

CALENDAR OF TRIGGER DATES OF VALUATION UNDER VARIOUS LAWS



**Valuation Standards Board
and
ICAI Registered Valuers Organisation
The Institute of Chartered Accountants of India**
(Set up by an Act of Parliament)
New Delhi

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Message

The field of Valuation is rapidly evolving and has grown significantly in recent times due to globalization, boom in mergers & acquisitions and rampant growth in start-up culture and funding. In the current environment, it is lying at the heart of a country's economy and if valuations are faulty the outcomes can be highly undesirable for economic and financial stability.


The Companies (Registered Valuers and Valuation) Rules, 2017, has been extremely significant in regulation of the field of Valuation and it put the onus on the Registered Valuers in terms of increased liability and responsibility. There are a lot of expectations from the Registered Valuers, who are always expected to exercise independent professional judgement and high standards of integrity in all of their professional relationships.

ICAI RVO is a front line Regulator registered with IBBI for the Asset Class- "Securities or Financial Assets" and contributing continuously to enrich the capacities of valuers registered with it.

While there have been different valuation requirements and the pricing guidelines prescribed under various laws and regulations by SEBI, the Income Tax Act, the Companies Act, Foreign Exchange Management Act (FEMA) etc. Section 247 of the Companies Act 2013 have provided for regulatory recognition to Registered Valuers for work done under the Companies Act 2013 and IBC Code 2016. The events that trigger the need for valuation under these laws for various transactions and events also varies and hence it is imperative for Valuers to keep themselves up-to-date about the prevailing regulations and guidelines.

In furtherance of our objective of developing and building future-ready professionals who are ethically and technically strong, ICAI Registered Valuers Organisation and





the Valuation Standards Board of ICAI has undertaken this joint initiative and are coming out with this booklet “Calendar of Trigger Dates of Valuation under Various Laws”

I compliment the efforts of all the members of the Valuation Standards Board (VSB) of ICAI under the Chairmanship of CA. Anil S. Bhandari, Vice Chairman CA. M P Vijay Kumar and my colleagues on the Board of ICAI RVO Shri Pawan Singh Tomar, Shri Ashok Haldia, Prof. Anil Saini & CA. Prafulla P. Chhajed for their efforts and support.

I also appreciate the efforts of Shri. Rakesh Sehgal, Managing Director ICAI RVO assisted by CA. Sarika Singhal, Officiating CEO ICAI RVO and Secretary, Valuation Standards Board and Ms. S. Rita, Deputy Secretary ICAI for their significant contribution in finalisation of this booklet.

I am sure that this booklet will be useful for the Registered Valuers, Valuation Professionals and all other stakeholders.

Date: 30th December 2021

Place: New Delhi

Rajeev Kher

Chairperson and Independent
Director, ICAI RVO





Message

Valuation as a profession has a long history in India and different statutes like FEMA, SEBI, Companies Act, Income Tax requires valuation for various purposes and transactions. This is despite the fact that The Companies (Registered Valuers and Valuation) Rules, 2017 for the first time provided a structure for the regulation of valuation as a profession in India in the year 2017.

While the Companies (Registered Valuers and Valuation) Rules, 2017 are limited to the valuation requirements under the Companies Act, 2013 and the Insolvency and Bankruptcy Code 2016, it is the Draft Valuers Bill, 2020 which aims to cover all valuation related services in the country. Draft bill envisages to institutionalize the Valuation profession and accordingly proposed for the establishment of National Institute of Valuers (NIV) for regulating and development of Valuers Profession.

There have been several developments in the Indian regulatory and legal environment leading to a paradigm shift in the field of valuation and understanding the different events that initiate the requirement for valuation under different provisions of these laws and statutes is extremely important for professionals in this field of practice.

I congratulate the Valuation Standards Board and ICAI Registered Valuers Organisation for taking this joint initiative of bringing out this booklet “Calendar of Trigger Dates of Valuation under Various Laws”.

I extend my sincere appreciation to the entire Valuation Standards Board and appreciate the efforts put in by CA. Anil S. Bhandari, Chairman, Valuation Standards Board and CA. M. P. Vijay Kumar, Vice-Chairman, Valuation Standards Board for conceptualizing this extremely vital booklet and for bringing it out for the benefit of the professionals in the field of valuation. I also thank all the directors of the Board of ICAI RVO specially Shri Rajeev Kher, Chairman RVO for this joint effort.





I am confident that this publication would be extremely helpful for the members and other stakeholders and would guide them in their professional endeavors.

Date: 30th December 2021
Place: New Delhi

CA. Nihar N. Jambusaria
President, ICAI





Message

Various facets of Valuation field are gaining importance rapidly and is considered as one of the most critical areas in finance. Valuation plays a key role in many areas of finance and strategic decision making such as instances of buy/sell, insolvency, merger & acquisition, legal proceedings etc.

Valuation of a business requires understanding and analysis of various complex factors and has a major impact on all types of businesses whether big or small. Valuation as a profession is extremely dynamic and the enforcement of Section 247 per se has given a regulatory status for Valuations under the Companies Act 2013 and IBC Code 2016. The field is continuously evolving and hence as a valuation professional, one is expected to continuously sharpen their skills and perform their duties with due care and diligence as the right to practice a profession carries a duty to protect the society

We are committed to providing continued knowledge and support to the Members and other stakeholders and in addition to our various initiatives, I am happy that the Valuation Standards Board of ICAI and ICAI Registered Valuers Organisation has decided jointly to publish this booklet – “Calendar of Trigger Dates of Valuation under Various Laws” to support the valuation professionals as well as to create awareness amongst all related stakeholders.

I extend my appreciation to the members of the Board of ICAI RVO and the Valuation Standards Board of ICAI and especially to CA. Anil S. Bhandari, Chairman, Valuation Standards Board and CA. M. P. Vijay Kumar, Vice-Chairman, Valuation Standards Board for bringing out this booklet for the benefit of members and other stakeholders. The contribution by ICAI RVO team namely Shri Rakesh Sehgal MD ICAI RVO duly assisted by CA Sarika Singhal Officiating CEO, ICAI RVO is also praiseworthy.



I am confident that this booklet will help in resolving many of the queries professionals may have in their mind relating to Valuation.

Date: 30th December 2021
Place: New Delhi

CA. (Dr.) Debashis Mitra
Vice-President, ICAI





Message

Value is not just date specific but is also time specific. Sometimes value of an asset remains constant for a long period of time, say for months or even years, while at times value changes within a day or even a minute or a few seconds.

Events that trigger a need for valuation for different transactions and consequently the Valuation date to be considered for these transactions varies significantly between various acts and statutes depending upon the provisions laid down under the concerned section and regulations thereof. It was felt that section-wise and statute-wise clarity with respect to the valuation trigger event under different statutes would be extremely helpful for the professionals in the field of valuation and hence this booklet was envisaged by the Valuation Standards Board.

The booklet “Calendar of Trigger Dates of Valuation under Various Laws” aims to provide guidance to the members about the valuation trigger points for various activities and transactions under the following law & statutes: The Companies Act 2013, Foreign Exchange Management Act (FEMA), Indian Accounting Standards (Ind AS), The Income Tax Act 1961, Securities and Exchange Board of India (SEBI) Regulations and the Insolvency and Bankruptcy Code, 2016 (IBC).

I would like to appreciate and thank CA. T. V. Balasubramanian for preparing the draft of this booklet “Calendar of Trigger Dates of Valuation under Various Laws”. I commend the efforts of Shri Rakesh Sehgal, Managing Director, ICAI RVO; CA. Sarika Singhal, Officiating CEO, ICAI RVO and Secretary VSB, ICAI and Ms. S. Rita, Deputy Secretary ICAI for their contribution in finalisation of this Booklet and also their team members viz. Ms. Seema Jangid, Assistant Secretary ICAI and CA. Pragya Agrawal, Assistant Project Officer ICAI for their technical and administrative support.

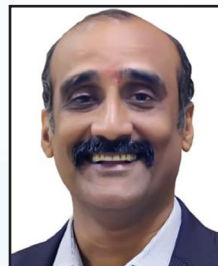


I am sure that the members and other stakeholders will find this publication extremely useful in guiding and supporting them in the successful completion of their valuation assignments

Date: 30th December 2021
Place: New Delhi

CA. Anil S. Bhandari
Chairman
Valuation Standards Board





Message


ICAI Valuation Standards 2018 define Valuation Date as the specific date at which the valuer estimates the value of an underlying asset. It also provides that Valuation Date is a key elements of valuation as it determines what information can be considered for valuation.

There are several laws that require valuation of assets or liabilities for various transactions and activities. The event that triggers the need for valuation of these transactions varies between different laws and accordingly the valuation date. Consequently, the information to be considered for determining the value of the underlying Asset/Liability also varies significantly. Hence a clear understanding of the valuation date and events triggering the need for valuation under different laws is a key requisite for a valuation professional.

Capacity building and knowledge enhancement of members in this field of practice is one of the key objectives of the Valuation Standards Board. This publication is intended to give some guidance on this important topic of Valuation Date. I am sure this will help valuers and other stakeholders in understanding the valuation trigger dates under various laws in India.

I acknowledge the efforts of CA. T V Balasubramanian for preparing the draft of this booklet “Calendar of Trigger Dates of Valuation under Various Laws”. I heartily commend the efforts put in by Shri Rakesh Sehgal, Managing Director, ICAI RVO; CA. Sarika Singhal, Officiating CEO, ICAI RVO and Secretary VSB, ICAI and Ms.





S. Rita, Deputy Secretary ICAI for bringing out this Booklet and their team members viz. Ms. Seema Jangid, Assistant Secretary ICAI and CA. Pragya Agrawal, Assistant Project Officer ICAI for their technical and administrative support.

Date: 30th December 2021
Place: New Delhi

CA. M. P. Vijay Kumar
Vice-Chairman
Valuation Standards Board



Introduction


Valuation is an integral part for evaluation of performance of business process. For so many decades, various Laws and Statutes like The Companies Act 2013, The Income Tax Act 1961, the Foreign Exchange Management Act (FEMA) 1999,



The SEBI Act 1992, The Insolvency and Bankruptcy Code, 2016 (IBC) etc., require valuation to be undertaken for diverse purposes. Laws and statutes not only prescribe the varied purpose of valuation but also the valuation methodology, valuation date, event triggering the need of valuation and time for valuation and also who can render the valuation service varies between these laws.

For example, in case of the issue of sweat equity shares /ESOPs, valuation is required at different events under the various laws, the Companies Act requires valuation before the approval of issue of sweat equity shares while under the Income Tax Act same is required at the time of exercise of options and for accounting under Ind AS one needs to get the valuation done at the time of grant of the option and also at the period end in case the ESOP is issued along with a performance criteria that impacts the option price.

The Companies (Registered Valuers and Valuation) Rules, 2017 (Valuation Rules) issued under the Companies Act, 2013, for the first time provided for an institutional framework for development and regulation of the valuation profession, though it is limited to valuations required under the Companies Act, 2013 and the Insolvency and Bankruptcy Code 2016.



Further, the Institute of Chartered Accountants of India issued the ICAI Valuation Standards 2018 for the Asset Class “Securities or Financial Assets” in the year 2018 after recognising the need to have the consistent, uniform and transparent valuation approach and to harmonise the diverse practices in use in India. The objective of issuing the Valuation Standards was to standardise the various principles, practices and procedures followed by registered valuers and other valuation professionals in valuation of assets, liabilities or a business. The ICAI Valuation Standards 2018 sets out concepts, principles, practices and procedures which are generally accepted internationally having regard to the prevailing legal framework, procedures and practices in India.


However, the ICAI Valuation Standards 2018 clearly lay down that though efforts have been made to ensure that the Valuation Standards are in conformity with the provisions of the applicable laws, customs and usages in India but in case of deviations, the provisions of the law will prevail, and the valuation report should be prepared in conformity with such law. The Valuation Standards by their very nature cannot and do not override the local regulations which govern the preparation of valuation report in the country.

Hence it is imperative for a valuer to not only understand the need for Valuation under various laws and statutes but shall also have knowledge about the varied Valuation methodologies prescribed therein and also the events that triggers the need for valuation under various laws. The trigger points under these laws and statutes, in turn, impact the Valuation Date that shall be considered by a valuer for that particular Valuation Assignment.

ICAI Valuation Standards 2018 defines Valuation date as under: -

“Valuation date is the specific date at which the valuer estimates the value of the underlying asset.”





It further lays down that the valuation date will determine what information can be considered in a valuation. Usually, information that is not available at the valuation date is not considered for the purpose of valuation.

This booklet “Calendar of Trigger Dates of Valuation under Various Laws” is a compilation of valuation needs under the six major laws and statutes applicable in India and aims to provide guidance to the registered valuers and valuation professionals about the valuation trigger points and valuation dates to be considered for various activities and transactions under these. The laws and statutes covered in this booklet are as under:-

- (i) The Companies Act 2013;
- (ii) The Insolvency and Bankruptcy Code, 2016 (IBC);
- (iii) Indian Accounting Standards (Ind AS);
- (iv) The Income Tax Act 1961;
- (v) Foreign Exchange Management Act (FEMA); and
- (vi) Securities and Exchange Board of India (SEBI) Regulations



The Companies Act, 2013

ACTIVITY

Valuation of assets of a Section 8 Company when it is to be converted into any other type of company

Section 8 read with Rule 21 and 22 of the Companies (Incorporation) Rules, 2014

REFERENCE

Before filing for such conversion

TRIGGER POINT

ACTIVITY

Issue of shares for consideration other than cash - requirement for valuation of the consideration

Section 39 read with Rule 12(5) of the Companies (Prospectus and Allotment of Securities) Rules, 2014

REFERENCE

When filing the return of allotment for issue of shares for consideration other than cash

TRIGGER POINT

ACTIVITY

Fair price justification
for issue of sweat equity
shares

Section 54 read
with Rule 8(6) of the
Companies (Share
Capital) Rules, 2014

REFERENCE

Before the approval
of issue of sweat equity
shares

TRIGGER POINT

ACTIVITY

Valuation of IP / know
how acquired by issue of
sweat equity shares to be
valued

Section 54 read
with Rule 8(7) of the
Companies (Share
Capital) Rules, 2014

REFERENCE

Before the approval
of issue of sweat equity
shares

TRIGGER POINT

ACTIVITY

Share issue (other than rights and ESOP)

Section 62(1)
(c) read with Rule
13(1) of the Companies
(Share Capital and
Debentures) Rules,
2014

REFERENCE

Before pricing the issue

TRIGGER POINT

ACTIVITY

Determination of
price of issue by
an unlisted entity
when shares are issued
to employees / trust to
which the company is
providing loan for
such purchase

Section 67(3)
read with Rule 16(1)
(c) of the Companies
(Share Capital and
Debentures) Rules,
2014

REFERENCE

Before the approval of the
transaction

TRIGGER POINT

ACTIVITY

To determine that bonds / debentures issued are secured (and hence not a deposit), valuation of the assets provided as security

Section 73 read with Rule 2(ix) of the Companies (Acceptance of Deposits) Rules, 2014

