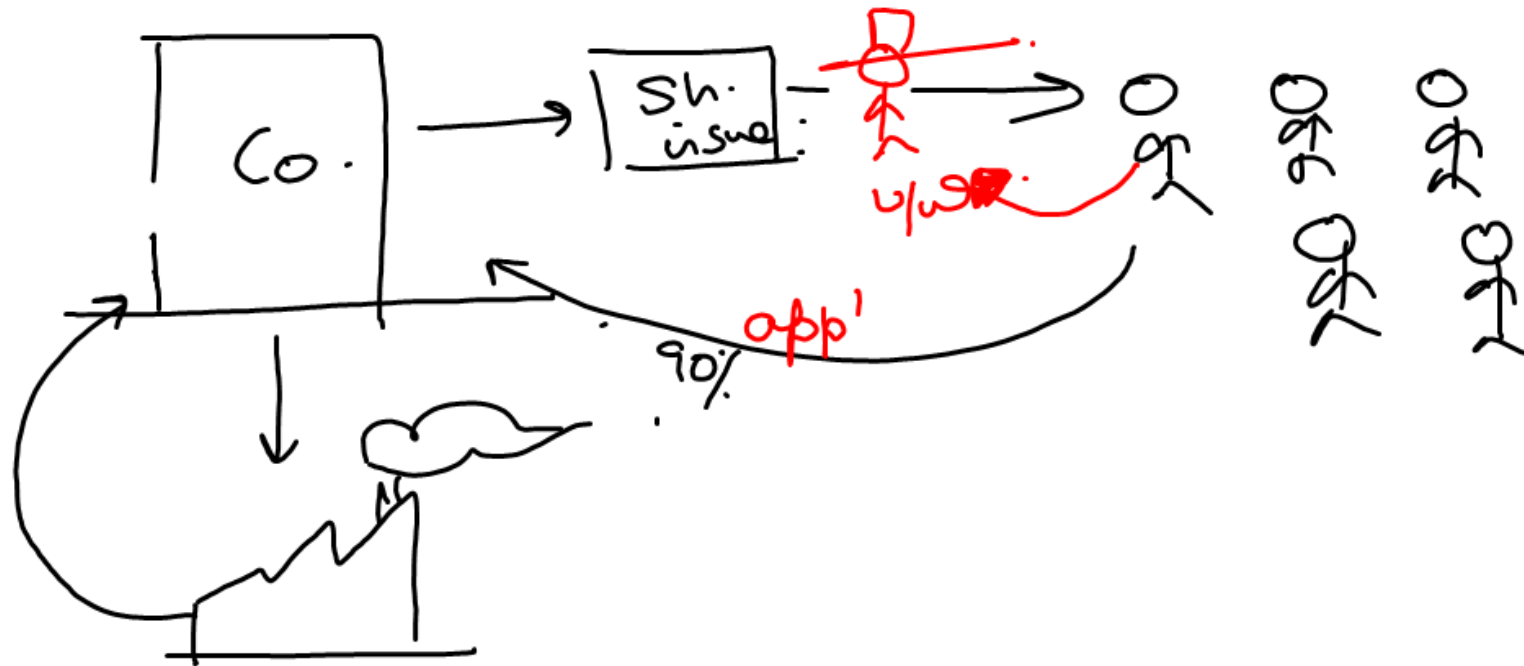
