

Chapter - 4: Amalgamation Accounts

Example - 2:

In the books of Harshad Ltd. (Vendor Company)

Dr.		Realization Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Land & Building A/c	350,000	By Creditors A/c	65,000		
To Machinery A/c	700,000	By Bills Payable A/c	10,000		
To Furniture A/c	50,000	By Anand Ltd. A/c	1,400,000		
To Patents A/c	75,000	(Purchase price)			
To Stock A/c	150,000				
To Debtors A/c	50,000				
To Bills Receivable A/c	15,000				
To Bank A/c (Liquidation Exp.)	5,000				
To Equity SH's A/c (Profit)	80,000				
	1,475,000			1,475,000	

Dr.		Shareholder's Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Equity shares in Anand Ltd.'s A/c	886,000	By Equity Share Capital A/c	1,000,000		
To Security premium in Anand Ltd.'s A/c	443,000	By General Reserve A/c	300,000		
To Bank Account (Balance)	166,000	By Workmen's Comp. Fund	50,000		
		By Profit & Loss A/c	65,000		
		By Realization A/c (Profit)	80,000		
	1,495,000			1,495,000	

Dr.		Bank Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Balance b/d	100,000	By Realization A/c (Liq. Exp.)	5,000		
To Anand Ltd.'s A/c	71,000	By Equity SH's A/c (Balance)	166,000		
	171,000			171,000	

Dr.		Anand Ltd. (Purchasing Co.) Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Realization A/c	1,400,000	By Equity Share Capital A/c	886,000		
		By Security Premium A/c	443,000		
		By Cash/Bank A/c	71,000		
	1,400,000			1,400,000	

In the books of Anand Ltd. (Purchasing Company)

Journal Entries in the books of Anand Ltd.

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
1	Goodwill A/c Dr.		85,000	
	Land & Building A/c Dr.		350,000	
	Machinery A/c Dr.		700,000	
	Furniture A/c Dr.		50,000	
	Patents A/c Dr.		75,000	
	Stock A/c Dr.		150,000	
	Debtors A/c Dr.		50,000	
	Bills Receivable A/c Dr.		15,000	
				To Creditors A/c 65,000
				To Bills Payable A/c 10,000
				To Liquitors of Harshad Ltd.'s A/c 1,400,000
2	Liquitors of Harshad Ltd.'s A/c Dr.		1,400,000	
				To Equity Share Capital A/c 886,000
				To Security Premium A/c 443,000
				To Cash or Bank A/c 71,000
3	Goodwill A/c Dr.		17,500	
	Land & Building A/c Dr.		100,000	
	Vehicle A/c Dr.		15,000	
	Patents A/c Dr.		5,000	
	Stock A/c Dr.		32,000	
	Debtors A/c Dr.		31,000	
				To Creditors A/c 15,500
				To Liquitors of Pravin Ltd.'s A/c 185,000
4	Liquitors of Pravin Ltd.'s A/c Dr.		185,000	
				To Equity Share Capital A/c 114,000
				To Security Premium A/c 57,000
				To Cash or Bank A/c 14,000
5	Bank Account Dr.		300,000	
				To Equity Share Capital A/c 200,000
				(2,000 shares of ₹ 100 each)
				To Security Premium A/c 100,000
				(2,000 shares of ₹ 50 each)
	W. N.: Authorized shares	12,000		
	Less: Shares issued to Harshad	8,860		
	Less: Shares issued to Pravin	1,140		
	Remaining Shares	2,000		

Initial Balance Sheet of Anand Ltd. as on 1-4-2021 (After Purchase)

Particulars	Note	Amount (₹)
I. EQUITY AND LIABILITIES:		
(1) Shareholder's Funds:		
(a) Share Capital 12,000 Equity Shares of ₹ 100 each		1,200,000
(b) Reserves and Surplus Security Premium (12,000 shares × ₹ 50)		600,000
(2) Current Liabilities:		
(a) Trade Payables:		
Creditors (₹ 65,000 + ₹ 15,500)		80,500
Bills Payables (₹ 10,000 + ₹ 0)		10,000
TOTAL		1,890,500
II. ASSETS:		
(1) Non-Current Assets:		
(a) Fixed Assets		
(i) Tangible Assets		
Land & Building (₹ 3,50,000 + ₹ 1,00,000)		450,000
Machinery (₹ 7,00,000 + ₹ 0)		700,000
Furniture (₹ 50,000 + ₹ 0)		50,000
Vehicles (₹ 0 + ₹ 15,000)		15,000
(ii) Intangible Assets		
Goodwill (₹ 85,000 + ₹ 17,500)		102,500
Patents (₹ 75,000 + ₹ 5,000)		80,000
(b) Current Assets:		
(a) Inventories: Stock (₹ 1,50,000 + ₹ 32,000)		182,000
(b) Trade Receivables:		
Debtors (₹ 50,000 + ₹ 31,000)		81,000
Bills Receivables (₹ 15,000 + ₹ 0)		15,000
(c) Cash and Cash Equivalents: Bank Balance	1	215,000
TOTAL		1,890,500

