

13. PREPARATION OF FINANCIAL STATEMENTS**ASSIGNMENT SOLUTIONS****PROBLEM NO: 1**

Calculation of remuneration of the managing director	Amount (Rs.)
Net profit as per books	43.00
Add: Provision for taxation	17.20
Annual profit for the purpose of managerial remuneration	60.20
Managing Director's Remuneration @ 5% of above	3.01
Minimum remuneration to paid to Managing Director = 25,000 per month x 12	3.00

Hence, in this case, remuneration to be paid to the Managing Director of Anil Ltd. is Rs.3,01,000 in the year.

PROBLEM NO: 2**Calculation of effective capital and maximum amount of monthly remuneration**

	(Rs. in lakhs)
Paid up equity share capital	120
Paid up Preference share capital	20
Reserve excluding Revaluation reserve (150- 10)	140
Securities premium	40
Long term loans	40
Deposits repayable after one year	20
	380
Less: Accumulated losses not written off	(20)
Investments	(180)
Effective capital for the purpose of managerial remuneration	180

Since Kumar Ltd. is incurring losses and no special resolution has been passed by the company for payment of remuneration, managerial remuneration will be calculated on the basis of effective capital of the company, therefore maximum remuneration payable to the Managing Director should be @ Rs. 60,00,000 per annum.

Note: Revaluation reserve, and application money pending allotment are not included while computing effective capital of Kumar Ltd.

PROBLEM NO: 3**Computation of effective capital:**

	Where star ltd. is a non-investment company	Where star ltd. is a investment company
Paid-up share capital:		
45,000, 14% Preference shares	45,00,000	45,00,000
3,60,000 Equity shares	2,88,00,000	2,88,00,000
Capital reserves (5,85,000 – 4,50,000)	1,35,000	1,35,000
Securities premium	1,50,000	1,50,000
15% Debentures	1,95,00,000	1,95,00,000
Public Deposits	11,10,000	11,10,000
(A)	5,41,95,000	5,41,95,000
Investments	2,25,00,000	
Profit and Loss account (Dr. balance)	45,75,000	45,75,000
(B)	2,70,75,000	45,75,000
Effective capital (A-B)	2,71,20,000	4,96,20,000

PROBLEM NO: 4

Note: Through current surcharge rate on DDT is 12% the question is on the basis of the information given in the question. However, education cess of 3% is applied though not given in the question.

Therefore, total DDT arrives of 17.304%.

Yes. Corporate Dividend Tax (CDT)* is payable by the company which has provided for

The payment of dividend. CDT is payable even if no income tax is payable. This is payable by a domestic Company on distribution of profits to its shareholders.

In the given case Corporate Dividend Tax would be worked out as under:

i) Gross up of dividend:

$$10,00,000 \times 100/85 = 11,76,470$$

ii) CDT = $11,76,470 \times 17.304\% = 2,03,576.36$.

The liability in respect of CDT arises on the profits are distributed as dividends where as

The normal income tax liability arises on the earning of the taxable profits.

Since the CDT

Liability relates to distribution of profits as dividends which are adjusted n as appropriation / allocation of profits in the 'Notes to Accounts' of 'Reserves and Surplus'. It is appropriate that the liability in respect of DDT should also be adjusted therein.

CDT liability should be presented separately in the 'Notes to Accounts' of 'Reserves and Surplus' as follows.

Dividend

xxxxx

Dividend Corporate tax thereon

xxxxx

xxxxx

*Corporate Dividend Tax is also known as 'Dividend Distribution Tax'.

PROBLEM NO: 5

Bose and Sen Ltd.

Balance sheet as on 31st March, 2015

Particulars	Notes	Figures at the end of current reporting period (Rs.)
Equity and Liabilities		
1. Shareholders' funds		
a. Share capital	1	69,93,000
b. Reserves & Surplus	2	21,56,000
2. Non-Current Liabilities		
a. Long-term borrowings	3	16,97,000
3. Current Liabilities		
a. Trade Payables		14,00,000
b. Other current liabilities	4	2,00,000
c. Short-term provision	5	8,16,900
Total		1,32,62,900
Assets		
1. Non-current Assets		
a. Fixed Assets		
Tangible Assets	6	74,75,000
Intangible Assets (Patents & Trade marks)		4,00,000
2. Current Assets		
a. Inventories	7	17,50,000
b. Trade receivables	8	14,00,000
c. Cash and cash equivalents	9	19,39,000
d. Short term loans and advances		2,98,900
Total		1,32,62,900

