

CA Final - Financial Reporting
(Test on IND AS 110 – CFS)
(FRWITHAK)

Date:26/1/2022

Time: 1:00 PM Onwards

Question 1 (15 Marks)

Prepare the consolidated Balance Sheet as on 31st March, 20X2 of a group of companies comprising P Limited, S Limited and SS Limited. Their balance sheets on that date are given below:

(₹ in lakhs)

	P Ltd.	S Ltd.	SS Ltd.
Assets			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	320	360	300
Investment :			
32 lakhs shares in S Ltd.	340		
24 Lakhs shares in SS Ltd.		280	
<u>Current Assets</u>			
Inventories	220	70	50
Financial Assets			
Trade Receivables	260	100	220
Bills Receivable	72	-	30
Cash in hand and at Bank	<u>228</u>	<u>40</u>	<u>40</u>
	<u>1440</u>	<u>850</u>	<u>640</u>
Equity and Liabilities			
<u>Shareholder's Equity</u>			
Share capital (₹ 10 per Share)	600	400	320
Other Equity			
Reserves	180	100	80
Retained earnings	160	50	60
<u>Current Liabilities</u>			
Financial Liabilities			
Trade Payables	470	230	180
Bills Payable			
P Ltd.		70	
SS Ltd.	30	—	—
	<u>1440</u>	<u>850</u>	<u>640</u>

The following additional information is available :

- (i) P Ltd. holds 80% shares in S Ltd. and S Ltd. holds 75% shares in SS Ltd. Their holdings were acquired on 30th September, 20X1.
- (ii) The business activities of all the companies are not seasonal in nature and therefore, it can be assumed that profits are earned evenly throughout the year.

(iii) On 1st April, 20X1 the following balances stood in the books of S Limited and SS Limited.

(₹ in lakhs)

	S Limited	SS Limited
Reserves	80	60
Retained earnings	20	30

- (iv) ₹10 lakhs included in the inventory figure of S Limited, is inventory which has been purchased from SS Limited at cost plus 25%.
- (v) The parent company has adopted an accounting policy to measure non-controlling interest at fair value (quoted market price) applying IND AS 103. Assume market prices of S Limited and SS Limited are the same as respective face values.

CA Aakash Kandoi