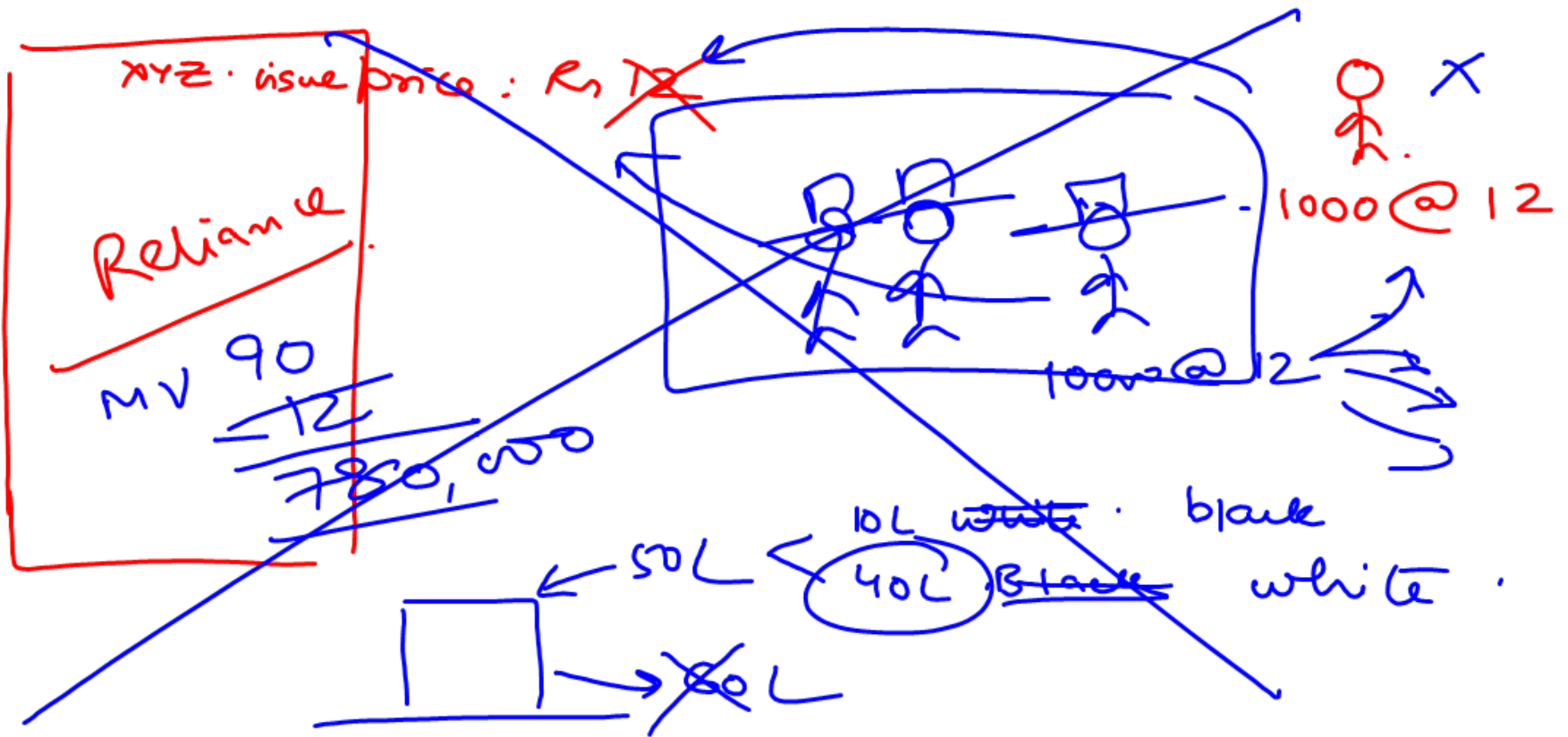
