7. Leases

Summary

This chapter covers:

- Ind AS 116, *Leases*

Ind AS 116 sets out the principles for the following:

- Recognition, measurement, presentation and disclosure of leases
- Faithful representation of the transactions by lessees and lessors.

Key principles

- Ind AS 116 applies to leases of Property, Plant and Equipment (PPE) and other assets, with only limited exclusions.
- A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting model

- There are different accounting models for lessees and lessors as described below:
  - Lessees apply a single on-balance sheet lease accounting model, unless they use the recognition exemptions for short-term leases and leases of low-value assets.
  - Lessors apply a dual model and classify leases as either finance or operating leases.

Lessee accounting

- Ind AS 116 requires the following accounting treatment in the books of the lessee, on the commencement of the lease:
  - A lessee recognises a Right-Of-Use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.
  - A lessee measures the ROU asset at cost less accumulated depreciation and accumulated impairment losses.

Lessor accounting

- A lessor is required to classify each of its leases (as either an operating or a finance lease) at the inception date and is reassessed only if there is a lease modification. The classification depends on whether substantially all of the risks and rewards incidental to ownership of the leased asset have been transferred from the lessor to the lessee.
- Under a finance lease, a lessor derecognises the leased asset and recognises a finance lease receivable.
- Under an operating lease, the lessor treats the lease as an executory contract and recognises the lease payments as income over the lease term. The lessor recognises the leased asset in its balance sheet.

Sale-and-leaseback transactions

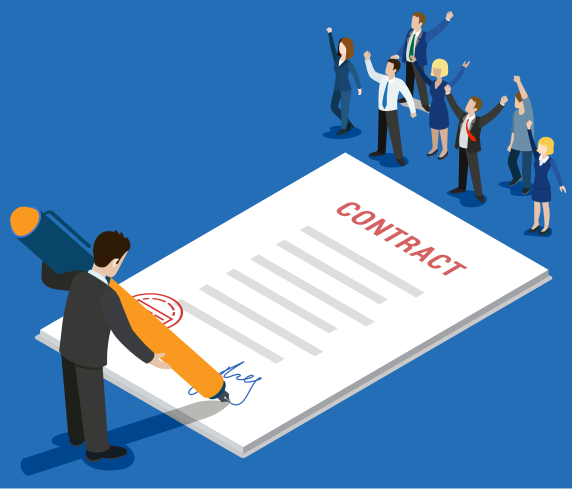
- In a sale-and-leaseback transaction, the seller-lessee first determines if the buyer-lessor obtains control of the asset based (i.e. whether transfer of asset is a sale of that asset).
- If the transaction does not qualify for sale accounting (i.e. transfer of asset is not a sale), then it is accounted for as a financing transaction.

Sub-lease transactions

- In a sub-lease transaction, the intermediate lessor accounts for the head lease and the sub-lease as two separate contracts.
- An intermediate lessor classifies a sub-lease with reference to the ROU asset arising from the head lease.

Significant differences from IFRS[1]

- With regard to the subsequent measurement of leases in the books of the lessee, IFRS 16, *Leases,* provides that if lessee applies fair value model in IAS 40, *Investment Property,* to its investment property, then it should apply that fair value model to the ROU assets that meet the definition of investment property. Since Ind AS 40, *Investment Property,* does not allow the use of fair value model, this guidance has not been included in Ind AS 116.
- IFRS 16 requires classification of cash payments for interest portion of lease liability applying requirements of IAS 7, *Statement of Cash Flows.* IAS 7 provides option of treating interest paid as operating or financing activity. However, Ind AS 7, *Statement of Cash Flows* requires interest paid to be treated as financing activity only. Accordingly, the related guidance has been modified in Ind AS 116 to specify that cash payments for interest portion of lease liability would be classified as financing activities applying Ind AS 7.



1. Indian Accounting Standards (Ind AS): An overview (Revised 2019) published by the ICAI

Guidance from ITFG clarifications

Ind AS 116 requires a lessee to recognise a ROU asset in its books subject to certain exemptions provided in the lease standard. These exemptions include short-term leases. For the purpose of accounting for a lease in the books of a lessee, the determination of the lease term is an important consideration and would be based on facts and circumstances of the lease agreement.