Notes to Accounts:

	Particulars	Amount (Rs.)	Amount (Rs.)
1	Share Capital		
	Equity share capital Issued, subscribed and called up 7,00,000 Equity Shares of Rs.10 each	70,00,000	
	(Out of the above 4,20,000 shares have been issued for Consideration other than cash)		
	Less: Calls in arrears	<u>(7,000)</u>	69,93,000
	Total		69,93,000
2	Reserves and Surplus		
	General Reserve		15,49,100
	Surplus (Profit & Loss a/c)	7,00,000	
	Less: Preliminary expenses	<u>(93,100)*</u>	6,06,900
	Total		21,56,000
3	Long-term borrowings		
	Secured		
	Term Loans - Loan from State Finance Corporation (Rs.10,50,000 - Rs.2,00,000) (Secured by hypothecation of Plan and Machinery)		8,50,000
	Unsecured		
	Bank Loan	2,00,000	
	Loan from related parties	1,00,000	
	Others	<u>5,47,000</u>	8,47,000
	Total		16,97,000
4	Other current Liabilities		
	Loan Installment repayable within one year		2,00,000
5	Short-term provisions		
	Provision for taxation		8,16,900
6	Tangible assets		
	Land		14,00,000
	Building	28,00,000	
	Less: depreciation	<u>(7,50,000)</u>	20,50,000
	Plant and Machinery	49,00,000	
	Less: Depreciation	<u>(12,25,000)</u>	36,75,000
	Furniture & Fittings	4,37,500	
	Less: Depreciation	<u>(87,500)</u>	3,50,000
	Total		74,75,000
7	Inventories		
	Raw Material	3,50,000	
	Finished goods	14,00,000	17,50,000
8	Trade receivables		
	Debts outstanding for a period exceeding six months	3,80,000	
	Other Debts	10,20,000	14,00,000
9	Cash and Cash equivalents		
	Cash at bank with Scheduled Bank including Bank Deposits for period of 9 months amounting Rs.5,00,000 With others	17,29,000	
	Cash in hand	2,10,000	19,39,00

*Preliminary expenses have been written off in line with Accounting Standards.

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To **MASTER MINDS**, Guntur

PROBLEM NO: 6

Balance Sheet of Mehar Ltd. as at 31st March, 2018

S.No	Particulars	Note No.	Amount (Rs.)
I	EQUITY AND LIABILITIES:		
(1)	(a) Share Capital	1	1,60,00,000
	(b) Reserves and Surplus	2	98,64,424
	Non-current Liabilities		
(2)	Long term Borrowings- Terms Loans (Secured)		40,00,000
	Current Liabilities		
(3)	(a) Trade Payables		45,80,000
	(b) Other current liabilities	3	20,03,576
	(c) Short-term Provisions (Provision for taxation)		10,20,000
	Total		3,74,68,000
	ASSETS		
II	Non-current Assets		
(1)	(a) Fixed Assets:		
	(i) Tangible Assets	4	2,06,00,000
	(ii) Capital WIP		8,00,000
	(b) Non- current Investments		9,00,000
	Current Assets:		
(2)	(a) Inventories	5	48,00,000
	(b) Trade Receivables	6	48,20,000
	(c) Cash and Cash Equivalents		38,40,000
	(d) Short-term Loans and Advances	7	17,08,000
	Total		3,74,68,000

Notes to accounts:

S.No.	Particulars		Amount (Rs.)
1.	Share Capital		
	Authorized, issued, subscribed & called up 1,20,000, Equity Shares of Rs. 100 each	1,20,00,000	
	40,000 10% Redeemable Preference Shares of 100 each	40,00,000	1,60,00,000
2.	Reserves and Surplus		
	Securities Premium Account	19,00,000	
	General reserve	62,00,000	
	Profit & Loss Balance		
	Opening balance		
	Profit for the period	32,00,000	
	Less: Miscellaneous Expenditure written off	(2,32,000)	
		29,68,000	
	Less: Appropriations		
	Dividend	(10,00,000)	17,64,424
	Dividend distribution tax	(2,03,576)	98,64,424
3.	Other current liabilities		
	Loan from other parties	8,00,000	
	Dividend	10,00,000	
	Dividend Distribution tax [W.N]	2,03,576	20,03,576
4.	Tangible assets		
	Fixed Assets:		
	Opening balance	2,26,00,000	
	Less: Depreciation	(20,00,000)	
	Closing balance		2,06,00,000
5.	Inventories		
	Finished Goods	30,00,000	
	Stores	16,00,000	
	Loose Tools	2,00,000	48,00,000

