

TOPIC**Section 54. Issue of sweat equity shares.**

“Issue of Share at discount”
to TOP level Employee

- ⇒ BoD
- ⇒ CEO/CFO/MD
- ⇒ Promotor

Share issue at discount:

⇒ Bonus

⇒ Sweat equity

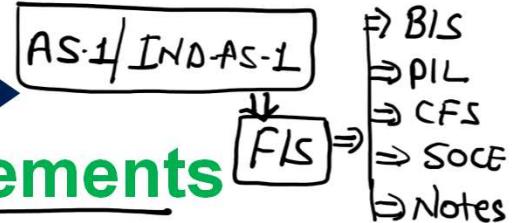
If the following conditions are fulfilled, namely:

- (a) the issue is authorised by a **special resolution** passed by the company;
↳ Fav. ≥ 75%.
- (b) the resolution specifies the number of shares, the current market price, consideration, if any, and the class or classes of directors or employees
- (c) where the equity shares of the company are listed on a recognised stock exchange, the sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board in India

$$\Rightarrow \boxed{\text{AoA}} + \boxed{\text{SR}} + \boxed{\text{Disclose}} + \boxed{\text{SEBI(SIE)}}$$

- ⇒ Qty. of Share
- ⇒ Market Price
- ⇒ ISSUE Price
- ⇒ List of People

Impact of Ind AS On Financial Statements



Indian Accounting Standard-1 (Ind AS-1), is about the presentation of financial statements. Ind AS-1 lists the following as a complete set of financial statements:

- A balance sheet as at the end of the period
- A statement of profit and loss for the period
- Statement of changes in equity for the period *SoCE*
- Statement of cash flows for the period
- Notes, comprising a summary of significant accounting policies and other explanatory information
- Comparative information in respect of the previous accounting period

⇒ Comparative

TOPIC

PIL A/C	2025	2024
I. Income from Sales	---	---
II. Other Income	---	---
<u>Total Income</u>	---	---
III. Less: Expenses:		
Purchase	(---)	(---)
Salary	(---)	(---)
Rent	(---)	(---)
Dep.	(---)	(---)
<u>Profit Before Tax</u>	---	---
Less: Tax	(--)	(--)
<u>PAT</u>	---	---

Format of financial statements L

Schedule IIIrd

Part I

BIS

Part II

PIL A/C

Vertical

Comparative

Liab.

Asset

2023
2024

TOPIC

Capital and Liability:

Eq. Share Capital ₹

Res. and Surplus (Sec. Premium) \leq

Long term liabilities: (Non-current liability)
Borrowings

Bomwings

Other Liability:

- Short term Borrowing

sssets:

Fixed Asset (Non-Current Asset)

Other Asset (Current Asset)

BIS

2025

2024

⇒ Arrangement of B15

Marshalling

TOPIC**In the books of Company**

① Application money received $1000 \times 20 = 20,000$

② Transfer to Capital A/c

③ Allotment money due $1000 \times 60 = 60,000$

④ Allotment money received

⑤ Call money due $1000 \times 20 = 20,000$

⑥ Call money received

$$\text{eg: } 1000 \times 100 = 100,000$$

\downarrow
Share Capital
 \Rightarrow Application = 20
 \Rightarrow Allotment = 60
 \Rightarrow Call = 20

① Bank A/c Dr. 20,000

 TO Sh. App. A/c = 20,000

② Sh. App. A/c Dr. 20,000
 TO Sh. Cap. A/c 20,000

③ Sh. Allot. A/c Dr. 60,000
 TO Sh. Cap. A/c 60,000

④ Bank A/c Dr. 60,000
 TO Sh. Allotment A/c 60,000

⑤ Call money A/c Dr. 20,000
 TO Sh. Cap. A/c 20,000

⑥ Bank A/c Dr. 20,000
 TO Call money A/c 20,000

TOPIC

Eg:- 1000 shares of £100 issued @ £120 Pass J.E? \Rightarrow Sh. App / Allot. A/c Dr. 1,20,000

TO S. Cap. A/c	100,000
TO S. Premium A/c	20,000

Eg:- 1000 shares of £100, 80 Paid and £20 not Paid. Pass J.E?

Bank A/c Dr.	80,000
Calls in Arrear A/c Dr.	20,000
TO S. Capital A/c	1,00,000

Eg:- 1000 share of £100 (£80 Paid, £20 not Paid) forfeited by Co. Pass JE.

Share Capital A/c Dr.	1,00,000
TO Share Forfeited A/c	80,000 \Rightarrow Received
TO Calls-in-Arrear A/c	20,000 \Rightarrow Not Received

TOPIC

Eg:- 1000 shares forfeited were re-issued @ £60, Pass JE?

Bank A/c	Dr.	60,000
Sh. forf. A/c	Dr.	40,000
TO S. Cap. A/c		1,00,000

$$40 \times 1000 = 40,000$$

$$100 - 60 = 40$$

[↑] DiscounL

max. sh. forf.

[↑] Adjust from
sh. forf. A/c

Eg:- Transfer Bal. of Sh. forfeited = $80,000 - 40,000 = 40,000$ Remaining Cap. Res.

[↑] Share forfeited A/c Dr.	40,000	
TO Capital Res A/c		40,000

Q:- 1000 shares of £100 issued by Co. and £80 Paid by Investor and £20 not paid, consequently share are forfeited by Co. and re-issued at £260 answer following Q. based on above info.