REGISTERED VALUERS ORGANIZATION ICMAI RVO

ICMAI REGISTERED VALUERS ORGANISATION

RECOGNISED RVO UNDER INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

Finance Bill 2024- Highlights and **Impact on Valuation**

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Contents

Introduction

Understanding Macro-economics to build narrative and Diligence around story built by Subject company

Introduction to India's 2024 Budget and Economic Survey

Focus on Growth, Innovation and Investment

01 Employment
02 Skilling
03 MSMEs
04 Middle Class

GDP Growth rate estimated at 6.5% -7% for 2024-25

Budget theme on Employment, Skilling, MSMEs and Middle class

Agriculture sector to grow at 3.5%, Manufacturing at 6.3% and Service sector by 8.1%,

Investment and Infrastructure

Rs. 10 lakh crore Planned Capex – Transportation, Green Energy and Urban Infrastructure.

Digital Economy and Innovation

Rs. 1500 crore for Digital Public Infrastructure (DPI) in agriculture, healthcare and logistics.

Startup Ecosystem : Abolition of angel tax, reduced compliance burden, and venture capital funds

Social Sector and Human Development

Rs. 1.1 lakh crore for Education - Digital Education, Skill Development and Vocational Training.

Rs. 0.9 lakh crore for Healthcare via Ayushman Bharat and investment in primary health infrastructure.

Environmental Sustainability

Green Energy: **Investment**: Rs 35,000 crore for energy transition projects targeting 500 GW of renewable energy by 2030

GDP Growth Rate

GDP Growth rate is one of the factors used to determine Growth rate at terminal Period

GDP Growth rate estimated at 6.5% -7% for 2024-25.

The Economic Survey has estimated a real GDP growth of 6.5%-7% in 2024-25. In 2023-24, India's real GDP grew by 8.2%. Growth in 2024-25 is expected to be supported by strong domestic investment demand, improved agricultural performance, and an increase in merchandise and services exports. On the other hand, the survey recognised that **geopolitical risks leading to supply-chain distortions, higher commodity prices**, increased protectionism, and reviving inflationary pressures can adversely impact economic growth. In addition, any slowdown in private capital formation on fears of cheaper imports and the progress of the southwest monsoon will also impact economic growth.

Inflation: Retail inflation in 2023-24 was 5.4%, the lowest level since the Covid-19 pandemic. Food inflation increased from 6.6% in 2022-23 to 7.5% in 2023-24. This was driven by higher food inflation caused by Russia-Ukraine war and domestic weather conditions. Core inflation (which excludes food and energy prices) moderated in 2023-24 driven by services such as housing rental inflation. According to the Reserve Bank of India, retail inflation is estimated at 4.5% in 2024-25. The Survey noted that India's short term inflation outlook is benign. However, long-term price stability may need certain measures. These include: (i) expansion in cultivation of pulses, (ii) developing modern storage facilities for vegetables, and (iii) effective monitoring of build-up of prices from the farm gate to the final consumer.

Sector Specific Growth Rate

- **Manufacturing**:

  Expected to grow at **6.3%** due to increased investments and the PLI (Production Linked Incentive) schemes and boost to MSME sector.

- **Services**:

  Anticipated to grow at 8.1%, driven by **IT, financial** and **Healthcare services**.

- **Agriculture**:

  Projected to grow at 3.5%, bolstered by **Agri-tech**, **Support for MSP** and **improved irrigation** facilities

- **Inflation**

  Inflation is projected to moderate at around 4.5% due to stabilizing global commodity prices.

- **Fiscal Deficit**:

  The fiscal deficit is targeted to reduce to 5.5% of GDP, down from 6.4% in FY 2023-24, as part of the government's fiscal consolidation efforts.

Other Macro-Economy Factors

- **Exports and Imports**:
  - ❖Exports are expected to grow by 12%, driven by demand for pharmaceuticals, textiles, and engineering goods.
  - ❖Imports might see a moderate increase of 8%, with oil and electronics being major contributors

- **Employment and Labor Market**:
  - ❖Employment is set to rise in the manufacturing and services sectors due to increased investment and higher demand.
  - ❖Government initiatives like Make in India and Skill India are expected to enhance job creation

FDI Inflows

FY 23-24
Overall FDI Inflow: $70.9 bn (previous year's $71.35 bn)
Sector-specific Inflows: Construction Sector : 3 times increase Pharma : 48% Chemical : 54% Auto : 20% Telecom : 60%

Target FY 24-25
FDI Inflow: $100 bn
• New Policies including 100% FDI in Space Sector through Automatic Route
• Ease of Doing Business

Union Budget 2024 and Valuers

Understanding Union Budget impacting Valuation and Valuer

"

Strengthening Regulatory Framework

Enhanced Compliance Requirements:

The budget emphasizes stricter compliance norms under Section 247 of the Companies Act, 2013, which mandates registered valuers to follow more detailed and transparent valuation practices. This includes providing comprehensive valuation reports that cover methodologies, assumptions, and the basis of valuation.

