

Illustration 10 (Loss of Stock By Fire and Unrealised Profit On Stock)

The following balance sheets as on 31-3-2017 are presented to you:

Particulars		Note No.	H Ltd. (₹)	S Ltd. (₹)
I EQUITY AND LIABILITIES				
1. Shareholder's Funds				
(a) Share Capital (shares of ₹ 100 each)			5,00,000	2,00,000
(b) Reserve and Surplus				
General Reserve			1,00,000	—
Surplus Account			80,000	(1,00,000)
2. Non-Current Liabilities				
(a) Long term borrowings				
6% Debentures			—	1,00,000
3. Current Liabilities				
(a) Trade Payables (Creditors)			75,000	45,000
Total			7,55,000	2,45,000
II ASSETS				
1. Non-Current Assets				
(a) Fixed Assets (Tangible)			3,50,000	1,50,000
(b) Non-Current Investments				
6% Debentures in S Ltd. acquired at cost			60,000	—
1,500 Shares in S Ltd. at ₹ 80 each			1,20,000	—
2. Current Assets				
(a) Inventories (stock in trade)			90,000	40,000
(b) Trade Receivables (Debtors)			60,000	30,000
(c) Cash and Cash Equivalents (Bank)			75,000	25,000
Total			7,55,000	2,45,000

H. Ltd. acquired the shares on 1 August 2016. The profit and loss statement of S. Ltd. showed a loss of ₹ 1,50,000 on 1 April 2016. During June 2016, goods costing ₹ 6,000 were destroyed by fire against which insurer paid only ₹ 2,000. Trade creditors of S. Ltd. include ₹ 20,000 for goods supplied by H. Ltd. on which H. Ltd. made a profit of ₹ 2,000. Half of the goods were still in stock on 31 March 2017. Prepare a consolidated balance sheet and show the complete working.

[B. Com. (Hons.) Delhi]