

Dear Sir

I have comments on PROPOSED AMENDMENTS TO APPENDIX OF IAS 18 'REVENUE' which are given as under:

On Page 25 - In second para starting from “Paragraph 8 states.....”– Line five/six,

where it is written “Determining whether an entity is acting as a principal or as an agent depends on facts and circumstances.....following words be added after the word circumstances **“of the transaction”** to make the wording in line with similar wording given in Para 15 of IAS 18 where there is a sentence *“The assessment of when a n entity has transferred the significant risks and rewards of ownership to the buyer requires an examination of the circumstances of the transaction”*

On Page 25 - In second para starting from “Paragraph 8 states.....”– Line seven/eight,

It is written “An entity is acting as principal when it has exposure to significant risks and rewards.....”. It should be noted that if the word ‘significant’ will be used here than as per para 16 of IAS 18 *“If the entity retains significant risk of ownership, the transaction is not a sale and revenue is not recognized.....”* Therefore, using the word ‘significant’ could lead to the misunderstanding to users that principal cannot also recognize the revenue having exposure to significant risks and rewards. Therefore this words needs to be deleted.

On Page 25 - In bullet (a), first line /second line

Between the words “goods or” ...&... “services” **“rendering of”** should be added to depict use of consistent wordings in the standard.

Similarly in bullet (c), second line words **“rendering of”** should be added before “services” to depict use of consistent wordings in the standard.

On Page 26 - first line

Word **“Significant”** to be added after the word **“have”**.

I would also appreciate if letter of acknowledgment be issued to me for record purposes.

Regards,

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