6.	Trade Receivables Trade receivables	49,00,000	
	Less: Provision for Doubtful Debts	(80,000)	48,20,000
7.	Short term loans & Advances Staff Advances	2,20,000	
	Other Advances	14,88,000	17,08,000

Working Note:

Calculation of Dividend distribution tax

i) Grossing-up of dividend:

Particulars		Amount (Rs.)
Dividend distributed by Mehar Ltd		
Equity shares dividend	6,00,000	
Preference share dividend	4,00,000	10,00,000
Add: Increase for the purpose of grossing up of dividend $10,00,000 \times [15 / (100-15)]$		1,76,470
Gross dividend		11,76,470

ii) Dividend distribution tax @ 17.304% = 2,03,576

PROBLEM NO: 7

Balance Sheet of SR Ltd.as on 31st March, 2018

Particulars	Note No	Figures at the end of current reporting period
Equity and Liabilities		
1. Shareholders' funds		
a) Share capital	1	79,85,000
b) Reserves and Surplus	2	30,21,000
2. Non-Current liabilities		
a) Long term borrowings	3	42,66,000
3. Current liabilities		
a) Short-term borrowings	4	4,60,000
b) Trade Payables		8,13,000
c) Other Current Liability	5	6,84,000
d) Short-term provisions	6	3,80,000
Total		1,76,09,000
Assets		
1. Non-current assets		
a) Fixed asset		
i) Tangible assets	7	92,00,000
2. Current assets		
a) Inventories	8	58,00,000
b) Trade receivables	9	17,50,000
c) Cash and bank balances	10	4,84,000
d) Short-term loans and advances		3,75,000
Total		1,76,09,000

Notes to accounts:

S.No	Particulars	Amount (Rs.)
1.	Share Capital Equity share capital Issued, subscribed and called up 1,60,000 Equity Shares of Rs. 50 each (Out of the above 50,000 shares have been issued for consideration other than cash) Less: Calls in arrears	80,00,000 (15,000)
	Total	79,85,000

2.	Reserves and Surplus General Reserve Add: Transferred from Profit and loss account Securities premium Surplus (Profit & Loss A/c) Less: Appropriation to General Reserve (proposed)	9,41,000 35,000 5,80,000 (35,000)	9,76,000 15,00,000 5,45,000 30,21,000
3.	Long-term borrowing: Secured: Term Loans Loan from Public Finance Corporation [repayable after 3 years (26,30,000 - Rs.1,34,000 for interest accrued but not due)] Secured by hypothecation of land Unsecured Bank Loan (Nixes bank) (Rs.13,80,000 - Rs. 4,80,000 repayable within 1 year) Loan from Directors Others	 9,00,000 8,50,000 20,000	 24,96,000
	Short-term borrowings Loan from Naya bank (Secured)	1,16,000	17,70,000
4.	Loan from Directors Others	48,000 2,96,000	4,60,000
	Other current liabilities Loan from Nixes bank repayable within one year	4,80,000	
5.	Unpaid dividend Interest accrued but not due on borrowings	70,000 1,34,000	6,84,000
	Short-term provisions Provision for taxation		3,80,000
6.	Tangible assets Land		25,00,000
7.	Buildings Less: Depreciation Plant & Machinery Less: Depreciation Furniture & Fittings Less: Depreciation Total	32,00,000 (2,00,000) 30,00,000 (6,00,000) 16,50,000 (3,50,000)	30,00,000 24,00,000 13,00,000 92,00,000
	Inventories Raw Material	13,00,000	
8.	Finished Goods Loose Tools	40,00,000 5,00,000	58,00,000
9.	Trade Receivables Outstanding for a period exceeding six months Others		4,86,000 12,64,000
	TOTAL		17,50,000
10.	Cash and cash equivalents Balances with banks: with Scheduled Banks with others banks Cash in hand	3,58,000 56,000	4,14,000 70,000
11.	Contingent Liabilities and Commitments (to the extent not provided for) Contingent Liabilities: Bills discounted but not matured		1,60,000

PROBLEM NO: 8

Balance Sheet of Kapil Ltd. as at 31st March, 2017

Particulars	Note No.	Amount (in Rs.)
Equity and Liabilities		
1. Shareholders' funds		
a) Share capital	1	19,90,000
b) Reserves and Surplus	2	59,586
2. Current liabilities		
a) Trade Payables		2,40,500
b) Other Current Liability	3	13,28,000
c) Short-Term Provisions	4	4,07,414
Total		40,25,500
Assets		
1. Non-current assets		
a) Fixed assets		
i) Tangible assets	5	29,30,000
2. Current assets		
a) Inventories		7,08,000
b) Trade receivables	6	3,59,500
c) Cash and bank balances	7	28,000
Total		40,25,500

