

VALUATION UNDER DIFFERENT STATUTES



PURPOSE OF EQUITY SHARE VALUATION

Equity Share Valuation is required under the following circumstances:



Sale of Business



Fund Raising



Merger/ Acquisition/
Reconstruction/
Amalgamation



Reduction of share
capital



Conversion of stocks
(Preference/
Debenture to Equity)



Implementation of
Employee Stock
Option Plan (ESOP)



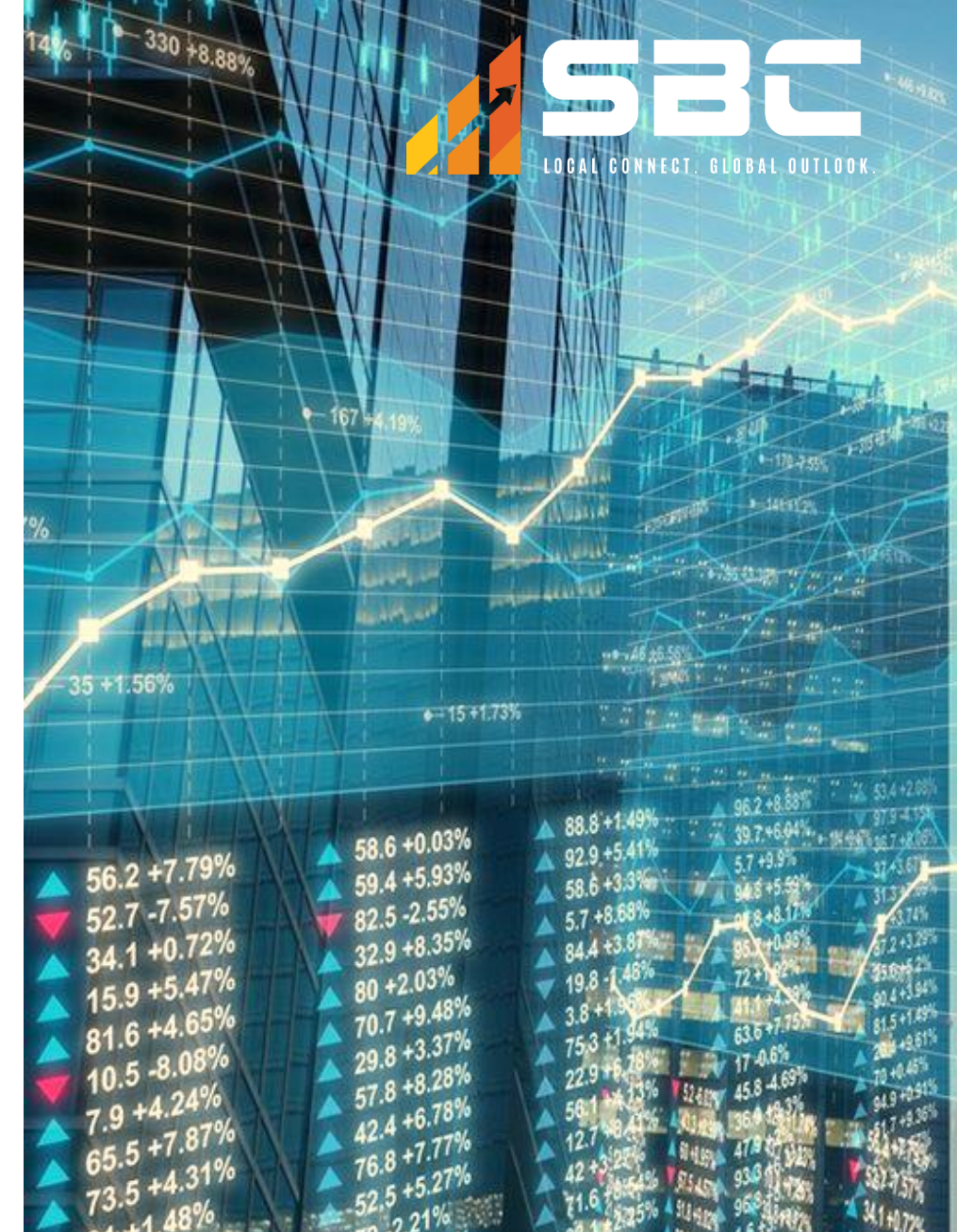
Strategic Business
Decisions/settlement
of family dispute



Voluntary Value
Assessment



To comply with regulatory / accounting requirements in India
under RBI/ FEMA / Income Tax Act 1961/ SEBI/ Companies Act etc.