REFERENCE

Before the issue of such bonds / debentures

TRIGGER POINT

ACTIVITY

Non-cash transaction involving directors - requirement to value the assets

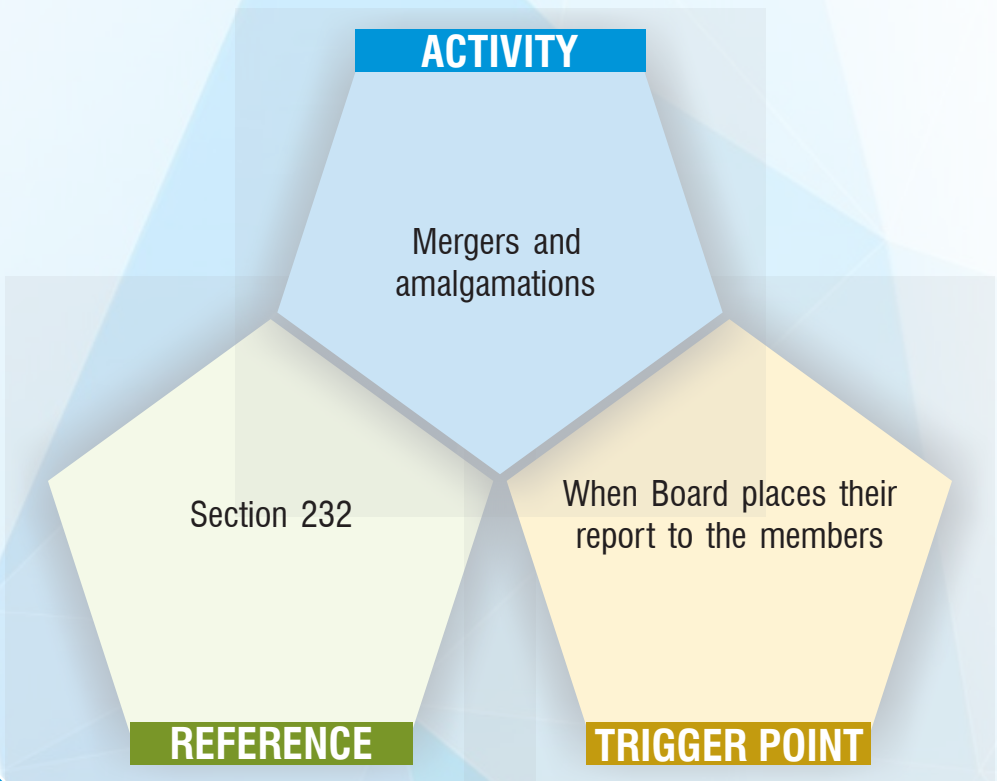
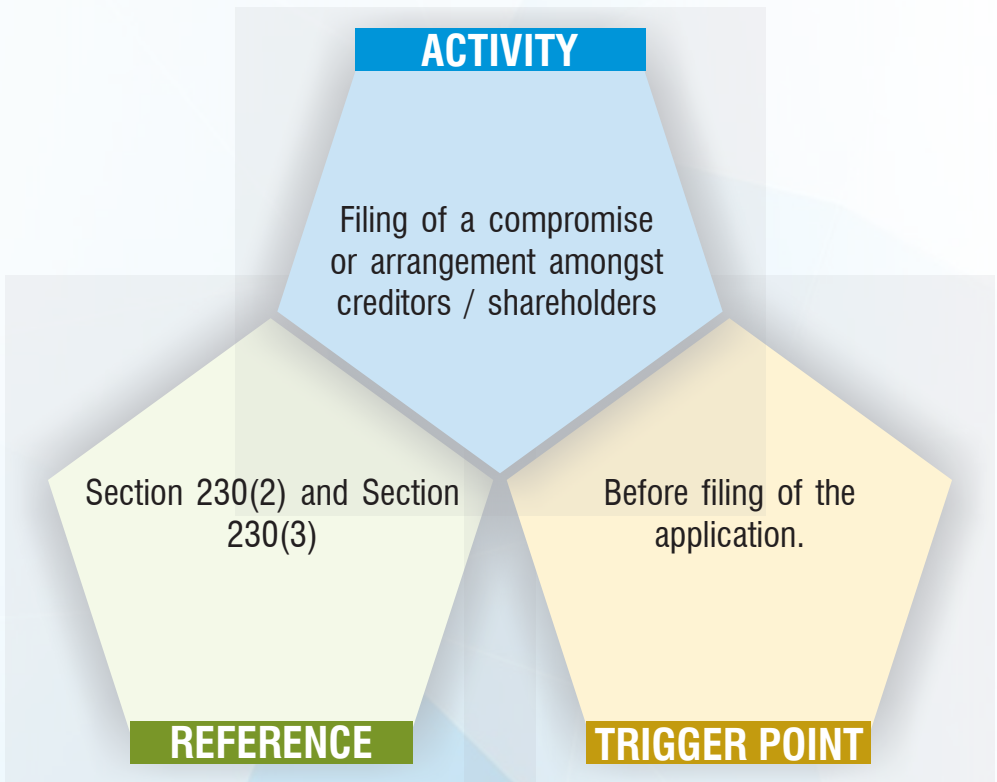
Section 192(2)

REFERENCE

Before effecting approval for the transaction to be executed.

TRIGGER POINT





ACTIVITY

Acquisition of minority stake by those holding 90% or more

Section 236

REFERENCE

Before making an offer for buyout of the shares from the minority holders

TRIGGER POINT

ACTIVITY

Valuation of assets at the time of winding up of a company

Section 281(1)(a)

REFERENCE

Once the liquidator is appointed

TRIGGER POINT



**A Bird's Eye View of
Trigger Dates of Valuation under the Companies Act, 2013**

Serial No.	Reference	Activity	Trigger point
1	Section 8 read with Rule 21 and 22 of the Companies (Incorporation) Rules, 2014	Valuation of assets of a Section 8 Company when it is to be converted into any other type of company	Before filing for such conversion
2	Section 39 read with Rule 12(5) of the Companies (Prospectus and Allotment of Securities) Rules, 2014	Issue of shares for consideration other than cash - requirement for valuation of the consideration	When filing the return of allotment for issue of shares for consideration other than cash
3	Section 54 read with Rule 8(6) of the Companies (Share Capital) Rules, 2014	Fair price justification for issue of sweat equity shares	Before the approval of issue of sweat equity shares
4	Section 54 read with Rule 8(7) of the Companies (Share Capital) Rules, 2014	Valuation of IP / know how acquired by issue of sweat equity shares to be valued	Before the approval of issue of sweat equity shares
5	Section 62(1) (c) read with Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014	Share issue (other than rights and ESOP)	Before pricing the issue

Serial No.	Reference	Activity	Trigger point
6	Section 67(3) read with Rule 16(1)(c) of the Companies (Share Capital and Debentures) Rules, 2014	Determination of price of issue by an unlisted entity when shares are issued to employees / trust to which the company is providing loan for such purchase	Before the approval of the transaction
7	Section 73 read with Rule 2(ix) of the Companies (Acceptance of Deposits) Rules, 2014	To determine that bonds / debentures issued are secured (and hence not a deposit), valuation of the assets provided as security	Before the issue of such bonds / debentures
8	Section 192(2)	Non-cash transaction involving directors - requirement to value the assets	Before effecting approval for the transaction to be executed.
9	Section 230(2) and Section 230(3)	Filing of a compromise or arrangement amongst creditors / shareholders	Before filing of the application.
10	Section 232	Mergers and amalgamations	When Board places their report to the members
11	Section 236	Acquisition of minority stake by those holding 90% or more	Before making an offer for buyout of the shares from the minority holders
12	Section 281(1)(a)	Valuation of assets at the time of winding up of a company	Once the liquidator is appointed





The Insolvency and Bankruptcy Code, 2016

ACTIVITY

Valuation by two registered valuers to be appointed by the RP

Regulation 27 read with Regulation 35 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

REFERENCE

Once the company is placed into CIRP

TRIGGER POINT

ACTIVITY

A third valuer's valuation when the RP is not satisfied with the two valuation reports and where the variance between these values is significant

Regulation 27 read with Regulation 35 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

REFERENCE

If the RP determines this is required after the first two valuer's reports are received by him.

TRIGGER POINT

ACTIVITY

Valuation of assets when a company is placed under liquidation, if the liquidator decides that the valuation at the time of CIRP may no longer be relevant

Regulation 35 of IBBI (Liquidation Process) Regulations, 2016

REFERENCE

When the Liquidator makes such an assessment once the liquidator is appointed

TRIGGER POINT

ACTIVITY

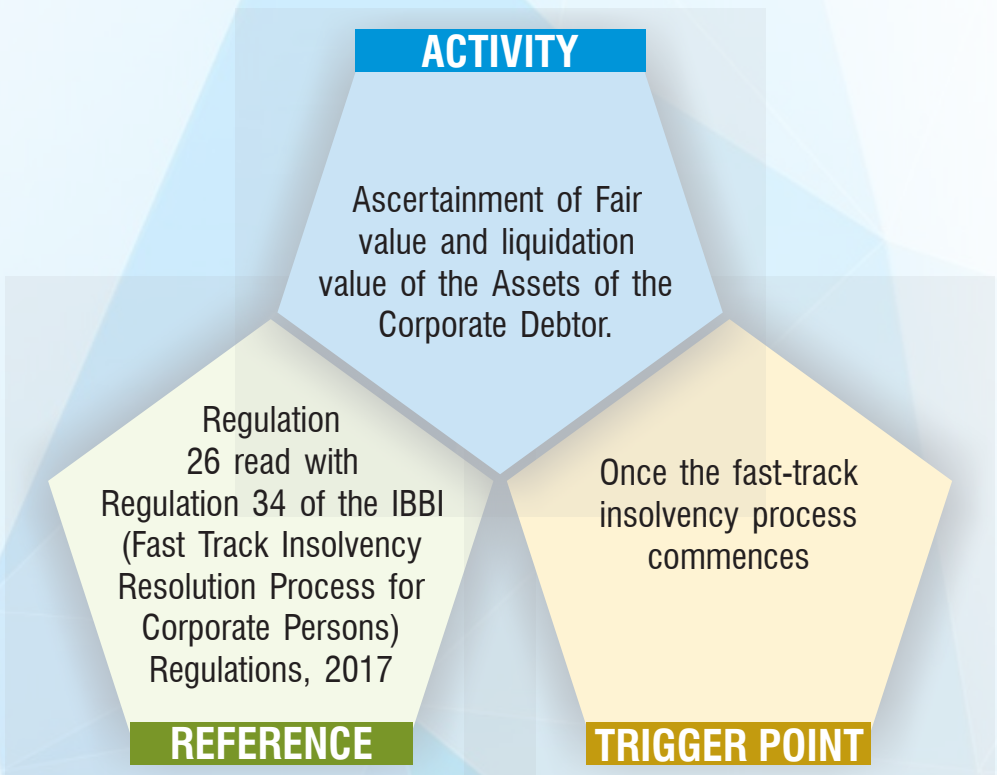
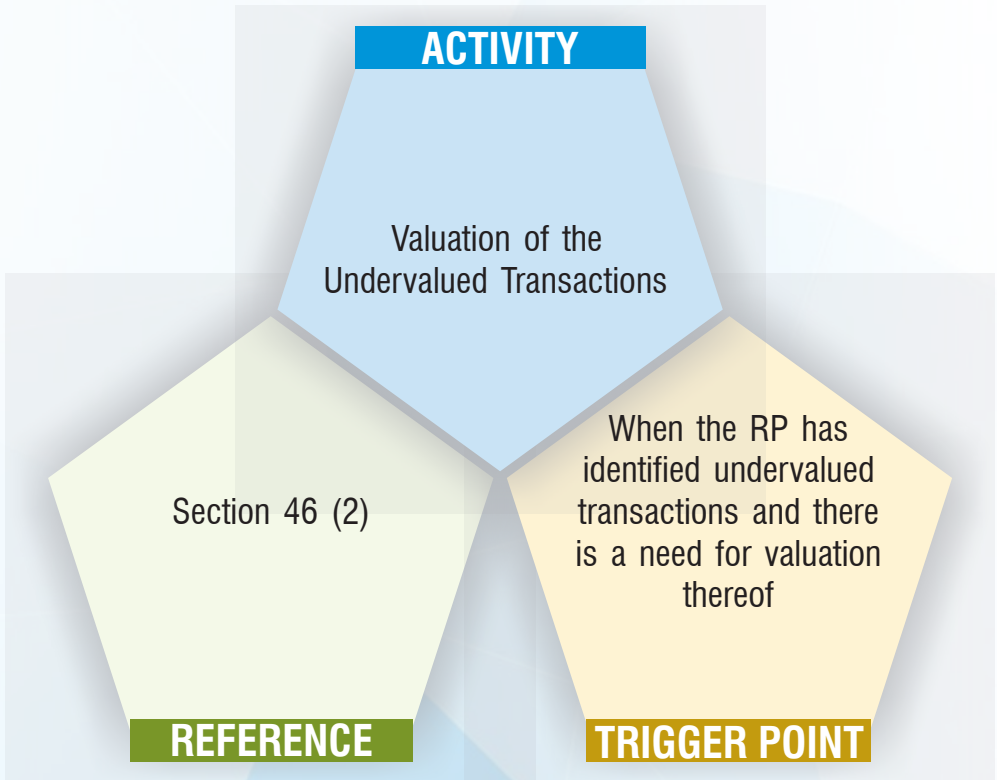
Valuation of assets of a company going in for voluntary liquidation

Section 59(3) (b)(ii) of IBC, 2016 and Regulation 3 of IBBI (Voluntary Liquidation Process) Regulations, 2017

REFERENCE

Once the company has resolved to place the company into voluntary liquidation

TRIGGER POINT



A Bird's Eye View of Trigger Dates of Valuation under the Insolvency and Bankruptcy Code, 2016