Determination of the lease term

The ITFG has clarified that in determining the lease term (and consequently whether a lease is a short-term lease), only the enforceable rights of the lessee to renew or extend the lease beyond the non-cancellable period are taken into consideration. For example,

- *In case a lease agreement grants a lessee a right to renew or extend the lease beyond the non-cancellable period without the consent of the lessor:* In such a case, the period covered by the lessee's option to renew or extend the lease is included in the lease term if the lessee is reasonably certain to exercise that option.
- *In case a lease agreement, in which the lessee can renew or extend the lease beyond the non-cancellable period only with the consent of the lessor:* In such a case if there are no enforceable rights and obligations existing between the lessee and the lessor beyond that term then there is no contract beyond the non-cancellable period. *(ITFG 21, Issue 1 and ITFG 22, Issue 1)*

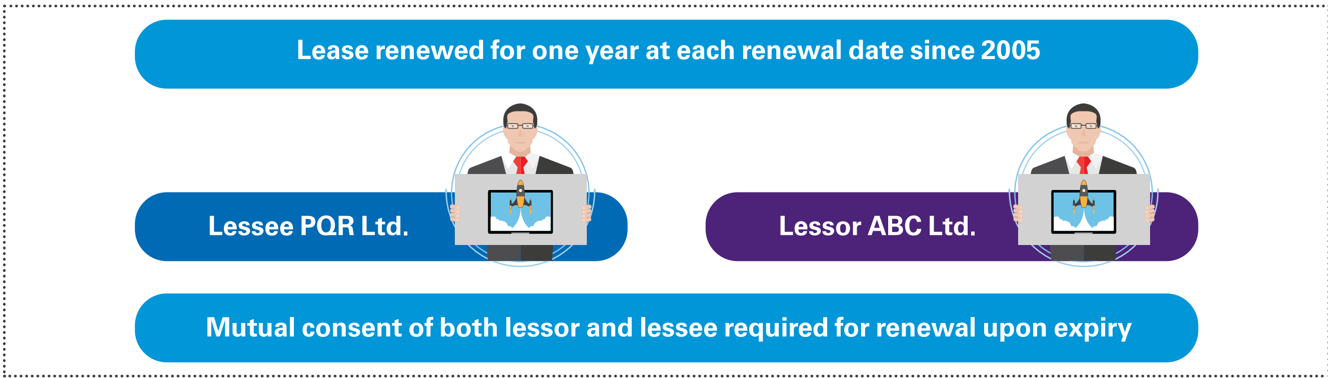
In determining whether the lease is a short-term, the enforceable rights of the lessee only are considered.

Lease agreement does not provide purchase option to the lessee

In a situation, PQR Ltd. (the lessee) leased an office building from ABC Ltd. (the lessor) by means of an agreement for a period of one year in the year 2005. Other facts of the case are as follows:

- The contract has been renewed every year for a further period of one year at each renewal date.
- In accordance with past practice, it is likely that the contract would be renewed for another one year at the expiry of its current term. However, the lease agreement does not provide PQR Ltd. with a purchase option in respect of the leased asset (i.e. the office building).

The issue under consideration was whether PQR Ltd. could avail the recognition exemption for short-term leases in accordance with Ind AS 116.



Accordingly, ITFG clarified that a lease agreement qualifies as a short-term lease in accordance with Ind AS 116, in case it (i.e. the lease agreement including any addendum thereto or a side agreement) has all of the following characteristics:

- It is for a period of 12 months or less
- It does not grant a renewal or extension option to the lessee
- It does not grant a purchase option to the lessee.

A lease with above characteristics would be considered as a short-term lease even if there is a past practice of the lease being renewed upon expiry of the lease term (with the mutual consent of both the lessor and the lessee).

Hence, in the given scenario, ITFG clarified that as the lease agreement qualifies as a short-term lease, PQR Ltd. could avail the recognition exemption for short-term leases as given in Ind AS 116. *(ITFG 21, Issue 1)*