Note - 1: Cash and Bank Balance

Particulars	Amount (₹)
Amount paid to Liquidator of Harshad Ltd.	-71,000
Amount paid to Liquidator of Pravin Ltd.	-14,000
Issue of Remaining Equity Shares	300,000
TOTAL	215,000

Example - 3:

W. N. - 1: Debentures of New Company (Sangam Ltd.) issued to Vendor Companies.

(1) The debentureholders of Sagar Ltd. were allotted new debentures of 5% as would bring same amount of interest.

First we have find out interest received by debentureholders of Sagar Ltd.

Actual Interest received (70,000 * 6%) 4,200

New Debentures of 5% as bring same interest.

Interest	Amount	
5	4,200	84,000
100	(?)	

(2) The debentureholders of Sarita Ltd. were allotted new debentures of 5% as would bring same amount of interest.

First we have find out interest received by debentureholders of Sarita Ltd.

Actual Interest received (350,000 * 7%) 24,500

New Debentures of 5% as bring same interest.

Interest	Amount	
5	24,500	490,000
100	(?)	

In the books of Sarita Ltd. (Vendor Company)

Dr.	Realization Account		Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
To Machinery A/c	350,000	By 5% Debentures A/c	350,000
To Building A/c	450,000	By Creditors A/c	60,000
To Furniture A/c	100,000	By Bills Payable A/c	6,000
To Goodwill A/c	100,000		
To Stock A/c	682,000	By Sangam Ltd. (Purchase Price)	1,980,000
To Debtors A/c	350,000		
To Bank A/c	146,000		
To Equity SH's A/c (Profit)	218,000		
	2,396,000		2,396,000

Dr.		Shareholder's Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Equity shares in Sangam Ltd.'s A/c	1,800,000	By Equity Share Capital A/c	1,502,000		
To Cash Paid by Sangam Ltd.	180,000	By Profit & Loss A/c	100,000		
		By Dividend Equalization Fund	60,000		
		By Reserve Fund A/c	100,000		
		By Realization A/c (Profit)	218,000		
	1,980,000		1,980,000		

Dr.		Sangam Ltd. (Purchasing Co.) Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Realization A/c	1,980,000	By Equity Share Capital A/c	1,800,000		
		By Cash/Bank A/c	180,000		
	1,980,000		1,980,000		

In the books of Sangam Ltd. (Purchasing Company)

Journal Entries in the books of Sangam Ltd.

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
1	Machinery A/c	Dr.	120,000	
	Building A/c	Dr.	215,000	
	Stock A/c	Dr.	150,000	
	Debtors A/c	Dr.	95,000	
	To Capital Reserve A/c			34,000
	To 5% Debentures A/c			84,000
	To Creditors A/c			120,000
	To Bills Payable A/c			30,000
	To Bank Overdraft A/c			10,000
	To Liquitors of Sagar Ltd.'s A/c			302,000
2	Liquitors of Sagar Ltd.'s A/c	Dr.	302,000	
	To Equity Share Capital A/c			300,000
	To Cash or Bank A/c			2,000
3	Goodwill A/c	Dr.	458,000	
	Machinery A/c	Dr.	350,000	
	Building A/c	Dr.	450,000	
	Furniture A/c	Dr.	100,000	
	Stock A/c	Dr.	682,000	
	Debtors A/c	Dr.	350,000	
	Bank A/c	Dr.	146,000	
	To 5% Debentures A/c			490,000
	To Creditors A/c			60,000
	To Bills Payables A/c			6,000
	To Liquitors of Sarita Ltd.'s A/c			1,980,000

