Problems on Balance Sheet of a Company as per Revised Schedule VI of the Companies Act

Illustration 1

From the following ledger balances of Sunshine Co. Ltd., prepare a Balance Sheet of the company as on 31st March 2014 as per Schedule VI of the Companies Act.

Particulars	Rs.	Particulars	Rs.
Equity Share Capital	2600000	Advances to employees	150000
General Reserves	30000	Discount on issue of debentures(unwritten off)	12500
12% Debenture	400000	Tools and equipment	375000
Land & Buildings	1554970	Gratuity Fund	300000
Goodwill	1000000	Debtors	138520
Bank Overdraft	245100	Cash at Bank	157160
Proposed Dividend	82000	Stores & Spares	177800
Prepaid insurance	25000	Profit & Loss A/c	21490
Mutual Fund	168000	Bills Receivable	44600
Interest payable	32400	Sundry Creditors	92560

Solution: Notes to the Financial Statement:

1. **Reserve and Surplus**

General Reserve	30000
Profit & Loss A/c (Cr. Bal.)	21490
Total	**51490**

2. **Tangible Fixed Assets**

Land & Buildings	1554970
Tools & Equipment	375000
Total	**1929970**

3. **Trade Receivables**

Sundry Debtors	138520
Bills Receivable	44600
Total	**183120**

Balance Sheet of Sunshine Company Limited as on 31st March 2014

`Particulars	Note No.	Amount (Rs.)
I.EQUITY AND LIABILITIES		
1 Shareholders' funds:		
(a) Share capital		2600000
(b) Reserves and surplus	1	51490
2 Share application money pending allotment:		Nil
3 Non-current liabilities:		
(a) Long-term borrowings		400000
(b) Long-term provisions		300000
4 Current liabilities:		
(a) Short-term borrowings		245100
(b) Trade payables	2	92560
(c) Other current liabilities		32400
(d) Short-term provisions		82000
TOTAL		**3803550**
II.ASSETS		
1Non-current assets:		
(a)**Fixed assets**		
(i) Tangible assets	3	1929970
(ii) Intangible assets		1000000
(b) **Other non-current assets**		12500
2 Current assets:		
(a) Current investments		168000
(b) Inventories		177800
(c) Trade receivables		183120
(d) Cash and cash equivalents		157160
(e) Short-term loans and advances		150000
(f) Other current assets		25000
TOTAL		**3803550**

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Illustration 2.

From the following Ledger balances of TISCO CO. LTD., prepare a Balance Sheet of the company as on 31st March 2014 as per Schedule VI of the Companies Act.

Particulars	Rs.	Particulars	Rs.
Plant & machinery	300000	Premises	500000
6% Debenture	400000	Fixed Deposits	250000
Provision for workmen, compensation	65000	Provision for taxation	90000
General Reserves	40000	Loan from Bank of India	250000
Cash in hand	17000	Discount on issue of Debentures(unwritten off)	55000
Equity Share capital	600000	Bills Receivable	120000
Sundry creditors	58000	Bank overdraft	75000
Advance salary to staff	35000	Security deposits	62000
Shares of Reliance Co. Ltd	99000	Goodwill	90000
Commission Receivable	50000		

Solution: **Notes to the Financial Statement:**

1 .Long Term borrowings

6% Debentures	400000
Loan from Bank of India	250000
TOTAL	**650000**

2.Tangible Assets

Plant & Machinery	300000
Premises	500000
TOTAL	**800000**

3Cash & Cash equivalent

Cash in hand	17000
Fixed Deposit	250000
TOTAL	**267000**

Balance Sheet of TISCO CO. LTD. as on 31st March 2014

Particulars	Note No.	Amount (Rs.)
I.EQUITY AND LIABILITIES		
1 Shareholders' funds:		
(a) Share capital		600000
(b) Reserves and surplus		40000
2 Share application money pending allotment:		Nil
3 Non-current liabilities:		
(a) Long-term borrowings	1	650000
(d) Long-term provisions		65000
4 Current liabilities:		
(a) Short-term borrowings		75000
(b) Trade payables	2	58000
(d) Short-term provisions		90000
TOTAL		**1578000**
II.ASSETS		
1Non-current assets:		
(a) Fixed assets		
(i) Tangible assets	3	800000
(ii) Intangible assets		90000
(b) Long-term loans & advances		62000
(e) Other non-current assets		55000
2 Current assets:		
(a) Current investments		99000
(c) Trade receivables		120000
(d) Cash and cash equivalents		267000
(e) Short-term loans and advances		35000
(f) Other current assets		50000
TOTAL		**1578000**

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Illustration 3.

From the following ledger balances of Reality Limited as on 31st March 2014. You are required to prepare the Balance Sheet as on 31st March 2014 as per Revised schedule VI of the Indian Companies Act, 1956.

Particulars	Rs	Particulars	Rs
Furniture and Fixtures	4,85,600	General Reserve	4,20,000
8% Govt. Bonds	2,50,000	Sundry Creditors	1,73,500
		Securities Premium	80,000
Plant and machinery	18,50,000		
Copyrights	88,250	Bank Overdraft	3,15,000
Sundry Debtors	1,95,000	Public Deposit	5,60,000
Underwriting Commission (unwritten off)	35,000	Rent payable	41,000
Cash at Hand	1,05,200	Provision for Pension fund	90,000
Prepaid insurance	56,000	Equity Share Capital	15,50,000
Loan to director	28,000	Provision for Taxation	31,550
Stock in trade	1,68,000		

Solution : Notes to the Financial Statement:

1.**Reserve and Surplus**

General Reserve	4,20,000
Securities Premium	80,000
Total	**5,00,000**

2. Trade payables

Sundry Creditors	1,73,500
Rent payable	41,000
Total	**2,14,500**

3. Tangible Fixed Assets

Furniture and Fixtures	4,85,600
Plant and machinery	18,50,000
Total	**23,35,600**

Balance Sheet of Reality Limited as on 31st March 2014

Particulars	Note No.	Amount (Rs.)
I.EQUITY AND LIABILITIES		
1 Shareholders' funds:		
(a) Share capital		15,50,000
(b) Reserves and surplus	1	5,00,000
2 Share application money pending allotment:		Nil
3 Non-current liabilities:		
(a) Long-term borrowings		5,60,000
(d) Long-term provisions		90,000
4 Current liabilities:		
(a) Short-term borrowings		3,15,000
(b) Trade payables	2	2,14,500
(d) Short-term provisions		31,550
TOTAL		**32,61,050**
II.ASSETS		
1Non-current assets:		
(a)Fixed assets		
(i) Tangible assets	3	23,35,600
(ii) Intangible assets		88,250
(e) Other non-current assets		35,000
2 Current assets:		
(a) Current investments		2,50,000
(b) Inventories		1,68,000
(c) Trade receivables		1,95,000
(d) Cash and cash equivalents		1,05,200
(e) Short-term loans and advances		28,000
(f) Other current assets		56,000
TOTAL		**32,61,050**

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