Excerpt:

To enhance the transparency and credibility of valuation practices, registered valuers will now adhere to more stringent compliance norms under Section 247 of the Companies Act. This will ensure that valuation reports are comprehensive and reliable, thereby boosting investor confidence."

Impact:

•Valuers must undergo continuous professional development to stay updated with the new standards and regulatory requirements. This could involve training programs, certifications, and adopting new valuation methodologies.

•The demand for professional valuation services is likely to increase as businesses seek compliance with the new standards, creating more opportunities for registered valuers.

"

Insolvency and Bankruptcy Code (IBC) Amendments

Role in Insolvency Resolution:
Registered valuers play a crucial role in insolvency proceedings by determining the fair value and liquidation value of distressed assets. The budget has underscored the importance of accurate and timely valuations in these processes, aiming to improve the efficiency of insolvency resolutions.

Excerpt:

An Integrated Technology Platform will be set up for improving the outcomes under the Insolvency and Bankruptcy Code (IBC) for achieving consistency, transparency, timely processing and better oversight for all stakeholders.

Impact:
•Valuers will need to develop a deeper understanding of the IBC framework and the specific requirements for insolvency-related valuations. This could involve specialized training and knowledge of the legal and regulatory aspects of insolvency.
•The increased focus on accurate valuations in insolvency cases may lead to higher professional fees for valuers, reflecting the critical nature of their role in these proceedings.

"

Simplification and Rationalisation of Capital Gains

Excerpt:

Capital gains taxation is also proposed to be hugely simplified.

- Short term gains on certain financial assets shall henceforth attract a tax rate of 20 per cent, while that on all other financial assets and all non-financial assets shall continue to attract the applicable tax rate.

- Long term gains on all financial and non-financial assets, on the other hand, will attract a tax rate of 12.5 per cent. For the benefit of the lower and middle-income classes, I propose to increase the limit of exemption of capital gains on certain financial assets to ₹ 1.25 lakh per year.

- Listed financial assets held for more than a year will be classified as long term, while unlisted financial assets and all non-financial assets will have to be held for at least two years to be classified as long-term.

- Unlisted bonds and debentures, debt mutual funds and market linked debentures, irrespective of holding period, however, will attract tax on capital gains at applicable rates.

Impact

- Valuers must provide precise valuation services to ensure accurate calculation of capital gains.
- Understanding the tax implications of different holding periods and asset classes is crucial.

"

Valuation of Digital Assets

Excerpt:

"As we move towards a digital economy, it is crucial to establish clear guidelines for the valuation of digital assets, including cryptocurrencies and intangible assets. This will ensure transparency and fairness in the valuation process."

Impact:

•Valuers need to develop expertise in valuing digital assets, requiring knowledge of emerging technologies and market dynamics.

•Specialized training in digital asset valuation methodologies will be essential.

•The increased use of digital tools and platforms for conducting valuations can lead to greater efficiency and accuracy.

Intersection of Valuation and Taxation

Valuation and taxation are two critical components in finance and economics, often intersecting in areas like real estate, businesses, and personal assets.

Valuation

- Value – Price

Price what You Pay and Value what you Get

- Valuation not an exact Science, More of Art and Subjective assessment
- Value varies with situations
- Date specific

Valuation & Taxation

Valuation is the process of determining the present value of an asset or a company. Various methods are used, depending on the context and the asset type:

1. **Market Valuation:**

Based on the current market price of similar assets.

Comparable Company Analysis (CCA)*: Values of a company based on metrics of similar companies in the same industry.

2. Income Approach:

Calculates value based on the future income that the asset is expected to generate, discounted to present value.

Discounted Cash Flow (DCF)*: Projects future cash flows and discounts them to the present value.