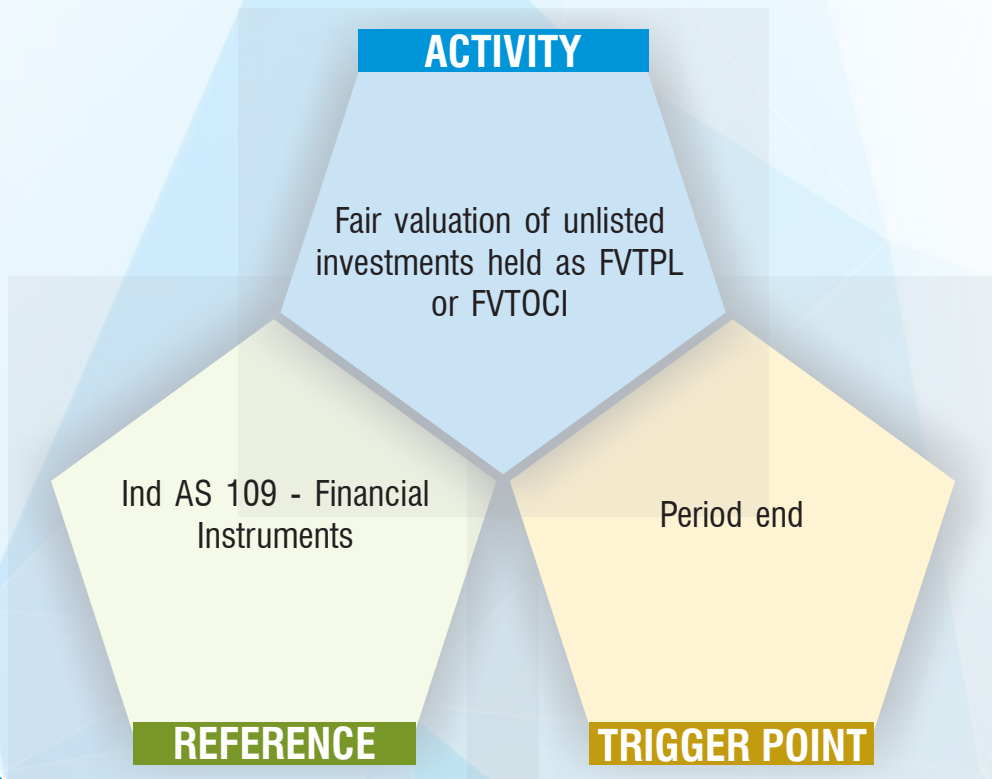
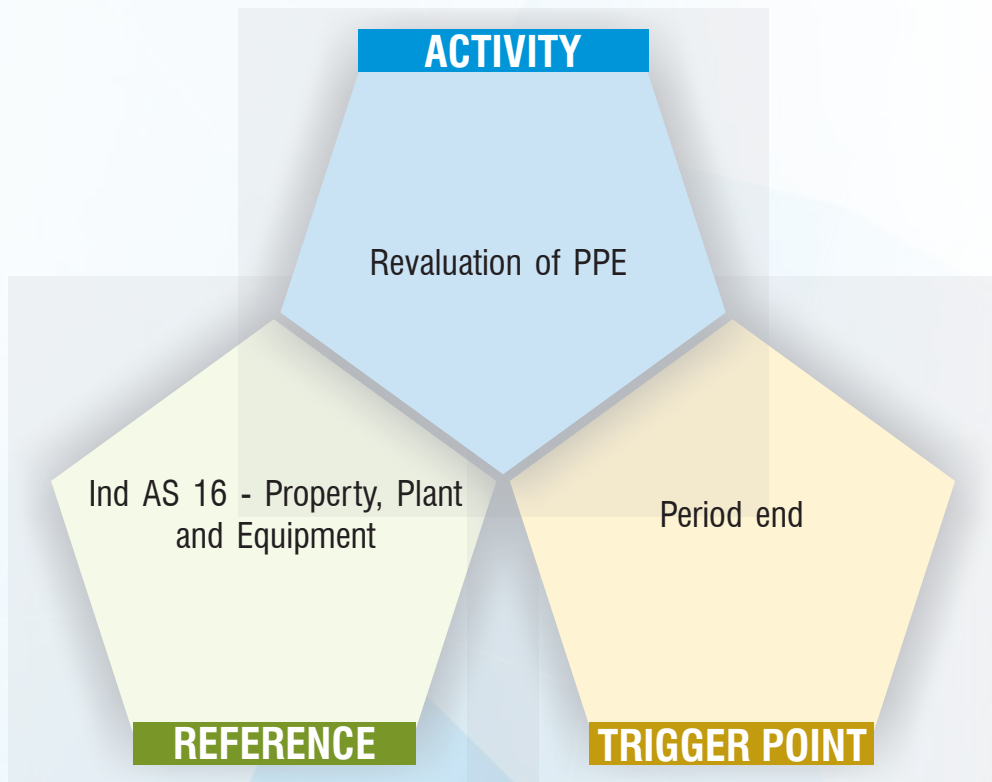
Serial No.	Reference	Activity	Trigger point
1.	Regulation 27 read with Regulation 35 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016	Valuation by two registered valuers to be appointed by the RP	Once the company is placed into CIRP
2.	Regulation 27 read with Regulation 35 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016	A third valuer's valuation when the RP is not satisfied with the two valuation reports and where the variance between these values is significant	If the RP determines this is required after the first two valuer's reports are received by him.
3.	Regulation 35 of IBBI (Liquidation Process) Regulations, 2016	Valuation of assets when a company is placed under liquidation, if the liquidator decides that the valuation at the time of CIRP may no longer be relevant	When the Liquidator makes such an assessment once the liquidator is appointed
4.	Section 59(3)(b) (ii) of IBC, 2016 and Regulation 3 of IBBI (Voluntary Liquidation Process) Regulations, 2017	Valuation of assets of a company going in for voluntary liquidation	Once the company has resolved to place the company into voluntary liquidation

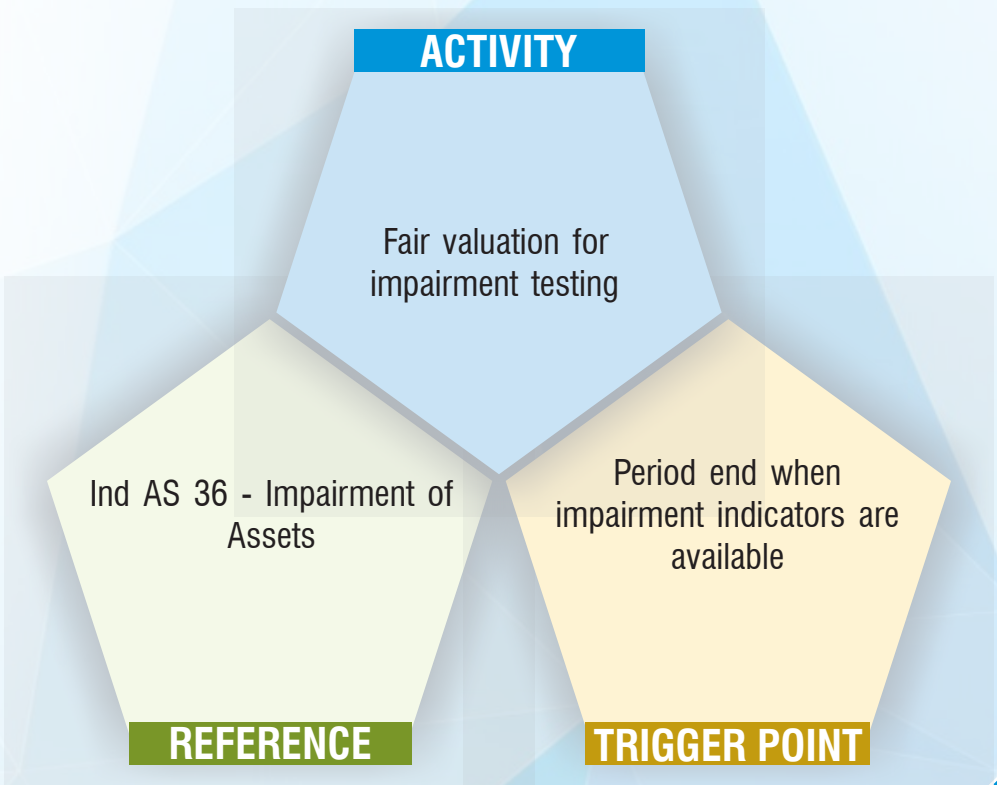
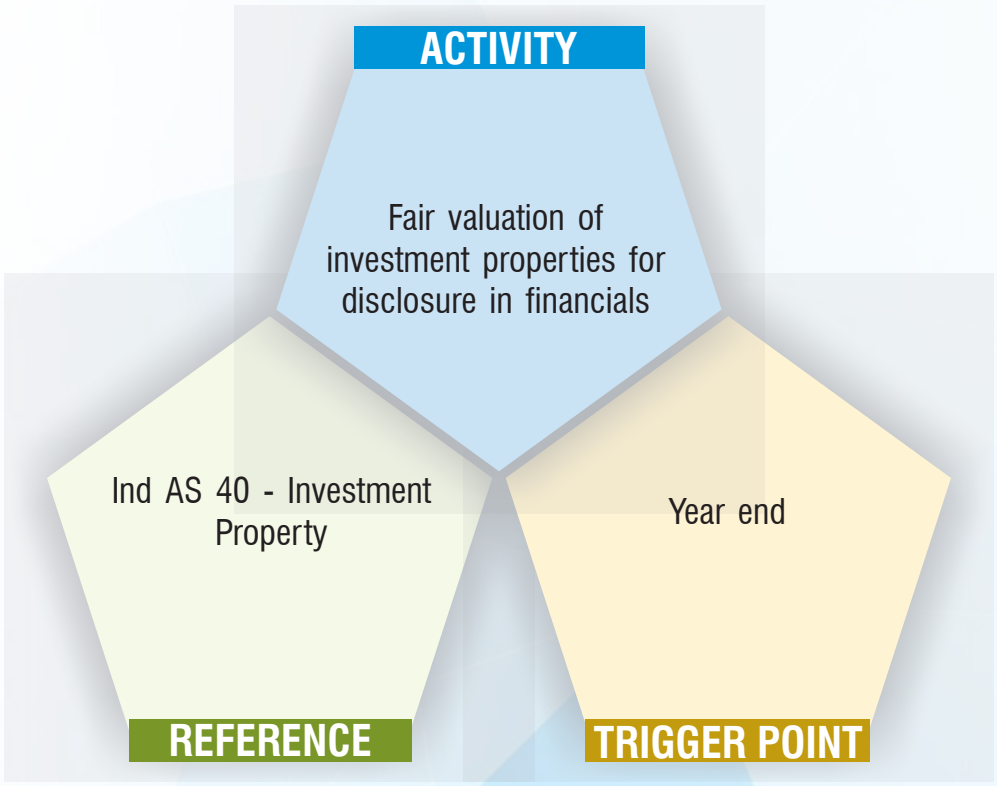


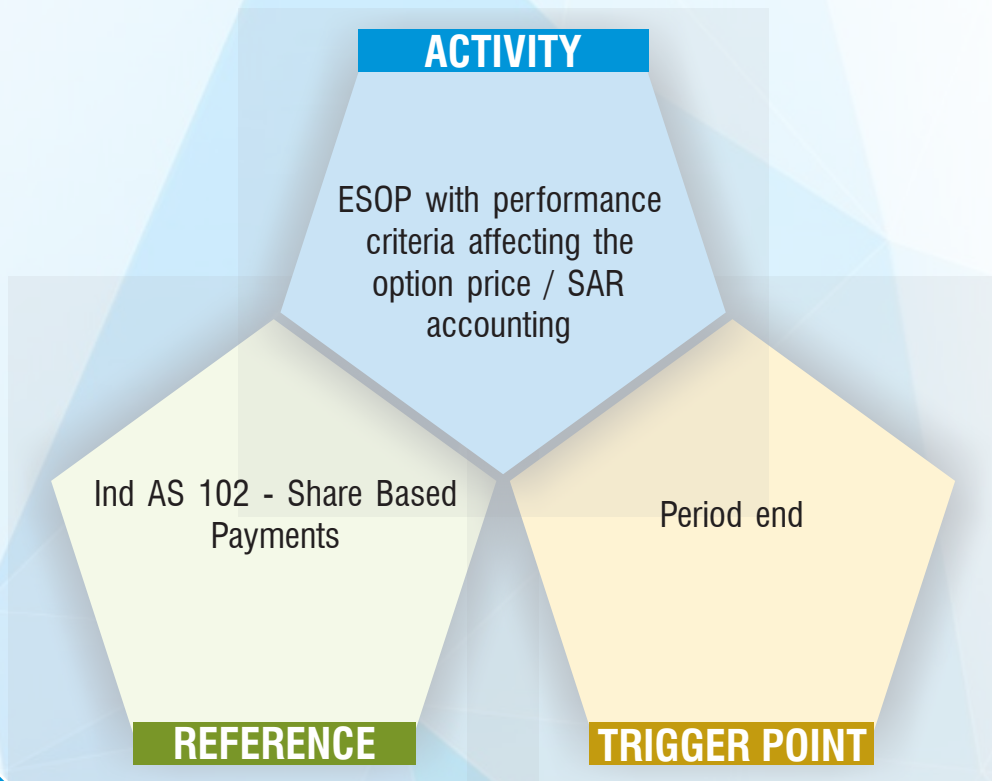
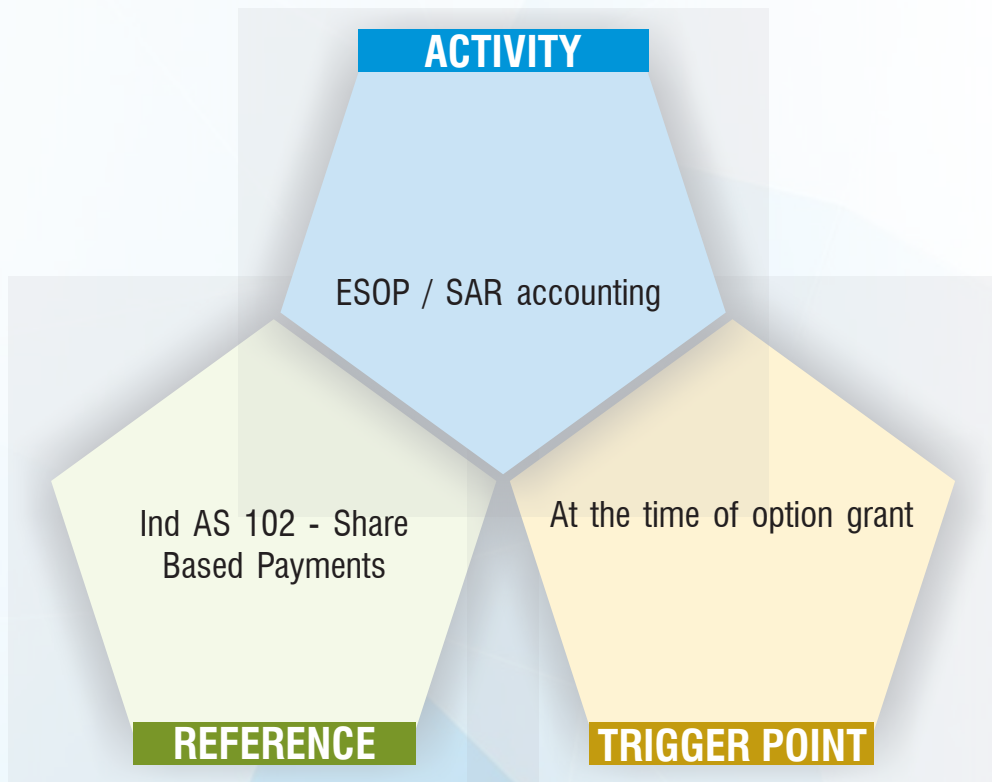
Serial No.	Reference	Activity	Trigger point
5.	Section 46 (2)	Valuation of the Undervalued Transactions	When the RP has identified undervalued transactions and there is a need for valuation thereof
6.	Regulation 26 read with Regulation 34 of the IBBI (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017	Ascertainment of Fair value and liquidation value of the Assets of the Corporate Debtor.	Once the fast-track insolvency process commences