4	Liquitors of Sarita Ltd.'s A/c To Equity Share Capital A/c To Cash or Bank A/c	Dr.	1,980,000	1,800,000 180,000
5	Goodwill A/c To Cash or Bank A/c (Liquidation Exp. 200 of Sagar Ltd. + 1,200 of Sarita Ltd.)	Dr.	1,400	1,400
6	Bank Account To Equity Share Capital A/c (90,000 shares of ₹ 10 each) To Security Premium A/c (90,000 shares of ₹ 1 each)	Dr.	990,000	900,000 90,000
	W. N.: Authorized shares		300,000	
	Less: Shares issued to Sagar		30,000	
	Less: Shares issued to Sarita		180,000	
	Remaining Shares		90,000	

Initial Balance Sheet of Sangam Ltd. as on 1-4-2021 (After Amalgamation)

Particulars	Note	Amount (₹)
I. EQUITY AND LIABILITIES:		
(1) Shareholder's Funds:		
(a) Share Capital		
300,000 Equity Shares of ₹ 10 each		3,000,000
(b) Reserves and Surplus		
Security Premium (90,000 shares × ₹ 1)		90,000
(2) Non-Current Liabilities:		
(a) Long term borrowings:		
5% Debentures (₹ 84,000 + ₹ 490,000)		574,000
(3) Current Liabilities:		
(a) Trade Payables:		
Creditors (₹ 120,000 + ₹ 60,000)		180,000
Bills Payables (₹ 30,000 + ₹ 6,000)		36,000
(b) Bank Overdraft (₹ 10,000 + ₹ 0)		10,000
TOTAL		3,890,000

II. ASSETS:		
(1) Non-Current Assets:		
(a) Fixed Assets		
(i) Tangible Assets		
Machinery (₹ 1,20,000 + ₹ 3,50,000)		470,000
Building (₹ 2,15,000 + ₹ 4,50,000)		665,000
Furniture (₹ 0 + ₹ 1,00,000)		100,000
(ii) Intangible Assets		
Goodwill		425,400
(₹ 4,58,000 + ₹ 1,400 - Capital Reserve ₹ 34,000)		
(2) Current Assets:		
(a) Inventories: Stock (₹ 1,50,000 + ₹ 6,82,000)		832,000
(b) Trade Receivables:		
Debtors (₹ 95,000 + ₹ 3,50,000)		445,000
(c) Cash and Cash Equivalents: Bank Balance	1	952,600
TOTAL		3,890,000

Note - 1: Cash and Bank Balance

Particulars	Amount (₹)
Bank Balance received from Sarita Ltd. (3)	146,000
Amount paid to Liquidator of Sagar Ltd. (2)	-2,000
Amount paid to Liquidator of Sarita Ltd. (4)	-180,000
Amount paid for Liquidation Expenses (5)	-1,400
Issue of Remaining Equity Shares (6)	990,000
TOTAL	952,600

Example - 11:

(a) Amalgamation in nature of Merger:

Balance Sheet of Arun Ltd. as on 1-4-2021 (After Amalgamation)

Particulars	Note	Amount (₹)
I. EQUITY AND LIABILITIES:		
(1) Shareholder's Funds:		
(a) Share Capital	1	1,24,00,000
(b) Reserves and Surplus	2	21,00,000
(2) Non-current Liabilities:		
(a) Long term borrowings: 12% Debentures (₹ 100 each) (5,00,000 of Arun Ltd. + 3,50,000 of Badal Ltd.)		8,50,000
(3) Current Liabilities: (₹ 6,50,000 + ₹ 5,00,000)		11,50,000
TOTAL		1,65,00,000
II. ASSETS:		
(1) Non-Current Assets:		
(a) Fixed Assets (₹ 63,25,000 + ₹ 36,00,000)		99,25,000
(b) Non-Current Investments (₹ 7,00,000 + ₹ 5,00,000)		12,00,000
(2) Current Assets: (₹ 28,75,000 + ₹ 25,00,000)		53,75,000
TOTAL		1,65,00,000

Note - 1: Share Capital

Particulars	Amount (₹)
Equity Share Capital of ₹ 100 each (₹ 50,00,000 of Arun + ₹ 35,00,000 of issued to Badal)	85,00,000
13% Pref. Share Capital of Arun Ltd.	22,00,000
14% Pref. Share Capital issued to Badal Ltd.	17,00,000
TOTAL	1,24,00,000

Note - 2: Reserves and Surplus:

Particulars	Amount (₹)
General Reserve (₹ 5,00,000 + ₹ 2,50,000 - ₹ 6,70,000 diff.)	80,000
Security Premium (10% on Pref. Share Capital)	1,70,000
Export Profit Reserve (₹ 3,00,000 + ₹ 2,00,000)	5,00,000
Investment Allowance Reserve (₹ 0 + ₹ 1,00,000)	1,00,000
Profit and Loss A/c (₹ 7,50,000 + ₹ 5,00,000)	12,50,000
TOTAL	21,00,000

(b) Amalgamation in nature of Purchase:**Balance Sheet of Arun Ltd. as on 1-4-2021 (After Amalgamation)**

Particulars	Note	Amount (₹)
I. EQUITY AND LIABILITIES:		
(1) Shareholder's Funds:		
(a) Share Capital	1	1,24,00,000
(b) Reserves and Surplus	2	24,00,000
(2) Non-current Liabilities:		
(a) Long term borrowings: 12% Debentures (₹ 100 each) (5,00,000 of Arun Ltd. + 3,50,000 of Badal Ltd.)		8,50,000
(3) Current Liabilities: (₹ 6,50,000 + ₹ 5,00,000)		11,50,000
TOTAL		1,68,00,000
II. ASSETS:		
(1) Non-Current Assets:		
(a) Fixed Assets (₹ 63,25,000 + ₹ 36,00,000)		99,25,000
(b) Non-Current Investments (₹ 7,00,000 + ₹ 5,00,000)		12,00,000
(c) Other Non-Current Assets Amalgamation Adjustment A/c	3	3,00,000
(2) Current Assets: (₹ 28,75,000 + ₹ 25,00,000)		53,75,000
TOTAL		1,68,00,000

Note - 1: Share Capital

Particulars	Amount (₹)
Equity Share Capital of ₹ 100 each (₹ 50,00,000 of Arun + ₹ 35,00,000 of Badal)	85,00,000
13% Pref. Share Capital of Arun Ltd.	22,00,000
14% Pref. Share Capital	17,00,000
TOTAL	1,24,00,000

Note - 2: Reserves and Surplus:

Particulars	Amount (₹)
General Reserve	5,00,000
Security Premium (10% on Pref. Share Capital)	1,70,000
Capital Reserve	3,80,000
Export Profit Reserve (₹ 3,00,000 + ₹ 2,00,000)	5,00,000
Investment Allowance Reserve	1,00,000
Profit and Loss A/c	7,50,000
TOTAL	24,00,000

Note - 3: Amalgamation Adjustment A/c

Particulars	Amount (₹)
Export Profit Reserve of Badal Ltd.	2,00,000
Investment Allowance Reserve of Badal Ltd.	1,00,000
TOTAL	3,00,000

Example - 29:

(a) Amalgamation in nature of Merger:

Balance Sheet of A Ltd. as on 1-4-2021 (After Amalgamation)

Particulars	Note	Amount (₹)
I. EQUITY AND LIABILITIES:		
(1) Shareholder's Funds:		
(a) Share Capital	1	25,20,000
(b) Reserves and Surplus	2	12,94,600
(2) Non-current Liabilities:		
(a) Long term borrowings:		
15% Debentures	3	40,000
(3) Current Liabilities:		
(a) Trade Payable:		
Creditors (₹ 2,00,000 + ₹ 1,40,000)		3,40,000
Bills Payable (₹ 87,400 + ₹ 58,000)		1,45,400
TOTAL		43,40,000
II. ASSETS:		
(1) Non-Current Assets:		
(a) Fixed Assets (₹ 22,00,000 + ₹ 9,46,000)		31,46,000
(2) Current Assets:		
(a) Stock (₹ 5,00,000 + ₹ 1,94,000)		6,94,000
(b) Debtors (₹ 2,50,000 + ₹ 1,20,000)		3,70,000
(c) Bank Balance (₹ 50,000 + ₹ 80,000)		1,30,000
TOTAL		43,40,000

Note - 1: Share Capital

Particulars	Amount (₹)
Equity Share Capital of ₹ 10 each (₹ 16,00,000 of A + ₹ 7,00,000 issued to B)	23,00,000
12% Pref. Share Capital of A Ltd. issued to B Ltd.	2,20,000
TOTAL	25,20,000

Note - 2: Reserves and Surplus:

Particulars	Amount (₹)
General Reserve (₹ 9,22,000 + ₹ 1,96,000 - ₹ 1,20,000 diff.)	9,98,000
Investment Allowance Reserve (₹ 78,000 + ₹ 25,000)	1,03,000
Profit and Loss A/c (₹ 1,12,600 + ₹ 71,000)	1,83,600
Profit on issue of New Debentures	10,000
TOTAL	12,94,600

Note - 3: 15% Debentures

Here, A Ltd. issued 15% new debentures for B Ltd. so that they can receive same int.

