticipated financial effects applying ISSB Standards.

IFRS Foundation publishes IFRS for SMEs Accounting Standard Educational Modules

[Announcement dated 8th July 2025](#), [15th July 2025](#) and [25th September 2025](#)

The IFRS Foundation has developed stand-alone modules, one for each section of the IFRS for SMEs Accounting Standard. The IFRS Foundation is in process of updating these modules to reflect the amendments in the 2025 version of the Standard, prioritising those sections with significant changes. These modules are designed to provide support to anyone learning about, applying or reading FS prepared using the IFRS for SMEs Accounting Standard.

Each module includes the following:

- Requirements-the full text of the section of the IFRS for SMEs Accounting Standard;
- significant estimates and other judgements - a discussion of the significant estimates and other judgements likely to be made in accounting for transactions and events when applying the section of the IFRS for SMEs Accounting Standard.;
- comparison with full IFRS Accounting Standard;
- test your knowledge - multiple-choice questions, with answers;
- apply your knowledge- case studies, with solutions.

The following modules have been published:

- Module 1- *Small and Medium-sized Entities*
- [Module 2- Concepts and Pervasive Principles](#)
- [Module 7- Statement of Cash Flows](#)
- [Module 19- Business Combinations and Goodwill](#)
- [Module 35- Transition to the IFRS for SMEs Accounting Standard](#)

IFRS Foundation publishes near-final examples on reporting uncertainties in financial statements using climate-related examples

[Announcement dated 24th July 2025](#)

The IFRS Foundation has published [near-final draft](#) demonstrating how companies can improve the reporting of uncertainties in their FS using climate-related examples as practical illustrations. This early publication is intended to support timely and informed application.

Although the examples use climate-related fact patterns, they provide guidance that applies broadly to all types of uncertainties. The examples demonstrate how companies can apply IFRS Accounting Standards to enhance disclosure of uncertainties in the FS.

IASB issues amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

[Announcement dated 21st August 2025](#)

The IASB issued amendments to IFRS 19 completing its planned catch-up work on the Standard.

IFRS 19, issued in May 2024, allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosures. It included reduced disclosure requirements for other Standards or amendments issued up to February 2021. The newly issued amendments to IFRS 19 help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:

- IFRS 18 *Presentation and Disclosure in Financial Statements*.
- Supplier Finance Arrangements (Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments Disclosures*);
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12 *Income Taxes*);
- Lack of Exchangeability (Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*); and
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 *Financial Instruments* and IFRS 7).

With these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1st January 2027, when IFRS 19 will be applicable.



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www.cnkindia.com.

CNK & Associates LLP
Chartered Accountants

Mumbai

3rd Floor, Mistry Bhavan, Dinshaw Vachha
Road, Churchgate, Mumbai 400 020.
Tel: +91 22 6623 0600

501/502, Narain Chambers, M.G Road,
Vile Parle (East), Mumbai 400 057.
Tel: +91 22 6250 7600

A-301, 3rd Floor, Takshshila Building,
Goregaon (East), Mumbai – 400 063.
Tel: +91 22 6307 2500

Chennai: +91 44 4384 9695
GIFT City: +91 79 2630 6530
Pune: +91 20 2998 0865
Dubai: +971 4355 9533

Vadodara: +91 265 234 3483
Bengaluru: +91 91411 07765
Kolkata: +91 98 3680 5313
Abu Dhabi: +971 4355 9544

Ahmedabad: +91 79 2630 6530
Delhi: +91 11 2735 7350
Gurgaon: +91 97 1722 2088