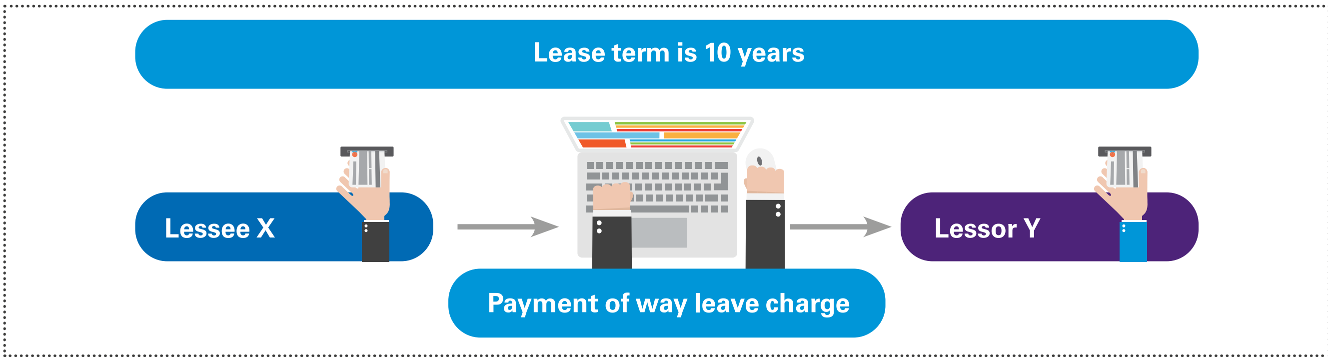
Lease agreement with different options

In another case, an entity X is in the business of power generation and transmission and has a licence for 30 years. Following are three scenarios related to various lease agreements entered into by it:

Scenario 1: Lease could be terminated by giving one month's prior notice

During the year 2015, X (lessee) entered into a lease arrangement with another entity Y (lessor) (which is a government-owned railway operator) for an overhead line facility across the railway track for a period of 10 years. Other facts of the case are as follows:

- X paid 'way leave' charge to Y for the right of way in advance for the entire period of 10 years
- X has no tenancy or right or interest in the land
- As per the past practice followed by Y in respect of its other similar leases, it is likely that the contract would be renewed for another ten years at the expiry of its current term
- X is reasonably certain to continue the above lease till the validity of transmission licence, i.e. 30 years since shifting of transmission lines would affect its business adversely
- In the past, Y has given notice to lessees to shift transmission lines from railway land only in a few rare and unusual cases.



The ITFG clarified that in determining the lease term, the lessee (i.e. X in this case) is required to make an assessment if, at lease commencement, there is an economic incentive to not exercise the option to terminate the lease prematurely.

X would make this assessment by considering all relevant facts and circumstances including any expected changes in facts and circumstances during the 10 years period.

In the current scenario, however, the following factors prima facie suggest that at the commencement date, X is not likely to have an economic incentive to exercise the termination option:

- X expects to operate the transmission line for 30 years and therefore, needs the right of way for a period of 30 years.
- In case X wishes to relocate the transmission line so that it crosses over the railway track at a different location, in all likelihood, it would still have to obtain the right of way from Y.
- It seems possible that X may not be able to have a complete transmission line without crossing over the railway track. Even where this is technically possible, the alternative route may involve a considerable increase in the length of the transmission line and may therefore involve considerable additional cost. Prima facie, any savings to X due to lower lease rentals (which are likely to be the primary drivers behind any relocation decision) are likely to be significantly less than the cost involved in relocation.
- In case the premature termination by X would result in Y forfeiting a significant part of the advance lease rental payment, this would be an additional factor providing economic incentive to X to not terminate the lease prematurely.

Further, in the given situation, Y is a government-owned entity. While its agreement with X gives it a right to terminate the lease at any time, it seems that this right is meant to be exercised only in exceptional circumstances. At lease commencement, there seems to be no economic incentive for Y to terminate the lease prematurely. In case another entity approaches Y for the right of way, it seems that it can provide the right of way at some distance from location of transmission line of X. Y does not need to terminate its existing arrangement with X to provide right of way to another party.

The above factors, all, prima facie suggest that at lease commencement, it is reasonably certain that the termination option would not be exercised. However, as mentioned earlier, the final determination of the issue would have to be made by X on the basis of its detailed and in-depth knowledge of the facts and circumstances of the case. In case X concludes that it is reasonably certain at lease commencement that the termination option would not be exercised, the lease term would be 10 years and, consequently, the lease would not qualify as a 'short term lease'.

Scenario 2[2]: Agreement for 12 months but no renewal or extension or purchase option to the lessee only (i.e. mutual consent required)

A part of the transmission line also passes through private land held by Z. During the year 2015, X (lessee) entered into a lease agreement with Z (lessor) for a period of 12 months for overhead facility.

