

# **Exposure Draft**

## **Amendments to Ind AS 7, Statement of Cash Flows**

**(Last date for the comments: 2<sup>nd</sup> December, 2016)**



***Issued by***  
**Accounting Standards Board**  
**The Institute of Chartered Accountants of India**

## Exposure Draft

### Amendments to Ind AS 7, *Statement of Cash Flows*

Following is the Exposure Draft of changes proposed in Ind AS 7, *Statement of Cash Flows*, issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, for comments.

The Board invites comments on any aspect of this Exposure Draft. Comments are most helpful if they indicate the specific paragraph or group of paragraphs to which they relate, contain a clear rationale and, where applicable, provide a suggestion for alternative wording.

#### How to Comment

Comments should be submitted using one of the following methods, so as to receive not later than **2<sup>nd</sup> December, 2016**:

1. Electronically: Visit the following link <http://online.icai.org/comments/asb/>
2. Email: Comments can be sent at [commentsasb@icai.in](mailto:commentsasb@icai.in)
3. Postal: Secretary, Accounting Standards Board,  
The Institute of Chartered Accountants of India,  
ICAI Bhawan, Post Box No. 7100,  
Indraprastha Marg, New Delhi – 110 002

Further clarifications on any aspect of this Exposure Draft may be sought by e-mail to [asb@icai.in](mailto:asb@icai.in).

## Amendments to Ind AS 7, *Statement of Cash Flows*

Paragraphs 44A–44E and the related heading are added. Paragraph 60 is also added

### Changes in liabilities arising from financing activities

**44A An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.**

44B To the extent necessary to satisfy the requirement in paragraph 44A, an entity shall disclose the following changes in liabilities arising from financing activities:

(a) changes from financing cash flows;

(b) changes arising from obtaining or losing control of subsidiaries or other businesses;

(c) the effect of changes in foreign exchange rates;

(d) changes in fair values; and

(e) other changes.

44C Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities. In addition, the disclosure requirement in paragraph 44A also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

44D One way to fulfil the disclosure requirement in paragraph 44A is by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including the changes identified in paragraph 44B. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and the statement of cash flows.

44E If an entity provides the disclosure required by paragraph 44A in combination with disclosures of changes in other assets and liabilities, it shall disclose the changes in liabilities arising from financing activities separately from changes in those other assets and liabilities.

## Effective date<sup>1</sup>

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- 60 Paragraphs 44A–44E have been added. When the entity first applies these amendments, it is not required to provide comparative information for preceding periods.

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<sup>1</sup> Since Indian Accounting Standards are notified by the Ministry of Corporate Affairs (MCA), the effective date of applicability of applying these amendments will be as may be notified by the MCA.