1. Consolidation

Summary

This chapter covers:

- Ind AS 110, *Consolidated Financial Statements*
- Ind AS 111, *Joint Arrangements*
- Ind AS 28, *Investments in Associates and Joint Ventures*

In India, the Companies Act, 2013 (2013 Act), mandates preparation of Consolidated Financial Statements (CFS) in addition to the requirement of preparing Separate Financial Statements (SFS), if a company has one or more subsidiaries, associates or joint ventures. Ind AS 110 establishes principles for the presentation and preparation of CFS when an entity controls one or more other entities.

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Key principles

- An investor controls an investee when the former is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.
- Only substantive rights are considered while assessing whether an investor controls the relevant activities.
- An associate is an entity over which the investor has significant influence which is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control of those policies.
- If an entity holds, directly or indirectly (e.g. through subsidiaries), 20 per cent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (e.g. through subsidiaries), less than 20 per cent of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence.
- A joint arrangement is an arrangement over which two or more parties have joint control. There are two types of joint arrangements - a joint operation and joint venture.
- Non-Controlling Interests (NCI) in subsidiaries is required to be presented in the consolidated balance sheet within equity, separately from the equity of the owners of the parent.
- Losses relating to subsidiaries have to be attributed to NCI, even if it results in a negative balance.
- A limited exemption from consolidation is available to an investment entity, which is not required to consolidate its subsidiaries if it measures all of its subsidiaries at fair value through profit or loss in accordance with Ind AS 109, *Financial Instruments.*

Significant differences from IFRS[1]

- IAS 28, *Investment in Associates and Joint Ventures*, requires that for the purpose of applying equity method of accounting in the preparation of an investor's financial statements, uniform accounting policies should be used. In other words, if the associate's accounting policies are different from those of the investor, the investor should change the financial statements of the associate by using the same accounting policies.
- In Ind AS 28, the phrase, 'unless impracticable to do so' has been added in the requirement for uniform accounting policies. This has been done, since certain associates, for example, Regional Rural Banks (RRBs), being associates of nationalised banks, are not in a position to use the Ind AS as these may be too advanced for RRBs.
- IAS 28 requires any excess of the investor's share of net assets in an associate over the acquisition cost to be recognised as a gain in the profit and loss account. Ind AS 28 requires such a gain to be recognised as a capital reserve in the balance sheet.

1. Indian Accounting Standards (Ind AS): An Overview (Revised 2019) issued by ICAI.

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Guidance from ITFG clarifications

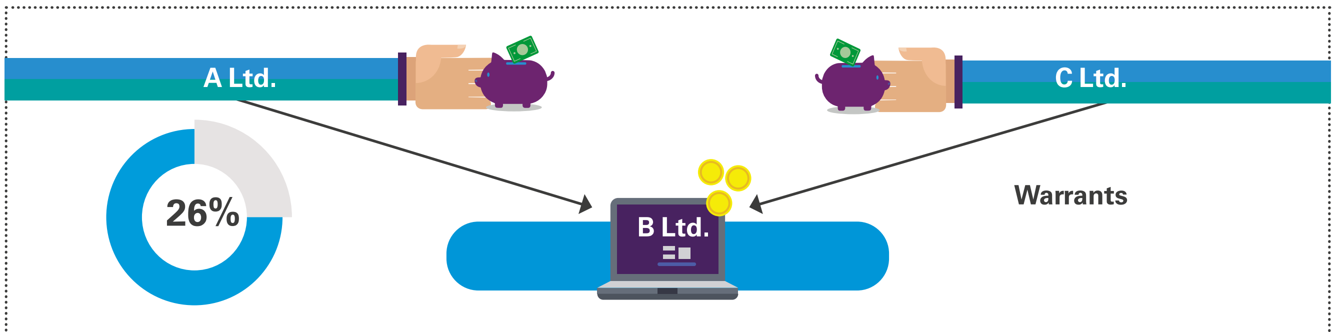
The control model

Principle of control as per Ind AS 110 to be applied

Control definition as per Ind AS 110 would be applied to assess whether an investor controls another entity. An entity was not required to consolidate a subsidiary under AS 21, *Consolidated Financial Statements,* (previous GAAP) when control was intended, to be temporary or there were severe long term restrictions that impair the ability to transfer funds in the near future. However, Ind AS 110 does not provide an exemption from consolidation due to temporary control or severe long term restrictions. An entity is required to consolidate all its subsidiaries unless they meet the specific exemption criteria (i.e. meets the recognition criteria of an investment entity). *(ITFG 5, Issue 1)*