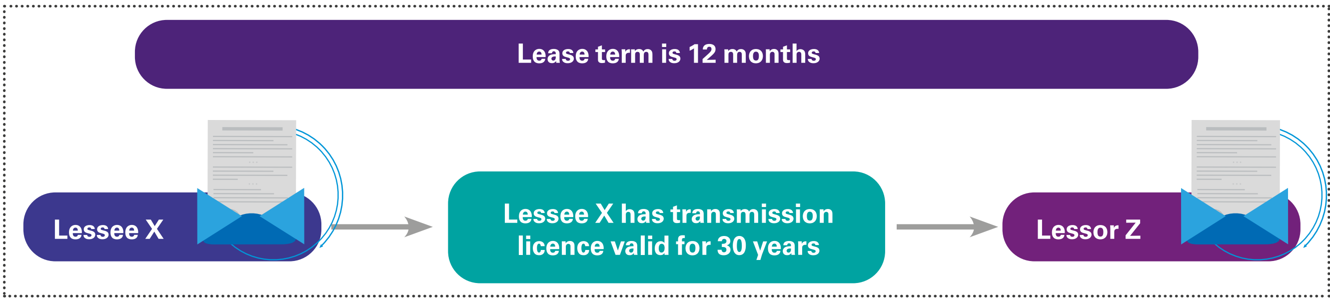
The following are some of the principal terms of agreement:

- The lease can be renewed or cancelled with the mutual consent of both the parties.
- Either party is at liberty to put an end to the arrangement by giving one month's prior period notice in writing. In the event of such a notice neither party should have any claim for any compensation.
- X should not transfer or sublet the rights granted by Z and the benefit of the facility should be restricted to it only.
- Since the year 2015, the contract has been renewed every year for a further period of one year at a time.

X is reasonably certain to continue the above lease till the validity of transmission licence, i.e. 30 years since shifting of transmission lines would affect its business adversely.

As per the past practice, it is likely that the contract will be renewed for another one year at the expiry of its current term.

The lease agreement does not provide any purchase option in respect of the leased asset to the lessee.

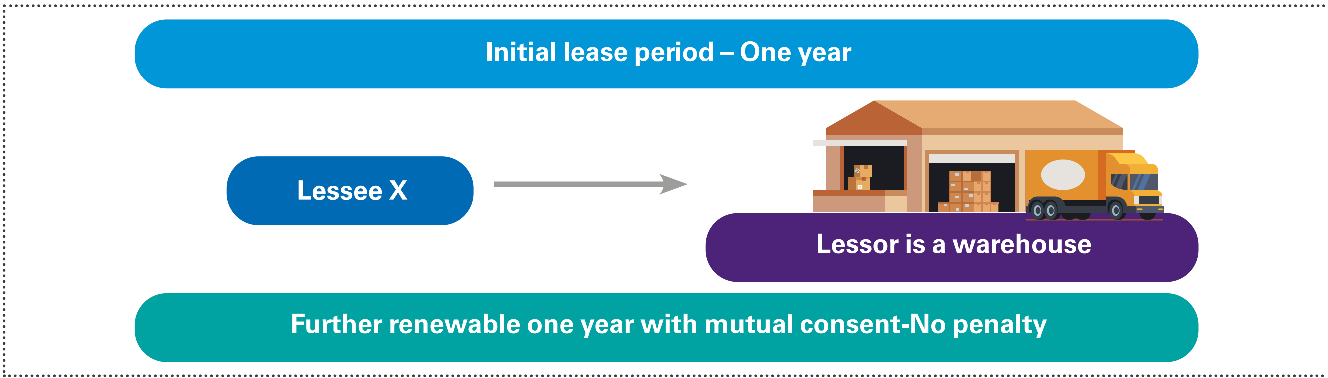


In the given situation, the ITFG clarified that the lease agreement is for a period of 12 months and qualifies as a short-term lease. This is because the agreement does not grant a renewal or extension or purchase option to X (i.e. the renewal of lease requires mutual consent of both parties and is not at the option of X only).

Scenario 3[2]: Agreement for 12 months but no renewal, extension or purchase option to the lessee only (i.e. mutual consent required)

In the year 2016, X enters into a lease agreement with a warehouse for an initial non-cancellable period of one year. Other facts are as follows:

- The lease can be renewed for a further period of one year with the mutual consent of both the parties
- There is no penalty if the lessee and the lessor do not agree. Since 2016, the contract has been renewed every year for a further period of one year at a time
- As per the past practice, it is likely that the contract will be renewed for another one year at the expiry of its current term.



The ITFG has clarified that in this scenario as well, the lease agreement is for a period of one year i.e.12 months. *(ITFG 22, Issue 1)*

2. A similar issue related to renewal of lease requiring mutual consent of lessor and lessee and not just at the option of lessee has been clarified in ITFG clarification bulletin 21 (Issue 1).