WHO CAN DO VALUATION ?

Statute	Registered Valuer	Merchant Banker	Chartered Accountant
Companies Act 2013	✓	X	X
Income Tax Act, 1961	✓*	■**	■*
Foreign Exchange Management Act, 1999	X	■	■

*Can apply only NAV method

**Can apply DCF/ any other method

A registered Valuer is mandatorily required to be appointed by the audit committee/ Board of Directors of the Company

VALUATION REQUIREMENTS UNDER VARIOUS STATUTES

COMPANIES ACT, 2013

- › Further issue of share capital - Preferential Allotment
- › Reduction of share capital
- › Non-Cash transactions involving directors
- › Valuing assets for submission of report by Company Liquidator
- › Scheme of Compromise/ Arrangement/ Corporate Debt Restructuring
- › Purchase of Minority Shareholding
- › Declaration of solvency for voluntary wind up proposal

INCOME TAX ACT, 1961

Section 56 of Income Tax Act
1961 read with Rule 11UA of
Income Tax Rules

- › Fresh issue of shares
- › Transfer of Equity Shares
- › Transfer of securities other than equity shares

FEMA, 1999

Regulation 11 of Pricing
Guidelines of Foreign Exchange
Management
(Transfer or Issue of Security by a
Person Resident Outside India)
Regulations, 2017

- › Fresh Investment / Transfer of shares between non-resident and residents



Why SBC ???

Our Team comprises of distinguished Chartered Accountants, Merchant Bankers, Registered Valuer's , Certified Public Accountants rendering comprehensive professional services and a dedicated team for Business Valuations (Equity/ Intangibles), whose core competencies are:

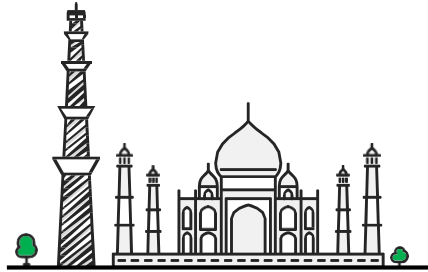
- Understanding the micro and macro economic factors through detailed Study of industry in which a specific client is operating;
- Determination of appropriate valuation method basis the detailed study of valuation purpose
- Arriving at the fair value of an entity's equity stock
- Preparation of detailed Valuation report certifying the equity/ intangible asset value

Contact us



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Ville,, Madhapur, Hitech City,
Hyderabad – 500081



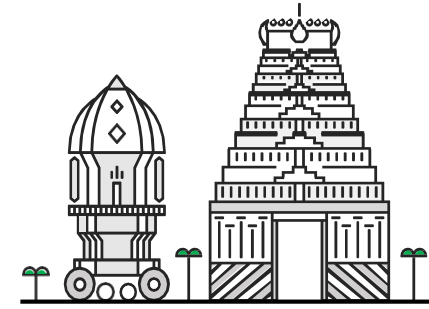
DELHI

C- 699A, 1st Floor, Sector-7, Palam
Extn., Dwarka, New Delhi, Delhi
110075



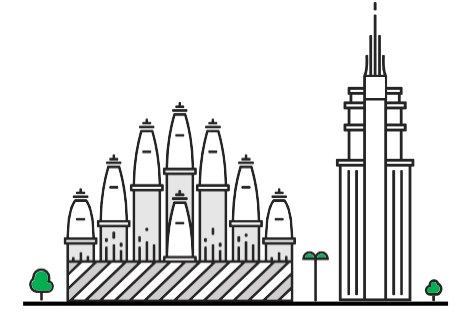
MUMBAI

Flat no.3, Plot no.226/227, Sion
East, Mumbai - 400022



CHENNAI

Old no 19, New no 13B, New
Bangaru colony first Street, KK
Nagar West, Chennai 600078



BANGALORE

90/1, 3rd Floor, Pasha South
Square, Rathavilas Road,
Basavangudi, Bangalore -
560004

Vizag: Level 3, Kupilli Arcade, Akkayyapalem, Visakhapatnam 530016,
Andhra Pradesh

Vijayawada: # 56-11-3, Sri Devi Complex, Y.V.R Street, MG Road, Patamata, Vijayawada, Andhra
Pradesh

Tirupati: H. No: 6-154/1, Syamala Nilayam, Near Water Tank, Akkarampalli, Tirupathi, Andhra Pradesh

Kurnool: #21, Top Floor, Skandanshi Vyapaar, New Bus Stand Road, Kurnool 518 003, Andhra
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Thank You



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