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RFC/P&G/1531

**RAJASTHAN FINANCIAL CORPORATION**  
(Credit Appraisal Section)

Udyog Bhawan  
Tilak Marg  
Jaipur-302005

Ref. RFC/LA-13(4)/15

Date: 03.04.2019

**CIRCULAR**

(CAS-3k..)

**Reg: Issuance of Share premium based on fair market value**

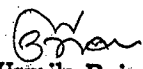
Attention is invited to PG Circular No. 1523 dated 08.03.2018 vide which it was decided that share premium be considered as source of finance in loan cases of Public Limited Company/Private Limited Company under all schemes of the Corporation, looking to the changes in Income Tax Act and Companies Act. Accordingly, it was decided to obtain following undertaking and certificate ;

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."
2. 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 1<sup>st</sup> disbursement.

The matter was again placed before Board Meeting dated 22.02.2019 (Meeting Minutes Ref. No. RFC/SB-11/295 dated 26/2/19) wherein it has been decided to make following additions in the PG Circular no 1523 dated 08.03.2018 regarding allowing share premium based on fair market value as source of finance in company cases in all loan schemes of the Corporation:

- a) Share with premium shall be issued in cash only and not in any kind.
- b) Fair valuation for issuance of shares on premium shall be done only by independent valuer appointed in terms of Companies (Registered Valuer & Valuation) Rule, 2017.

All concerned are advised to take a note of above and obtain certificate & undertaking etc. before first disbursement of loan.

  
(Urmila Rajoria)  
Managing Director

Copy to:-

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

  
Executive Director