

ILLUSTRATION 18.

Following is the Balance Sheet of Rajasthan Textiles Ltd. as at 31st March, 2019 on which date a winding up order was made.

Particulars	₹
I. EQUITY & LIABILITIES :	
Shareholder's Funds :	
Share Capital :—	
1,000 12% Preference Shares of ₹100 each, fully paid	1,00,000
20,000 Equity Shares of ₹10 each ₹8 per share paid up	1,60,000
Profit & Loss Balance	(50,000)
Non-Current Liabilities	
10% Mortgage Debentures	1,20,000
Current Liabilities	
Bank Overdraft (Secured by Land & Building)	60,000
Rent, Rates & Taxes	18,000
Trade Creditors	75,000
Bills Payable	5,000
	<u>4,80,000</u>
II. ASSETS :	
Non-Current Assets	
Land and Building	1,50,000
Machinery	80,000
Investments	10,000
Current Assets	
Inventory	95,000
Book Debts	1,10,000
B/R	25,000
Cash in hand	30,000
	<u>4,80,000</u>

The following further information is available :—

(1) Land and Buildings are valued for ₹75,000; Machinery is valued at ₹50,000; Investments are valued at ₹16,000; Inventory is estimated to produce ₹1,10,000; Bad Debts are ₹20,000 and Doubtful debts are ₹30,000 estimated to realise 40%; B/R considered to be bad ₹8,000.

(2) Bills discounted ₹20,000. Liability on them is estimated to rank ₹5,000.

Prepare Statement of Affairs and Deficiency Account.