In order to apply Ind AS to a group, relationships between entities (such as holding/subsidiary/ joint venture/associate of an entity) should be assessed on the basis of relevant Ind AS (regardless of the status of such an entity under previous GAAP). An entity that has to apply Ind AS is required to perform a detailed and careful assessment based on its interests in/ relationships with other entities for preparing CFS. These interests may be in the form of investment in equity instruments, representation on board of directors, interest in unstructured or special purpose vehicle, participating rights held under shareholder's agreements, etc. This exercise may involve significant time and efforts for some companies.

Consider potential voting rights while assessing whether an investment meets the criteria of an associate



In a certain situation, an entity (A Ltd.), invested 26 per cent in another entity B Ltd. and accounted it as an associate for statutory reporting requirements under previous GAAP. Another entity C Ltd. owned share warrants that were convertible into equity shares of B Ltd. and had potential voting rights, which if exercised would give additional voting power to C Ltd. over the financial and operating policies of B Ltd.

The definitions given in Ind AS would be applied both for the purpose of preparing financial statements and determining the relationship with another entity (i.e. subsidiary, associate, joint venture, etc.)

In the present case, by applying the relevant requirements of Ind AS 28, it has been concluded that B Ltd. is an associate company of C Ltd. since C Ltd. has potential voting rights over B Ltd.

In the given scenario, in accordance with Ind AS, B Ltd. also ceases to be an associate of A Ltd. Therefore, B Ltd. need not to comply with Ind AS from the financial year 2016-17 though the company was an associate company of A Ltd. under previous reporting framework.

If C Ltd. voluntarily complies with Ind AS or meets any specified criteria on standalone basis, then B Ltd. being its associate company as per Ind AS 28 should comply Ind AS from the same financial year from which C Ltd. starts preparing financial statements as per Ind AS. *(ITFG3, Issue 5)*

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Entities included in CFS

Section 8 companies to required Ind AS financial statements if covered under road map

The companies covered under Section 8 of the 2013 Act, are required to prepare Ind AS financial statements unless and until any exemption is provided. *(ITFG 6, Issue 2)*

Consequently, Section 8 companies are considered to be covered in the Ind AS road map, if they meet the specified criteria themselves or are subsidiaries, associates or joint ventures of an entity that is covered by the Ind AS road map.

Consolidation of non-corporate entities

In a certain situation, a company A Ltd. (that is covered in the Ind AS road map) has an investment in a non-corporate entity, for example, a partnership firm. Though Ind AS is not applicable to partnership firms, but the purpose of consolidation, the partnership firm will be required to provide financial statements data prepared as per Ind AS to A Ltd provided the partnership qualifies as a subsidiary/joint venture/ associate of A Ltd. *(ITFG 11, Issue 7)*

Not only an entity that falls within the Ind AS road map would be required to perform a detailed and careful assessment based on its interest/relationships with other entities, other entities too (e.g. non-corporate entities) would be required to put in dual financial information systems if they fulfil the criteria of a subsidiary, associate or joint venture. This exercise may involve significant time and efforts for some companies/entities.

