



## Azadi Ka Amrit Mahotsav Activity

### “Sky High- Symposium -36 Webinar” conducted by Women Members Empowerment Committee of ICAI on 11<sup>th</sup> January 2023

**The Institute of Chartered Accountants of India**  
(Set up by an Act of Parliament)

Women Members Empowerment Committee Organises

**Sky High - Symposium-36**  
Live Webinar  
for Women by Women Every Wednesday

**11<sup>th</sup> Jan, 2023**  
5.00 PM to 7.00 PM

FEES NIL  
2 CPE Hours Unstructured

Registration and participation link:  
<https://live.icai.org/wmec/11012023/>

Questions related to the topic may be sent in advance at [wmec@icai.in](mailto:wmec@icai.in) or LIVE at the time of Webinar itself at the same link

**Legal Compliance for Startup**  
CA. Garjana Rathore

**Opportunities for Chartered Accountants in Valuation**  
CA. Shweta Singh

**Welcome Address**  
CA. Sripriya Kumar  
Chairperson, WMEC & CL&CGC  
Vice-Chairperson, IBC Committee

**Introductory Remarks**  
CA. Priti Paras Savla  
Vice-Chairperson, WMEC, CL&CGC,  
Sustainability Reporting Standards Board

**Co-ordinators**  
CA. Bhumika Patel  
CA. Hetal Dewani  
CA. V. Uma Maheswari  
CA. Charmi Thakkar

As part of country wide Azadi ka Amrit Mahotsav initiatives, envisaged by Government of India, to commemorate and celebrate 75 years of India's Independence, the Women Members Empowerment Committee (WMEC) of ICAI organized “Sky High- Symposium -36 Webinar” on 11<sup>th</sup> January 2023.

CA. Garjana Rathore and CA. Shweta Singh were speakers of the said webinar. Coordinators for the day were CA. Bhumika Patel, CA. Hetal Dewani, CA. V. Uma Maheswari and CA. Charmi Thakkar.

The webinar covered discussion on “Legal Compliance for Startup”. Deliberations were made on Labour Law Compliances, Registration/ Licenses Requirements, IPR Compliances, Income Tax Benefits, RoC Compliances, etc.

# Registrations/ Licences Required?




# Labour Law Compliances

- File a self declaration (for nine labour laws) within one year from the date of incorporation and can get an exemption from labour inspection.
- Further they are required to file self-certified return for the second and third year in order to continue with the exemption.




# Registration/ Licences Required

- GST registration
- Permanent Account Number
- Tax Account Number
- Shop and Establishments license (License for physical premises to the commercial establishment)
- Udyam Registration
- FSSAI –food Industry
- Drug License - Pharma
- IEC – for export of goods/ services






# IPRCcompliances

- Trademarks, Patents, Copy rights etc are main IPR required for the company.
- Startups base a significant part of their success on innovation, creativity, and individuality.
- They create a business that aims to bring something new to the world, a product, a service, a process.
- It is crucial for startups to **protect the Intellectual Property Rights** involved in developing their business.




# Income Tax Benefits

- Angel Tax Exemptions (Section 56 (2)(vib))
- Income Tax Deduction (Section 80-IAC)
- Set-Off and Carry Forward of Losses by Eligible Startups (Section 79)
- Capital Gain Exemption on Transfer of Residential Property [Section 54GB]
- Deferment of tax liability on ESOPs [Sections 156, 191 and 192]
- Capital Gains Exemption for Investing in Units of Funds [Section 54EE]
- Additional Tax Deduction for ‘Eligible Employees’ [Section 80JJAA]

# Roc Compliances

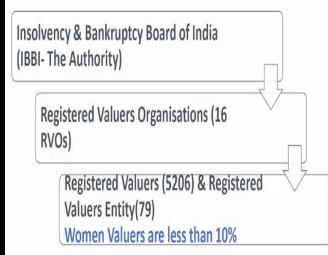

- Exemption from Preparation of Cash Flow Statement
- Board Meetings per year
- Acceptance of Deposits
- Sweat Equity Shares
- Issuance of Esops
- Issuance of Convertible Notes




The webinar also covered Session on “Opportunities for Chartered Accountants in Valuation”. Topics discussed were Institutional Framework of Valuation in India, Valuation for Financial Reporting, Role of Domain Experts in Arbitration, Gender Diversity in Arbitrator Appointments, Start-Ups Valuation, etc.


