

Q-1**Impairment loss on Goodwill**

On January 1, 2008, Misbah Holding Limited, dealing in textile goods, acquired 90% ownership interest in Salman Limited (SL), a ginning company, against cash payment of Rs. 450 million. At that date, SL's net identifiable assets had a book value of Rs. 350 million and fair value of Rs. 400 million.

It is the policy of the company to measure the non-controlling interest at their proportionate share of SL's net identifiable assets.

During the year ended December 31, 2008, SL incurred a net loss of Rs. 150 million. The impairment testing exercise carried out at the end of the year, by a firm of consultants, showed that the recoverable amount of SL's business is Rs. 200 million. However, the Board of Directors is inclined to take a second opinion as they estimate that the recoverable amount is Rs. 390 million.

Required:

Based on each of the two valuations, compute the amounts to be reported in the consolidated statement of financial position as of December 31, 2008 in respect of:

- Goodwill;
- Net identifiable assets, and
- Non-controlling interest.