Accounting of amounts outstanding towards retired partners' capital balances

For discussion on the topic, please refer chapter 3, Financial instruments. *(ITFG 15, Issue 9)*

Structured entities

Consolidation by an investment entity

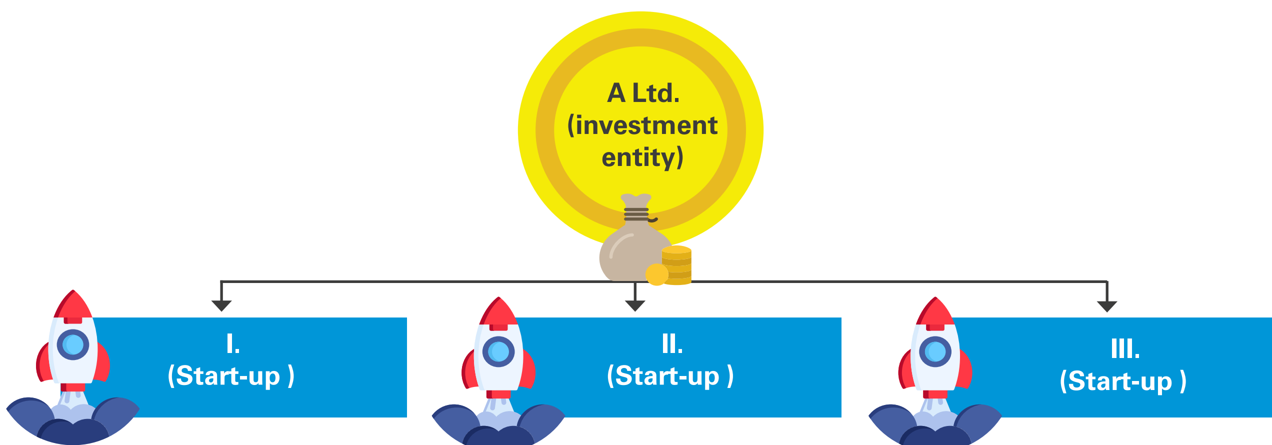
Ind AS 110 provides that an entity is an investment entity, if it meets the following 'three essential tests':

a. Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services

b. Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both and

c. Measures and evaluates the performance of substantially all of its investments on a fair value basis.

In a situation, A Ltd. is an investment entity as per Ind AS 110 which holds controlling stake in several start–ups including exit strategies for each of its investments in the start-up companies.



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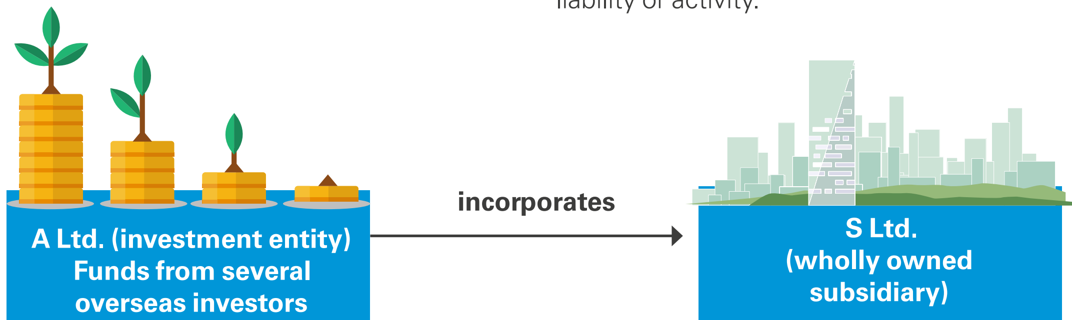
Subsequently, A Ltd. incorporates a wholly-owned subsidiary, S Ltd. which invests in infrastructure e.g. office space, Information Technology (IT) equipment and specialised software and hires skilled employees to provide investment management services to the investors as well as to third parties.

S Ltd. is funded by equity contribution from A Ltd. Other than the above, A Ltd. has no other asset, liability or activity.



