



SUPPLEMENTARY

IND AS 27

PAPER - 17



INDIAN ACCOUNTING STANDARD (Ind AS)

Ind AS 27: Separate Financial Statements

1. Introduction:

A company shall prepare financial statements for every financial year as required by law. A **parent** company in a group of companies shall prepare **consolidated financial statements** as per Ind AS 110, and further it shall prepare **separate financial statements** as per Ind AS 27. A company having investments in associates or joint ventures prepares financial statements using **equity method** of accounting as per Ind AS 28; in addition it shall also prepare separate financial statements as per Ind AS 27.

Thus a company presenting consolidation or applying equity method shall in addition present separate financial statements. A company exempted from consolidation or from applying equity method may prepare separate financial statements as its only financial statements.

2. **Objective:** The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.
3. **Scope:** This Standard shall be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity elects, or is required by law, to present separate financial statements.
4. **Definition:** Separate financial statements are those presented by a parent (i.e. an investor with control of a subsidiary) or an investor with joint control of, or significant influence over, an investee, in which the investments are accounted for at cost or in accordance with Ind AS 109, Financial Instruments.
5. When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:
 - (a) at cost, or
 - (b) in accordance with Ind AS 109.
6. An entity shall recognise a dividend from a subsidiary, a joint venture or an associate in profit or loss in its separate financial statements when its right to receive the dividend is established.
7. An entity shall apply all applicable Ind ASs when providing disclosures in its separate financial statements.
8. In case of exemption from consolidation or use of equity method, the entity shall disclose
 - (i) that the financial statements are separate financial statements
 - (ii) that the exemption is used and
 - (iii) a list with details of investments in subsidiaries, joint ventures and associates.