

SEPARATE FINANCIAL STATEMENTS**Quote:-**

“Failure Will Never Overtake Me

If My Determination To Succeed Is Strong Enough.”

The detailed summary of this standard is as follows:

1. This standard deals with ACCOUNTING FOR INVESTMENTS in Subsidiary Co., Associate Co. and Joint venture Co in the individual financial statements of Investor (i.e. Parent Co.)
2. Separate financial statements are presented in addition to:
 - a. Consolidated Financial Statements (prepared in case of a subsidiary or subsidiaries); or
 - b. Financial Statements in which investments in associates and joint ventures are accounted for using equity method as per IndAS 28.
3. Entity may present separate financial statements as its **only** financial statements if it is:
 - a. Exempt from consolidation; or
 - b. Exempt from applying equity method; or
 - c. An **investment entity** and apply exception to consolidation for all of its subsidiaries.
4. Investor (i.e. Parent Co.) shall account for its investments in Subsidiary, Associate and Joint Venture either at:
 - Cost or
 - as per Ind AS 109 Financial Instruments i.e. Fair Value (FVTPL or FVTOCI)

(i.e. we have choice to value our investments in individual financial statements at Cost or at Fair Value)



Category wise Valuation of Investments under IndAS 27

- The entity shall apply the same accounting for each category of investment.
- An entity shall classify investment in subsidiaries, associates or joint ventures into different categories:

Investments in subsidiaries

Subsidiaries A - (Cost)

Subsidiaries B - (Cost)

Investments in associates

Associates A - (Fair Value)

Associate B - (Fair Value)

Investments in joint ventures

JV A - (Fair Value)

JV B - (Fair Value)

- For the purpose of Ind AS 27 "category of investments" means board category i.e. (a) Investments in subsidiary, (b) Investments in associates and (c) Investments in Joint ventures.
- **It is possible to apply "cost" approach in respect of one category and "fair value" approach for another category.**
- **However, it is not possible to apply "cost" approach to one subsidiary and "fair value" approach to another subsidiary.**

Are these Investments subject to Impairment as per Ind AS 36?

If measured at Cost - Yes.

If measured at Fair Value - No.

When a Parent cease to be Investment Entity or becomes Investment Entity?

When an Entity becomes an Investment Entity	When an Entity ceases to be an Investment Entity
<p>Account at FVTPL as per Ind AS 109</p> <p>Note: any difference between Carrying Amount vs. Fair Value is Gain/Loss - Taken to Profit & Loss</p> <p>Note: Any difference balance in OCI will be recycled to Profit & Loss</p>	<p>Option I Cost</p> <p>Note: Fair Value on the date of change of status is taken as deemed cost</p> <p>Option II Continue as per Ind AS 109</p>

