

AS 21, 23, 27 - Combined Ques

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 :

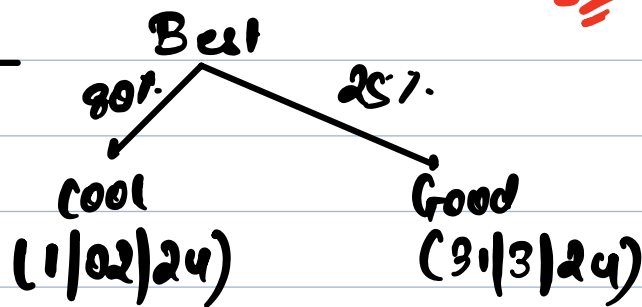
- The Profit and Loss account of Cool Ltd. showed a credit balance of Rs. 30,000 on 1st April, 2023.
- The General Reserve balance is brought forward from the previous year.
On 31st March, 2024, all the bills payable in Cool Ltd.'s balance sheet were acceptances in favour of Best Ltd. However, on the 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 :

- Trade Payable (Consolidated)
- Current Assets (Consolidated)
- Minority Interest
- Goodwill/Capital Reserve on the acquisition of Cool Ltd.'s shares **Subs**
- Goodwill/Capital Reserve on the acquisition of Good Ltd.'s shares **Assoc**
- Profit & Loss Account (Consolidated)
- General Reserve (Consolidated)
- Revenue from Operations (Consolidated)
- Cost of material purchased/consumed (Consolidated)

(14 Marks)

Sol 9



July

cool sale, Best
(Subs) 01.06.23 (Parent)

★ (Before DOA)

(PIL) DS (1.5L) (Pre)

10 Inv 1.5L
> BIS

Subs

AOP

01.02.24

After 01.02 to 31.3.24

Pre

Post (2m)

See Prem 220000

-

G-R 84000

-

PIL (01.04.23) 30000

240000

334000

240000 (12m)

+/- T.A (10m)

200000

(200000)

(2.41 x 10/12)

534000

40000

(-) Unrealized
Profit

(150000)

384000

40000

Best MI

180% (20%)

Best MI

140% (20%)

i) T-P

Best	380000
(+) Cool	410000
(-) Inter Co.	<u>(300000)</u>
	<u>490000</u>

ii) Current Assets

Best	965000
Cool	560000
less: Inter Co.	<u>(300000)</u>
less: Unrealised Profit	<u>(150000)</u>
	<u>1075000</u>

iii) MI (20%)

Sh of Cool (20%)	400000	(201 x 20%)
Pre Cool (20%)	<u>76800</u>	(384000 x 20%)
MI on DoA	476800	
(+) Post Cool (20%)	<u>8000</u>	(40000 x 20%)
	<u>484800</u>	

iv) GLW / Cap Res (10%) (on a/c of cool)

COI (PC) 80%	1480000
Less: <u>NA (80%)</u>	
Sh of Cool (80%) (1600000)	(201 x 80%)
Pre of Cool (80%) (307200)	(384000 x 80%)
Cap Rese	<u>(427200)</u>

v) GLW / C.R on acq of Good (Acce) → DOA 21/3/24

COI (25%)	380000
less: <u>NA (25%)</u>	
Sh of Good (25%) (250000) (10L x 25%)	
Pre of Good (25%) (42500) (170000 x 25%)	
<u>GLW</u>	<u>87500</u> → not recorded separately

vi) PLC (Consolidated)

Best (Parent)	326000
(+) PLC (Post Acq ⁿ share in Cool 11d)	<u>32000 (40000 x 80%)</u>
	358000

vii) G.R (Consolidated)

Best (Parent)	269000
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viii) Rev from op

Best (Parent)	5600000
(+) Cool (<u>Subs 2m</u>)	<u>6,33,333 (38L x 2/12)</u>
	<u>62,33,333</u>

ix) Raw Material Consumed

Best (Parent)	3650000
(+) Cool (<u>Subs 2m</u>)	<u>520000 (31.2L x 2/12)</u>
	41,70,000

Question (P4Q 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

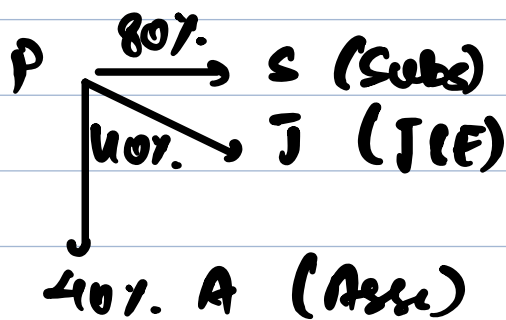
P Ltd. acquired shares in 'S' many years ago when 'S' retained earnings were Rs. 520 lakhs. P Ltd. acquired its shares in 'J' at the beginning of the year when 'J' retained earnings were Rs. 400 lakhs. P Ltd. acquired its shares in 'A' on 01.04.08 when 'A' retained earnings were Rs. 400 lakhs.