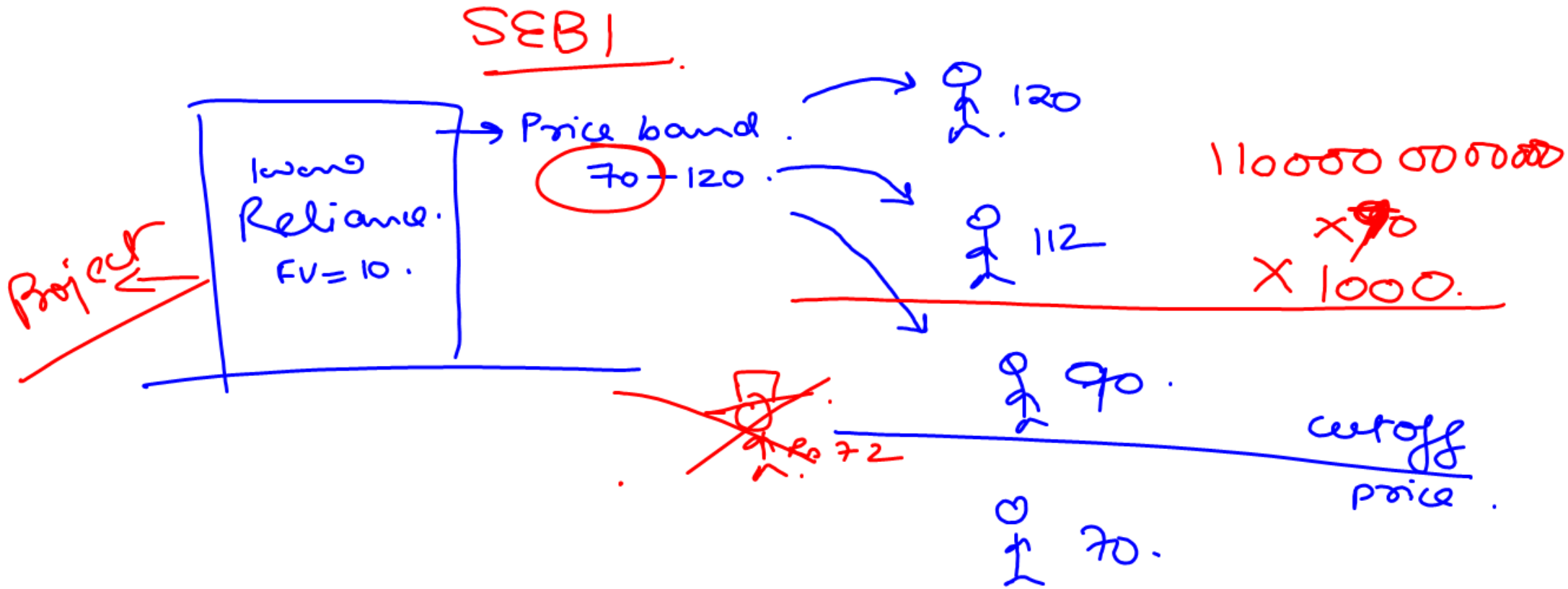