# Institutional Framework of Valuation in India

[Companies \(Registered Valuers and Valuation\) Rules, 2017](#)

# The Companies Act, 2013 - IBBI issued a circular giving a list of the provisions of the companies Act and the Code under which valuations are required to be conducted by a registered valuer

1. Issue of further shares and securities by an unlisted company;
2. non-cash transactions between a director and the company
3. compromise or arrangements with creditors and members
4. purchase of minority shareholdings
5. submission of report by the Company Liquidator in case of winding-up order by NCLT
6. exclusions from deposits, market value of assets where company accepts deposits which are secured by charge on its assets
7. issue of sweat equity shares;
8. return of allotment where securities allotted for consideration other than cash
9. valuation of shares purchased by its employees or by trustees for the benefits of its employees in a non-listed company.



### Valuation for Financial Reporting

- IndAS-109 Valuation of Financial Instruments
- IndAS-36 Impairment Testing
- IndAS103 Purchase Price Allocation
- IndAS 102 Share Based Payments
- IndAS 38- Intangible Assets
- Ind AS 41- Agriculture (prescribes the accounting treatment for biological assets except for bearer plants)

### Role of Domain Experts in Arbitration

- What is the role of experts in adjudication of damages claim in judicial proceedings?
- What kind of experts are generally required in these fields? How to become an expert witness?
- And what skillsets are expected from a credible expert witness?

Category	Percentage
Construction	30%
Trade	30%
Maritime Shipping	14%
Others	12%
Computer	10%
Commercial	2%

### Top Ten Foreign Users at SIAC in 2021

Country	Number of Users
India	187
China	94
Hong Kong SAR	80
USA	74
Malaysia	56
Vietnam	55
South Korea	46
Ukraine	39
UAE	34
Indonesia	33

### Gender Diversity in Arbitrator Appointments

- Of the 179 arbitrators appointed by SIAC, 64 (or 35.8%) were female.
- Of the 38 members of SIAC's Court of Arbitration, 10 (or 26.3%) are women.
- Women constitute 64% of SIAC's Management and Secretariat.

### Start-Ups Valuation

- Valuation paradigms represent a central issue for any Start-ups seeking external funding
- Transforming Ideas & Dreams into feasible numbers
- Intangible Intensive
- Complex Capital Structure
- Needed by Venture Capital firm, private equity firms, alternative investment firms not only for their own financial reporting valuation but also for investment decision.

### Standardized approach to valuation of investment portfolio of Alternative Investment Funds (AIF) proposed by SEBI on Jan 06, 2023

- Issue- AIF Regulations focus on disclosures to investors regarding the valuation of investments and presently do not prescribe any guidelines, managers of AIFs have the flexibility to adopt any principle/methodology/standard for valuation of investment portfolio of the AIFs managed by them

**Proposal:** The manager of AIF shall be required to ensure that the AIF appoints such independent valuer who satisfies all of the following conditions:

- is a valuer registered with Insolvency and Bankruptcy Board of India (IBBI);
- has membership of a professional institute established by an Act of Parliament enacted for the purpose of regulation of a profession such as Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost Accountants of India, etc. or a CFA charter from the CFA Institute;
- has at least 3 years of experience in valuation of unlisted securities; and
- is not an associate of manager / sponsor / Trustee of the AIF.

The webinar concluded by giving Vote of Thanks to the Speakers and the participants.

### Glimpses of the Webinar held on 11<sup>th</sup> January 2023



