Condition

Interest on debentures

(i) Interest on debentures A/c ... *
To Tax deducted at source ... — *
To Bank ... — **
(Being interest paid)

(ii) Profit and Loss A/c ... *
To Interest on debentures ... — *
(Being interest on debentures transferred)

(iii) Tax deducted at source ... *
To Bank A/c ... — *
(Being TDS deposited)

(15)

(i) 1st year	Bank A/c	60,00,000	
	Loss on issue of debentures	12,00,000	
	To 12% debentures	—	60,000
	To premium on Redemption of debentures	—	12,00,000
	(Being debentures issued)		
(ii)	Statement of profit and Loss A/c	700,000	
	Securities Premies Reserve	500,000	
	To Loss on issue of debentures	—	12,00,000
(iii)	Statement of profit and Loss A/c	0500,000	
	To debentures Redemption Reserve	—	0500,000
	(60,00,000×25%)×1/3		

(iv)	Debenture Interest Tax Deducted at Source To Bank	648000 72000 —	720,000
(v)	Statement of profit & Loss To debenture Interest	720,000 —	720000
(vi)	Debenture Redemption Investment To Bank (Being invested in securities)	900,000 —	900,000

2nd Year/3rd Year

Interest Entry (iv + v)

Debentures Redemption Reserve Entry (iii)

Redemption

3rd year (i)	Bank A/c To debenture Redemption Investment (Being Investment sold)	900,000 —	900,000
(ii)	12% Debentures Premium on Redemption To Bank	6000,000 1200,000 —	7200,000
(iii)	Debentures Redemption Reserve To General Reserve (Being DRR tranferred to General Reserve)	1500,000 —	1500,000

(14)

		In Crore	In Crore
1/4/20	Bank A/c	47 C	
	Loss on Issue of debentures (2C + 3C)	5 C	
	To 8% debentures	—	50 C
	To Premium on Redemption	—	2 C
	(Being debenture issued)		
	Statement of profit and Loss A/c	5 C	
	To Loss on Issue of debentures	—	5 C
	(Being Loss on issue written off)		

Loss on Issue of debentures

1/4/20	To 8% debentures	300,000	31/3/21	By Statement of profit and Loss A/c	500,000
"	To Premium on Redemption	200,000			
		500,000			500,000

(23)

(iv)	Bank (6000 X 50)	300,000	
	Loss on Issue of debentures (6000 X 5)	30,000	
	To 12% debentures	—	300,000
	To Premium on Redemption (6000 X 5)	—	30,000
(v)	Bank (6000 X 55)	330,000	
	Loss on Issue of debentures (6000 X 5)	30,000	
	To 12% debentures	—	300,000
	To Securities Premium Reserve	—	30,000
	To Premium on Redemption A/c	—	30,000

(vi)

Bank (6000×45)	270,000	
Loss on Issue of debentures	60,000	
To 12% debentures (6000×50)		300,000
To Premium on Redemption (6000×5)		30,000