Outlook

Bhilai Branch comment on Exposure Draft on Amendments to Ind AS 28 – Investments in Associates and Joint Ventures

From Bhilai ICAI <bhilai@icai.org>
Date Thu 10/15/2026 5:38 PM
To Comments ASB - ICAI <commentsasb@icai.in>

Dear Sir/Madam,

We appreciate the initiative taken by the Accounting Standards Board of ICAI in inviting comments on the Exposure Draft of amendments to Ind AS 28, Investments in Associates and Joint Ventures.

Having considered the objective of the proposed amendments, we submit the following comments and recommendations for consideration.

1. Clarification of eligibility for the fair value option

Our view: Agree in principle.

We support the proposed clarification that entities whose main business activity is investing in particular types of assets should also be eligible to elect the fair value option for investments in associates and joint ventures, subject to the conditions prescribed under Ind AS 28.

The clarification should help reduce diversity in accounting practices and improve consistency in the measurement and presentation of such investments.

Recommendation: The revised wording should clearly explain how an entity determines whether investing in particular types of assets constitutes its main business activity. Appropriate illustrative examples may be provided to facilitate consistent application.

2. Assessment of the main business activity

The assessment of an entity's main business activity may involve significant judgement, particularly for diversified entities, investment holding companies, insurance-related entities and entities operating through multiple subsidiaries.

Recommendation: ICAI may clarify whether this assessment should be made at the level of the reporting entity, the consolidated group or both, as applicable. The criteria should also explain the relevance of the entity's business model, principal activities and other supporting evidence.

This clarification would reduce uncertainty and the possibility of inconsistent interpretations among entities.

3. Consistency with corresponding Indian Accounting Standards

The proposed amendments should be aligned with the corresponding Indian requirements governing the presentation and disclosure of income and expenses, without introducing unintended differences from the existing Ind AS framework.

Recommendation: References to IFRS 18 and its paragraph requirements should be appropriately adapted to the corresponding Indian Accounting Standards, wherever applicable. If the corresponding Indian requirements are not yet effective or notified, ICAI may clarify the intended interaction and provide appropriate cross-references when the relevant standards are finalised.

4. Effective date and transition provisions

We recommend that the effective date of the amendments be coordinated with the implementation of the corresponding Indian requirements for presentation and disclosure of income and expenses.

Recommendation: ICAI may provide explicit transition guidance, including the date from which the fair value option may be exercised, the treatment of existing investments, and whether any retrospective application is required.

The amendments should not create unnecessary implementation costs or require entities to revisit past accounting elections unless specifically justified.

5. Illustrative guidance and implementation support

To promote consistent application, ICAI may consider issuing illustrative examples covering investment holding entities, entities with diversified business activities and investments held through eligible investment vehicles.

Such guidance would assist preparers, auditors and users of financial statements in understanding the practical implications of the amendments.

Overall conclusion

We support the objective of the proposed amendments to Ind AS 28 and recommend that they be finalised with appropriate clarifications regarding eligibility, assessment of the main business activity, alignment with Indian Accounting Standards and transition arrangements.

These measures would improve consistency, comparability and practical application while maintaining alignment with international accounting developments.

We thank the Accounting Standards Board of ICAI for providing this opportunity to contribute to the standard-setting process.

Yours faithfully,

CA SUKHDEO RATHI
CHAIRMAN

With Best Wishes & Regards

For, **BHILAI BRANCH OF CIRC OF ICAI**

Sd/-

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