AS 21, 23, 27 - Combined Ques

LDB

Question 30 (PYQ Sep 24)

On 1st February, 2024, Best Ltd. acquired 80% Equity shares of Cool Ltd. For Rs. 14,80,000.

On 31st March, 2024, Best Ltd. also acquired 25% Equity shares of Good Ltd. For Rs. 3,80,000.

The following are the balances extracted from the books of Best Ltd., Cool Ltd., and Good Ltd. as on 31st March, 2024 :

Particulars	Best Ltd. Amount in Rs.	Cool Ltd. Amount in Rs.	Good Ltd. Amount in Rs.
Equity Shares of Rs. 100 each fully paid	30,00,000	20,00,000	10,00,000
Securities Premium	-	2,20,000	-
9% Debentures	6,30,000	-	2,40,000
General Reserve	2,69,000	84,000	1,20,000
Profit & Loss Account (Credit Balance)	3,26,000	2,70,000	50,000
Investments	17,50,000	6,10,000	-
Property, Plant, and Equipment	18,90,000	18,14,000	12,10,000
Current Assets	9,65,000	5,60,000	2,25,000
Trade Payable (Including Bills Payable)	3,80,000	4,10,000	25,000
Sales and other income	56,00,000	38,00,000	27,00,000
Raw material consumed	36,50,000	31,20,000	22,30,000
Wages and Salaries	5,07,000	4,01,000	2,69,000
Production expenses	1,35,000	1,06,000	98,000

Additional information :

- The Profit and Loss account of Cool Ltd. showed a credit balance of Rs. 30,000 on 1st April, 2023.
- The General Reserve balance is brought forward from the previous year.
  On 31st March, 2024, all the bills payable in Cool Ltd.'s balance sheet were acceptances in favour of Best Ltd. However, on the date, Best Ltd. held only Rs. 3,00,000 of these acceptances in hand, the rest having been endorsed in favour of its creditor. ↳ Inter Co.
- Best Ltd. purchased goods costing Rs. 5,00,000 from Cool Ltd. on 1st June, 2023 at a price of Rs. 6,50,000. The entire goods remain unsold with Best Ltd. at the end of the financial year.
- Best Ltd. is preparing Consolidated Financial Statements for the year ending 31.03.2024.

You are required to calculate :

(1) Trade Payable (Consolidated)
(2) Current Assets (Consolidated)
(3) Minority Interest
(4) Goodwill/Capital Reserve on the acquisition of Cool Ltd.'s shares Subs
(5) Goodwill/Capital Reserve on the acquisition of Good Ltd.'s shares Assc
(6) Profit & Loss Account (Consolidated)
(7) General Reserve (Consolidated)
(8) Revenue from Operations (Consolidated)
(9) Cost of material purchased/consumed (Consolidated) **(14 Marks)**

Imp

Sol^n

Best
80% → Cool (1/02/24)
25% → Good (31/3/24)

Cool (Subs) $\xrightarrow[01.06.23]{\text{sale}}$ Best (Parent)
*(Before DOA)

P/L DR 1.SL (Pre)
To Inv 1.SL
> B/S

Subs

AOP

	01.02.24 Pre	After 01.02 to 31.3.24 Post (2m)
Sec Prem	220000	-
G.R	84000	-
P/L (01.04.23)	30000	240000
	334000	240000 (12m)
+/- T.A (10m) (240 × 10/12)	200000	(200000)
	534000	40000
(-) Unrealised Profit	(150000)	
	384000	40000
	Best (80%) / MI (20%)	Best (80%) / MI (20%)

i) T-P

Best	380000
(+) Cool	410000
(-) Inter Co.	(300000)
	490000

ii) Current Assets

Best	965000
Cool	560000
Less: Inter Co.	(300000)
Less: Unrealised Profit	(150000)
	1075000

iii) MI (20%)

Sh of Cool (20%)	400000	(20L x 20%)
Pre Cool (20%)	76800	(384000 x 20%)
MI on DoA	476800	
(+) Post Cool (20%)	8000	(40000 x 20%)
	484800	

iv) GW / Cap Res (CoC) (On acq of Cool)

CoI (PC) 80%	1480000	
Less: NA (80%)		
Sh of Cool (80%)	(1600000)	(20L x 80%)
Pre of Cool (80%)	(307200)	(384000 x 80%)
Cap Rese	(427200)	

v) Gw / C.R on acq of Good (Asso) → DOA 31/3/24

COI (25%) 380000

less: NA (25%)

Sh of Good (25%) (250000) (10L x 25%)

Pre of Good (25%) (42500) (170000 x 25%)

Gw 87500 → not recorded separately

vi) P/L (Consolidated)

Best (Parent) 326000

(+) P/L (Post Acq^n share in Cool ltd) 32000 (40000 x 80%)