Statement of Profit and Loss of Kapil Ltd. for the year ended 31st March, 2017

S.NO	Particulars	Note No.	Amount (Rs.)
I	Revenue from Operations		36,17,000
II	Other Income	8	36,500
III	Total Revenue [I + II]		36,53,500
IV	Expenses:		
	Cost of purchases		12,32,500
	Changes in Inventories [6,65,000-7,08,000]		(43,000)
	Employee Benefits Expenses	9	13,93,000
	Finance Costs	10	1,11,000
	Depreciation and Amortization Expenses		1,20,000
	Other Expenses	11	4,40,000
	Total Expenses		32,53,500
V	Profit before Tax (III-IV)		4,00,000
VI	Tax Expenses @ 30%		(1,20,000)
VII	Profit for the period		2,80,000

Notes to accounts:

S.NO	Particulars	Amount (Rs.)
1.	Share Capital	
	Authorized Capital	
	5,00,000 Equity Shares of Rs. 10 each	50,00,000
	Issued Capital	
	2,00,000 Equity Shares of Rs. 10 each	20,00,000
	Subscribed Capital and fully paid	
	1,95,000 Equity Shares of Rs.10 each	19,50,000
	Subscribed Capital but not fully paid	
	5,000 Equity Shares of Rs.10 each Rs. 8 paid	40,000
	(Call unpaid Rs.10,000)	19,90,000
2.	Reserves and Surplus:	
	General Reserve	7,000
	Surplus i.e. Balance in Statement of Profit & Loss:	
	Opening Balance	67,000
	Add: Profit for the period	2,80,000

	Less: Transfer to Reserve @ 2.5%	(7,000)	
	Less: Equity Dividend [12% of (20,00,000-10,000)]	(2,38,800)	
	Less: Corporate Dividend Tax (Working note)	(48,614)	<u>52,586</u>
			<u>59,586</u>
3.	Other current liabilities:		
	Bank Overdraft		12,67,000
	Outstanding Expenses [25,000+36,000]		<u>61,000</u>
			<u>13,28,000</u>
4.	Short-term Provisions:		
	Provision for Tax		1,20,000
	Equity Dividend payable		2,38,800
	Corporate Dividend Tax		<u>48,614</u>
			<u>4,07,414</u>
6.	Trade Receivables		
	Trade receivables (4,00,500-16,000)		3,84,500
	Less: Provision for doubtful debts		(25,000)
			<u>3,59,500</u>
7.	Cash & Cash Equivalents:		
	Cash Balance		8,000
	Bank Balance in current A/c		20,000
			<u>28,000</u>
8.	Other Income:		
	Miscellaneous Income (Transfer fees)		6,500
	Rental Income		30,000
			<u>36,500</u>
9.	Employee benefits expenses:		
	Wages		13,68,000
	Add: Outstanding wages		25,000
			<u>13,93,000</u>
10.	Finance Cost:		
	Interest on Bank overdraft		1,11,000
11.	Other Expenses		
	Carriage Inward		57,500
	Discount & Rebates		30,000
	Advertisement		15,000
	Rate, Taxes and Insurance		55,000
	Repairs to Buildings		56,500
	Commission & Brokerage		67,500
	Miscellaneous Expenses [56,000 + 36,000] (Business Expenses)		92,000
	Bad Debts [25,500 + 16,000]		41,500
	Provision for Doubtful Debts		<u>25,000</u>
			<u>4,40,000</u>

5. Tangible Assets

Particulars	Value given (Rs.)	Depreciation rate	Depreciation Charged (Rs.)	Written down value at the end (Rs.)
Land	16,25,000		-	16,25,000
Plant & Machinery	7,50,000	5%	37,500	7,12,500
Furniture & Fixtures	1,50,000	10%	15,000	1,35,000
Patterns	3,75,000	10%	37,500	3,37,500
Engineering Tools	1,50,000	20%	30,000	1,20,000
	30,50,000		1,20,000	29,30,000

Working Note:**Calculation of Dividend distribution tax**

Particulars	Amount (Rs.)
Dividend distributed by Company	2,38,800
Add: Increase for the purpose of grossing up of dividend	42,141