Accounting treatment of rent equalisation liability

ABC Ltd. (the lessee), had several long-term lease contracts for lease of office buildings, cars, etc. and had classified them as operating leases under Ind AS 17, *Leases.* Under Ind AS 17, the related lease rentals were recognised on a straight-line basis over the lease term of the respective leases taking into consideration the 10 per cent escalation in lease rentals every year. Therefore, ABC Ltd. recognised a rent equalisation liability in its balance sheet as on 31 March 2019.

Ind AS 116 provides two optional approaches to a lessee for transition as follows:

- Full retrospective approach (no practical expedient)
- Modified retrospective approach (with practical expedient).

The accounting treatment of rent equalisation liability appearing in the balance sheet of ABC Ltd. when it applies Ind AS 116 is explained as below:

- **Application of full retrospective approach**

  Under this approach, the lessee applies Ind AS 116 retrospectively in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

  The accounting treatment of transition from Ind AS 17 to Ind AS 116 would be as follows:

  - For each lease, the amount of the lease liability and the related ROU asset as at the beginning of the preceding period (i.e.1 April 2018) would be determined as if Ind AS 116 had always been applied.
  - The difference between the ROU asset (together with lease equalisation liability) and lease liability would be recognised in retained earnings (or other component of equity, as appropriate).
  - The comparative amounts presented in the financial statements for the year ended 31 March 2020 would be restated.

  Additionally, in accordance with the requirements of Ind AS 1, *Presentation of Financial Statements,* if the retrospective application of Ind AS 116 has a material effect on the information in the balance sheet at the beginning of the preceding period (i.e., 1 April 2018), a third balance sheet as at 1 April 2018 would also need to be presented.

- **Application of modified retrospective approach**

  Under the modified retrospective approach, either of the following two options would be applied:

  Option I: ROU asset is measured as if Ind AS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. The accounting would be as follows:

  - The difference as at the date of initial application between the ROU asset (together with lease equalisation liability) and lease liability would be recognised in retained earnings (or other component of equity, as appropriate)
  - Comparatives would not be restated
  - A third balance sheet would not be presented at the beginning of the preceding period (i.e. 1 April 2018).

  Option II: ROU asset is measured at an amount equal to the lease liability: The accounting would be as follows:

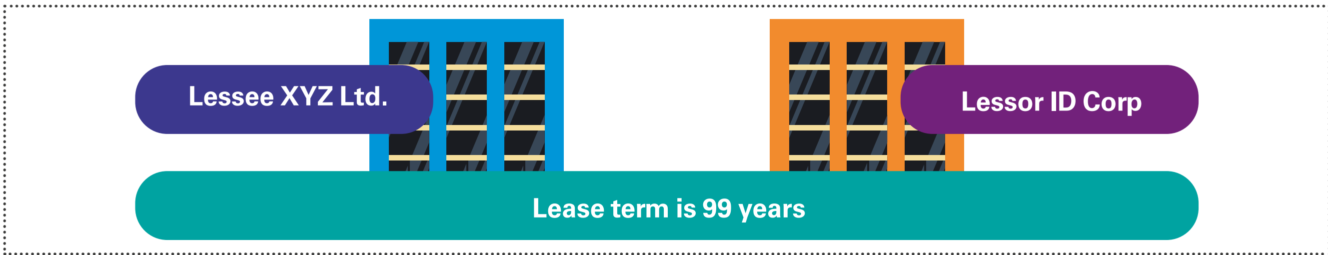
  - Consider rent equalisation liability as accrued lease payments and the amount of ROU would be determined by deducting the said liability from the amount of lease liability
  - Comparatives would not be restated
  - A third balance sheet would not be presented at the beginning of the preceding period (i.e. 1 April 2018). *(ITFG 21, Issue 2)*

Non-refundable lease premium amount equal to market value

XYZ Ltd. (a manufacturing entity and a lessee) acquired a plot of land several years back on a 99 years lease from Industrial Development Corporation (ID Corp) (the lessor) of the State Government for its business purposes. An upfront non-refundable lease premium was paid at the time of execution of lease deed (equal to market value of the land at that time). Additionally, the lessee would pay a nominal lease rent on an annual basis over the entire 99 years period (i.e. the lease term).

However, XYZ Ltd. could transfer the leased land to a third party after prior consent of the ID Corp.

The lease deed does not have any specific clause on renewability upon completion of abovesaid lease term of 99 years. Also, the website of the ID Corp mentions lease would be renewable after the expiry of 99 years but not clear if any further lease premium would need to be paid upon completion of 99 years of lease to renew the lease.



