

ISSUE & REDEMPTION OF SHARES

Condition for Buy Back

Subdivide & Consolidate:

Equity share capital

To Equity share capital

(always write a note for alteration of sc)

Conversion - stock:

Eq sh cap

To Eq sh stock

• only fully pd up

Bonus Issue:-

Capital reserve
Secu premium
P&L
Gen reserve

+

Bonus to ESH

To ESC

To Bonus to ESH

SEBI guidelines: Bonus out of

- secu premium (cash) (x amalg^m sp)
- CRR
- x revaluation reserve
- Only to fully pd shares
- No bonus until similar prov for FCD's or P&L
- free reserves (P&L + GR)

Buy Back (like Redemption)

out of:- secu premium (only 4 premium) +
fresh issue + free reserve

• Shares Buy Back

To Bank

[pymt]

• Eq sh cap

FV

Secu premium

P

To shares buy back Total

• FREE RESERVE

To CRR

} Face value
of shares
brought
back out of
free reserves

• authorised by AOA

• spcl resolution

• only fully pd up

• after BB D:E = 2:1

• within 12 months

• no fresh issue of same type within 24 mths

• physically destroy with 7 day

• only 25% (PDE + FR)

• BB < total pd up equity