2,38,800 x [15/(100-15)]	
Gross dividend	2,80,941
Dividend distribution tax @ 17.304%	48,614

PROBLEM NO: 9

Omega Limited

Balance Sheet as at 31st March, 20X2

Particulars	Note No	(in '000)
Equity and Liabilities		
1. Shareholders' funds		
a) Share capital	1	300
b) Reserves and Surplus	2	500
2. Non-Current liabilities		
a) Long term borrowings	3	200
3. Current liabilities		
a) Trade Payables		
b) Other Current Liability	4	30
Total		1082
Assets		
1. Non-current assets		
a) Fixed asset		
i) Tangible assets	5	880
2. Current assets		
a) Inventories		86
b) Trade receivables		96
c) Cash and bank balances		20
Total		1082

Omega Limited

Statement of Profit and Loss for the year ended 31st March, 20X2

Particulars	Notes	(in '000)
I. Revenue from operations		700
II. Other income	6	2
III. Total revenue		702
IV. Expenses		
Purchases		320
Finance cost	7	20
Depreciation		76
Other expenses	8	120
Total expenses		536
V. Profit (Loss) for the period (III – IV)		166

* 770 (Plant and machinery at cost) – 10 (Cost of plant and machinery sold)

Notes to accounts

		(in '000)
1. Share capital		
Equity share capital		
Authorized		
40,000 shares of Rs.10 each		400
Issued & subscribed & called up		
30,000 shares of Rs.10each		300
Total		300
2. Reserves and surplus		
Securities premium account		40
Revaluation reserve(360 – 220)		140

	General reserve			130
	Profit & loss Balance			
	Opening balance	72		
	Profit for the period	<u>166</u>	238	
	Less: Appropriations			
	Interim dividend		(18)	
	Final dividend (300 × 10%)		<u>(30)</u>	190
				500
3.	Long term borrowing			
	10% Debentures			200
4.	Other current liability			
	Dividend			30
5.	Tangible assets			
	Land			
	Opening balance		220	
	Add: revaluation adjustment		<u>140</u>	
	Closing balance			360
	Plant and Machinery			
	Opening balance		770	
	Less: Disposed off		(10)	
			760	
	Less: depreciation(172 – 8 + 76)		<u>(240)</u>	
	Closing balance			520
	Total			880
6.	Other income			
	Profit on sale of machinery:			
	Sale value of machinery		4	
	Less: Book value of machinery (10-8)		<u>(2)</u>	2
7.	Finance costs			
	Debenture interest			20
8.	Other expenses:			
	Factory expenses		60	
	Selling expenses		30	
	Administrative expenses		<u>30</u>	120

PROBLEM NO: 10

Pioneer Ltd

Balance sheet as on 31st March, 2012

Particulars	Notes	(Rs.)
Equity and Liabilities		
1. Shareholders funds		
a) Share capital	1	9,99,000
b) Reserves & Surplus	2	2,96,700
2. Non Current Liabilities		
a) Long-term borrowings	3	2,63,500
3. Current Liabilities		
a) Trade Payables		2,00,000
b) Other current liabilities	4	67,500
c) Short-term provision	5	68,500
Total		18,94,700
Assets		
1. Non - current Assets		
a) Fixed Assets		
Tangible Assets	6	11,25,000
2. Current Assets		
a) Inventories	7	2,50,000
b) Trade receivables	8	2,00,000

c) Cash and cash equivalents	9	2,77,000
d) Short term loans and advances		42,700
Total		18,94,700

Notes to Accounts:

	Amount (Rs.)	Amount (Rs.)
1 Share Capital		
Equity share capital Issued, subscribed and called up 10,000 Equity Shares of Rs.100 each	10,00,000	
(Out of the above 2,000 shares have been issued for Consideration other than cash)		
Less: Calls in arrear	(1,000)	9,99,000
Total		9,99,000
2 Reserves and Surplus		
General Reserve		2,10,000
Surplus (Profit & Loss a/c)		86,700
Total		2,96,700
3 Long-term borrowings		
Secured		
Term Loans		
Loan from Financial Corporation (Secured by hypothecation of Plan and Machinery)		1,42,500
Unsecured		1,21,000
Total		2,63,500
4 Other current Liabilities		
Interest accrued but not due on loans		7,500
Dividend Payable		60,000
Total		67,500
5 Short-term provisions		
Provision for taxation		68,000
Total		68,000
6 Tangible assets		
Land		2,00,000
Building	4,00,000	
Less: depreciation	<u>(50,000)(b.f.)</u>	3,50,000
Plant and Machinery	7,00,000	
Less: Depreciation	<u>(1,75,000)(b.f.)</u>	5,25,000
Furniture & Fittings	62,500	
Less: Depreciation	<u>(12,500)(b.f.)</u>	50,000
Total		11,25,000
7 Inventories		
Raw Material		50,000
Finished goods		2,00,000
Total		2,50,000
8 Trade receivables		
Debts outstanding for a period exceeding six months		52,000
Other Debts		1,48,000
Total		2,00,000
9 Cash and Cash equivalents		
Cash at bank with Scheduled Bank including Bank	2,45,000	
With others (Perfect Bank Ltd)	<u>2,000</u>	2,47,000
Cash in hand		30,000
Total		2,77,000