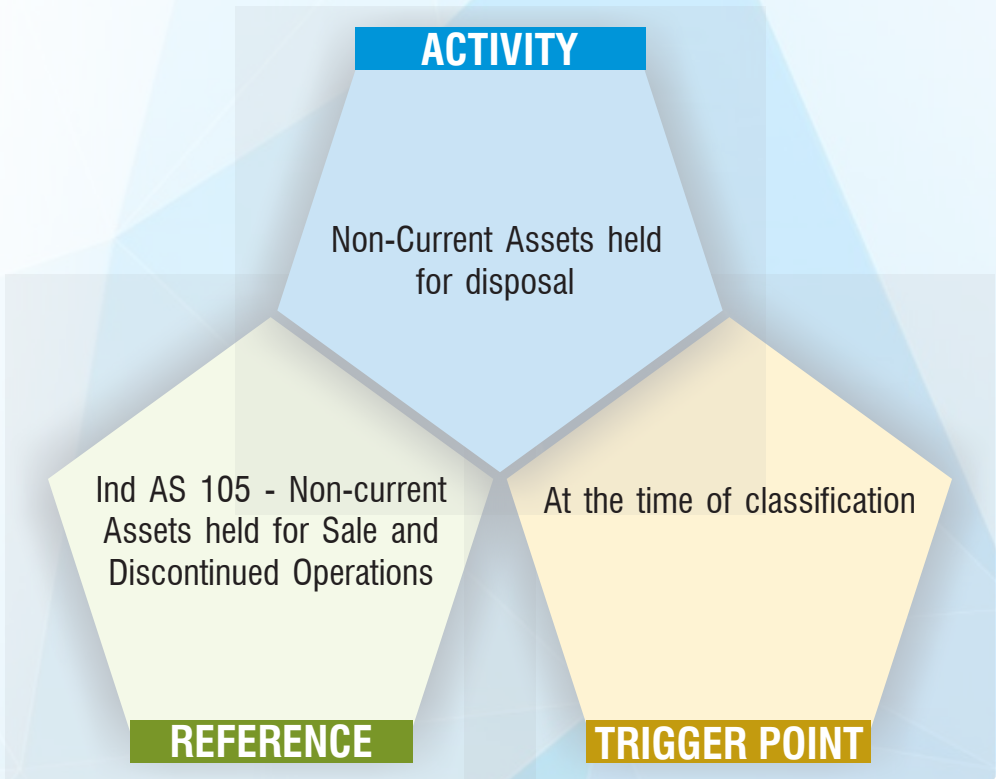
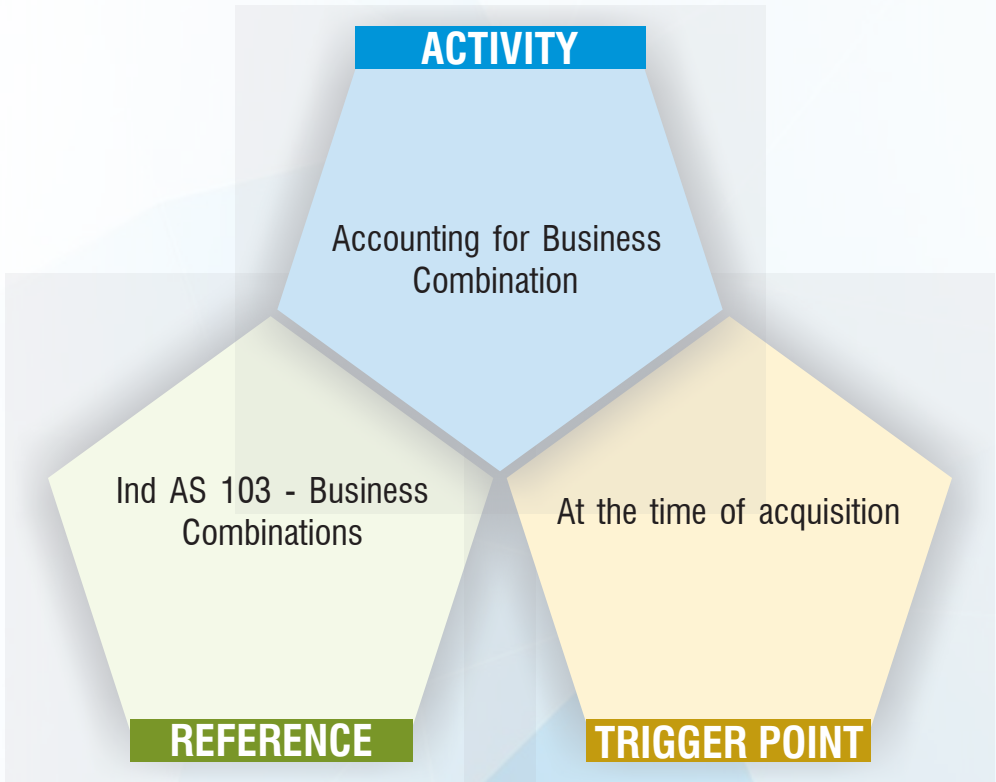


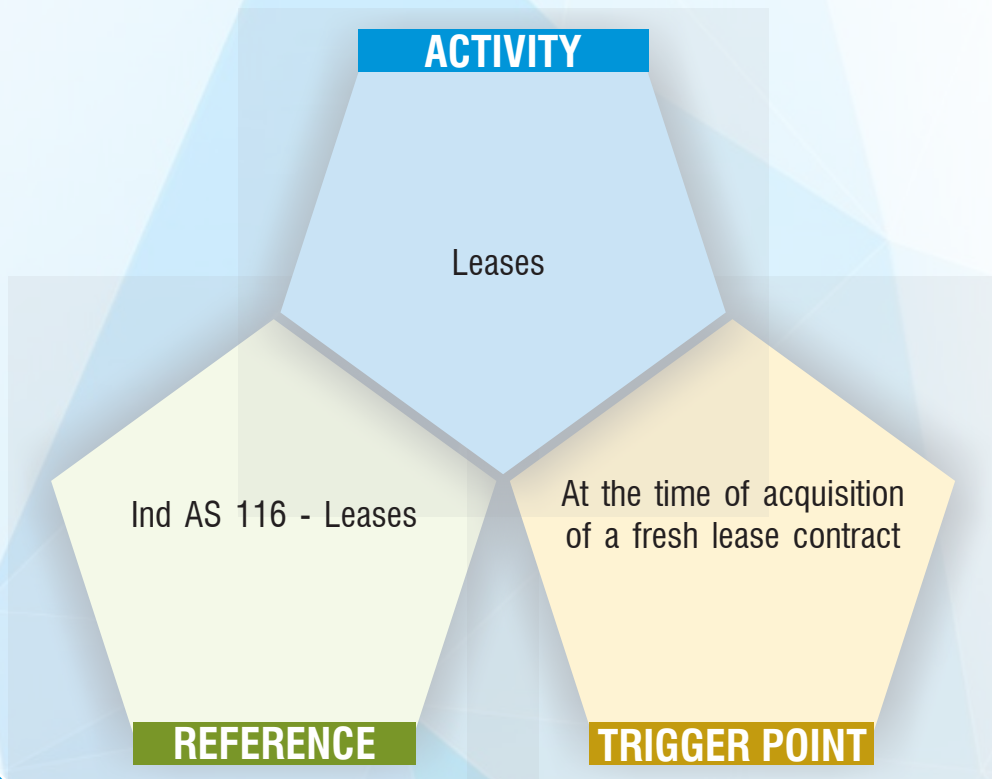
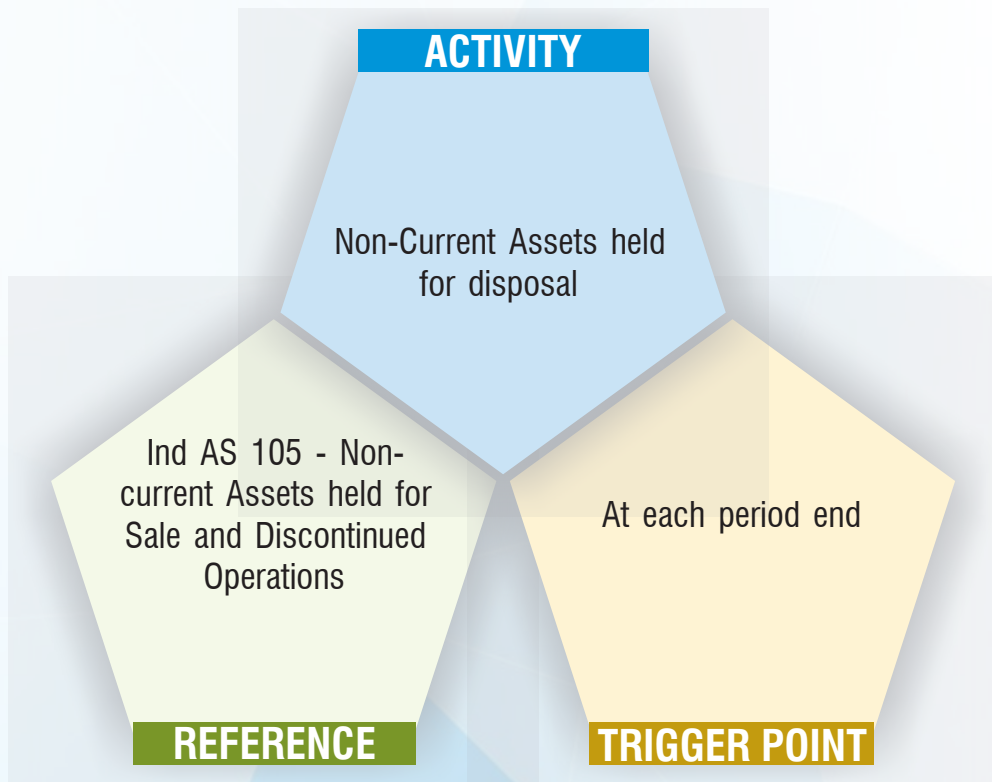
Indian Accounting Standards (Ind AS)

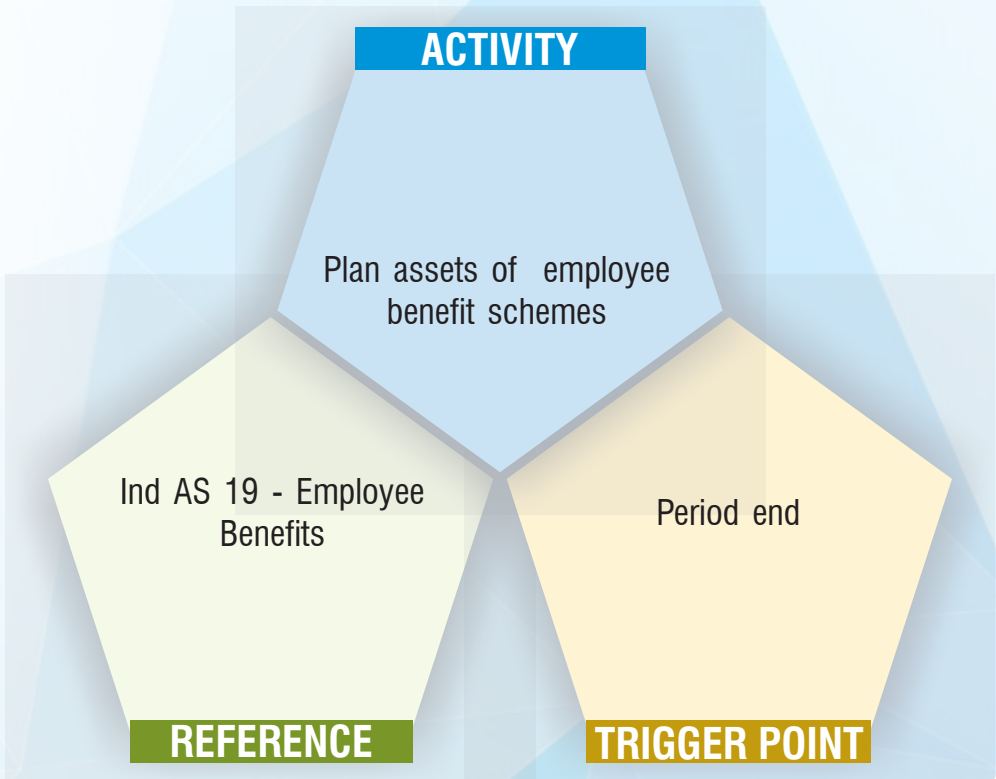
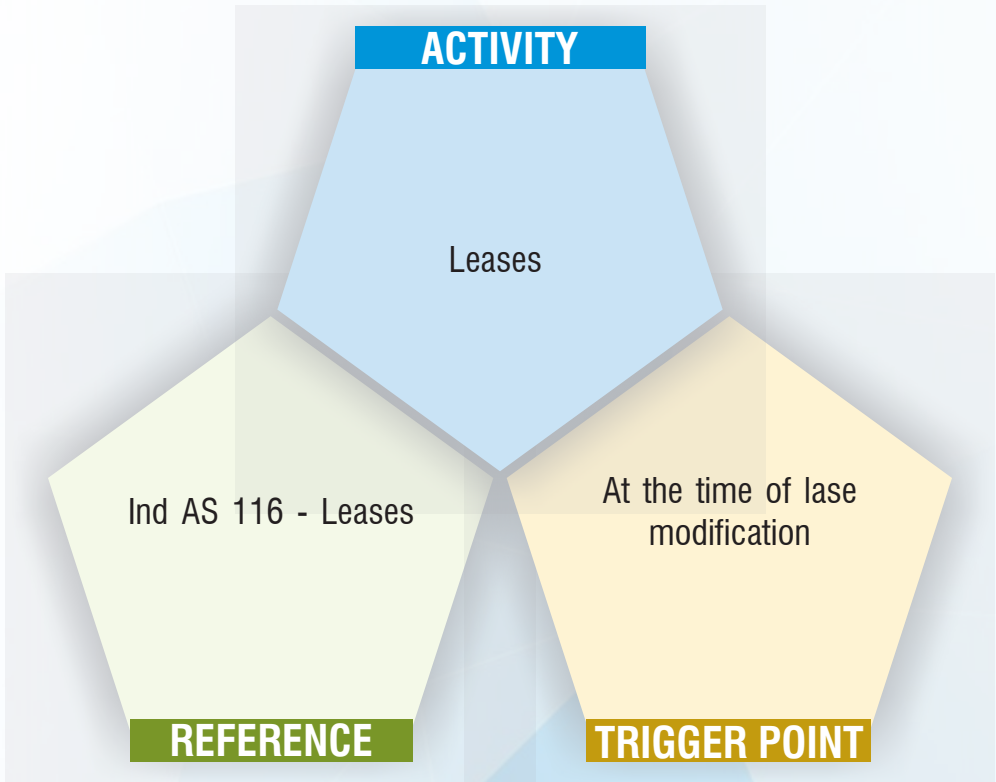


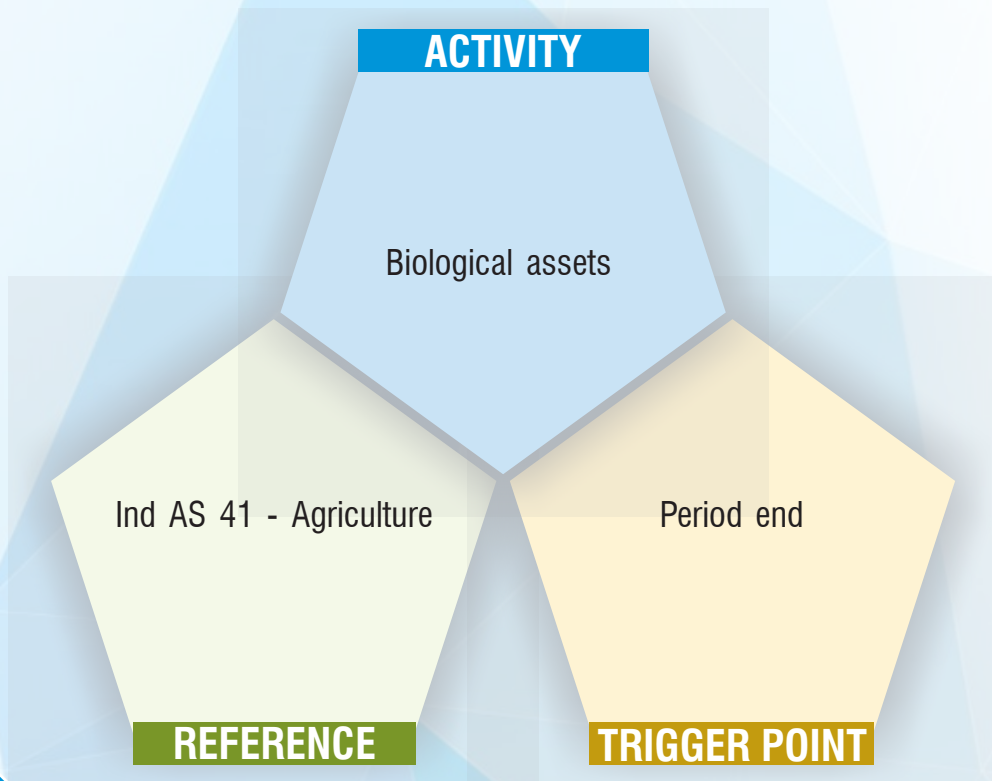
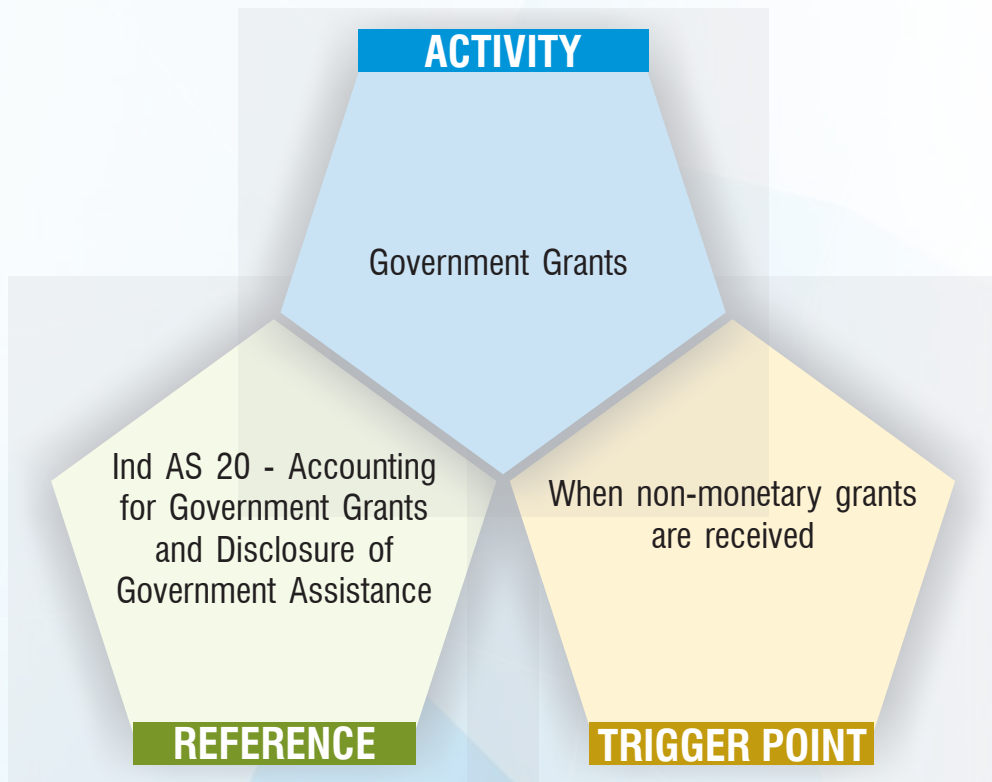