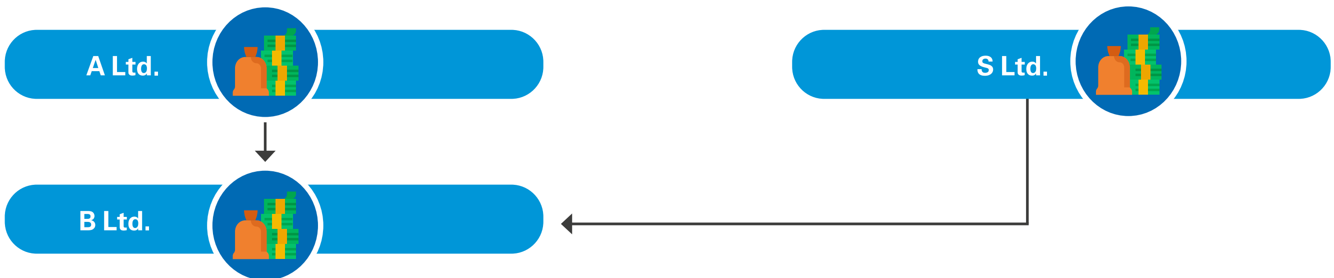
A Ltd. does not have any exit strategy in place for its investments in S Ltd. In its CFS, A Ltd. values the investments in start-up subsidiaries at Fair Value Through Profit and Loss (FVTPL) and consolidate S Ltd. as per Ind AS 110.

In the Year 2

The above position continues in Year 2.

In the Year 3 (i.e. the year of re-structuring)

A Ltd. transfers investments (in start-ups and S Ltd.) to a newly formed wholly- owned subsidiary, B Ltd. against shares in B Ltd.



A Ltd. does not have any exit strategy in place for its investment in B Ltd., but the exit strategies for each of the investments in start-up companies continue to be in place.

ITFG clarified on the following accounting issues:

In the post-restructuring scenario, whether A Ltd. is still an investment entity?

In the post-restructuring scenario, A Ltd. holds the investments in subsidiaries indirectly through B Ltd. Further, B Ltd. satisfies all the three conditions of definition of the investment entity as given in Ind AS 110 for classification as an investment entity.

While A Ltd. has no exit strategy in place for its investment in B Ltd., exit strategies for each of the investments in start-up companies are still in place.

Ind AS 110 provides that an investment entity is not required to have a potential exit strategy for its investment in another investment entity that was formed in connection with the entity for legal, regulatory, tax or similar reasons, provided that the investment entity investee has a potential exit strategy for all of its investments that could be held indefinitely.

It was concluded in this case that even though A Ltd. does not have an exit strategy in respect of B Ltd., it still qualifies as an investment entity since B Ltd. has exit strategies in place in respect of start-up companies and satisfies the other conditions for classification as an investment entity.

Hence, in the given case A Ltd. is an investment entity in the post-restructuring scenario also.

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Whether B Limited qualifies to be an investment entity?

B Ltd. qualifies as an investment entity since it has exit strategies in place in respect of start-up companies and satisfies the other conditions for classification as an investment entity.

Post-restructuring, is A Ltd. required to prepare CFS? If yes, how will A Ltd. consolidate its subsidiaries and what would be the valuation basis?

It was clarified that in the given case, A Ltd. should prepare CFS since post restructuring also, it has subsidiaries including S Ltd. and start-up companies. Further, A Ltd. should consolidate S Ltd. and measure investments in the start-up companies at FVTPL. *(ITFG 20, Issue 2)*

Different accounting periods and policies

Different policies and estimates being adopted by an associate and an investor

Ind AS 28 is to be applied by all the entities where investors have joint control of or significant influence over, an investee. The standard prescribes the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

In a given case, L Ltd. has an overseas associate M. Subsequently, M undertakes two business combinations, one of these being under common control business combination. M prepares its annual financial statements by following its local GAAP and laws. The local GAAP and laws followed by M has difference in certain accounting policies/estimates as compared to Ind ASs used by L. The differences are as follows:

- Both business combinations effected by M are accounted for as per pooling of interest method as ordered by the local corporate regulator
- Fixed assets of M are depreciated using the straight-line method to comply with local taxation and corporate laws while L Ltd. uses method that reflects the pattern of consumption of the asset.
- Fixed assets are depreciated over useful life prescribed by local laws rather than over useful life as per factors prescribed in Ind AS 16.

An issue arose as to how should the difference of accounting policies/estimates of M would be dealt while applying equity method by L Ltd.