Now, Old Debenture Interest is ₹ 6,000 (50,000 × 12%)

Percentage

Interest

15

6,000

So, New Debentures are ₹ 40,000

100

(?)

(100 × 6,000 / 15)

So, Profit on issue of new debentures is ₹ 10,000 (₹ 50,000 - ₹ 40,000)

(b) Amalgamation in nature of Purchase:**Balance Sheet of A Ltd. as on 1-4-2021 (After Amalgamation)**

Particulars	Note	Amount (₹)
I. EQUITY AND LIABILITIES:		
(1) Shareholder's Funds:		
(a) Share Capital	1	25,20,000
(b) Reserves and Surplus	2	13,19,600
(2) Non-current Liabilities:		
(a) Long term borrowings:		
15% Debentures	3	40,000
(3) Current Liabilities:		
(a) Trade Payable:		
Creditors (₹ 2,00,000 + ₹ 1,40,000)		3,40,000
Bills Payable (₹ 87,400 + ₹ 58,000)		1,45,400
TOTAL		43,65,000
II. ASSETS:		
(1) Non-Current Assets:		
(a) Fixed Assets		
(₹ 22,00,000 + ₹ 9,46,000)		31,46,000
(b) Amalgamation Adjustment A/c	4	25,000
(2) Current Assets:		
(a) Stock (₹ 5,00,000 + ₹ 1,94,000)		6,94,000
(b) Debtors (₹ 2,50,000 + ₹ 1,20,000)		3,70,000
(c) Bank Balance (₹ 50,000 + ₹ 80,000)		1,30,000
TOTAL		43,65,000

Note - 1: Share Capital

Particulars	Amount (₹)
Equity Share Capital of ₹ 10 each	23,00,000
(₹ 16,00,000 of A + ₹ 7,00,000 of B)	
12% Pref. Share Capital of A Ltd. issued to B Ltd.	2,20,000
TOTAL	25,20,000

Note - 2: Reserves and Surplus:

Particulars	Amount (₹)
General Reserve	9,22,000
Capital Reserve (Step - 3)	1,82,000
Investment Rebate Reserve (₹ 78,000 + ₹ 25,000)	1,03,000
Profit and Loss A/c	1,12,600
TOTAL	13,19,600

Note - 3: Amalgamation Adjustment A/c

Particulars	Amount (₹)
Investment Allowance Reserve of B Ltd.	25,000
TOTAL	25,000

Example - 30:

(A) Amalgamation in nature of Merger:

Balance Sheet of Sangam Ltd. as on 1-4-2021 (After Amalgamation)

Particulars	Note	Amount (₹)
I. EQUITY AND LIABILITIES:		
(1) Shareholder's Funds:		
(a) Share Capital	1	1,525,000
(b) Reserves and Surplus	2	492,500
(2) Non-current Liabilities:		
(a) Long term borrowings: 15% Debentures (₹ 40,000 + ₹ 28,000)	3	68,000
(3) Current Liabilities:		
(a) Trade Payable: Creditors (₹ 90,000 + ₹ 40,000)		130,000
Bills Payable (₹ 15,000 + ₹ 10,000)		25,000
TOTAL		2,240,500
II. ASSETS:		
(1) Non-Current Assets:		
(a) Fixed Assets		
(i) Tangible Assets:		
Land & Building (₹ 5,00,000 + ₹ 3,00,000)		800,000
Plant & Machinery (₹ 3,00,000 + ₹ 2,00,000)		500,000
(b) Non-Current Investment (₹ 2,00,000 + ₹ 1,00,000)		300,000
(2) Current Assets:		
(a) Inventories: Stock (₹ 1,30,000 + ₹ 70,000)		200,000
(b) Debtors (₹ 1,00,000 + ₹ 1,50,000)		250,000
(c) Cash & Bank Balance (₹ 65,000 + ₹ 1,25,500)		190,500
TOTAL		2,240,500

