

Ind AS 2

Inventory

Ex:-1

Computers & laptops 31/3 \Rightarrow 150 Units

Normalising SP \Rightarrow 1,20,000/- per unit

30th April Customer order for supply
of 100 Units @ 95,000/- per
Unit

NRV OF 150 Units as on 31/3 :-

1) 100 units \times 95,000/- ^{Contract price} = 95,00,000

2) 50 units \times 1,20,000/- ^{Normal SP} = 60,00,000

1,55,00,000

- Estimates of net realisable value also take into consideration the purpose for which the inventory is held. For example, the net realisable value of the quantity of inventory held to satisfy firm sales or service contracts is based on the contract price. If the sales contracts are for less than the inventory quantities held, the net realisable value of the excess quantity is based on general selling prices. If there is a firm contract to sell quantities in excess of inventory quantities that the entity holds or is able to obtain under a firm purchase contract, this may give rise to an onerous contract liability that should be provided for in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".