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Issued at PAR
                                                                                     Shares Issued at PREMIUM
       Capital
                       10 - Amount called up
Share
                                 Amount received
To Share forfeiture
                                                              Premium money received
                                                                                                                               Premium
                                                                                                                                                   not received
                                                                                                                                           money
                                 Amount not yet received
To, Calls in arrears
                                                            * Ignore premium amount
                                                                                                                           * Effect of premium amount will be shown
                                                              during forfature.
Example :-
            FV = 10
                                                                                                                                                     10 -> Amount called up
             Called up = 10
                                                                              Dr. 10 - Amount called up
                                                                   Capital
                                                                                                                             Securities Premium Dr.
                                                                                                                                                     2 -> Remium money
             Application = 3 2 -> received
                                                            To, Share forfeiture
                                                                                    6 -> Amount veceived
                                                                                                                                                     3 → Amount received
                                                                                                                             To Share forfeiture
             Allotment
                                                            To couls in arreats
                                                                                    H \rightarrow Amount not yet received
                        = 4 \rightarrow \text{not yet vectived}
                                                                                                                                                     9- Amount not recd-
             1st call
                                                                                                                             To, calls in Arrears
                                                          Example: FY = 10
                                                                    Premium = 2
                                                                                                                            Example :-
                                                                                                                                         FV = 10
                                                                    fully called up.
                                                                                                                                        Premium = 2
                                                                   Application = 3
                                                                                             - Received
                                                                                                                                       fully called up
                                                                   Allotment = 5 (ind-prem.) -> Received
                                                                                                                                       Application = 3 -> Received
                                                                                            -> Not received.
                                                                   ist con
                                                                                                                                      Allotment = 5 (including premium)
                                                         * This is because the premium is already created (as profit)
                                                                                                                                       1st call = 4 — Not received
                                                                  Share Issue entry, hence no need to credited it again
                                                           during
                                                           Adjustment of Excess amount received during Application
                                                                                                             adjusted against premium amount:
                     * Such amount is first adjusted against CAPITAL amount due and only then
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Example:- Application = 2000

Shares alloted = 600

Application = 3

Allotment = 5 (including prem = 2)

1st call = 4
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Total application money = 2000 x 3 = 6000

Total chares autoted = 600 x 3 = 1800

Excess money = 4200

Application = ₹3 → received

Allotment = ₹ (including premium) → not received

1st call = ₹ 4 → not received.
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Adjustment: - Excess money: - 4200

Capital Premium

Capital Premium

Capital Premium

Capital Premium

Capital Premium

600 x 2 = 1200

Excess money adjusted = 1800

Capital Premium

1200

Excess money adjusted = 2400

Excess money adjusted = 2400

Excess money adjusted = 2400

Hence, premium money is not received:
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Share Capital Dr. 600 x 10

Securities fremium Dr. 1200

To, Chare forfeiture 6000

To, Calls in arrears 1200

(Share Allotment)

## RE - USUE OF FORFEITED SHARES

## Points to Remember

- 1. Reissue price + forfeited amount >> calls in arreass from original allotse
- 2. Balance of Share forfeiture > loss on reissue; excess amount transferred to capital Reserve.
- 3. Loss on reissue debited to shares forfeiture ofc
- 4. Reissue price > face value; excess amount transferred to securities fremium ajc.
- s. When only part of forfeited shares are reissued then profit (share forfeiture als) proportionate to capital Reserve als.
- 6. The balance of share forfeiture alc relating to the shares not reissued will continue to be visible in shares forfeiture alc. Balance of shares forfeiture alc is snown as a part of Share Capital.

Share Capital Dr. 10 → Called up
To. Share forfeiture 6 → Amount received
To. Share 1st call 4 → Amount not yet received

Bank Dr. 8  $\rightarrow$  Amount received

Share forfeiture Dr.  $A \rightarrow Bis count$  on reiscue

To Share Capital  $D \rightarrow Bis count$ 

Share forfeiture Dr. 4 ? Hinal Profit transferred
To Capital Reserve.

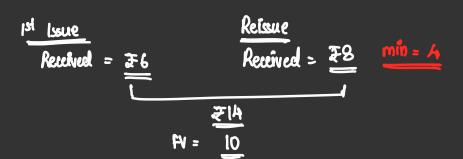
Example:- face Value = 10

Application = 3 g amount received

Allotment = 3

1st call = 4 -> not received

Share forfeited and reissued @ 81 share
fully paid up.



Share Capital Dr. 500 x 10

To, Share forfeiture 500 x 6

To, Share 1st call 500 x 4

Bank Dr. 300×8

Share forfeiture Dr. 300×2

To, Equity Chare Capital 300×10

Share forfeiture Dr. 1200
To, Capital Reserve 1200
[1800 - 600]

500 → 3000 300 → 2 1800

0081 - 000 - 2-2 - 0081

f = 300 x 6 = 1800 R1 = 300 x 2 = 600

1300

CR

CR X

FNP

Example: - face Value = 10

Application = 3 9 amount received

Allotment = 3

1st eall = 4 -> not received

500 Shares forfeited for non-payment of 1st eall.

300 of these were reissued @ 8/share fully paid up.

