

Exposure Draft

Annual Improvements to Ind AS - Amendments in Ind AS 112 and 28

(corresponding to Annual Improvements to IFRS Standards 2014-2016 cycle issued by the IASB)

(Last date for the comments: 28th April, 2017)



Issued by

Accounting Standards Board

The Institute of Chartered Accountants of India

Exposure Draft

Annual Improvements to Ind AS - Amendments in Ind AS 112 and 28

(corresponding to Annual Improvements to IFRS Standards 2014-2016 cycle issued by the IASB)

Following is the Exposure Draft of Annual Improvements to Ind AS - Amendments in Ind AS 112 and 28 (corresponding to Annual Improvements to IFRS Standards 2014-2016 cycle issued by the IASB), 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 **28th April, 2017**:

- 1 Electronically: Click on the below mentioned option to submit a comment letter or visit at the following link (Preferred method):
<http://www.icai.org/comments/asb/>
- 2 Email: Comments can be sent at 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.

Annual Improvements to Ind AS - Amendments in Ind AS 112 and 28

(corresponding to Annual Improvements to IFRS Standards 2014-2016 cycle issued by the IASB)

The Standards addressed

The following table shows the topics addressed by these amendments.

Standard	Subject of amendment
Ind AS 112, <i>Disclosure of Interests in Other Entities</i>	Clarification of the scope of the Standard.
Ind AS 28, <i>Investments in Associates and Joint Ventures</i>	Measuring an associate or joint venture at fair value.

Amendments to Ind AS 112, *Disclosure of Interests in Other Entities*

Paragraph 5A is added.

Scope

5A Except as described in paragraph B17, the requirements in this Ind AS apply to an entity's interests listed in paragraph 5 that are classified (or included in a disposal group that is classified) as held for sale or discontinued operations in accordance with Ind AS 105, *Non-current Assets Held for Sale and Discontinued Operations*.

In Appendix B, paragraph B17 is amended. Deleted text is struck through and new text is underlined.

Summarised financial information for subsidiaries, joint ventures and associates (paragraphs 12 and 21)

...

B17 When an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified (or included in a disposal group that is classified) as held for sale in accordance with Ind AS 105, *Non-current Assets Held for Sale and Discontinued Operations*, the entity is not required to disclose summarised financial information for that subsidiary, joint venture or associate in accordance with paragraphs B10–B16.

Appendix C is added.

Appendix C

This appendix is an integral part of the Ind AS and has the same authority as the other parts of the Ind AS

Effective date and transition

C1-C1C [Refer Appendix 1]

C1D Annual Improvements to Ind AS - Amendments in Ind AS 112 and 28, added paragraph 5A and amended paragraph B17. An entity shall apply those amendments retrospectively in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, for annual periods beginning on or after 1st April, 2018*.

C2-C3 [Refer Appendix 1]

...

* Since these amendments to Ind AS will be notified by the Ministry of Corporate Affairs (MCA), the effective date as mentioned in paragraph C1D, is subject to the notification of MCA with the same effective date.

Appendix 1

Paragraph 2 is added

2. Paragraphs C1-C1C and C2-C3 of Appendix C, have not been included as these paragraphs relate to effective date and transition. However, in order to maintain consistency with paragraph numbers of IFRS 12, the paragraph numbers are retained in Ind AS 112.

Amendments to Ind AS 28, *Investments in Associates and Joint Ventures*

Paragraphs 18 and 36A are amended and paragraph 45E and its related heading are added. Deleted text is struck through and new text is underlined.

Exemptions from applying the equity method

- 18 When an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure that investments in those associates and joint ventures at fair value through profit or loss in accordance with Ind AS 109. An entity shall make this election separately for each associate or joint venture, at initial recognition of the associate or joint venture.

...

Equity method procedures

- 36A Notwithstanding the requirement in paragraph 36, if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

Effective date and transition

- 45E Annual Improvements to Ind AS - Amendments in Ind AS 112 and 28, amended paragraphs 18 and 36A. An entity shall apply those amendments retrospectively in accordance with Ind AS 8 for annual periods beginning on or after 1st April, 2018*.

* Since these amendments to Ind AS will be notified by the Ministry of Corporate Affairs (MCA), the effective date as mentioned in paragraph 45E, is subject to the notification of MCA with the same effective date.