As per Ind AS 28, the equity method requires entities to prepare its financial statements using uniform accounting policies for like transactions and events in similar circumstances unless in case of an associate, it is impracticable to do so. If different accounting policies are being used for like transactions and events in similar circumstances, adjustments shall be made to make the associate's or joint venture's accounting policies conform to those of the entity (investor) for applying the equity method.

In the given case, it was clarified that the associate's financial statements would need to be redrawn on the basis of Ind ASs, except to the extent the exception relating to impracticability applies.

Further, the redrawn financial statements would be special-purpose financial statements and do not replace general purpose financial statements prepared in accordance with local laws. The preparation of special-purpose financial statements are for the limited purpose of application of equity method by the investor and would not tantamount to breach or non-compliance of the local laws applicable to the associate. *(ITFG 20, Issue 5)*

Uniform accounting policies vs uniform accounting estimates

For further discussion on the topic, please refer Chapter 10, Other topics- Accounting Policies, Changes in Accounting, Estimates and Errors. *(ITFG 11, Issue 6).*

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Non-controlling interest

Accounting for accumulated losses of subsidiaries

A subsidiary may incur losses and such losses may exceed the minority interest in the equity of the subsidiary. Under AS 21, the excess, and any further losses applicable to the minority are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses.

Under Ind AS 110, entities are required to attribute the total comprehensive income of their subsidiaries to the owners of the parent and to the NCI (even if this results in the NCI with a deficit balance).

An entity may have multiple subsidiaries and could have a negative net worth as on 31 March 2015. When such a group transitions to Ind AS, then the allocation of accumulated losses of the subsidiaries will take place in the following manner:

- *Past business combinations not restated on transition to Ind AS:* In this case, the entity would be required to attribute the total profit or loss and each component of Other Comprehensive Income (OCI) to the owners of the parent and to the NCI prospectively from the date of transition.
- *Past business combinations restated on transition to Ind AS:* In this case, the entity should attribute the accumulated losses of the subsidiaries to the owners of the parent and to the NCI from the date of application of Ind AS 103, *Business Combinations*, in its CFS, on the date of transition. *(ITFG 8, Issue 6)*

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Intra-group transactions

Treatment of intra-group profit in the CFS and previous GAAP deemed cost exemption

In a certain situation, an associate entity was accounted under the equity method in the CFS of the parent under previous GAAP. However, due to principles of defacto control as per Ind AS 110, the above associate became a subsidiary. Before transition to Ind AS, the parent had sold some goods (which represented Property, Plant and Equipment (PPE) in the subsidiary) at a profit margin.

At the time of transition, the parent entity opted to apply the deemed cost exemption as provided under paragraph D7AA of Ind AS 101, *First-time Adoption of Indian Accounting Standards.* As per this, a first-time adopter to Ind AS may elect to continue with the carrying value for all of its PPE as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary consequential adjustments permitted under Ind AS.

Ind AS 101 further provides that in the CFS, the previous GAAP amount of the subsidiary should be that amount used in preparing and presenting CFS.

Where a subsidiary was not consolidated under previous GAAP, the amount to be reported by the subsidiary as per previous GAAP in its individual financial statements is required to be the previous GAAP amount.

Ind AS 110 requires full elimination of intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets such as inventory and PPE are eliminated in full).

In this case, such unrealised profit existing in the PPE would require elimination in the CFS. Therefore, the parent would first eliminate the intra group profit recognised in SFS of the subsidiary since Ind AS 110 requires full elimination of intra-group profits or losses.

Subsequent to the elimination of intra-group profit in the SFS of its subsidiary, the parent may apply the deemed cost exemption under paragraph D7AA of Ind AS 101. *(ITFG 12, Issue 5)*

Changes in ownership interests while retaining control

Accounting for partial disposal of an investment in a subsidiary

A situation may arise involving a parent and its subsidiary where the stake of parent gets reduced (though there is no loss of control of the parent on its subsidiary) on account of infusion of additional funds in the subsidiary by another investor.