Note - 1: Share Capital

Particulars	Amount (₹)
Equity Share Capital of ₹ 100 each (₹ 8,00,000 of Sagar Ltd. + ₹ 3,75,000 of Sarita Ltd.)	11,75,000
15% Pref. Share Capital (₹ 2,00,000 of Sagar Ltd. + ₹ 1,50,000 of Sarita Ltd.)	3,50,000
TOTAL	15,25,000

Note - 2: Reserves and Surplus:

Particulars	Amount (₹)
General Reserve (₹ 1,50,000 + ₹ 1,00,000 - ₹ 2,62,500 diff. + ₹ 17,000 Profit of New Deb.)	4,500
Investment Allowance Reserve (₹ 50,000 + ₹ 30,000)	80,000
Export Profit Reserve (₹ 80,000 + ₹ 40,000)	1,20,000
Profit and Loss A/c (₹ 60,000 + ₹ 40,500)	1,00,500
Security Premium (₹ 80,000 + ₹ 37,500 + ₹ 40,000 + ₹ 30,000)	1,87,500
TOTAL	4,92,500

Note - 3: 15% Debentures

Here, Sangam Ltd. issued 15% new debentures for Sagar Ltd.
so that they can receive same amount of interest.

Now, Old Debenture Interest is ₹ 6,000 (50,000 × 12%)

Percentage	Interest	
15	6,000	So, New Debentures are ₹ 40,000
100	(?)	(100 × 6,000 / 15)
		So, Profit on issue of new debentures is ₹ 10,000 (₹ 50,000 - ₹ 40,000)

Also, Sangam Ltd. issued 15% new debentures for Sarita Ltd.
so that they can receive same amount of interest.

Now, Old Debenture Interest is ₹ 4,200 (35,000 × 12%)

Percentage	Interest	
15	4,200	So, New Debentures are ₹ 28,000
100	(?)	(100 × 4,200 / 15)
		So, Profit on issue of new debentures is ₹ 7,000 (₹ 35,000 - ₹ 28,000)

So, total profit on issue of New Debentures is ₹ 17,000 (₹ 10,000 + ₹ 7,000)

(B) Amalgamation in nature of Purchase:

Balance Sheet of Sangam Ltd. as on 1-4-2021 (After Amalgamation)

Particulars	Note	Amount (₹)
I. EQUITY AND LIABILITIES:		
(1) Shareholder's Funds:		
(a) Share Capital	1	1,525,000
(b) Reserves and Surplus	2	692,500
(2) Non-current Liabilities:		
(a) Long term borrowings: 15% Debentures (₹ 40,000 + ₹ 28,000)	3	68,000
(3) Current Liabilities:		
(a) Trade Payable: Creditors (₹ 90,000 + ₹ 40,000)		130,000
Bills Payable (₹ 15,000 + ₹ 10,000)		25,000
TOTAL		2,440,500
II. ASSETS:		
(1) Non-Current Assets:		
(a) Fixed Assets		
(i) Tangible Assets:		
Land & Building (₹ 5,00,000 + ₹ 3,00,000)		800,000
Plant & Machinery (₹ 3,00,000 + ₹ 2,00,000)		500,000
(b) Non-Current Investment (₹ 2,00,000 + ₹ 1,00,000)		300,000
(c) Other Non-Current Assets: Amalgamation Adjustment A/c	4	200,000
(2) Current Assets:		
(a) Inventories: Stock (₹ 1,30,000 + ₹ 70,000)		200,000
(b) Debtors (₹ 1,00,000 + ₹ 1,50,000)		250,000
(c) Cash & Bank Balance (₹ 65,000 + ₹ 1,25,500)		190,500
TOTAL		2,440,500

Note - 2: Reserves and Surplus:

Particulars	Amount (₹)
Security Premium (₹ 80,000 + ₹ 37,500 + ₹ 40,000 + ₹ 30,000)	187,500
Capital Reserve (₹ 30,000 + ₹ 2,75,000)	305,000
Investment Allowance Reserve (₹ 50,000 + ₹ 30,000)	80,000
Export Profit Reserve (₹ 80,000 + ₹ 40,000)	120,000
TOTAL	692,500

Note - 4: Amalgamation Adjustment A/c

Particulars	Amount (₹)
Investment Allowance Reserve (₹ 50,000 + ₹ 30,000)	80,000
Export Profit Reserve (₹ 80,000 + ₹ 40,000)	120,000
TOTAL	200,000