Notes: Estimated amount of contract remaining to be executed on capital account and not provided for Rs.1,50,000. It has been assumed that the given this contract for purchase of machinery.

PROBLEM NO: 11Haria Chemicals Ltd. Balance sheet as on 31st March, 2015

Particulars	Notes	Figures at the end of current reporting period (Rs.)
Equity and Liabilities		
1. Shareholders funds		
a. Share capital	1	25,00,000
b. Reserves & Surplus	2	7,40,000
2. Non Current Liabilities		
a. Long-term borrowings	3	11,45,000
3. Current Liabilities		
a. Trade Payables		2,81,000
Total		46,66,000
Assets		
1. Non - current Assets		
a. Fixed Assets		
Tangible Assets	4	30,05,000
Intangible Assets (Goodwill)		2,65,000
2. Current Assets		
a. Inventories		8,23,000
b. Trade receivables		4,40,000
c. Cash and cash equivalents	5	53,000
d. Short term loans and advances	6	80,000
Total		46,66,000

Haria Chemicals Ltd.

Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Notes	Figures at the end of 31 st March, 2015
Revenue From operations		42,68,000
Other income	7	56,000
Total (A)		43,24,000
Expenses:		
Cost material consumed	8	23,19,000
Change in inventory of finished goods	9	(1,43,000)
Employees benefit expenses	10	9,00,000
Finance cost	11	1,71,000
Other expenses	12	4,76,000
Total (B)		37,23,000
Profit before tax (A – B)		6,01,000
Provision for tax		--
Profit for the period		6,01,000

Notes to Accounts**1. Share capital**

Particulars	Amount (Rs.)
Authorized:	
Equity share capital of Rs.10 each	25,00,000
Issued and Subscribed:	
Equity share capital of Rs.10 each	25,00,000

2. Reserves and Surplus

Particulars	Amount (Rs.)
Balance as per last balance sheet	1,39,000
Balance in profit and Loss account	6,01,000
	7,40,000

3. Long term Borrowings

Particulars	Amount (Rs.)
11% Debentures	5,00,000
Bank loans	6,45,000
	11,45,000

4. Tangible Assets

Particulars	Gross block	Depreciation	Net Block
Freehold land	15,46,000		15,46,000
Furniture	2,00,000		2,00,000
Fixtures	3,00,000		3,00,000
Plant & Machinery	8,60,000	1,46,000	7,14,000
Tools & Equipment	2,45,000		2,45,000
Total	31,51,000	1,46,000	30,05,000

5. Cash and Cash equivalents

Particulars	Amount (Rs.)
Current account balance	45,000
Cash	8,000
	53,000

6. Short-term loans and Advances

Particulars	Amount (Rs.)
Loan to directors	80,000

7. Other income

Particulars	Amount (Rs.)
Rent received	46,000
Transfer fees	10,000
	56,000

8. Cost of material consumed

Particulars	Amount (Rs.)
Add: purchases	23,19,000

9. Change in inventory of finished goods, WIP & Stock in trade

Particulars	Amount (Rs.)
Opening inventory	6,80,000
Closing Inventory	(8,23,000)
	(1,43,000)

10. Employee benefit expenses

Particulars	Amount (Rs.)
Wages	9,00,000

11. Finance cost

Particulars	Amount (Rs.)
Interest on bank loans	1,16,000
Debenture interest	55,000
	1,71,000

12. Other expenses

Particulars	Amount (Rs.)
Consumables	84,000
Preliminary expenses	10,000
Bad debts	35,000
Discount	40,000
Rentals	25,000
Commission	1,20,000
Advertisement	20,000
Dealers' aids	21,000
Transit insurance	30,000
Trade expenses	37,000
Distribution freight	54,000
	4,76,000

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To **MASTER MINDS**, Guntur

THE END

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