A Bird's Eye View of Trigger Dates of Valuation under the Indian Accounting Standards (Ind AS)

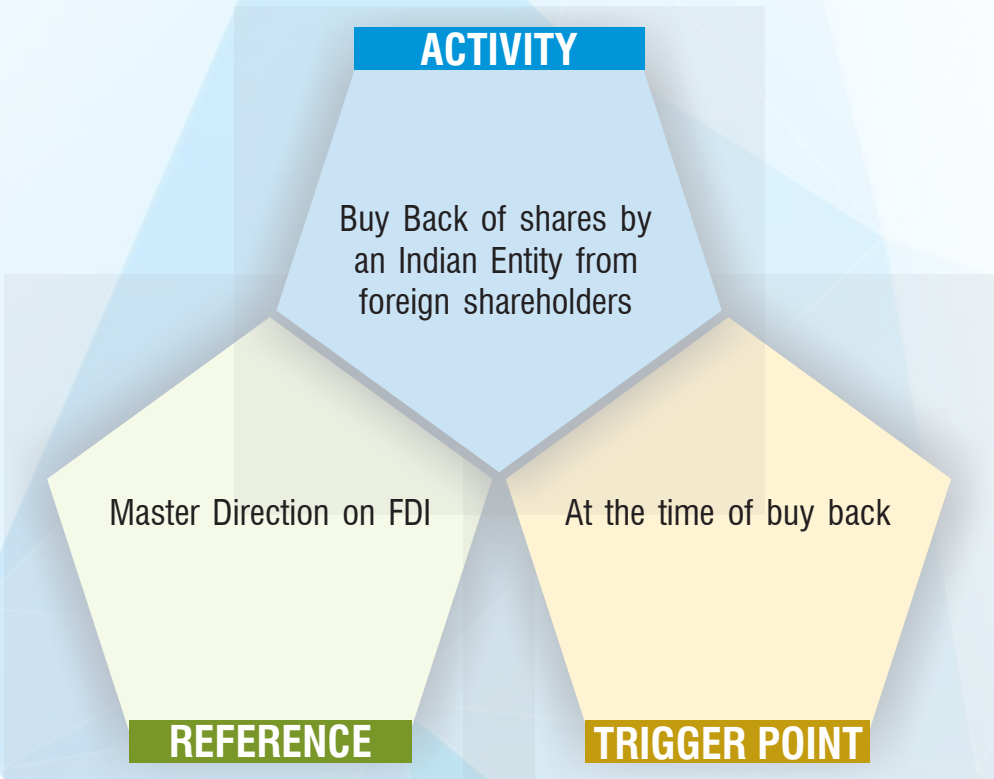
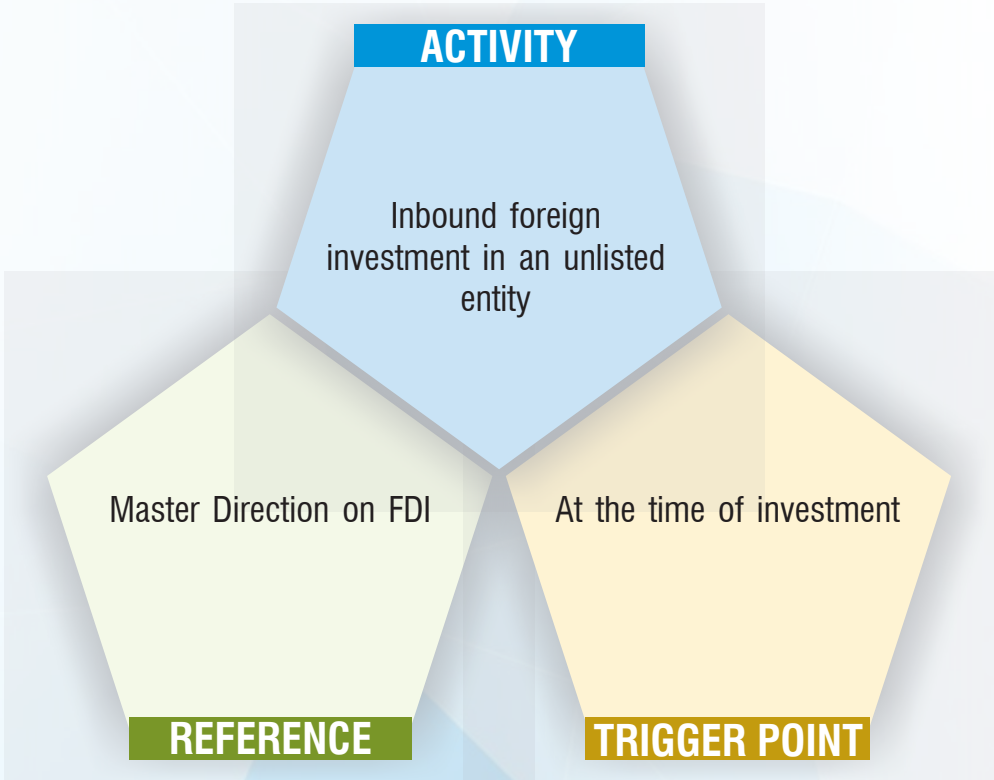
Serial No.	Reference	Activity	Trigger point
1.	Ind AS 16 - Property, Plant and Equipment	Revaluation of PPE	Period end
2.	Ind AS 109 - Financial Instruments	Fair valuation of unlisted investments held as FVTPL or FVTOCI	Period end
3.	Ind AS 40 - Investment Property	Fair valuation of investment properties for disclosure in financials	Year end
4.	Ind AS 36 - Impairment of Assets	Fair valuation for impairment testing	Period end when impairment indicators are available
5.	Ind AS 102 - Share Based Payments	ESOP / SAR accounting	At the time of option grant
6.	Ind AS 102 - Share Based Payments	ESOP with performance criteria affecting the option price / SAR accounting	Period end
7.	Ind AS 103 - Business Combinations	Accounting for Business Combination	At the time of acquisition
8.	Ind AS 105 - Non-current Assets held for Sale and Discontinued Operations	Non-Current Assets held for disposal	At the time of classification



Serial No.	Reference	Activity	Trigger point
9.	Ind AS 105 - Non-current Assets held for Sale and Discontinued Operations	Non-Current Assets held for disposal	At each period end
10.	Ind AS 116 – Leases	Leases	At the time of acquisition of a fresh lease contract
11.	Ind AS 116 – Leases	Leases	At the time of lease modification
12.	Ind AS 19 - Employee Benefits	Plan assets of employee benefit schemes	Period end
13.	Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance	Government Grants	When non-monetary grants are received
14.	Ind AS 41 – Agriculture	Biological assets	Period end



Foreign Exchange Management Act (FEMA)



ACTIVITY

Conversion of CCP
/ CCD where the
conversion terms were not
pre-determined

Master Direction on FDI

At the time of conversion

REFERENCE

TRIGGER POINT

ACTIVITY

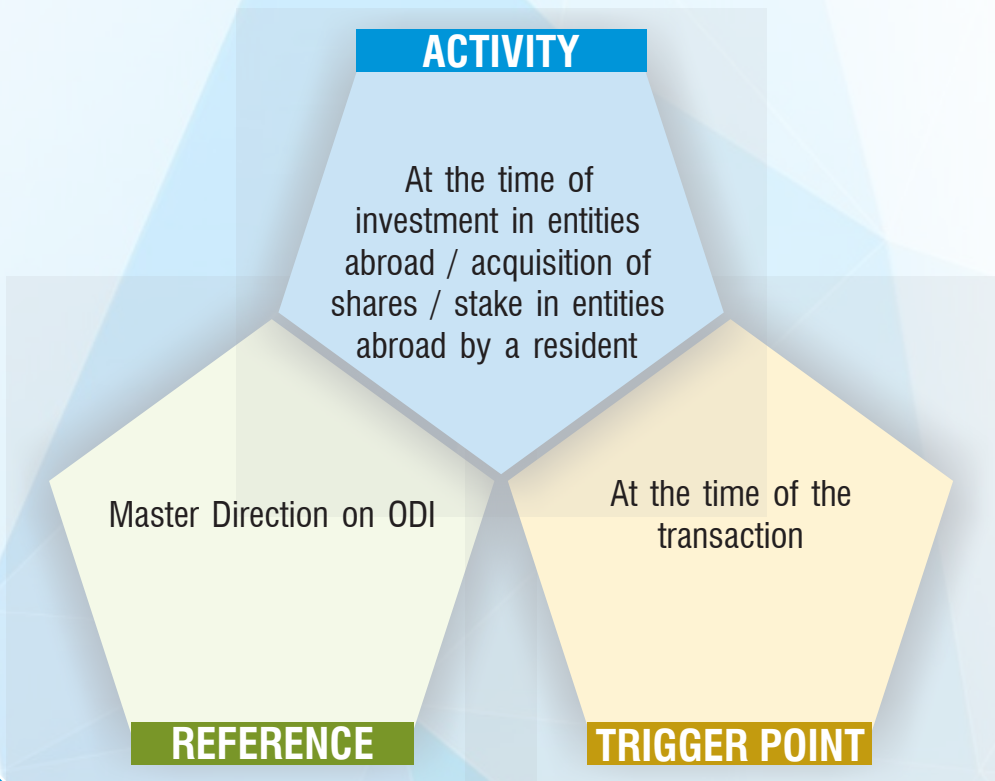
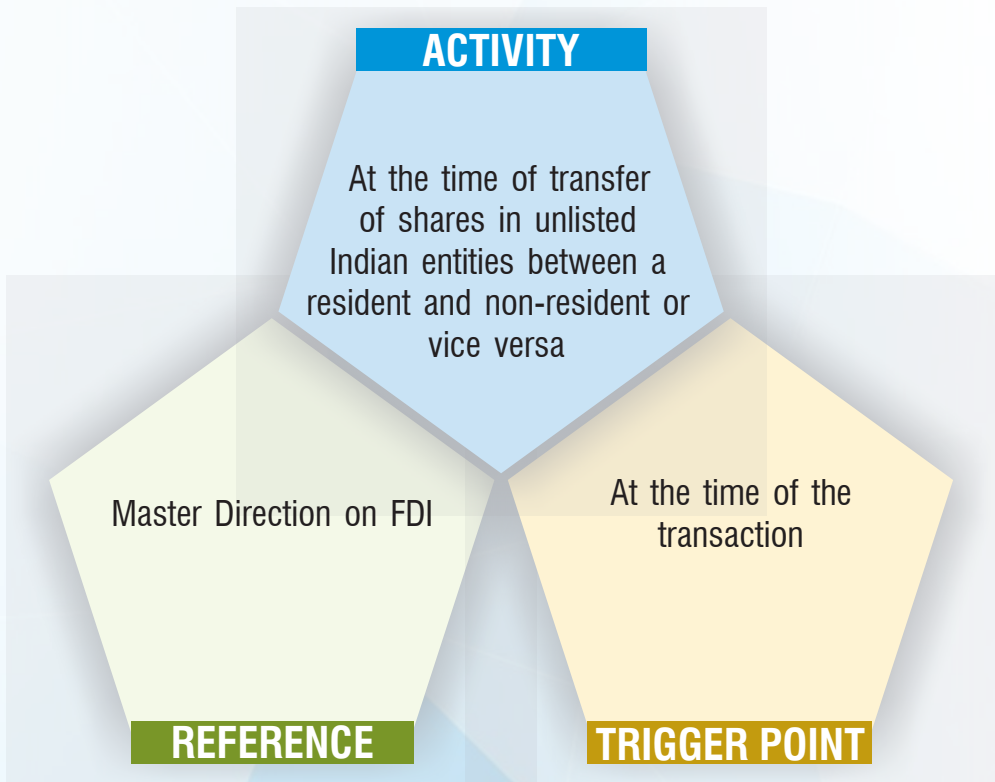
When there is
a transaction to
swap shares between
companies involving foreign
shareholders

Master Direction on FDI

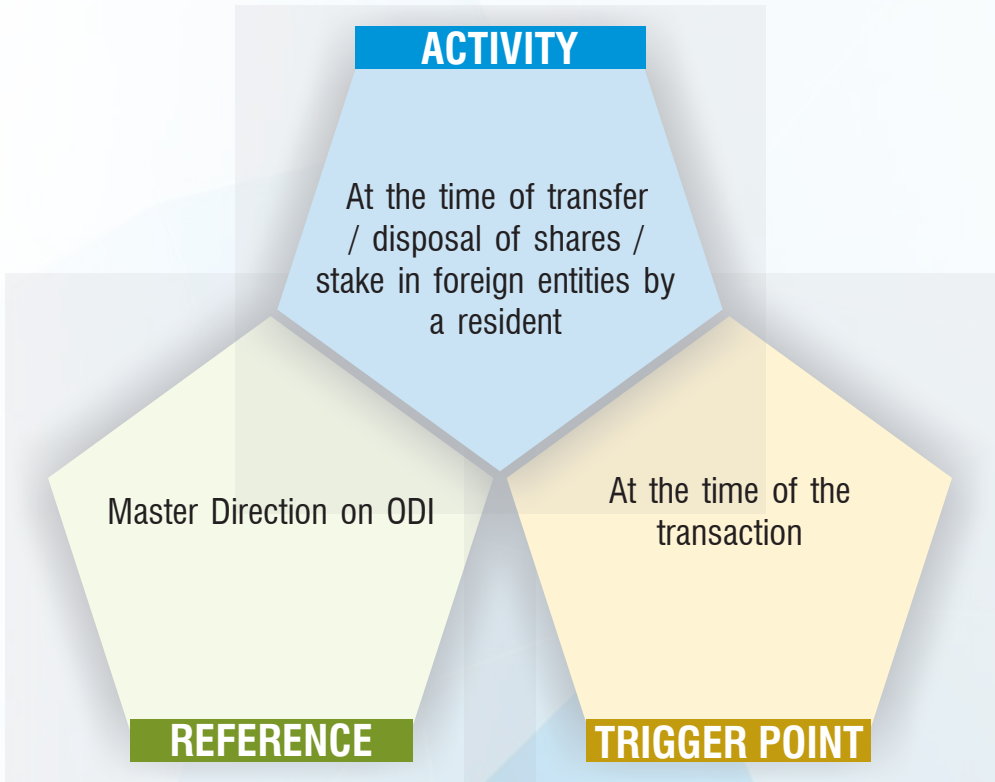
Before approval of the
swap transaction

REFERENCE

TRIGGER POINT



Foreign Exchange Management Act (FEMA)