As per Ind AS 110, changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners). Additionally, in accordance with Appendix B to Ind AS 110, when the proportion of the equity held by NCI changes, an entity is required to adjust the carrying amounts of the controlling entity investor and NCI to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which NCI are adjusted and the fair value of the consideration paid or received should be recognised directly in equity and should be attributed to the owners of the parent.

At the time of initial recognition i.e. at the date of business combination, NCI are recorded at fair value (or proportionate share in the recognised amounts of the acquiree's identifiable net assets, if so chosen). However, subsequent purchases or sales of ownership interests when control is maintained, are recorded at the NCI's proportionate share of the net assets.

Therefore, such transactions have no impact on goodwill or the statement of profit and loss. The entity is required to recognise directly in equity any difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received and attribute it to the owners of the parent.

The entity should provide disclosures of change in ownership interest as follows:

- **In SFS:** As there is no impact on the investment in the subsidiary, it may continue to be disclosed at its carrying amount in the SFS of the parent. However, as there is a reduction in the shareholding of the parent in the subsidiary is required then this fact should be disclosed in the SFS of the parent even though there is no loss of control. This is an additional disclosure to be made in the financial statements.
- **In CFS:** In accordance with the specific requirements contained in Ind AS 112, *Disclosure of Interests in Other Entities*, an entity is required to present a schedule that shows the effects on the equity attributable to owners of the parent of any changes in its ownership interest in a subsidiary that do not result in a loss of control. *(ITFG 13, Issue 7)*

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Loss of control

Equity accounting in the CFS of investor in case of loss of control

In a scenario, an entity B Ltd., a subsidiary of another entity A Ltd. (parent), owned an investment property that was measured at cost in accordance with Ind AS 40, *Investment Property*, A Ltd. sold a portion of its equity shareholding in B Ltd., and consequently B Ltd. became a joint venture between A Ltd. and another entity Z Ltd.

In accordance with the requirements of Ind AS 28 equity method is required to be applied in the CFS of A Ltd. to account for its investment in the joint venture (i.e. B Ltd.). Thus, in CFS of A Ltd., equity method requires the identifiable assets and liabilities of the investee (i.e. B Ltd.) be fair valued and appropriate adjustments be made to an entity's (i.e. A Ltd.'s) share of investee's profit or loss.

Ind AS 40, however, does not allow an investment property to be measured at fair value.

The ITFG considered two accounting issues as following:

- **Whether any contradiction exists between Ind AS 40 and Ind AS 28**

From the perspective of an investor who acquires, a controlling interest in an entity (or an interest giving the investor joint control or significant influence over the investee), Ind AS require the investor to identify whether it has made a bargain purchase gain or whether the consideration includes an element of payment for goodwill. The amount of any bargain purchase gain or of any payment for goodwill would be determined with reference to the fair values of the identifiable assets and liabilities of the investee as at the acquisition date and not with reference to their book values as at that date.

Accordingly, the relevant standard (e.g. Ind AS 28 in the case of a joint venture or an associate) requires determination of fair values of identifiable assets and liabilities of the investee for this purpose. This fair value requirement does not indicate a contradiction between Ind AS 28 (or Ind AS 110 in case of acquisition of a controlling interest) on one hand and the standards that require a cost based measurement in the balance sheet of the investee on the other.

Therefore, ITFG clarified that there does not seem any contradiction between Ind AS 40 and Ind AS 28.

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- **Whether the adjustments arising out of fair valuation of investment property as required under Ind AS 28 should be made in the CFS of the investor**

  In accordance with Ind AS 110, if a parent loses control of a subsidiary, it recognises any investment retained in the former subsidiary at its fair value when control is lost. Such fair value is regarded as the cost on initial recognition of an investment in a joint venture (or an associate).

  Further Ind AS 28, as mentioned above, provides that an investment is accounted for using the equity method from the date on which it becomes an associate or a joint venture. On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

  a. Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted

  b. Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.

