

139

RFC/P&G/1523

RAJASTHAN FINANCIAL CORPORATION
(Credit Appraisal Section-1)

Udyog Bhawan
Tilak Marg
Jaipur-302005

Ref. RFC/LA-13(4)/ 220

Date: 08.03.2018

CIRCULAR
(CAS-29.)

Reg: Share premium as sources of Promoter's Contribution

Attention is invited to PG Circular No. 1370 dated 24.01.2011 vide which it was decided that share premium be allowed up to the face value of share as source of finance in loan cases of Public Limited Company/Private Limited Company under all loan scheme of the Corporation.

References are being received from prospective loanees/field offices looking to the changes in Income-Tax Act and Company's Act to allow share premium based on fair market valuation as per rules in the sources of finance in the loan proposals of Private Limited Company/Public Limited Company.

The matter was got examined from financial consultant of the Corporation and placed before PC&CC. The PC&CC considered the proposal and accordingly now share premium may be considered as a source of finance by Corporation. However, following undertaking may be taken from the companies.

1. The company shall issue shares on premium as per the norms of present Company Act & Income Tax Act and Corporation shall not be held responsible for any deviation/violation of norms under company's Act/ and Income Tax Act.

A certificate duly certified by CA with valuation certificate in support of fair market value of shares for this effect may also be obtained before 1st disbursement.

All concerned are advised to take a note of above and act accordingly.


(Anoop Khinchi)
Managing Director

Copy to:-

1. All BOs/SOs/FC
2. Standard Circulation at HO
3. Manager (MS) for hoisting on Website.