3. Cost Approach:

Considers the cost of replacing the asset with a

Taxation is the system by which a government collects money from individuals and businesses to fund public services. Key areas include:

1. Income Tax: Tax on individual or business earnings.

2. Corporate Tax: Tax on company profits.

3. Capital Gains Tax: Tax on the profit from the sale of an asset.

4. Property Tax: Tax on real estate based on its value.

5. GST : Tax on sales of goods and services.

Intersection of Valuation and Taxation

1. Estate Tax*: Valuation of assets is crucial for determining estate taxes upon the owner's death.
2. Property Tax*: Regular valuation of real estate to assess property taxes.
3. Capital Gains Tax*: Valuation of assets to calculate gains upon their sale.
4. Transfer Pricing*: For multinational companies, valuation methods are used to set prices for transactions between related entities in different tax jurisdictions.

These intersections ensure that taxes are appropriately assessed and collected based on accurate valuations, maintaining fairness and compliance within financial systems.

Understanding impact

Angel Tax abolition

Valuation of Shares in case of Issue of Shares Section 56(2)(viib)

1. **<u>Angel tax</u>** was introduced in 2012 to plug the loophole used by certain unscrupulous entities that avoided paying tax by creating subsidiaries. Unfortunately, this provision, under Section 56(2)(viib) of the Income Tax Act, 1961, negatively impacted startups seeking early-stage investments as authorities applied the mechanism of fair market value (FMV) of shares on the funding raised.

   It levied a 30% tax burden on startups if the investment was “assessed” to be above the FMV. “

   How Does it Affect Startups?

   Cash Crunch: Young startups, often strapped for funds, might find it challenging to handle the tax burden on top of their operational expenses.

   Valuation Hurdles: The tax is levied on any premium paid over the "fair market value" of shares, potentially leading to disagreements on valuation between startups and tax authorities.

   Hampers Growth: The additional tax liability can discourage investment, hindering the very innovation and growth the government aims to foster.

Valuation of Shares in case of Issue of Shares

Section 56(2)......

viib) where a company, not being a company in which the public are substantially interested, receives, in any previous year, from any person ~~[*being a resident*]~~, any consideration for issue of shares that exceeds the fair value of such shares, the aggregate consideration received for such shares as exceeds the fair market value of the shares:

Provided that this clause shall not apply where the consideration for issue of shares is received—

(*i*) by a venture capital undertaking from a venture capital company or a venture capital fund or a specified fund; or

(*ii*) by a company from a class or classes of persons as may be notified by the Central Government in this behalf:

"Provided also that the provisions of this clause shall not apply on or after the 1st day of April, 2025.".

Option for Resident Rule 11 UA(2)...

a. (A-L) / number of shares, or
b. DCF by Merchant banker

c. & e.

Price matching concept - In case VC undertaking received from any person other than mentioned in clause(i) & (ii) of proviso

- With in 90 days (before or after)
- Upto amount received from exempted undertakings.

Additional Option for Non-Resident Rule 11 UA(2)...

a. Merchant Banker can opt for : i. Comparable company Multiple method, Probability Weighted Expected return Method, Option Pricing method, Milestone Analysis Method, Replacement cost method.

A safe harbor of 10% variation in value has been provided.

Effect of Abolition of Angel tax on Startup

This should help founders looking to raise capital both in domestic and international markets.”

The elimination of the Angel Tax will boost confidence among investors in India, particularly at a time when startup funding is declining. The Indian startup ecosystem saw a 13% decrease in funding in H1 2024 compared to H1 2023.

The proposal to eliminate angel tax will allow founders and investors to focus on their core competency.

Angel tax removal is expected to ease:

a. The funding process,

b. Reduce valuation disputes and,

c. Encourage more investments, boosting the overall startup ecosystem in India.

Impact on Valuation

No Valuation Required under Income Tax Act :

Finance Minister Nirmala Sitharaman, in her seventh Budget speech, announced the abolition of angel tax in all shapes and forms, bringing a much-needed respite to Indian startups. Effective April 1, 2024, startups that have issued shares from the date will be exempt from taxation on the investments received in excess of the fair market value.

No Change in transfer of shares valued under Sec. 56(2)(x)

Valuation under FEMA

The move will also bring down the burden of compliance on startups, which had to seek two valuation reports—one to determine FEMA valuation, in the case of non-resident investors, and a tax fair market (FMV) valuation. The FEMA valuation cannot exceed the tax FMV by over 10%.

Understanding impact

Change in Tax Rates

Change in Tax Rates

Corporate Tax Rate Adjustments:

It is proposed that for deduction of income-tax at source on other income in case of company which **is not a domestic company**, rates shall be reduced from 40% to 35%.

