**P. N.3:** The following is the Trial Balance as on 31st March, 2014 of Diamond Ltd. Delhi.

|  |  |  |  |
| --- | --- | --- | --- |
| **Debit** | **Rs.** | **Credit** | **Rs.** |
| Discount on issue of 7% Debentures  Patents and Copyrights  Audit Fees  Salary  Furniture, Fixtures and Fittings  Trade Receivables  Expenses on Employee Stock  Option Scheme  Capital Work-in-Progress  Purchases of Raw Material  Buildings  Cash in Hand  Investment in 6% Government  Securities (Purchased on 1st April  2013 with Face Value Rs. 50000)  Additions to Furniture on 1.4.2013  Repairs to Building  Stock of Raw Material on 1.4.2013  Electric Power  Office Rent  Interest on 7% Mortgage Debentures  Wages to Production Staff  Cash at Bank  Factory Insurance  Investment in Equity Shares ( 250 Equity Shares of Rs. 100 each Rs 80 Called-up and Paid-up)  Other Income Receivable  Plant and Equipments  Loose Tools  Octroi and Duty on Purchases  Petty Cash | 2000  18000  8500  12800  147500  55000  7000  9400  81900  232000  8700  40000  2500  3000  9750  4600  11100  5000  37500  17000  4800  20000  1800  250000  7500  2350  300 | Share Transfer Fees  Share Capital (Called-up and Fully  Paid-up)  -3000 Equity Shares  -1000 Preference Shares  Interest on 6% Govt. Securities  Sales Less Returns  Dividend Equalisation Reserve  Bank Interest  Return Outward  Salary and Wages Payable  General Reserve  Dividend on Shares  P. & L. A/c. Balance on 1.4.2013  Investment Fluctuation Fund  Fixes Deposit  7% Mortgage Debentures  Other Operating Revenue  Sundry Income  Trade Payables | 600  300000  100000  2400  322000  30000  1700  2100  5900  30000  2000  29900  20000  16600  100000  18000  1500  17300 |
| **Total** | **1000000** | **Total** | **1000000** |

You are required to consider the following further information:--

1. The Authorised Capital of the company is Rs. 800000 divided into 6000 Equity Shares of Rs. 100 each and 2000 Preference Shares of Rs. 100 each.
2. Of the Debtors Rs. 15000 were outstanding for more than 6 months. All Book Debts are unsecured but are considered to be good except Rs. 5000.
3. The market value of 6% Government Securities was Rs. 35000.
4. Discount on issue of 7% Debentures to be written off by 70%
5. Transfer Rs. 19900 to General Reserve.
6. Provide depreciation @ 10% on Furniture.
7. Stock of Raw Material as on 31st March 2014 amounted to Rs.11900/-.
8. Provision for Taxation is to be made at Rs.30500/- of Net Profit.

Prepare a Statement of Profit and Loss Account for the year ended 31st March 2014 and a Balance Sheet as on that date.