



simplifying your success

Chapter Tests of FR of CA Ashish Lalaji 9825856155

Solution of FR Test 6: Ind AS 19 & 102

Q 1

Particulars	Defined Benefit Obligation	Plan Assets
Fair value / Present value as at 1st April 2021	15,93,750	15,30,000
Interest @ 10%	1,59,375	1,53,000
Current service cost	15,10,000	-
Contributions received	-	14,25,000
Benefits paid	(12,55,000)	(12,55,000)
Curtailment compensation paid	(7,00,000)	(7,00,000)
Gain on Curtailment (8,00,000 – 7,00,000)	(1,00,000)	-
	12,08,125	11,53,000
Return on gain (assets) (balancing figure)	-	42,27,000
Actuarial Loss (balancing figure)	<u>45,11,875</u>	<u>-</u>
Closing balance as at March 31,2022	<u>57,20,000</u>	<u>53,80,000</u>

In the Statement of Profit and loss, the following will be recognised:

Current service cost	15,10,000
Net interest on net defined liability (1,59,375 – 1,53,000)	6,375
Gain on Curtailment	(1,00,000)

Defined benefit re-measurements recognised in

Other Comprehensive Income:

Loss on defined benefit obligation	(45,11,875)
Gain on plan assets	42,27,000

In the Balance sheet, the following will be recognised:

Net defined liability (57,20,000 – 53,80,000)	3,40,000
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Q 2**Computation of Fair Values:**

Fair Value of shares with restrictions on 01.04.10	60
Add: % increase for shares without restrictions	20%
Fair Value of shares without restrictions on 01.04.10	72
Add: % increase in 2010 – 11	6%
Fair Value of shares without restrictions on 31.03.11	76.32
Add: % increase in 2011 – 12	10%
Fair Value of shares without restrictions on 31.03.12	83.95
Add: % increase in 2012 – 13	15%
Fair Value of shares without restrictions on 31.03.13	96.54

Expense to be recognized for Equity Component:

Fair Value under equity settlement option (6,000 X 60)	3,60,000
Less: Fair value under cash settlement option (5,000 X 72)	3,60,000
Equity Component	Nil
Expense to be recognized for equity component	Nil

Expense to be recognized for Liability Component:

Date	Expected Fair Value of Liability	Provision p.a. based on FV	Cumulative Provision to be recognized	Provision Already Recognised	Provision to be Recognised
31.03.11	5,000 X 76.32 i.e. Rs.3,81,600	<u>3,81,600</u> 3 i.e. 1,27,200	1,27,200	-----	1,27,200
31.03.12	5,000 X 83.95 i.e. Rs.4,19,750	<u>4,19,750</u> 3 i.e. 1,39,917	1,39,917 X 2 i.e. 2,79,834	1,27,200	1,52,634
31.03.13	5,000 X 96.54 i.e. Rs.4,82,700	-----	4,82,700	2,79,834	2,02,866

Employees Compensation Expense Account

31.03.11	To SBP Liability A/c	<u>1,27,200</u>	31.03.11	By Profit and Loss A/c	<u>1,27,200</u>
		<u>1,27,200</u>			<u>1,27,200</u>
31.03.12	To SBP Liability A/c	<u>1,52,634</u>	31.03.12	By Profit and Loss A/c	<u>1,52,634</u>
		<u>1,52,634</u>			<u>1,52,634</u>
31.03.13	To SBP Liability A/c	<u>2,02,866</u>	31.03.13	By Profit and Loss A/c	<u>2,02,866</u>
		<u>2,02,866</u>			<u>2,02,866</u>

Share Based Payment Liability Account

31.03.11	To Balance c/d	<u>1,27,200</u>	31.03.11	By Employee Compensation A/c	<u>1,27,200</u>
		<u>1,27,200</u>			<u>1,27,200</u>
31.03.12	To Balance c/d	<u>2,79,834</u>	01.04.11	By balance b/d	1,27,200
		<u>2,79,834</u>	31.03.12	By Employee Compensation A/c	<u>1,52,634</u>
					<u>2,79,834</u>
31.03.13	To Balance c/d	<u>4,82,700</u>	01.04.12	By balance b/d	2,79,834
		<u>4,82,700</u>	31.03.13	By Employee Compensation A/c	<u>2,02,866</u>
					<u>4,82,700</u>

If Employee Opts for Cash Settlement:

Share Based Payment Liability Account

31.03.14	To Bank A/c (5,000 X 96.54)	<u>4,82,700</u> <u>4,82,700</u>	01.04.13	By balance b/d	4,82,700 <u>4,82,700</u>
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If Employee Opts for Equity Settlement:

Share Based Payment Liability Account

31.03.14	To SBP Reserve A/c	<u>4,82,700</u> <u>4,82,700</u>	01.04.13	By balance b/d	4,82,700 <u>4,82,700</u>
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Share Based Payment Reserve Account

31.03.14	To Equity Share Capital A/c (6,000 X 10)	60,000	31.03.14	By SBP Liability A/c	4,82,700
31.03.14	To Securities Premium A/c	<u>12,86,700</u>	31.03.14	By Bank A/c (6,000 X 144)	<u>8,64,000</u>
		<u>13,46,700</u>			<u>13,46,700</u>

Solution prepared by **CA. Ashish Lalaji**