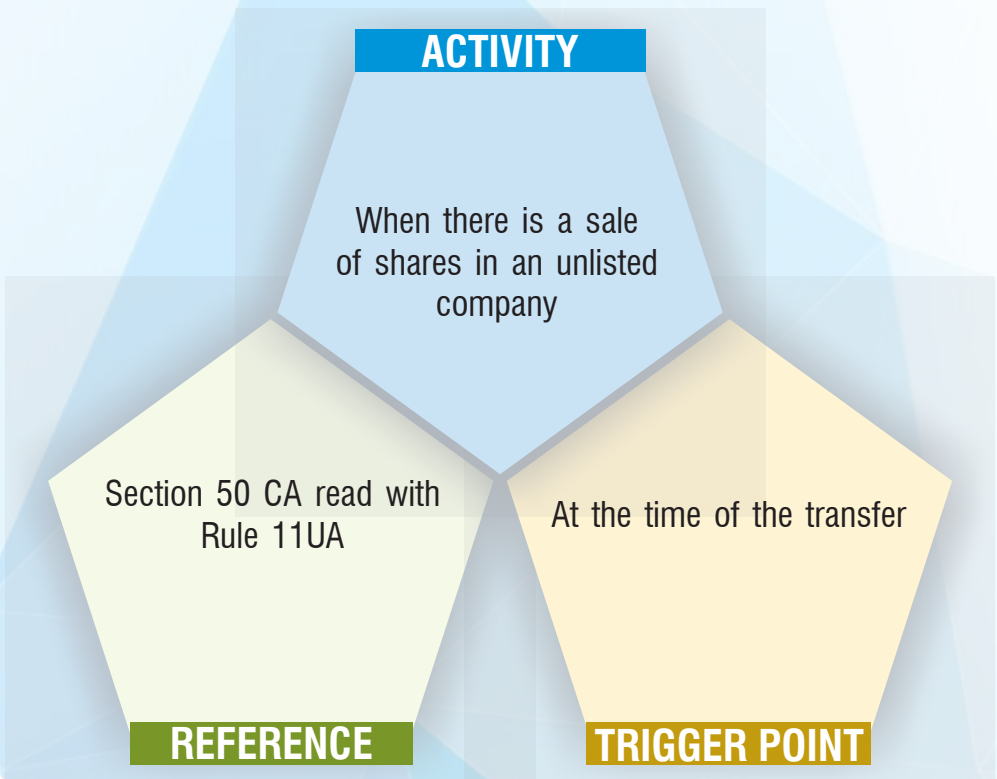
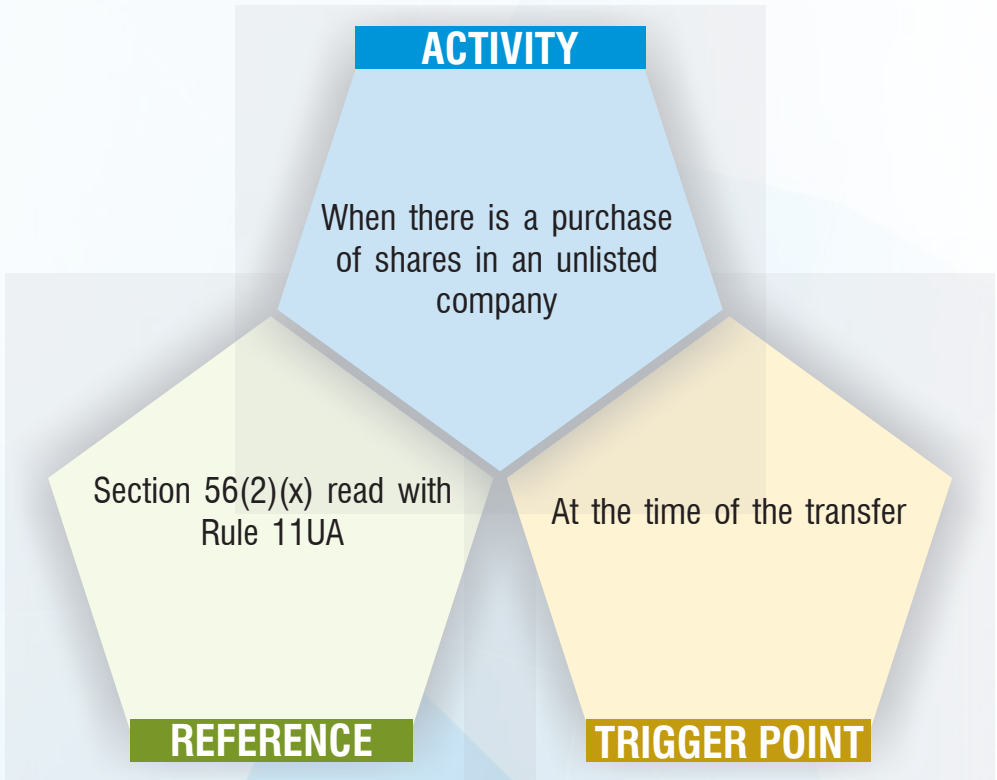


A Bird's Eye View of Trigger Dates of Valuation under the Foreign Exchange Management Act (FEMA)

Serial No.	Reference	Activity	Trigger point
1.	Master Direction on FDI	Inbound foreign investment in an unlisted entity	At the time of investment
2.	Master Direction on FDI	Buy Back of shares by an Indian Entity from foreign shareholders	At the time of buy back
3.	Master Direction on FDI	Conversion of CCP / CCD where the conversion terms were not pre-determined	At the time of conversion
4.	Master Direction on FDI	When there is a transaction to swap shares between companies involving foreign shareholders	Before approval of the swap transaction
5.	Master Direction on FDI	At the time of transfer of shares in unlisted Indian entities between a resident and non-resident or vice versa	At the time of the transaction
6.	Master Direction on ODI	At the time of investment in entities abroad / acquisition of shares / stake in entities abroad by a resident	At the time of the transaction
7.	Master Direction on ODI	At the time of transfer / disposal of shares / stake in foreign entities by a resident	At the time of the transaction



The Income Tax Act, 1961



ACTIVITY

When a company in which public are not substantially interested issues shares at a premium (including a rights issue)

Section 56(2)(viib) read with Rule 11UA

REFERENCE

At the time of issue

TRIGGER POINT

ACTIVITY

When ESOP shares in unlisted company is exercised - for determination of perquisite value by issuing company.

Section 17 read with rule 3(8)

REFERENCE

At the time of exercise of options (reports are valid for a period of 180 days)

TRIGGER POINT



ACTIVITY

For determining arm's length pricing, if and when required

Section 92 and 93

REFERENCE

At the time of contracting the transaction

TRIGGER POINT

ACTIVITY

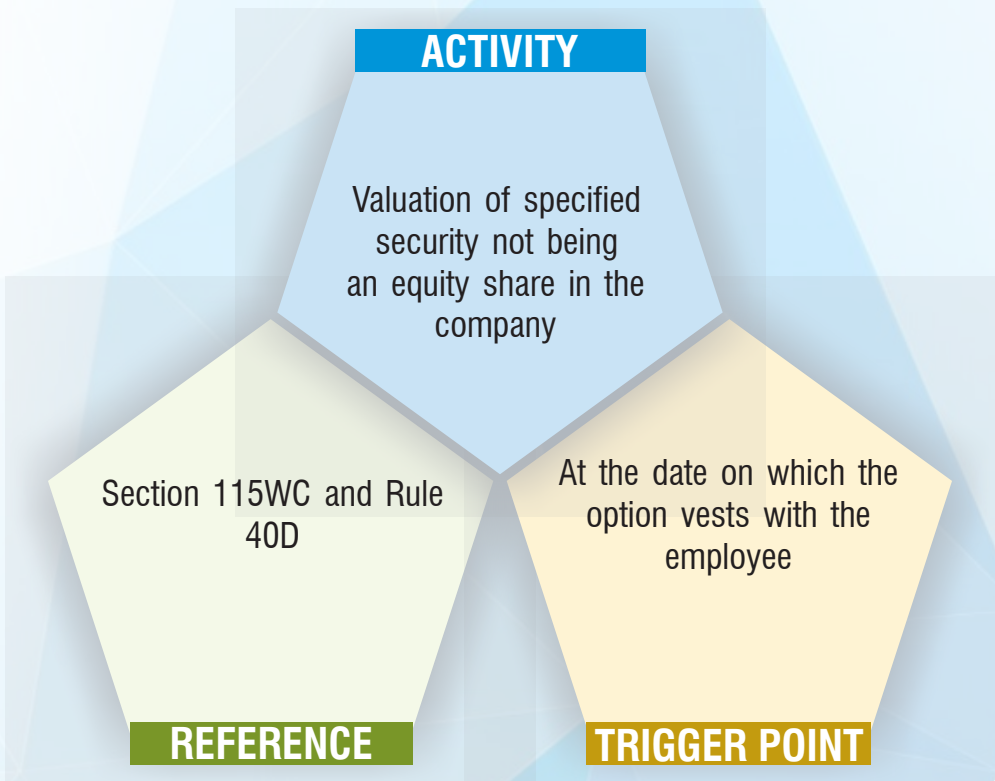
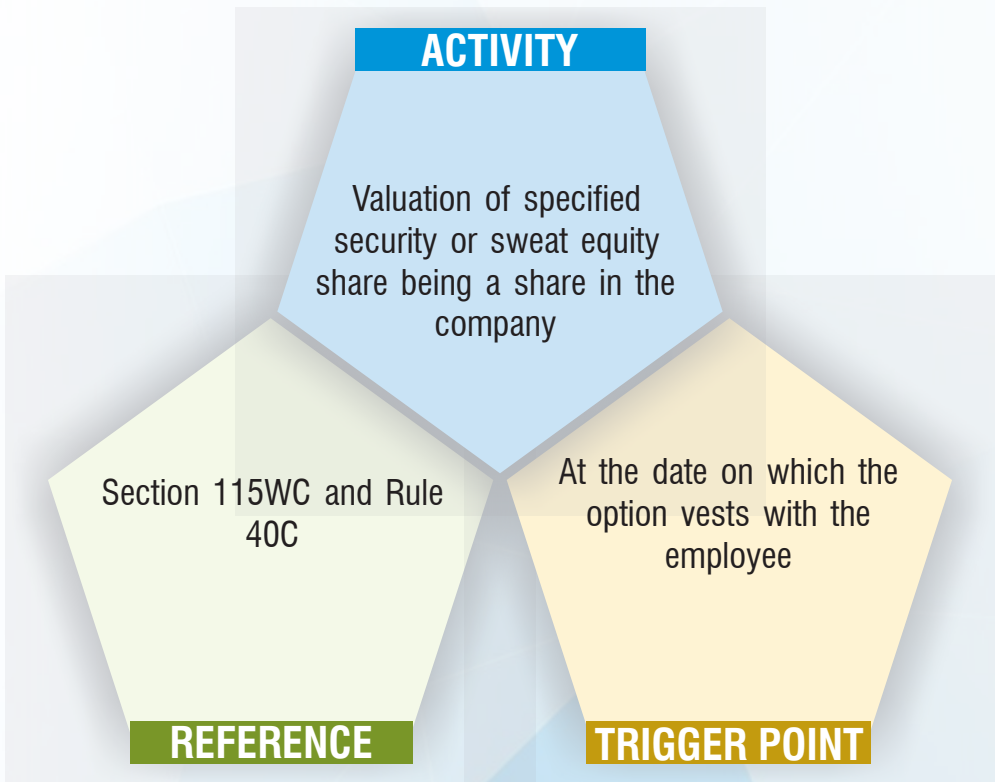
When a slump sale is effected, to determine the fair value of the slump sales

Section 50B and Rule 11UAE

REFERENCE

At the time of effecting the slump sale

TRIGGER POINT

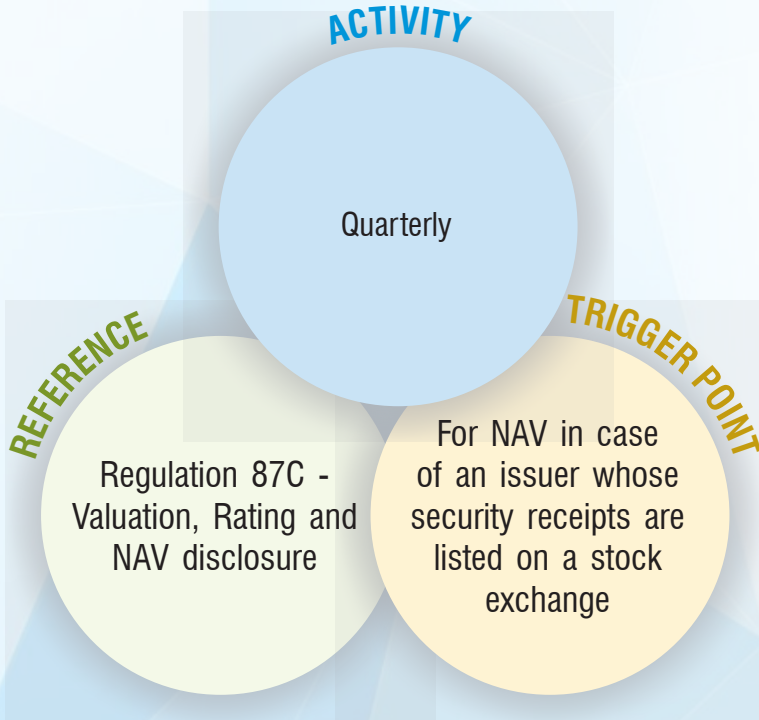


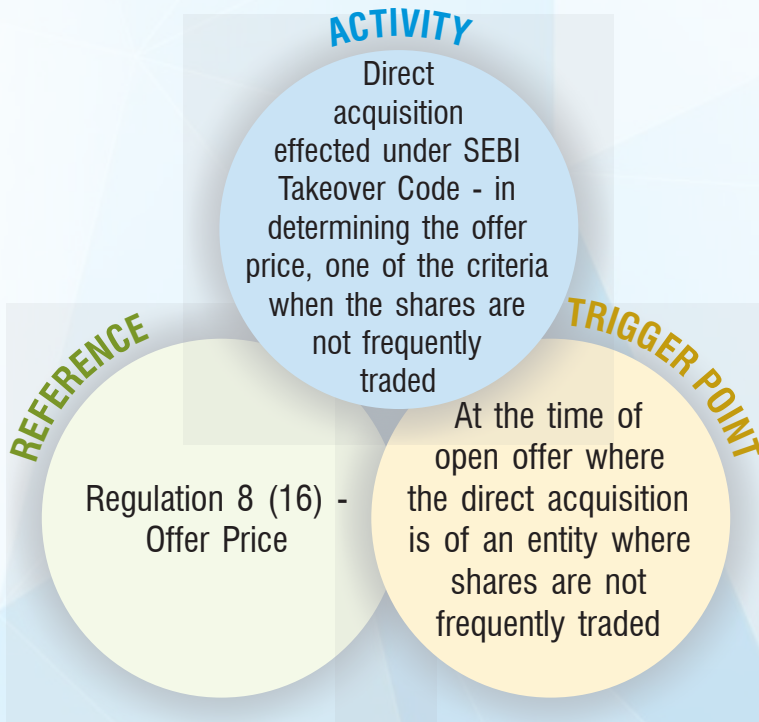
**A Bird's Eye View of
Trigger Dates of Valuation under the Income Tax Act, 1961**