In this situation, ITFG considered the following issues:

a. Upfront payment equal to the present value of payments over the lease term

ITFG deliberated on whether the transaction described is a lease within the meaning of Ind AS 116 specifically when the upfront payment made by the lessee accounts to almost all of the present value of the payments to be made over the lease term.

Considering the definition under Ind AS 116, it was clarified that for a contract (or a part of a contract) to qualify as a lease, exchange of consideration for the ROU of the underlying asset is essential. However, the timing or pattern of flow of such consideration is not relevant in determining whether or not an arrangement is a lease.

In the present situation, the lease deed executed between the entity and the ID Corp creates enforceable rights and obligations between the two parties and thus, constitutes a contract. This contract conveys the ROU of a specified parcel of land (the underlying asset) to the entity for 99 years in exchange for upfront payment of lease premium and annual payment of lease rent (consideration).

Accordingly, in the current situation, the ITFG clarified that the lease deed qualifies as a lease within the meaning of Ind AS 116, even though almost all of the consideration has been paid upfront.

b. Accounting treatment of the lease in the books of the lessee

The accounting treatment of the lease in the books of lessee in accordance with Ind AS 116, when it was classified as a finance lease under Ind AS 17 would be as follows:

- **Lease liability:** The amount of lease liability immediately upon transition to Ind AS 116 would be similar regardless of whether the entity applies full retrospective approach or modified retrospective to account for the transition.
- **ROU asset:** The amount of ROU asset immediately upon transition to Ind AS 116 would be similar regardless of whether the entity applies full retrospective approach or modified retrospective to account for the transition.
- **Lease term:** If the lease term was correctly determined by the lessee under Ind AS 17, the same assessment of lease term would continue under Ind AS 116. Further, a leasehold land is a depreciable asset even if the lease term is very long unless the title transfers to the lessee at the end of the lease term or the lessee has a purchase option that is reasonably certain to be exercised. *(ITFG 21, Issue 3)*

Accounting for foreign exchange differences relating to lease liability

In accordance with Ind AS 101 a first-time adopter is permitted to continue with its previous GAAP policy adopted for accounting for exchange differences arising from translation of Long-Term Foreign Currency Monetary Items (LTFCMI) recognised in its financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. (Paragraph D13AA of Appendix D to Ind AS 101)

In a situation an entity, (applying the requirements of Ind AS 116), recognised a lease liability and a ROU asset as at 1 April 2019 in respect of a long-term lease. This lease was entered into before the beginning of its first Ind AS financial reporting period and was classified as an operating lease under the previous GAAP (i.e. under AS 17). The lease payments are denominated in a foreign currency.

The issue under consideration was with regard to accounting of foreign exchange differences relating to lease liability recognised by the entity. The ITFG deliberated if such foreign exchange differences would be covered by the exemption provided under paragraph D13AA of Ind AS 101 or these should be recognised in the statement of profit and loss.

The ITFG clarified that the exemption provided by paragraph D13AA of Ind AS 101 is available only in respect of LTFCMI recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Additionally, Ind AS 101 specifically provides that an entity should not apply the exemptions contained in Appendices C-D by analogy to other items.

Accordingly, ITFG clarified that foreign exchange differences relating to the lease liability recognised by the entity should be charged to the statement of profit and loss *(ITFG 21, Issue 5).*

In situations where lease liability is denominated in foreign currency and would be considered as a monetary item. This liability would need to be translated at the closing exchange rate at each reporting date as per Ind AS 21, *The Effects of Changes in Foreign Exchange Rates.* However, the ROU asset would not be restated. This would potentially create volatility in the statement of profit and loss.

Lessor accounting for lease rental income in case of on operating lease

In respect of accounting for operating leases by a lessor, Ind AS 17 did not require or permit scheduled lease rental increases to be recognised on a straight-line basis over the lease term if lease rentals were structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Instead, Ind AS 17 required such increases to be recognised in the respective period of increase. This was a significant difference (a carve-out) from its corresponding international standard IAS 17, *Leases.*

However, it is important to note there is no such carve-out in Ind AS 116. Thus, Ind AS 116 requires operating lease rentals to be recognised on a straight-line basis (or on another systematic basis if such other basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished).

An entity Y Ltd. (lessor) entered into a lease agreement to provide on lease an office building to another entity X Ltd. (lessee) for a period of five years beginning 1 April 2017.

