(a) The following information relates to the results of the parent and subsidiary (jointly) and the investment in associate and joint venture: (All figures are in rupees)

Summarised Balance Sheet as at 31.3.20X1

	Holding and subsidiary	Associate	Joint Venture
Equity and Liabilities			
Called up equity shares of ₹ 1 each	1,00,000	40,000	10,000
General reserve	40,000		
Profit and loss account	37,000	27,000	83,000
Minority Interest	20,000		
Current Liabilities			
Trade payables -Creditors	20,000	32,000	6,000
Provision for tax	19,000	11,000	11,000
	2,36,000	1,10,000	1,10,000
Assets	- C Phoe A galaboza	Yearo Robbia	AL .
Non-current assets			0.0
Fixed assets- Tangible assets	1,95,000	74,000	41,000
Investments:	1817 (0.3280 - 0.030 - 0.		
8,000 shares in Associate	15,000	age, na el 🕶	(i)
5,000 shares in Joint Venture	5,000		
Current assets	21,000	36,000	69,000
	2,36,000	1,10,000	1,10,000

Details of Profit and Loss account for the year ended 31.3.20X1

AND AND A	Holding and subsidiary	Associate	Joint Venture
Retained profit for the year	15,000	11,000	23,000
Add: Retained profit brought forward	22,000	16,000	60,000
Retained profit carried forward	37,000	27,000	83,000

You are given the following additional information:

- (a) The parent company purchased its investment in the associate two years ago when the balance on the profit and loss account was ₹ 17,000. There are no signs of impairment of the goodwill.
- (b) The parent company entered into a joint venture to access a lucrative market in the former East Germany. It set up a company two years ago and has 50 per cent of the voting rights of the company set up for this joint venture.

Prepare the consolidated balance sheet for the Group as per relevant Accounting Standards for the year ended 31.3.20X1. (16 Marks)

(b) Explain Financial capital maintenance and Physical capital maintenance as per the Framework and differentiate it. (4 Marks)

A Ltd. concludes that its assumptions would be used by market participants. In addition, A Ltd. does not adjust its fair value measurement for the existence of a restriction preventing it from transferring the liability.

Measure the fair value of its decommissioning liability.

Discount factor:

@ 5% for 10th year	0.6139
@ 3.5% for 10th year	0.7089
@ 8.5% for 10th year	0.4423

(10 Marks)

(b) Huge Ltd. has a controlling interest in Subsidiaries P, Q and R and has significant influence over Associates A and B. Subsidiary R has significant influence over Associate C.

Determine the related party relationship, as per Ind AS 24, of the entities referred in the question in the following financial statements:

- In consolidated financial statements of Huge Ltd.
- (ii) In individual financial statements of Huge Ltd.
- (iii) In individual financial statements of Subsidiary P
- (iv) In individual financial statements of Subsidiary Q
- (v) In individual financial statements of Subsidiary R
- (vi) In individual financial statements of Associates A, B and C (10 Marks)
- 4 (a) On 10th May, 2016, A Ltd. acquired 40% shares of B Ltd. for Rs. 45,00,000. By such an acquisition Rohtas Ltd. can exercise significant influence over B Ltd. During the financial year ending on 31st March, 2016, B Ltd. earned profits Rs. 11,54,000 and declared a dividend of Rs. 2,48,000 on 16th September, 2016. B Ltd. reported earnings of Rs. 26,26,000 for the financial year ending on 31st March, 2017 and declared dividend of Rs. 9,85,000 on 17th August, 2017.

You are required to calculate the carrying amount of investments in Separate Financial Statements of A Ltd. as on 31st March, 2017 and also in Consolidated Financial Statements of A Ltd. as on 31st March, 2017. What will be the carrying amount of Investments in Consolidated Financial Statements of A Ltd. if prepared on 31st August 2017 on the basis of Accounting Standards?

(6 Marks)

(b) RS Ltd. discontinues a business segment. Under the agreement with employee's union, the employees of the discontinued segment will earn no further benefit. This is a curtailment without settlement, because employees will continue to receive benefits for services rendered before discontinuance of the business segment. Curtailment reduces the gross obligation for various reasons including change in actuarial assumptions made

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 (a) Hold Limited acquired 100% ordinary shares of ₹ 100 each of Sub Limited on 1st October, 2017. On 31st March, 2018 the summarized Balance Sheets of the two companies were as given below:

		Particular	Hold Limited	Sub Limited
	-		(₹)	(₹)
I.	Ass	ets .		
-	(1)	Non-current Assets		
		(i) Property, Plant & Equipment	. ,	
		(a) Land & Building	30,00,000	36,00,000
		(b) Plant & Machinery	48,00,000	27,00,000
		(ii) Investment in Sub Limited	68,00,000	
	(2)	Current Assets		
		(i) Inventory	24,00,000	7,28,000
		(ii) Financial Assets		
		(a) Trade Receivables	11,96,000	8,00,000
		(b) Cash & Cash Equivalents	2,90,000	1,60,000
		Total	1,84,86,000	79,88,000
II.	Equ	ity and Liabilities		
	(1)	Equity		
		(i) Equity Share Capital (Shares of	v.	
		₹ 100 each fully paid)	1,00,00,000	40,00,000
		(ii) Other Equity		
		(a) Other Reserves	48,00,000	20,00,000
		(b) Retained Earnings	11,44,000	16,40,000
	(2)	Current Liabilities		
		Financial Liabilities		
		(a) Bank Overdraft	16,00,000	_
		(b) Trade Payable	9,42,000	3,48,000
		Total	1,84,86,000	79,88,000

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The retained earnings of Sub Limited showed a credit balance of ₹ 6,00,000 on 1st April, 2017 out of which a dividend of 10% was paid on 1st November 2017. Hold Limited has credited the dividend received to retained earnings account. There was no fresh addition to other reserves in case of both companies during the current financial year. There was no opening balance in the retained earnings in the

Following are the changes in fair value as per respective Ind AS from the book value as on 1st October, 2017 in the books of Sub Limited which is to be considered while consolidating the Balance Sheets.

- (i) Fair value of Plant and Machinery was ₹ 40,00,000. (Rate of depreciation on Plant and Machinery is 10% p.a.)
- (ii) Land and Building appreciated by ₹ 20,00,000.
- (iii) Inventories increased by ₹ 3,00,000.

books of Hold Limited.

(iv) Trade payable increased by ₹ 2,00,000.

Prepare consolidated Balance Sheet as on 31st March, 2018. The Balance Sheet should comply with the relevant Ind AS and Schedule III of the Companies Act, 2013.

- (b) Determine whether the following are insurance contracts as per Ind AS 104:
 - (i) Deferred annuity i.e., policyholder will receive, or can elect to receive, a life-contingent annuity at rates guaranteed at inception.
 - (ii) Deferred annuity i.e., policyholder will receive, or can elect to receive, a life-contingent annuity at rates prevailing when the annuity begins.
 - (iii) A contract permits the issuer to deduct an MVA (Market Value Adjustment) from surrender values or maturity payments to reflect current market prices for the underlying assets. The contract does not permit an MVA for death benefits.

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