- **Attract FDI**
- **Increase valuation**
- **More Free cash Flow**

No Change in Domestic Company corporate Tax rates

Income-tax shall be 25% of the total income, if the total turnover or gross receipts of the previous year 2022-23 does not exceed four hundred crore rupees and where the companies continue in section 115BA regime. In all other cases the rate of income-tax shall be 30% of the total income. However, domestic companies also have an option to opt for taxation under section 115BAA or section 115BAB of the Act on fulfilment of conditions contained therein. The tax rate is 15% in section 115BAB and 22% in section 115BAA. Surcharge is 10% in both cases.

Long term Capital Gain reduced from 20% to 12.5% - No indexation benefit
Long term Capital Gain Without Index increased from 10% t0 12.5%
Short Term Capital gain increased from 15% to 20%.

Corporate Tax Rate Adjustments:

The Union Budget 2024 has proposed a reduction in corporate tax rates for certain sectors. This change will directly influence the net operating profit after taxes (NOPAT), which is a crucial component in the FCF calculation.
A lower corporate tax rate increases the NOPAT, thus increasing the FCF. This can lead to higher valuations for companies due to improved cash flow projections.

While calculating Free Cash flow to Firm or Free Cash Flow to Equity –

Interest is adjusted net of Tax – Tax rate for Foreign companies to be changed.
Tax liability adjustment at the proposed new rates
More Free cash flow available to firm / Equity Shareholders of Foreign Company.

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Impact on Valuation

When will the new capital gains tax rate, and holding period come into effect?
All the changes in the new capital gains tax rate and holding period, except for gold and international funds, will be effective immediately from July 23, 2024, announced Budget 2024.

These long-term capital gains on gold and international funds will be taxed at 12.5%. However, this new rule comes into effect from April 1, 2025.

Impact on Valuers

- The indexation cut-off year is 2001. So, for an apartment purchased before 2001, property valuation as of April 2001 can still be used as acquisition cost, which will be reduced from the sale price to determine capital gains. And those gains now will be taxed at a lower rate, 12.5% instead of 20% with indexation.

- To aware about recent changes to factor in the tax rates in valuation.

Understanding Capital Gain Tax Changes

S.No.	Class of capital asset	Holding period for classification as LTCG		Short-term capital gains tax		Long-term capital gains tax	
		Existing rule	Proposed rule in Budget 2024	Existing tax rates	Proposed tax rates after Budget 2024	Existing tax rates	Proposed tax rates after Budget 2024
1	Listed equity shares or units of equity oriented mutual funds / Listed units of business trusts (REITs / InVITS)#	>12 months (36 months for units of business trust)	>12 months	15%	20%	10% [on gains exceeding Rs. 1,00,000]	12.50% [on gains exceeding Rs. 1,25,000]
2	Unlisted shares#	>24 months	>24 months	Applicable rates	Applicable rates	10% without indexation (for non-residents) 20% with indexation (for residents)	12.5% without indexation
3	Listed securities (other than units) or zero-coupon Bonds (including listed debentures / bonds*)	>12 months	>12 months	Applicable rates	Applicable rates	Lower of 10% without indexation or 20% with indexation*	12.5% without indexation
4	Unlisted debentures and bonds#	>36 months	>24 months	Applicable rates	Applicable rates	20% with indexation	Applicable rates
5	Market linked debentures and debt mutual funds	>36 months	>24 months	Applicable rates	Applicable rates	Applicable rates	Applicable rates
6	Land, building	>24 months	>24 months	Applicable slab rates	Applicable slab rates	20% with indexation	12.5% without indexation
7	Physical gold	36 months	24 months	Applicable slab rates	Applicable slab rates	20% with indexation	12.5% without indexation
8	Gold ETF	36 months	>12 months	Applicable slab rates	Applicable slab rates	Applicable slab rates	12.5% without indexation
9	Gold fund	36 months	24 months	Applicable slab rates	Applicable slab rates	Applicable slab rates	12.5% without indexation
10	Sovereign gold bond	36 months	>12 months	Applicable slab rates	Applicable slab rates	20% with indexation^	12.5% without indexation ^
11	Any other capital asset	>36 months	>24 months	Applicable slab rates	Applicable slab rates	20% with indexation	12.5% without indexation

*Gains on unlisted bond or debenture that is sold or redeemed on or after July 23, 2024 are considered as short-term capitals gains and will be taxed at your slab rate

^ No LTCG on sovereign gold bonds on maturity or premature redemption during RBI's 21-day window

Source : economic times

Understanding impact

Buy Back of Shares

Provision related to Buy Back of Shares

The sum paid by a domestic company for purchase of its own shares shall be treated as dividend in the hands of shareholders, who received payment from such buy-back of shares and shall be charged to income-tax at applicable rates.