# Underwriting.







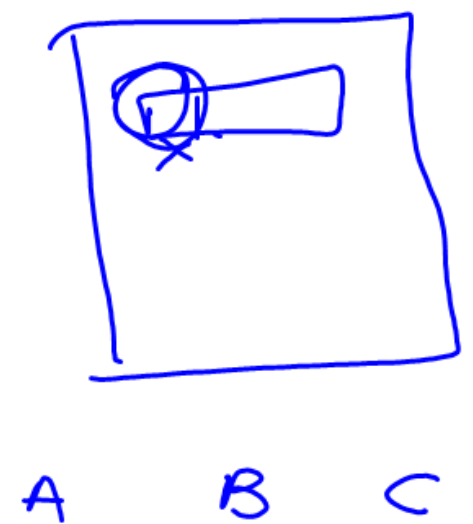
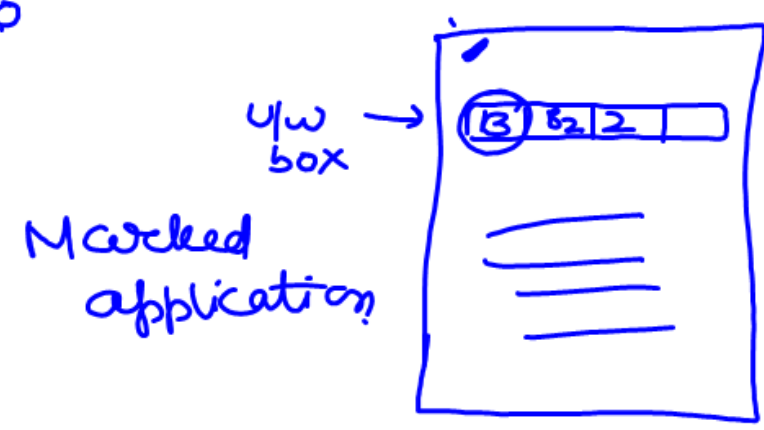
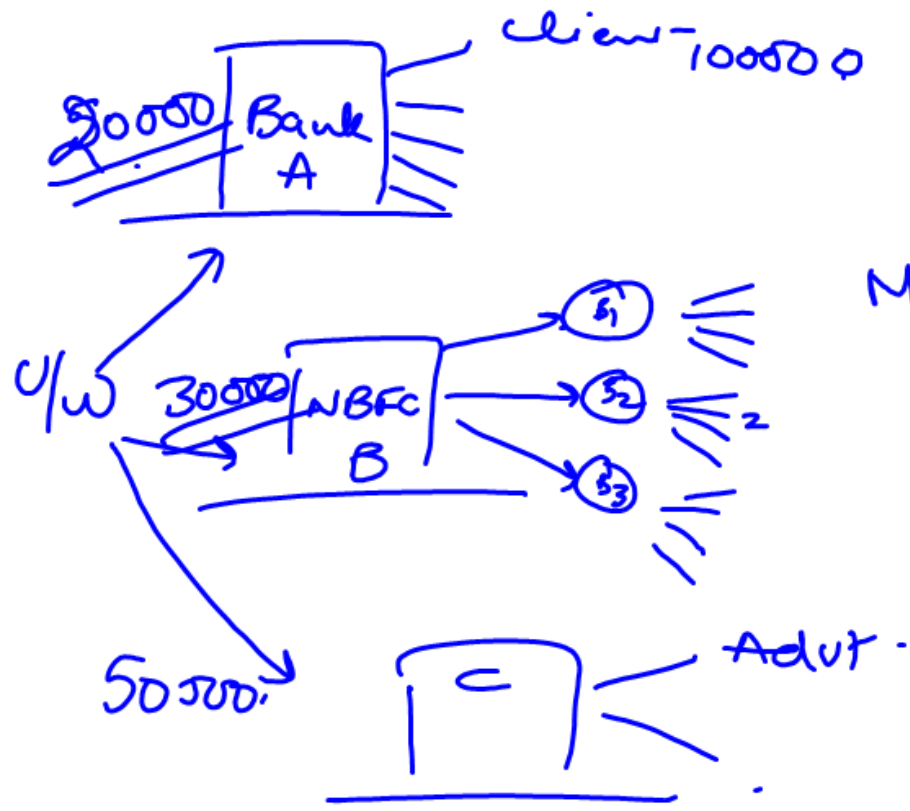
Underwriters are the Companies/Banks/Ins Co/NBFC

who have promised to take up the share issue if public don't subscribe

Sec ~~76~~ 40(6) → U/w shall be paid Commission

@ 5% issue price or rate given in articles whichever is less, in shares

@ 2.5% issue price or rate given in articles whichever is less, in debentures.



Gross Liab  
 - appl  
 -----  
 U/w Liability

A B C

## PTR

- ① The statement of U/W is always in terms of No. of Shares.
- ② The surplus app<sup>l</sup> is distributed to others in the GL ratio.
- ③ U/W comm is always a % of ~~£~~ issue price of Gross liability
- ④ U/W comm is to be given to every underwriter whether over/under subsc or surplus/deficit.

	A	B	C
Gross Liability	20000	30000	50000.
- Marked app'l	(15000)	(30000)	(15000)
- Unmarked app'l	(2000)	(3000)	(5000)
10000. in GLR.			
	3000	(7000)	30000.
- Surplus app'l given to A&C in 2:5	(2000)	+ 7000	(5000)
Net Liability out of unsubsc. shares	1000	0	25000

Q3  
Page 182

Statement for computation of underwritten's liability

	A	B	C
Gross Liability .	10000	6000	4000.
— Marked app'.	8000	2850	4150.
— Unmarked app'	500	300	200.
	1500.	2850	(350.)
Surplus app' given to A & B in ratio of 5:3	(219)	(131)	+350
Net Liab out of Unsubscribed Shares	1281	2719	0



Total app'	1600
- Marked	1500
<hr/>	
Unmarked	1000

Q4.