- The lease rental for each subsequent year was to increase by 10 per cent over the lease rental for the immediately preceding year
- The scheduled 10 per cent annual increase in lease rentals was in line with expected general inflation to compensate for Y Ltd.'s expected inflationary cost increases.

Y Ltd. did not recognise the lease rental income on a straight-line basis.

The ITFG considered and clarified the accounting of the rental income of the operating lease by the lessor, in accordance with Ind AS 116 as follows:

- Y Ltd. is required to recognise operating lease rentals from the office building given on lease on a straight-line basis over the lease term, even though the lease rentals are structured to increase in line with expected general inflation to compensate for its expected inflationary cost increases.
- The resultant change in manner of recognition of operating lease rentals by Y Ltd. represents a change in an accounting policy which would need to be accounted for as per Ind AS 8 in the absence of specific transitional provisions in Ind AS 116 dealing with the change. *(ITFG 22, Issue 2)*

Accounting of operating leases of a subsidiary not capitalised by a first-time adopter parent

Please refer to the Chapter 9, First-time adoption of Ind AS for more details on the above issue *(ITFG 21, Issue 4)*

Accounting for mining lease rights in accordance with Ind AS

The accounting for mining for extraction of lime stone or similar such resources is excluded from the scope of Ind AS 116.

Please refer to the Chapter 4, Tangible and intangible assets for more details on the above issue. *(ITFG 22, Issue 3)*

Accounting treatment of deferred tax adjustments recognised in equity on first-time adoption of Ind AS in accordance with Ind AS 101, at the time of transition to Ind AS 115/Ind AS 116

Please refer to the Chapter 9, First-time adoption of Ind AS for more details on the above issue. *(ITFG 23, Issue 2)*

Refer to educational material on Ind AS 116 for the following issues/topics:

Issue number	Topic
1	Guidance on applicability and exclusion of certain transactions from the scope of Ind AS 116
2	Applicability of Ind AS 116 to contract where grantor does not control prices in case of a certain public to private service concession arrangement
3	Applicability of Ind AS 116 to a contract where grantor controls the right-to-use of any leased infrastructure that operator constructs
4	Applicability of Ind AS 116 to different scenarios based on assessment whether the contract conveys the right to control the use of an identified asset
5	Applicability of recognition exemption for 'short term leases' as per Ind AS 116 (Similar to ITFG 21, Issue 1)
6	Guidance on whether the classes of underlying assets for the purpose of Ind AS 116 would be similar to those as specified in Ind AS 16 or Ind AS 38
7	Guidance on criterion of an identified asset (the capacity portion used in a gas storage reservoir)
8	Guidance on criterion of an identified asset (the capacity portion used in a warehouse facility)
9	Guidance on criterion of an identified asset (the capacity portion used in the pipeline) in situations of 'right of first refusal'
10	Guidance on arrangement containing a lease (explicit or implicit identification of an asset)
11	Guidance on substantive rights in different scenarios
12	Assessment of a contract meeting the definition of lease
13	Assessment of substantive substitution rights
14	Assessment of right to obtain substantially all of the economic benefits from the solar power plant during the period of arrangement
15	Assessment of right to direct the use of the asset (air conditioning plant)
16	Assessment of right to direct the use of asset (solar power plant) when customer designed the asset
17	Assessment of right to direct the use of asset when supplier has protective rights
18	Assessment of whether customer obtains substantially all of the economic benefits from the use of the asset when there is a cap on the mileage of a vehicle (leased asset)
19	Guidance on identified asset (storage capacity leased by a parent and subsidiary separately) and whether an arrangement would be a lease in respective SFS and the CFS
20	Assessment of right to control the use of an asset (aircraft) in different scenarios
21	Assessment of separate lease components in a contract in different scenarios
22	Guidance on an arrangement containing a lease under Ind AS 116 *vis a vis* Appendix C of Ind AS 17
23	Assessment of whether an arrangement is a lease where no enforceable rights and obligations of parties nor exchange of consideration exists
24	Guidance on accounting of a sale and lease back transaction
25	Assessment of applicability of sale and leaseback transaction in different scenarios
26	Assessment of lease term for assessing ROU asset and lease liability in different scenarios