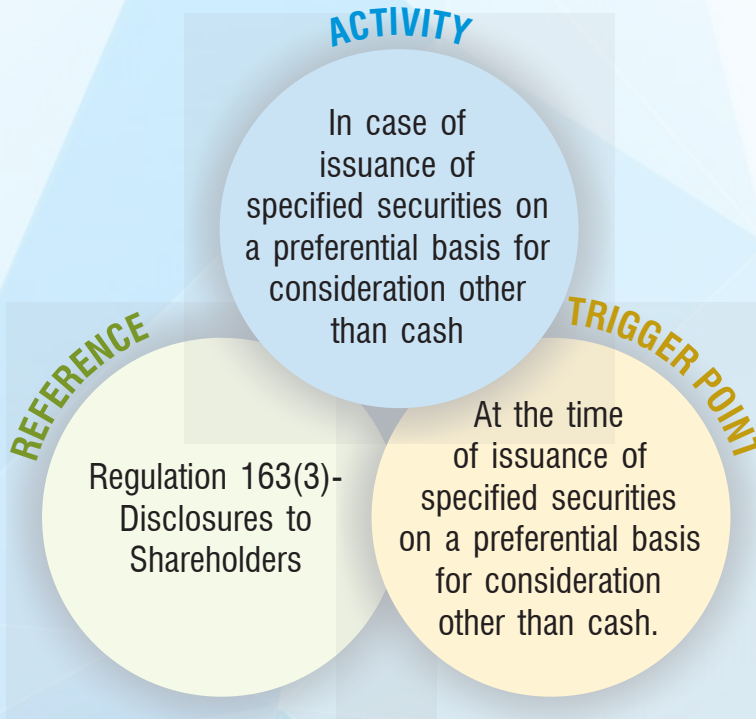
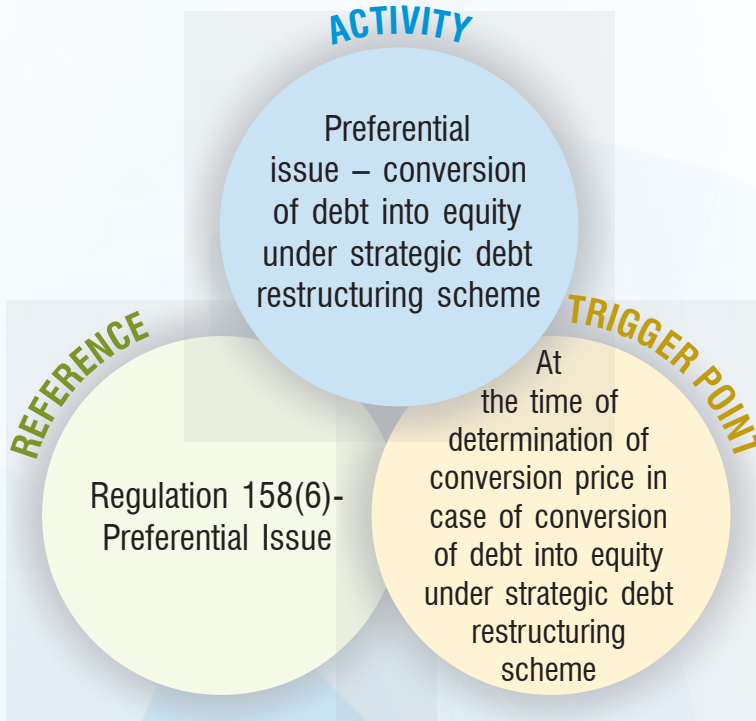
Serial No.	Reference	Activity	Trigger point
1.	Section 56(2)(x) read with Rule 11UA	When there is a purchase of shares in an unlisted company	At the time of the transfer
2.	Section 50 CA read with Rule 11UA	When there is a sale of shares in an unlisted company	At the time of the transfer
3.	Section 56(2) (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 effected, 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

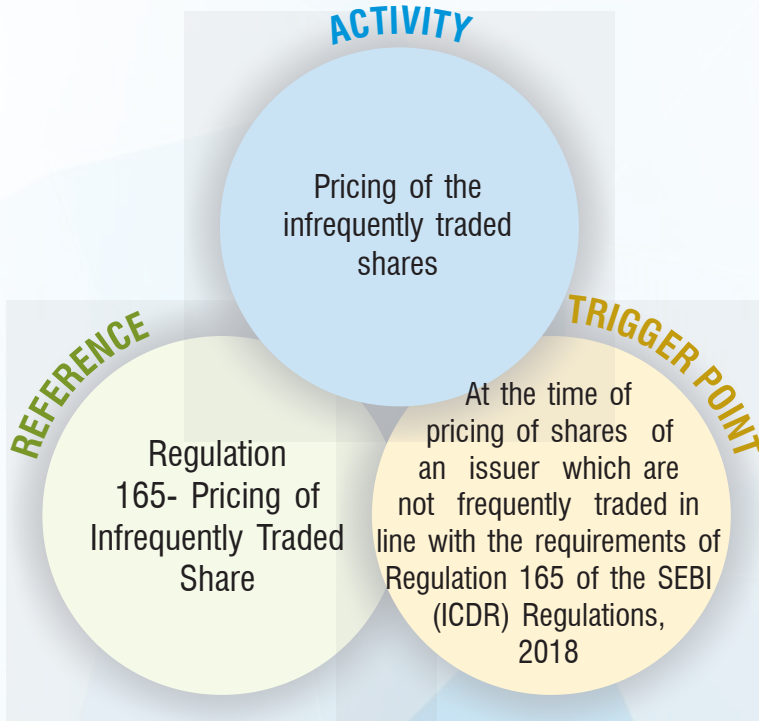


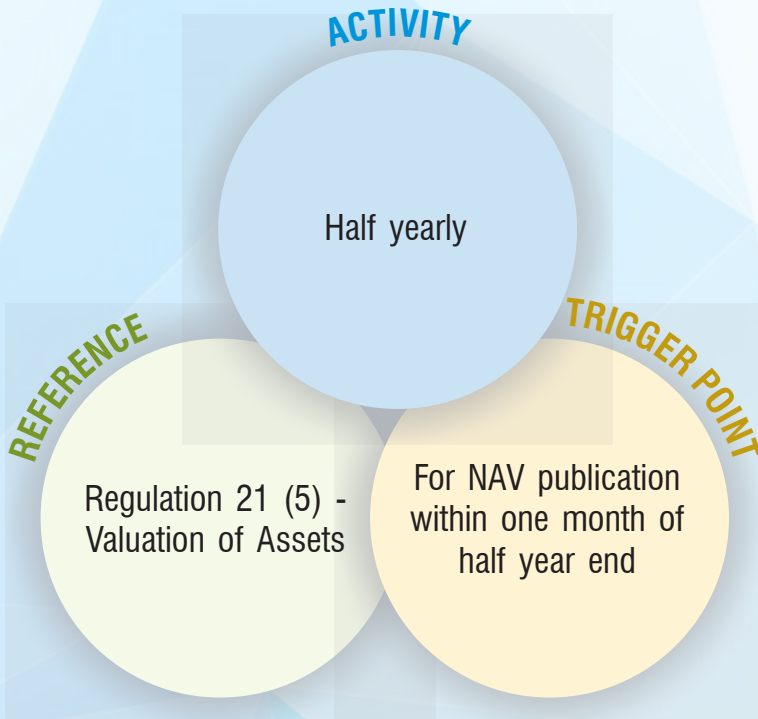
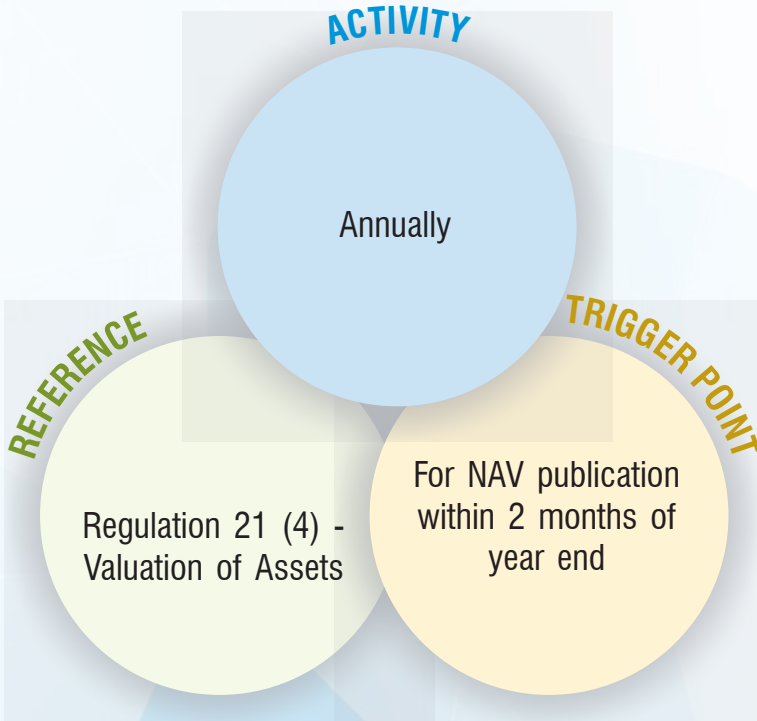
Securities and Exchange Board of India (SEBI) Regulations

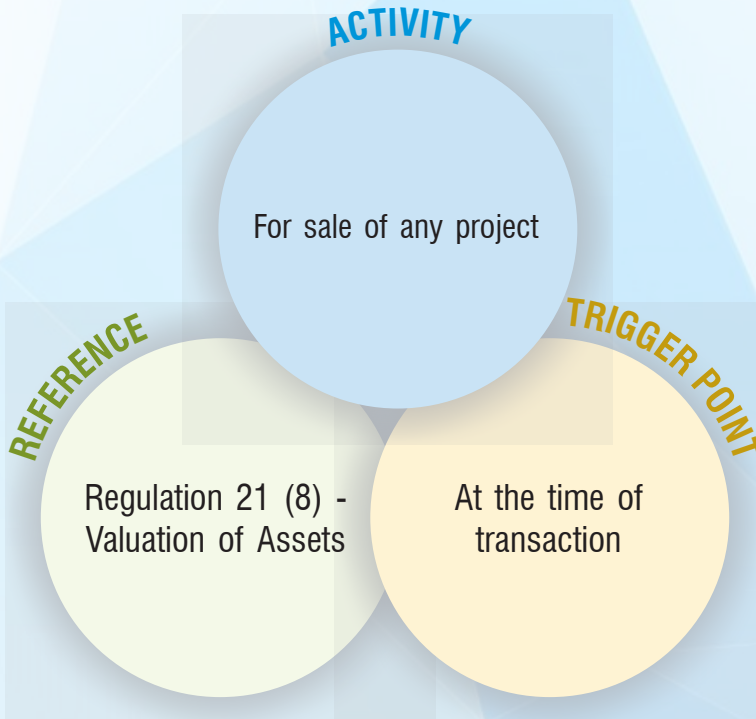
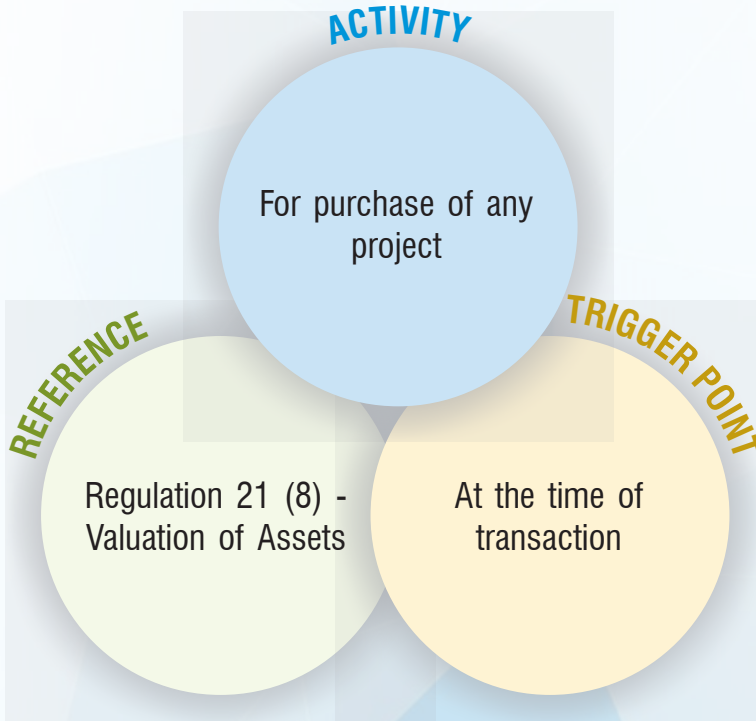


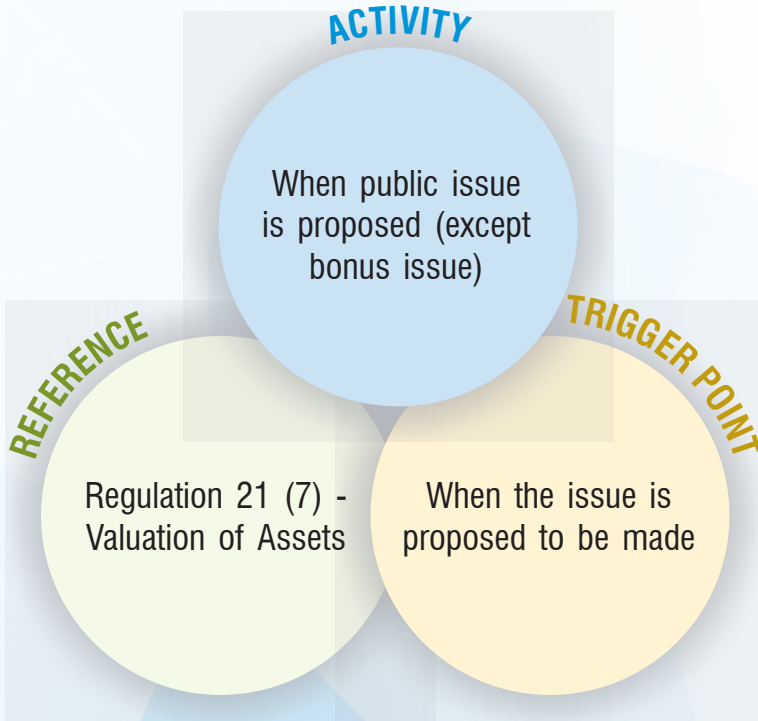


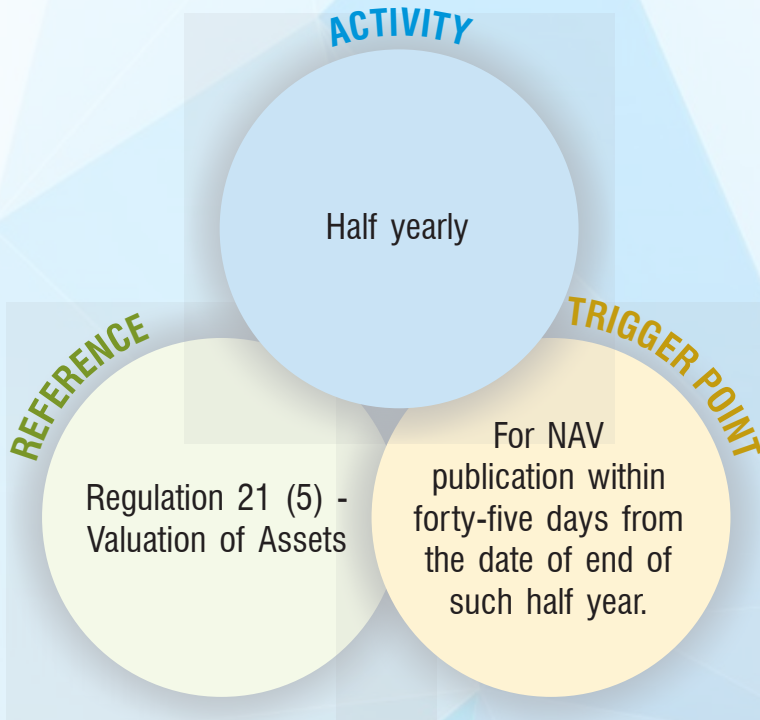
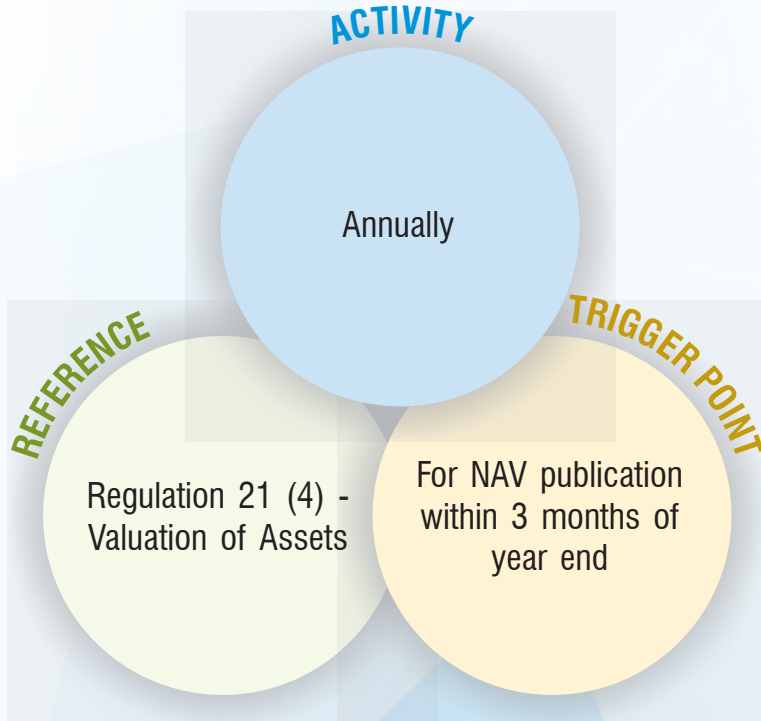