	P	Q	R	S	T	U
Gross liability	30000	25000	20000	7500	15000	2500
- Marked app'	12500	25000	10000	10000	7500	0
- Unmarked app' (20000 in GLR)	6000	5000	4000	1500	3000	500
	11500	(5000)	6000	(4000)	4500	2000
Surplus app' in GLR	(4000)	+5000	(2667)	+4000	(2000)	(333)
Net Liab out of Unsubscribed Shares	7500	0	3333	0	2500	1667

Share taken up

Bank Dr 300000.

to P 75000 x 20.

to R 33333 x 20

to T 25000 x 20

to U 16667 x 20.

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P Dr 150000

R Dr 66660

T Dr 50000

U Dr 33340

to Share Capital 300000

U/UP Comm

Dr 100000

to P 30000 x 20 x 5%

to A 25000

to R 20000

to S 7500

to T 15000

to U 2500.

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P Dr 30000

A Dr 25000

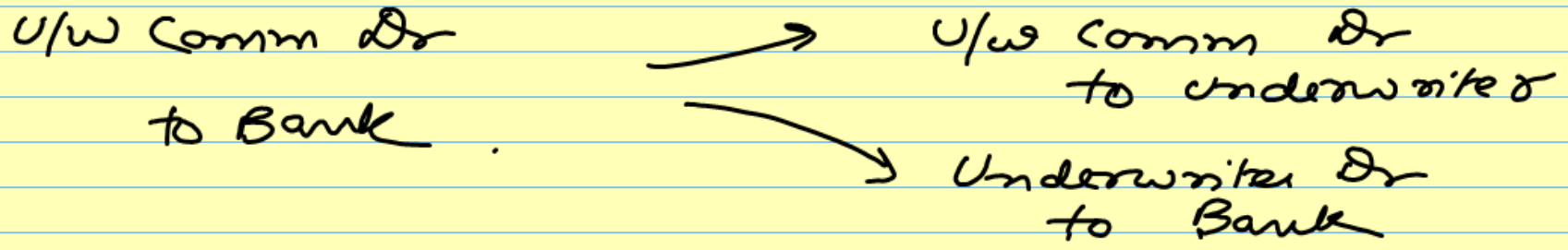
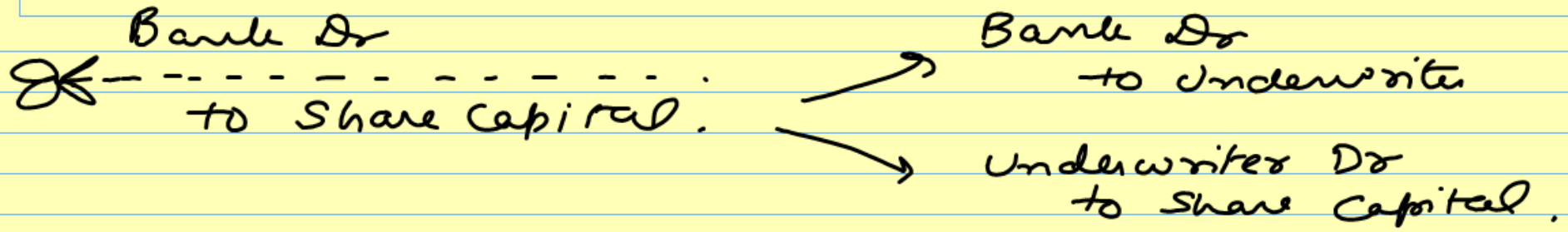
R Dr 20000

S Dr 7500

T Dr 15000

U Dr 2500

to Bank 100000



The entries thru<sup>cash</sup> Bank related to U/w, Director or promoters should be disclosed properly.

# Firm Underwriting

A

B

C.

Gross liability

- Firm app'

- Masked app'

- Unmasked app'

Surplus in ac ratio.

Net Liab out of unsubsc.  
shares

+ Firm U/W

Total Shares taken by  
U/W

HW  
Q 10, 11