No deduction for expenses shall be available against such dividend income while determining the income from other sources.

The cost of acquisition of the shares which have been bought back would generate a capital loss in the hands of the shareholder as these assets have been extinguished.

Therefore, when the shareholder has any other capital gain from sale of shares or otherwise subsequently, he would be entitled to claim his original cost of acquisition of all the shares (i.e. the shares earlier bought back plus shares finally sold). It shall be computed as follows:

i. deeming value of consideration of shares under buy-back (for purposes of computing capital loss) as nil;
ii. allowing capital loss on buy-back, computed as value of consideration (nil) less cost of acquisition;
iii. allowing the carry forward of this as capital loss, which may subsequently be set-off against consideration received on sale and thereby reduce the capital gains to this extent.

Provision related to Buy Back of Shares

Example :

100 shares bought in 2020	@Rs. 40/- per share
Total cost of acquisition	Rs. 4000/-
20 shares bought back in 2024	@Rs. 60/- per share
Income taxable as deemed dividend	Rs. 1200/-
Capital loss on such buyback (Rs. 40 *20)	Rs. 800/-
50 Shares sold in 2025	@Rs. 70 per share
Capital Gain (3500 – 2000)	Rs. 1500
Chargeable capital gain after set off	Rs. 700

Impact on Valuation

In Listed Companies:

- No methodology prescribed under SEBI Regulations for listed companies. However, the board needs to determine a fixed price in a tender offer or a maximum price in case of open market operations. Typically, Buy-Back is generally offered at a premium to the market value / book value per share but how much premium is a decision vested completely with the board.
- **In Unlisted Companies As per Income Tax Act:** No methodology prescribed for fixing the buy-back price however reference check to Rule 11 UA valuation / Fair Market Valuation principles to be kept in reckoning from a good governance perspective.
- It is imperative to note that Section 115QA of ITA speaks about taxation on distributed income under buy-back which is calculated on consideration paid by the company on buy- back of shares as reduced by the amount which was received by the company for issue of such shares. Though the law may be silent on calculation of buy-back price but Rule 40BB of Income Tax Rules does speak about the second part of the equation viz., amount received by the company in respect of issue of share.
- As per Companies Act, 2013: No methodology prescribed for fixing the Buy-Back price but generally will be the Fair Market Value as per International Valuation Standards. Further Section 68 read along with its rules require a disclosure in the explanatory statement of the notice to shareholders meeting for the basis of arriving at the buy-back price.

Impact on Valuation

Ordinarily a valuation report may be obtained from a Registered Valuer to rely upon basis for Buy-back price.

Based upon analysis of Rule 17 of Company (share Capital and Debentures) Rules and International Valuation Standard (IVS): – Basis of arriving at the buy-back price can be based upon by getting a valuation report by the Registered Valuer.

Rule suggested to apply Net Assets Method (NAV) based upon: – NAV workout from: – -Audited account which is not more than 6-month-old from the date of offer document; or -Unaudited account not older than 6 months from offer document subject to limited review by Auditor of the Company.

However, valuer can depart from the law subject to if he follows International Valuation Standard (IVS para60.1).

A valuer may still issue valuation report based upon DCF method, under Income approach basis when there are departures in circumstances only if valuation performed in accordance with IVS

No changes in respect of Valuation of Buyback of shares

Understanding impact

Amendment of Section 47

Transfer of Asset by way of Gift or will or irrevocable trust

1. Section 47 of the Act provides exclusion to certain transactions not regarded as transfer for the purposes of chargeability under 'Capital Gains' under section 45.
2. Clause (iii) of section 47 provides that nothing contained in section 45 shall apply to any transfer of a capital asset under a gift or will or an irrevocable trust.

   The first proviso to the said clause makes an exception to the clause in respect of specified ESOPs.
3. With the insertion of section 50D in the Act in the Finance Act, 2012, providing for taking fair market value as full value of consideration in cases where the consideration received or accruing as a result of the transfer of a capital asset is not ascertainable or cannot be determined, and section 50CA vide Finance Act, 2017, providing for taking fair market value as full value of consideration in case of unquoted shares where the consideration received or accruing is less than the fair market value of such share, the Revenue has aimed at bolstering the anti-avoidance machinery provisions of the Act to eliminate avoidance of Capital Gains tax. However, in multiple cases, taxpayers have argued before judicial fora that transaction of gift of shares by company is still not liable to capital gains tax, in view of the provisions of section 47(iii) of the Act.

