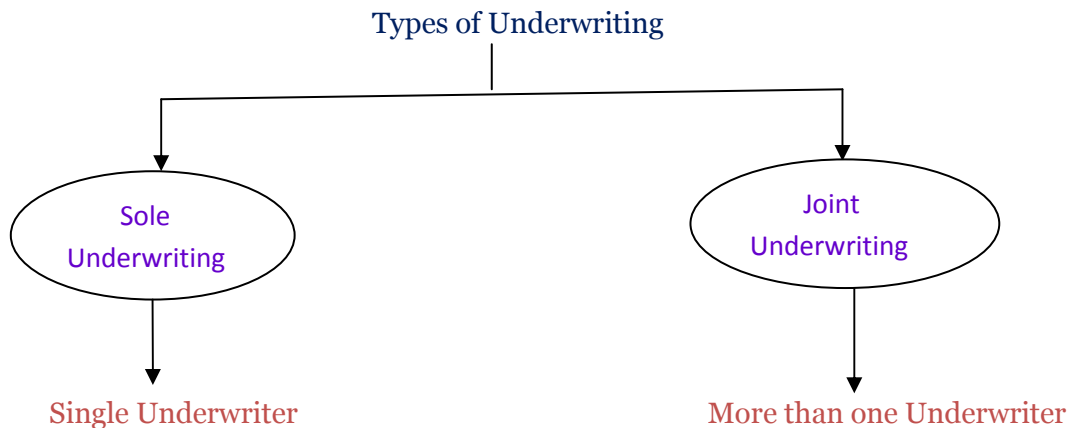


UNDERWRITING OF SHARES & DEBENTURE

Underwriting means, Where any person undertakes a liability to subscribed for shares under issue, in the case of under subscription .



STATEMENT SHOWING LIABILITY OF UNDERWRITERS

<u>PARTICULARS</u>	<u>A</u>	<u>B</u>	<u>C</u>
Gross Liability	XXXXX	XXXXX	XXXXX
Less :- Marked Application	XXXXX	XXXXX	XXXXX
Less:- Unmarked Application*	XXXXX	XXXXX	XXXXX
Less:- Firm Underwriting**	XXXXX	XXXXX	XXXXX
Balance Liability	XXXXX	XXXXX	XXXXX
Negative Adjustment *	XXXXX	XXXXX	XXXXX
Net Liability	XXXXX	XXXXX	XXXXX
Add:- Firm Underwriting	XXXXX	XXXXX	XXXXX
Total Liability	XXXXX	XXXXX	XXXXX

*Unmarked Application & Negative Adjustment will be distributed in ratio of Gross Liability

** Firm Underwriting will be on Individual Basis OR in ratio of Gross Liability

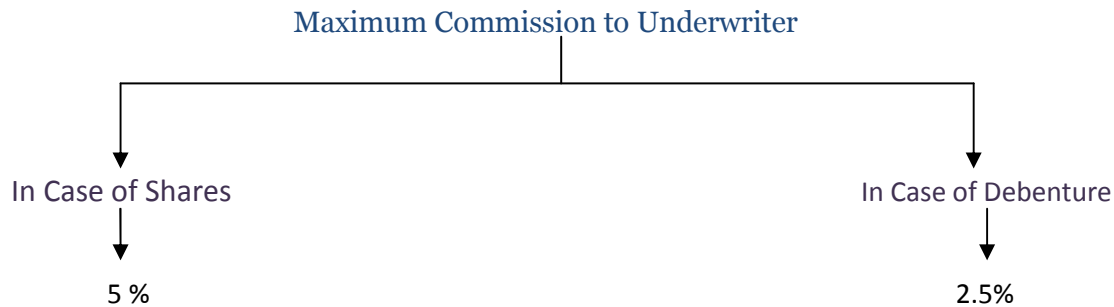
Marked Application are those application which bear the stamp of an underwriter

Unmarked Application are those application which not bear the stamp of an underwriter or directly come to company

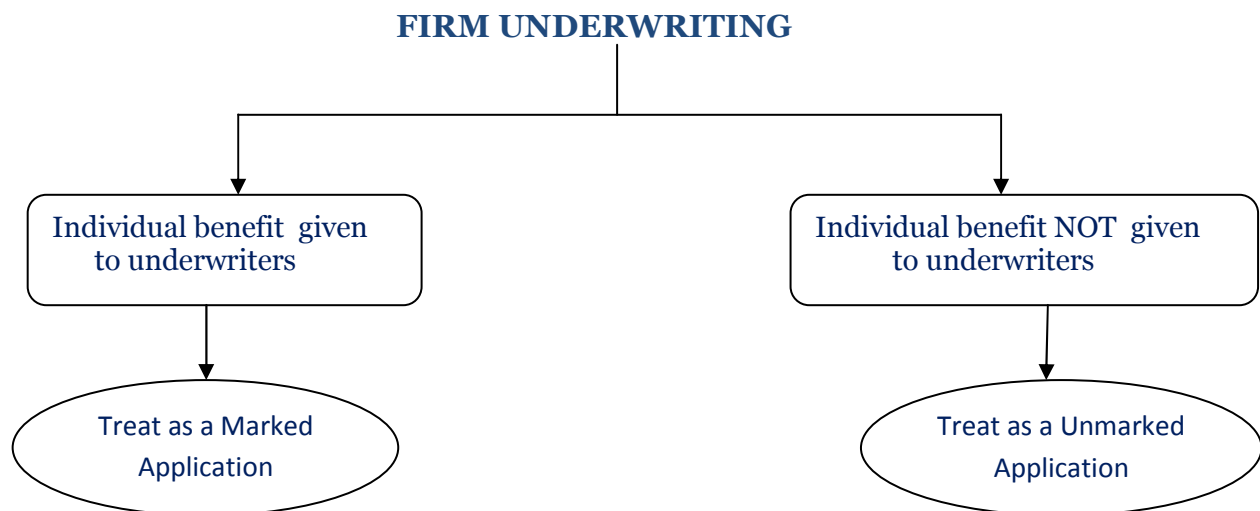
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<https://www.facebook.com/jujarsingh1991>

CA JUJAR SINGH RATHORE* 9867414390



- ❖ Underwriting Commission is Not Payable on the shares taken up by the Promoters, employees & their friends .
- ❖ Commission is calculated on Issue Price (Face Value + Premium) unless otherwise mentioned .
- ❖ Commission is payable on whole issue underwritten irrespective of the fact that whole of issue may be taken over by the public or not.. 😊



Journal Entries in the books of the Company

1. In case the whole of shares are not taken up by the public, the remaining is allotted to underwriters

Underwriters A/c	Dr	
To Share Capital A/c		
To Securities Premium A/c		

2. For commission due:

Underwriting Commission A/c	Dr	
To Underwriters A/c		

3. Final settlement

<i>For the balance amount due from underwriters received</i> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Bank A/c</td> <td style="width: 10%; text-align: center;">Dr</td> <td style="width: 40%;"></td> </tr> <tr> <td style="padding-left: 20px;">To Underwriters A/c</td> <td></td> <td></td> </tr> </table>	Bank A/c	Dr		To Underwriters A/c				<i>Due amount paid to underwriters</i> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Underwriters A/c</td> <td style="width: 10%; text-align: center;">Dr.</td> <td style="width: 40%;"></td> </tr> <tr> <td style="padding-left: 20px;">To Bank A/c</td> <td></td> <td></td> </tr> </table>	Underwriters A/c	Dr.		To Bank A/c		
Bank A/c	Dr													
To Underwriters A/c														
Underwriters A/c	Dr.													
To Bank A/c														

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