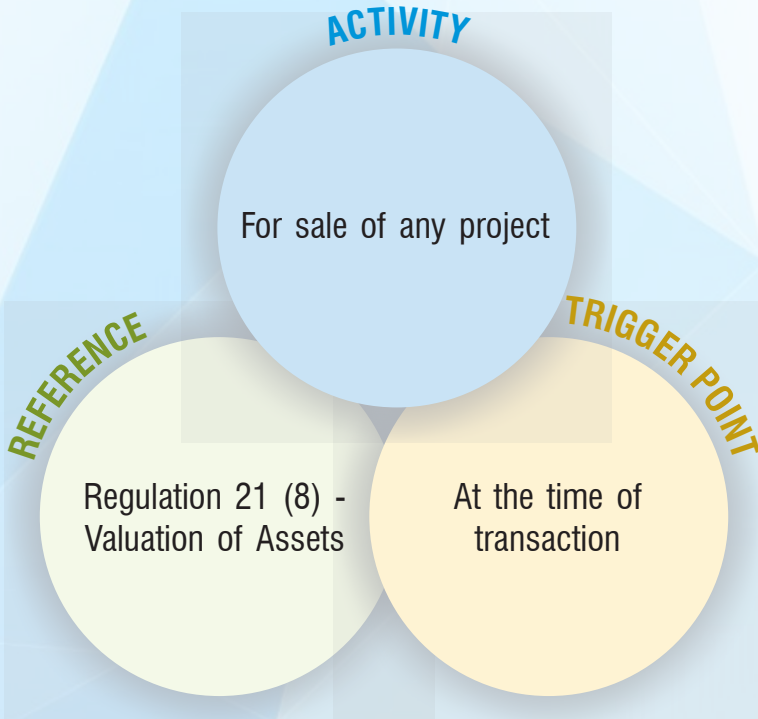
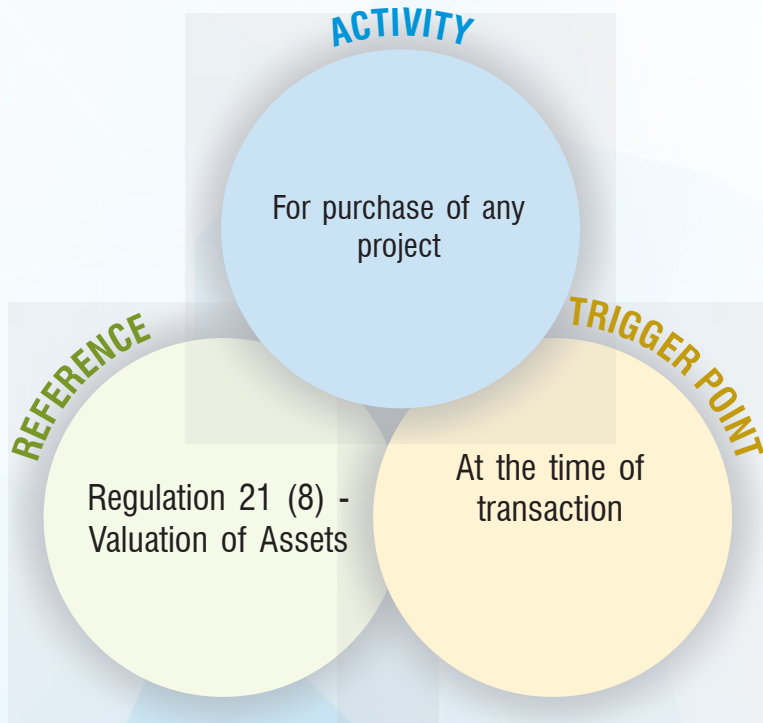


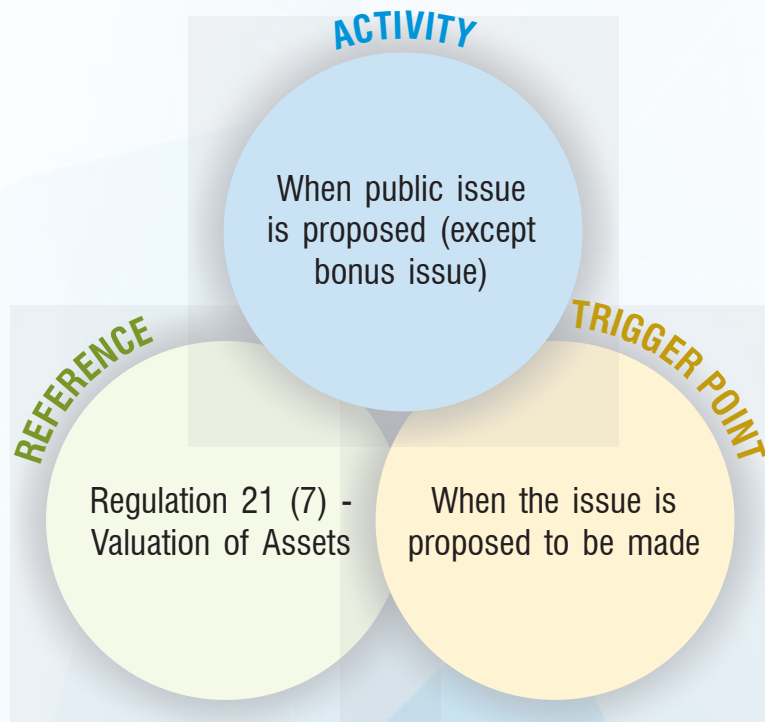


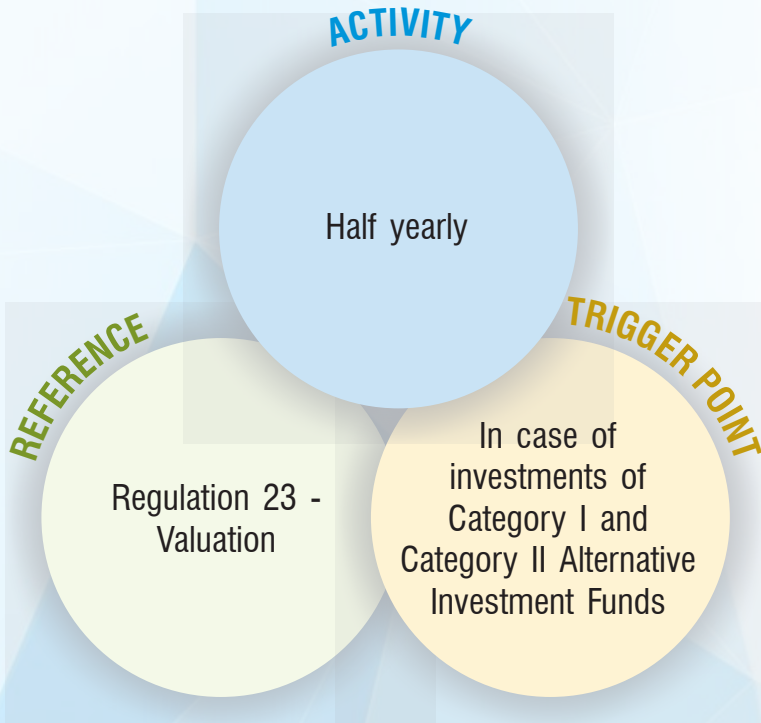


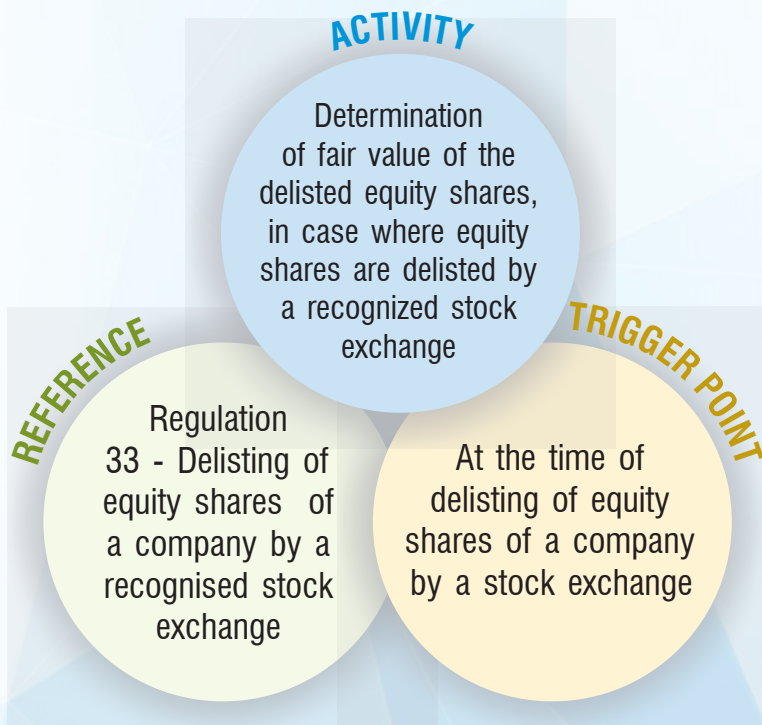


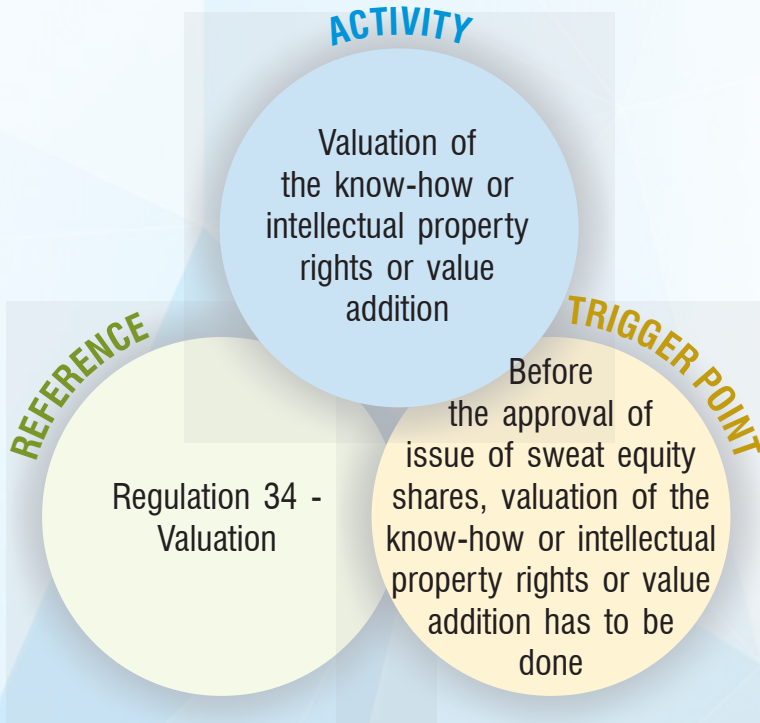












A Bird's Eye View of Trigger Dates of Valuation under the Securities and Exchange Board of India (SEBI) Regulations

Serial No.	Law	Reference	Activity	Trigger point
1.	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015	Regulation 87C - Valuation, Rating and NAV disclosure	Quarterly	For NAV in case of an issuer whose security receipts are listed on a stock exchange
2.	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011	Regulation 8 (16) - Offer Price	Direct acquisition effected under SEBI Takeover Code - in determining the offer price, one of the criteria when the shares are not frequently traded	At the time of open offer where the direct acquisition is of an entity where shares are not frequently traded
3.	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	Regulation 158(6)- Preferential Issue	Preferential issue – conversion of debt into equity under strategic debt restructuring scheme	At the time of determination of conversion price in case of conversion of debt into equity under strategic debt restructuring scheme

Serial No.	Law	Reference	Activity	Trigger point
4.	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	Regulation 163(3)- Disclosures to Shareholders	In case of issuance of specified securities on a preferential basis for consideration other than cash	At the time of issuance of specified securities on a preferential basis for consideration other than cash.
5.	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	Regulation 165- Pricing of Infrequently Traded Share	Pricing of the infrequently traded shares	At the time of pricing of shares of an issuer which are not frequently traded in line with the requirements of Regulation 165 of the SEBI (ICDR) Regulations, 2018
6.	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014	Regulation 21 (4) - Valuation of Assets	Annually	For NAV publication within 2 months of year end


Serial No.	Law	Reference	Activity	Trigger point
7.	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014	Regulation 21 (5) - Valuation of Assets	Half yearly	For NAV publication within one month of half year end
8.	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014	Regulation 21 (8) - Valuation of Assets	For purchase of any project	At the time of transaction
9.	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014	Regulation 21 (8) - Valuation of Assets	For sale of any project	At the time of transaction
10.	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014	Regulation 21 (7) - Valuation of Assets	When public issue is proposed (except bonus issue)	When the issue is proposed to be made



Serial No.	Law	Reference	Activity	Trigger point
11.	Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014	Regulation 21 (4) - Valuation of Assets	Annually	For NAV publication within 3 months of year end
12.	Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014	Regulation 21 (5) - Valuation of Assets	Half yearly	For NAV publication within forty-five days from the date of end of such half year.
13.	Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014	Regulation 21 (8) - Valuation of Assets	For purchase of any project	At the time of transaction
14.	Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014	Regulation 21 (8) - Valuation of Assets	For sale of any project	At the time of transaction

Serial No.	Law	Reference	Activity	Trigger point
15.	Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014	Regulation 21 (7) - Valuation of Assets	When public issue is proposed (except bonus issue)	When the issue is proposed to be made
16.	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012	Regulation 23 - Valuation	Half yearly	In case of investments of Category I and Category II Alternative Investment Funds
17.	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021	Regulation 33 - Delisting of equity shares of a company by a recognised stock exchange	Determination of fair value of the delisted equity shares, in case where equity shares are delisted by a recognized stock exchange	At the time of delisting of equity shares of a company by a stock exchange





Serial No.	Law	Reference	Activity	Trigger point
18.	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	Regulation 34 - Valuation	Valuation of the know-how or intellectual property rights or value addition	Before the approval of issue of sweat equity shares, valuation of the know-how or intellectual property rights or value addition has to be done



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