358000

vii) G.R (Consolidated

Best (Parent) 269000

viii) Rev from op

Best (Parent) 5600000

(+) Cool (Subs 2m) 6,33,333 (38L x 2/12)

62,33,333

ix) Raw Material Consumed

Best (Parent) 3650000

(+) Cool (Subs 2m) 520000 (31.2L x 2/12)

41,70,000

LDB **Question** (PYQ CA Final)

P Ltd. owns 80% of S and 40% of J and 40% of A. J is jointly controlled entity and A is an associate. Balance Sheet of four companies as on 31.03.09 are: **(Rs. in lakhs)**

	P Ltd.	S	J	A
Equity & Liabilities:				
Share capital Rs. 1				
Equity share	1000	400	800	800
Retained earnings	4000	3400	3600	3600
Creditors	200	300	250	250
Total	**5200**	**4100**	**4650**	**4650**
Investment in S	800	-	-	-
Investment in J	600	-	-	-
Investment in A	600	-	-	-
Fixed assets	1000	800	1400	1000
Current assets	2200	3300	3250	3650
Total	**5200**	**4100**	**4650**	**4650**

P Ltd. acquired shares in 'S' many years ago when 'S' retained earnings were Rs. 520 lakhs. P Ltd. acquired its shares in 'J' at the beginning of the year when 'J' retained earnings were Rs. 400 lakhs. P Ltd. acquired its shares in 'A' on 01.04.08 when 'A' retained earnings were Rs. 400 lakhs.

* The balance of goodwill relating to S had been written off three years ago. The value of goodwill in 'J' remains unchanged.

Prepare the Consolidated Balance Sheet of P Ltd. as on 31.03.09 as per AS 21, 23, and 27. **(16 Marks)**

Solⁿ:

P $\xrightarrow{80\%}$ S (Subs)

P $\xrightarrow{40\%}$ J (JCE)

P $\xrightarrow{40\%}$ A (Asso)

Subs

WN ① **% Holding**

P 80%

MI 20%

WN ② **AOP**

	Pre	Post
O/p	520	2880
	P MI	P MI

WN ③ **MI (20%)**

Sh of S (20%)	80	(400 x 20%)
Pre of S (20%)	104	(520 x 20%)
Post of S (20%)	576	(2880 x 20%)
	760	

WN ④ **COC (GW / C.R)**

COI (80%)	800	
Less: NA of S (80%)		
SC of S (80%)	(320)	(400 x 80%)
Pre of S (80%)	(416)	(520 x 80%)
GW	64	→ Adjustment (GW w/off)
(–) w/off	(64)	Cons R&S 64 To GW 64 } Jnl
	NIL	

WN 5 Cons RES (P + Sub Post + JCE Post + Asso Post)

P (R.E.) 4000

(-) w/off Gw (64)

(+) Post Acq (Subs 80%) 2304 (2880 × 80%)

(+) Post Acq^n (J 40%) 1280 (3200 × 40%)

(+) —— (A 40%) 1280 (3200 × 40%)

JV (JCE) Prop cons. method in CFS (except no MI)

WN 1 % Holding

P 40%

~~MI~~

WN 2 AOP

	Pre	Post
	400	3200
	↓	↓
	P (40%)	P (40%)
	160	1280

~~WN 3 MI~~

WN 4 COC

CoI (40%) in J 600

less: NA of J (40%)

Sh. Cap (40%) (320) (800 × 40%)

Pre (40%) (160) (400 × 40%)

Gw 120

WN6 Cons Res (Refer above)

Asso (A)

WN ① Cal^n of GW / C.R

COI (40%)	600	
less: NA (40%)		
Sh Cap of A (40%)	(320)	(800 x 40%)
Pre of A (40%)	(160)	(400 x 40%)
GW	120	

Included in value of Invst ∴ Just disclose

WN ② Value of Invst of A in CFS (Eq Method)

Cost of Invst (incl. GW)	600
(+) Post Acq^n sh of A (3200 x 40%)	1280
Value of Invst in CFS on Yr end	1880

CFS
J.E Invst 1280
To P/L 1280
Cons Res

Cons B/s of P Ltd as on 31.03.09

Eq & Liab	
SHF	
a) Sh. Cap (Only P)	1000
b) Cons Res (WN 5)	8800
MI	760
Liab	
Creditors (200 + 300 + (250 x 40%)) [P, S, J]	600
	11160

Assets

NCA

	P	S	J	
PPE	(1000 +	800 +	(1400 x 40%)	2360

Invest in S (Eliminate)

→ J (")

→ A (Eq Method) → (incl Gw of Assc) | 1880

Intangible Asset

Gw (NIL + 120) | 120

Sub J

	P	S		
CA	(2200 +	3300 +	(3250 x 40%)	6800
				11160