27	Assessment of lease term in case of termination option of the lessee
28	Assessment of lease term in case of cancellable leases in different scenarios
29	Guidance on determination of lease term in case of sub-lease
30	Assessment of lease term in case of residual value guarantee
31	Assessment of lease term in case of perpetual lease
32	Assessment of lease term in contracts with a term of 12 months or less (Similar to ITFG 21, Issue 1)
33	Guidance on reassessment of lease term in certain scenarios
34	Guidance on when to recognise ROU asset and lease liability (inception date vs commencement date)
35	Assessment as to whether an underlying asset of a lease is of low value
36	Guidance on certain instances of leases of low value assets
37	Guidance on short term lease exemption
38	Guidance on measurement of lease payments and lease incentive in case of recognition exemption
39	Guidance on initial measurement of lease liability where lease payments in substance are fixed lease payments
40	Assessment of fixed or variable lease payments for calculating lease liability in different scenarios
41	Guidance on calculation of lease liability and ROU asset in case of variable lease payments not dependent on an index or a rate
42	Guidance on measurement of lease liability in case of variable payments made at the end of each year linked to an index-Consumer Price Index (CPI)
43	Guidance on lease payments for calculation of ROU asset in certain scenarios in case of lease of an asset (aircraft)
44	Guidance on cost to be included as part of initial direct costs
45	Guidance on allocation of consideration for rent of portion of a building to various components such as property taxes, etc.
46	Guidance on discount rate (interest rate implicit vs incremental borrowing rate) to be used for measuring the lease liability
47	Guidance on combining contracts as a single contract and accounting for lease liability as at the commencement date
48	Guidance on contract manufacturing
49	Guidance on payment of GST as part of consideration and its treatment
50	Guidance on measurement of ROU asset and lease liability in case of initial direct costs and lease incentives
51	Guidance on fair valuation of security deposit
52	Guidance on accounting of interest-free security deposit
53	Guidance on security deposit paid in tranches
54	Guidance on measurement of ROU asset and lease liability over the lease term when lessee is reasonably certain to exercise purchase option at the end of lease

Issue number	Topic
55	Guidance on subsequent measurement of ROU asset when the underlying asset belongs to a class of asset for which an entity has elected the revaluation model under Ind AS 16
56	Guidance on impairment of ROU asset
57	Guidance on lease payments in foreign currency
58	Guidance on variable lease payments dependent on an index
59	Guidance on whether the interest on lease liability and depreciation on ROU asset could be included in PPE or inventories
60	Guidance on reassessment in lease liability due to change in lease term
61	Guidance on when lease modification is not considered as a separate lease
62	Guidance on lease modification when considered as a separate lease
63	Guidance on lease modification in case where reduction in lease term leading to a change in terms of the lease
64	Guidance on lease modification in a situation of change in consideration
65	Guidance on initial direct costs in a lease modification
66	Guidance on accounting by lessor (recognition and measurement in case of finance lease)
67	Guidance on accounting by lessor in case of operating lease receipts when annual escalations reflect potential increase in general inflation index over the period of lease agreement
68	Guidance on accounting for lease incentives paid by the lessor
69	Guidance on accounting by the intermediate lessor in the certain scenarios
70	Guidance on lessor's accounting for lease modifications in finance leases
71	Guidance on accounting by lessor for lease modifications in operating leases
72	Guidance on presentation and disclosure by lessee (whether to classify ROU assets and lease liability as current/non-current in case of short-term leases and others)
73	Guidance on disclosure by lessee in a situation where short-term lease payments are expected to increase in the following year
74	Guidance on disclosure by lessee in case of depreciation charge for ROU assets as a separate line item in the statement of profit and loss
75	Guidance on presentation of variable lease payments which are not included in measurement of lease liabilities in the statement of profit and loss by a lessee
76	Guidance on presentation and classification of a lease of building (that does not qualify as an investment property) in the balance sheet where a lessee elects not to present ROU asset in a separate line item
77	Guidance on presentation and disclosure by lessee (classification of lease payments in the statement of cash flows)
78	Guidance on presentation and disclosure by lessee of a gain/loss on termination of lease
79	Guidance on presentation and disclosure by lessee of lease liability in segment reporting
80	Guidance on presentation and disclosure by lessor (whether an intermediate lessor permitted to offset the remaining lease liability for the head lease and the lease receivable from the sublease)

81	Guidance on presentation by lessor of income relating to variable lease payments in respect of finance lease in the statement of profit and loss
82	Guidance on presentation of payments made directly to relevant authority (by the lessee) by the lessor in its statement of profit and loss
83	Guidance on transitional provisions under all three transition approaches specified in Ind AS 116
84	Guidance on when an entity transitions to Ind AS 116, applying fully retrospective (whether portion of operating lease cost (which is required to be capitalised) could be capitalised in building cost retrospectively)
85	Guidance on calculation of lease liability at transitional date when an entity applies modified retrospective approach