  Appropriate adjustments to the entity's share of the associate's or joint venture's profit or loss after acquisition are made in order to account, for example, for depreciation of the depreciable assets based on their fair values at the acquisition date. Similarly, appropriate adjustments to the entity's share of the associate's or joint venture's profit or loss after acquisition are made for impairment losses such as for goodwill or PPE.

Ind AS require the application of a mixed measurement model in preparing the balance sheet of an entity – some assets and liabilities are measured at fair value while other assets and liabilities are measured on a different basis (or bases) such as historical cost. Besides, Ind AS prohibit the recognition of certain assets such as internally- generated goodwill and brands.

In accordance with the above, on acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is recognised in the manner stated above. The fair value of identifiable assets and liabilities are considered to be the cost of the assets and liabilities for the investor to the extent of its share in the investee.

Accordingly, appropriate adjustments arising out of fair valuation of assets/liabilities impacting profit or loss would be made in the CFS of the investor.

(ITFG 17, Issue 5)

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Refer to educational material on Ind AS 110 for following issues/topics:

Issue number	Topic
1	Applicability of Ind AS 110 for the purposes of preparation of financial statements under the Companies Act, 2013
2	Applicability of Ind AS 110 to de facto control Situations
3	Applicability of Ind AS 110/Ind 111/Ind AS 28 to consolidate, Limited Liability Partnership Firm (LLP) / a partnership firm/ associate or a joint venture. (Similar to ITFG 11, Issue 7 and ITFG 18, Issue 5)
4	Applicability of Ind AS 110 to consolidate a subsidiary acquired for disposal.
5	Applicability of Ind AS 110 to prepare CFS when an entity disposes of its last subsidiary during the current reporting.
6	Evaluation of exemption given in Ind AS 110 from preparation and presentation of CFS
7	Guidance on consolidation of investment entities
8	Guidance on consolidation of trusts or other structured entities
9	Assessment of control when an investor has power to direct
10	Assessment of control when there is a shareholders' agreement regarding appointment of directors
11	Assessment of control – restructuring of debt into shares.
12	Assessment of control1 when shares held as security and voting rights are subject to breach of conditions
13	Assessment of control when non-payment of interest on preference shares results in investor gaining voting rights on an investee
14	Assessment of control when power is subject to occurrence of a contingent event
15	Assessment of control when an entity is economically dependent of a customer
16	Assessment of control when there are potential voting rights (time to exercise call option vs timing of decision) (Similar to ITFG 3, Issue 5)
17	Assessment of control when an investor has tag along or drag along rights
18	Assessment of control when an investor has veto rights
19	Assessment of control in a franchise agreement
20	Assessment of control when there is a shareholders' Agreement.

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21	Assessment of control1 when investments in shares are managed by a fund manager (agent vs. principal evaluation)
22	Accounting in CFS of the borrowing costs associated with the term loan
23	Guidance on consolidation procedures for indirect subsidiaries
24	Application of consolidation procedures on direct and indirect holding in a subsidiary
25	Determination of NCI in the subsidiary for the purposes of its CFS when part of the interest in subsidiary is held by parent's associate (direct and indirect holding)
26	Accounting of deferred taxes in CFS on temporary differences arising from intra-group transfers
27	Accounting treatment in the CFS of the investor for when an associate sells certain interest of its subsidiary
28	Guidance on accounting of different accounting policies followed by subsidiaries/associates for valuing inventories (Similar to ITFG 11, Issue 6)
29	Guidance on classification and measurement of financial assets based a subsidiary's business model and alignment with group's uniform accounting policies
30	Assessment of control1 when an investor has potential voting rights (Similar to ITFG 3, Issue 5)
31	Guidance on intragroup elimination in CFS when a parent and its subsidiary have different reporting period end
32	Classification of current/non-current in CFS when parent and its subsidiary have different reporting dates
33	Guidance on alignment in case of differences in of current/non-current classification with re-spect to Ind AS *vis-à-vis* IFRS
34	Accounting of transaction cost incurred to acquire outstanding part of NCI (wholly or partially) or sell (without loss of control)
35	Accounting for changes in a parent's ownership interest in a subsidiary (not resulting in the loss of control) (Similar to ITFG 13, Issue 7)
36	Accounting impact on NCI of interest free loan given to subsidiary without repayment condition
37	Guidance on apportionment of profit or loss between parent and NCI in case of change in proportion of the equity held by NCI
38	Accounting treatment on loss of control of the subsidiary in the CFS (Similar to ITFG 17, Issue 5)
39	Guidance on accounting of an investment entity as per Ind AS 110 that provides investment management services (Similar to ITFG 20, Issue 2)
40	Guidance on accounting for an investment entity as per Ind AS 110 (with an option to buy investments in subsidiary)