The matter thus remains a litigated issue leading to:

a) tax avoidance and

b) erosion of Indian tax base.

4. Further, a gift is given out of natural love and affection and accordingly it is proposed to substitute clause (iii) of section 47 and its proviso, to provide that nothing contained in section 45 shall apply to transfer of a capital asset, under a gift or will or an irrevocable trust, by an individual or a Hindu undivided family.

5. This amendment is proposed to be made effective from the 1st day of April, 2025 and will accordingly apply to assessment year 2025-26 and subsequent assessment years.

Impact on Valuation

Fair Market Value is required now for all transfers made under gift or will or irrevocable trust made by person other than individual and HUF.

Summarising impact

Promotion of Investments

Encouraging Foreign Investments

- **Simplification of Tax Regulations**: The government aims to attract foreign investments by simplifying tax regulations.
  - **Fact**: The budget proposed measures to streamline the tax regime for foreign portfolio investors (FPIs) and reduce tax complexities, which can enhance the investment climate in India (YourStory.com) .
  - **Impact**: Simplified tax regulations make it easier for foreign investors to navigate the Indian market, potentially increasing the demand for accurate and reliable valuations of Indian assets and companies.

Fiscal Discipline

Focus on Fiscal Consolidation

- **Market Stability**: Maintaining fiscal discipline is crucial for market stability, which in turn affects valuations.
  - **Fact**: The budget targets a fiscal deficit of 5.9% of GDP for the financial year 2024-25, compared to the revised estimate of 6.4% for 2023-24 (YourStory.com).
  - **Impact**: A lower fiscal deficit contributes to macroeconomic stability, providing a more predictable environment for valuers to assess asset values. Stable markets are less volatile, making it easier to determine accurate valuations.

Practical Applications and Case Studies

Court Interpretations

Ajay Kumar v. Shree Ganesh Forgings Ltd.

- **Binding Nature of Valuation Reports:** This case highlights the binding nature of valuation reports prepared by registered valuers unless proven fraudulent.
    - **Fact**: The court upheld the valuation provided by a registered valuer, emphasizing the importance of professional expertise and integrity in the valuation process.
    - **Impact**: This reinforces the credibility and authority of valuations conducted by registered professionals, ensuring that valuations are respected and trusted in legal and financial transactions.

Section 247 of the Companies Act

- **Strict Penalties and Compliance Requirements**: Ensuring valuations are conducted by qualified professionals under strict regulatory oversight.
    - **Fact**: Non-compliance with Section 247 can result in severe penalties, including fines and imprisonment for fraudulent valuation activities .
    - **Impact**: This stringent regulatory framework ensures that valuations are accurate, reliable, and conducted by qualified professionals, enhancing market confidence.

Valuation of Shares under Income Tax Act,1961

Serial No.	Reference	Activity	Trigger point
1	Section 56(2)(x) read with Rule 11UA	When there is a purchase of shares in an unlisted company	At the time of the transfer
2	Section 50 CA read with Rule 11UA	When there is a sale of shares in an unlisted company	At the time of the transfer
3	Section 56(2) (viib) read with Rule 11UA	When a company in which public are not substantially interested issues shares at a premium (including a rights issue)	At the time of issue
4	Section 17 read with rule 3(8)	When ESOP shares in unlisted company is exercised - for determination of perquisite value by issuing company.	At the time of exercise of options (reports are valid for a period of 180 days)
5	Section 92 and 93	For determining arm's length pricing, if and when required	At the time of contracting the transaction
6	Section 50B and Rule 11UAE	When a slump sale is affected, to determine the fair value of the slump sales	At the time of effecting the slump sale
7	Section 115WC and Rule 40C	Valuation of specified security or sweat equity share being a share in the company	At the date on which the option vests with the employee
8	Section 115WC and Rule 40D	Valuation of specified security not being an equity share in the company	At the date on which the option vests with the employee

Conclusion

The 2024 budget provisions and reforms underscore the critical role of registered valuers in maintaining market stability and investor confidence through accurate and reliable valuations. Here's how these points impact the valuation landscape:

- **Simplified Tax Regulations**: Encouraging foreign investments boosts the demand for accurate valuations of Indian assets.
- **Fiscal Discipline**: Contributes to a stable market environment, facilitating more reliable valuations.
- **Legal and Regulatory Support**: Ensures the credibility of valuations through stringent compliance and legal backing.

Thank You

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