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)

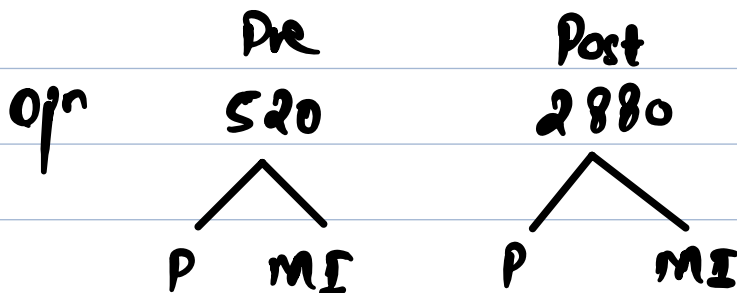
Soln:



Subs

WN ① % Holding
 P 80%.
 MT 20%.

WN ② AOP



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%)
	<u>760</u>	

WN ④ COC (Glu / C.R)

ROI (80%) 800

less: NA of S (80%)

Se of S (80%)	(320)	(400 x 80%)
Pre of S (80%)	(416)	(520 x 80%)

Glu

64

Adjustment (Glu wloff)

(-) wloff

(64)

Cous Res 64

To Glu 64

} Jump

NIL

WN 5 Cons REs $(P + \overset{\text{Sub}}{\text{lost}} + \overset{\text{JCE}}{\text{Post}} + \overset{\text{Asse}}{\text{Post}})$
 $P(R.E.) \quad 4000$

(-) WLOH Glw (64)

(+) Post Acq (Subs 80%) 2304 $(2880 \times 80\%)$

*** (+) Post Acqⁿ (J 40%) 1280 $(3200 \times 40\%)$

*** (+) ———— (A 40%) 1280 $(3200 \times 40\%)$

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

WN 1 % Holding
 $P \ 40\%$

~~MI~~

WN ① AOP	Pre	Post
	400	3200
	↓	↓
	P (40%)	P (40%)
	160	1280

~~WN ⑤ MI~~

WN ④ COC

COI (40%) in J 600

less: NA of J (40%)

Sh. Cap (40%)	(320)	$(800 \times 40\%)$
Pre (40%)	<u>(160)</u>	$(400 \times 40\%)$
Glw	<u>120</u>	

wno Cons Res (Prefer above)

Asse (A)

wn ① Calc of Glw / 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%)

Included in value $\rightarrow$ Glw 120

of Invest $\therefore$ Just disclose

wn ② Value of Invest of A in LFS (Eq Method)

Cost of Invest (incl. Glw) 600

(+) Post Acqⁿ sh of A (3200 x 40%) 1280

Value of Invest in 1880

LFS on 4th end

LFS

J-E Invest 1280

$\rightarrow$ DPL 1280

$\downarrow$
Cons Res

Cons Bls of P Hd as on 31.03.09

Eq & Liab

SHF

a) Sh. Cap (Only P)

1000

b) Cons Res (wns)

8800

MI

760

Liab

P

S

J

creditors (200 + 300 + (250 x 40%))

600

11160

Assets

$$\begin{array}{l} \text{N/A} \quad P \quad S \quad T \\ \text{PPE} \quad (1000 + 800 + (1400 \times 40\%)) \end{array} \quad 2360$$

Invest in S (Eliminate)

$$\longrightarrow T \quad (\quad)$$

$$\longrightarrow A \text{ (Eq Method)} \rightarrow (\text{incl blw of Asse}) \quad 1880$$

Intangible Asset

$$\begin{array}{l} \text{Good} \quad (\text{NIL} + 120) \\ \text{Sub} \quad T \end{array} \quad 120$$

$$\begin{array}{l} \text{CA} \quad P \quad S \\ (2200 + 3300 + (3250 \times 40\%)) \end{array} \quad \begin{array}{l} 6800 \\ \hline 11160 \end{array}$$