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Refer to educational material on Ind AS 111 for following issues/topics:

Issue number	Topic
1	Guidance on determination of joint arrangement
2	Assessment of joint arrangement when established through articles of association
3	Assessment of joint control when there a contractual agreement
4	Assessment of joint control when each party can unilaterally take decisions concerning some of the relevant activities
5	Assessment of joint control when decisions concerning the relevant activities require unanimous consent of the two parties
6	Assessment of joint control when one of the party to joint arrangement has veto rights
7	Assessment of joint control when a nominee director has a casting vote
8	Assessment of joint control when one of the party to the joint arrangement has an option to buy other party's shareholding at any time in the event of disagreement on any decision relating to relevant activities of the joint arrangement
9	Assessment of joint control when unanimous consent is required implicitly
10	Assessment of joint control when there are layers of governing structures
11	Assessment of joint operation *vis-à-vis* joint venture
12	Joint operation *vis-à-vis* joint venture- when each party is entitled to the assets, and is liable for the obligations, relating to its respective area of activities
13	Joint operation *vis-à-vis* Joint venture arrangement to buy a building that has number of floors, which they will lease to other parties.
14	Joint operation *vis-à-vis* Joint venture when an arrangement is structured through a separate legal entity
15	Joint operation *vis-à-vis* Joint venture when parties to the contract have equal share in partnership firm/LLP
16	Financial statements of parties to a joint operation
17	Accounting treatment of a joint arrangement where certain parties have joint control while others account for it as a joint operation.
18	The accounting on intragroup balances in the separate and consolidated financial statements of a joint operator

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Refer to educational material on Ind AS 28 for following issues/topics:

Issue number	Topic
1	Guidance on assessment of significant influence-with regard to voting rights on shares held by nominee or in a fiduciary capacity.
2	Guidance on assessment of significant influence when the investee to an entity has restrictions on the transfer of funds
3	Application of the equity method in CFS when investor owns venture capital organization that invests in an associate
4	Application of the equity method in CFS in various scenarios
5	Application of the equity method in CFS when an investment entity has investment in a subsidiary and associate that are non-investment entities
6	Application of the equity method and consolidation procedure by a non-investment entity over an associate that is an investment entity which in turns has a non-investment entity subsidiary
7	Guidance to measure initial carrying amount when an investor loses control of subsidiary but retains interest that meets the definition of associate (Similar to ITFG 17, Issue 5)
8	Guidance provided to measure interest in an indirect holding (through subsidiary, associate and joint venture) in an associate
9	Guidance provided for accounting by a holding company for its share of an associates or a joint venture's profits, OCI and net assets under the equity method on the amounts before or after NCI in the associates or joint venture's consolidated accounts
10	Guidance on elimination of transactions between the reporting entity and its associates or joint ventures at the time of applying equity method of consolidation
11	Guidance on computation of goodwill/capital reserve on step increase in an existing associate/ joint venture
12	Guidance on use of the most recent available financial statements of the associate or joint venture by the entity in applying the equity method
13	Guidance on accounting for reciprocal holdings in associates and calculation of Earnings per Share (EPS)
14	Guidance on accounting of appropriation to mandatory reserves for the purpose of computing the investor's share
15	Guidance on accounting for an investment in an investee on account of piece-meal acquisition when such an investment provides it significance influence over the investee
16	Guidance on discontinuance of equity method due to sale of interest in an associate
17	Guidance on accounting for partial disposals of interests in associate or joint venture where the equity method continues to apply

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