

Insolvency and Bankruptcy Board of India

Subject: Status Note on Insolvency and Valuation Examinations

Part I - Limited Insolvency Examination

An individual is eligible for registration as an IP if he has passed the Limited Insolvency Examination (Examination) within 12 months of date of application for enrolment with insolvency professional agency subject to meeting other requirements.

2. The IBBI commenced the Examination on 31st December 2016. The second phase of Examination with revised syllabus and question bank commenced on 1st July 2017. The third phase with further revised syllabus and question bank commenced on 1st January 2018. A total of 7767 candidates have enrolled for 20482 attempts in all three phases together. 6634 candidates made a total of 15509 attempts. 18.58% of attempts ($2882 / 15509 * 100$) and 43.42% of candidates ($2881 / 6634 * 100$) have been successful. The performance of candidates in the Examination is summarised as under:

Region	First Phase		Second Phase		Third Phase (up to 31st May 2018)		Total	
	Total No. of Attempts	No. of Successful Attempts	Total No. of Attempts	No. of Successful Attempts	Total No. of Attempts	No. of Successful Attempts	Total No. of Attempts	No. of Successful Attempts
East	758	160	528	86	356	53	1642	299
North	1952	434	2204	401	1468	223	5624	1058
West	1581	391	1699	316	1046	144	4326	851
South	1038	216	1806	309	1073	149	3917	674
All India	5329	1201	6237	1112	3943	569	15509	2882

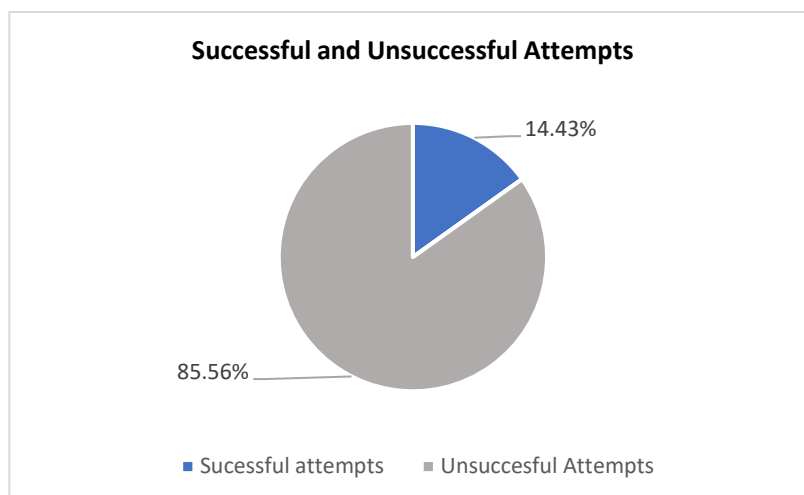
Third Phase

3. This section presents a brief analysis of the performance of the candidates in the third phase of Examination till 31st May 2018.

(i) 2569 candidates made 5210 enrolments for taking Examinations between 1st January 2018 to 31st May 2018. Of them, 2044 candidates availed 3943 attempts. The balance enrolments

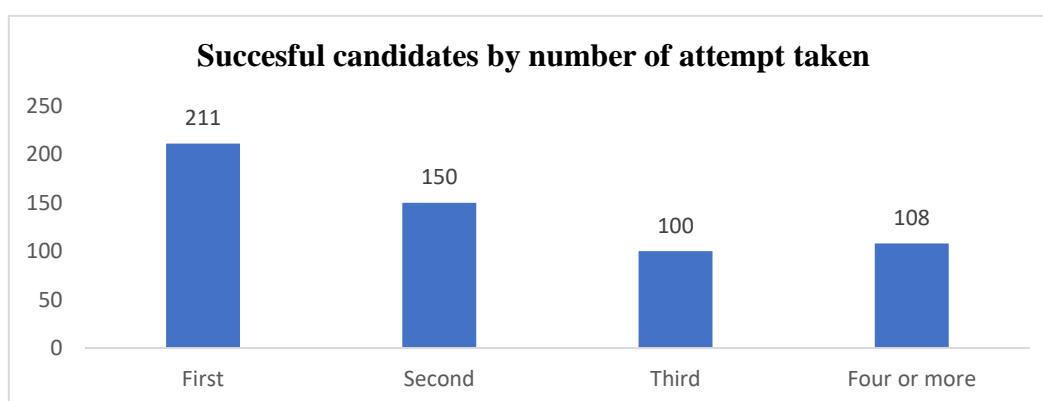
by 525 candidates lapsed. 569¹ (14.43% of 3943) of these attempts were successful. The performance of candidates in the Examination is summarised below:

Illustration 1



(ii) Out of the 568² (27.78% of 2044) successful candidates, who did pass the Examination, 211 (37.15%) passed in first attempt, and 150 (26.41%) passed in second attempt, 100 (17.61%) passed in third attempt, and 108 candidates (19.01%) took four or more attempts to pass the Examination. A chart showing successful candidates by number of attempts is shown below:

Illustration 2



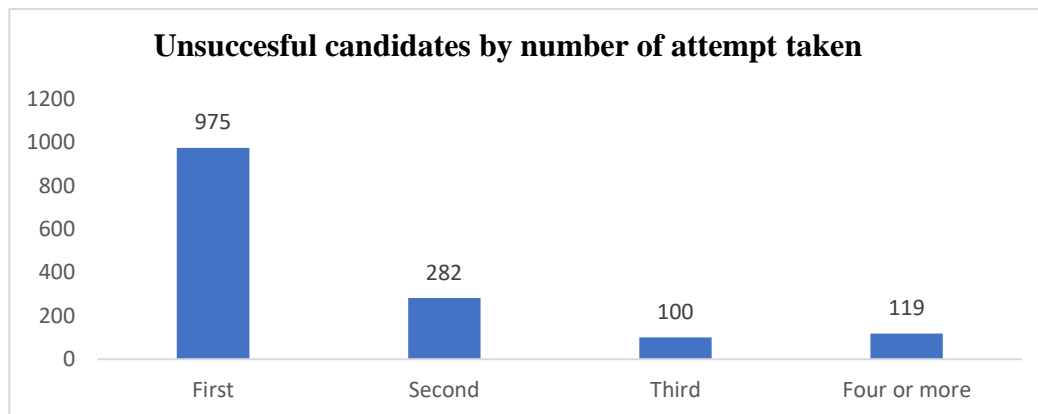
(iii) 1476 candidates took Examination but could not clear it yet, out of which 975 (66.06 %) candidates did not appear after first attempt; 282 (19.11%) candidates did not appear after

¹ One candidate appeared and passed two times.

² One candidate appeared and passed two times.

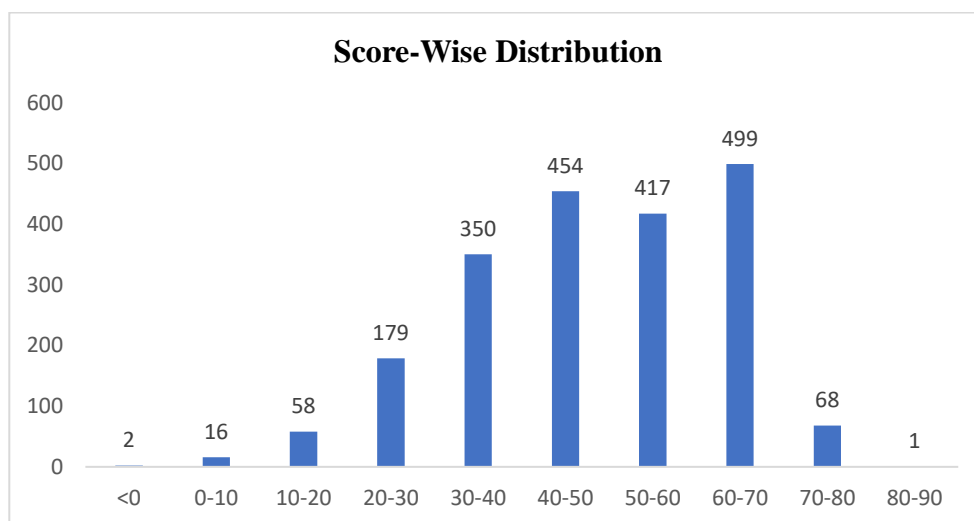
second attempt, 100 (6.78%) candidates did not appear after third attempt and only 119 (8.06%) appeared four times or more. A chart showing number of unsuccessful candidates by number of attempts is shown below:

Illustration-3



(iv) Of the 2044 candidates who took the Examination, 33.03% of the candidates scored less than 40 marks; 23.80% of the candidates scored between 40-50 marks; 14.52% of candidates scored between 50-60; 25.16% scored between 60-70 marks; 3.43% scored between 70-80 and 0.05% of candidates scored between 80-90 marks. A chart showing performance of candidates, marks wise, is shown below:

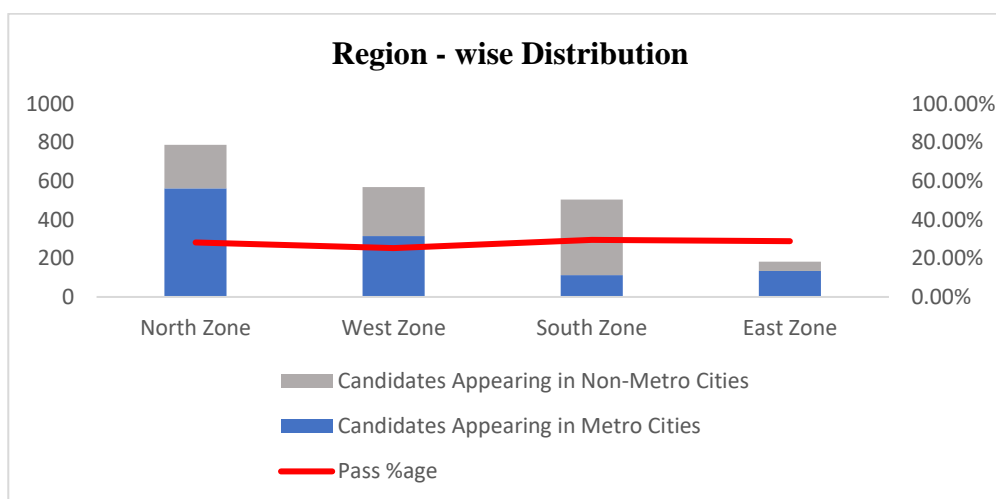
Illustration 4



(v) A total 2044 candidates appeared from 98 cities, and approximately 55.09% of the candidates appeared from a metro centre. Except South Zone, majority of candidates took the Examination from a test centre located in a metro city. Even with the variation in number of

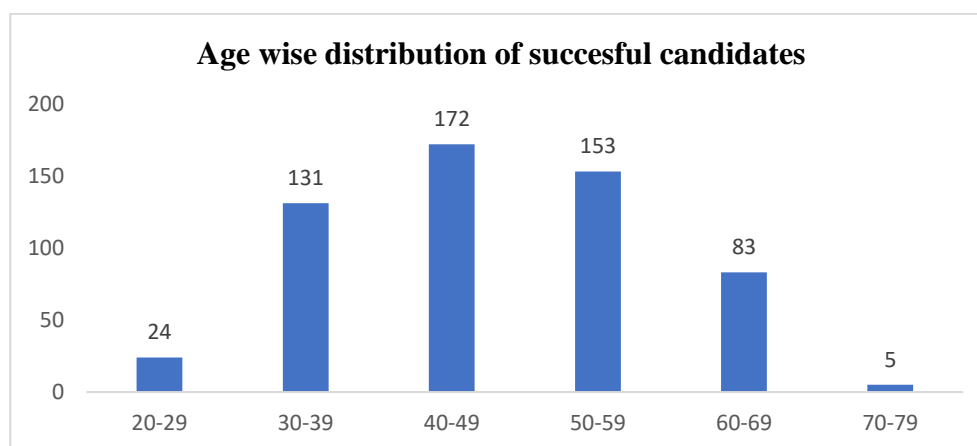
candidates appearing for the examination, the percentage of candidates passing the Examination over the regions as has been illustrated below:

Illustration 5



(vi) Out of 568³ passed candidates 24 candidates (4.23% of 568) are between the age group of 20-29 years. 131 candidates (23.06% of 568) are in the age group of 30-39 years. 172 candidates (30.28% of 568) are in the age group of 40-49 years. 153 candidates (26.94% of 568) are in the age group of 50-59 years. 83 candidates (14.61% of 568) are in the age group of 60-69 years. 5 candidates (0.88% of 568) are in the age group of 70-79 years. A chart showing the age-wise distribution of successful candidates is shown below:

Illustration 6



³ Ibid 1

Part II – Valuation Examination

4. The Central Government notified the commencement of section 247 (relating to valuers) of the Companies Act, 2013 with effect from 18th October, 2017. It also notified the Companies (Registered Valuers and Valuation) Rules, 2017 (Rules) on the same day. Rule 11 of the Rules provided transitional arrangement that any person, who may be rendering valuation services under the Companies Act, 2013 on the date of commencement of the Rules, may continue to render valuation services without a certificate of registration under the Rules up to 31st March, 2018. Further, the Rules clarify that conduct of valuation by any person under any law other than the Companies Act, 2013 or the Rules shall not be affected by virtue of coming into effect of the Rules unless the relevant other laws or other regulatory bodies require valuation by such person in accordance with the Rules. However, vide notification dated 9th February, 2018, the timeline of 31st March, 2018 was extended to 30th September, 2018. In other words, a person who may be rendering valuation services under the Companies Act, 2013 on the date of commencement of the Rules, may continue to render valuation services without a certificate of registration under the Rules up to 30th September, 2018.

5. Vide notification dated 23rd October, 2017, the Central Government issued the Companies (Removal of Difficulties) Second Order, 2017 to provide that valuations required under the Companies Act, 2013 shall be undertaken by a person who, having the necessary qualifications and experience, and being a valuer member of a recognised valuer organisation (RVO), is registered as a valuer with the Authority. Vide another notification on the same date, the Central Government delegated its powers and functions under section 247 of the Companies Act, 2013 to the Insolvency and Bankruptcy Board of India (IBBI) and specified the IBBI as the Authority under the Rules. Subject to meeting other requirements, an individual is eligible to be a registered valuer, if he (i) is a fit and proper person, (ii) has the necessary qualification and experience, (iii) is a valuer member of a RVO, (iv) has completed a recognised educational course as member of a RVO, and (v) has passed the valuation examination conducted by the IBBI, and (vi) is recommended by the RVO for registration as a valuer. A partnership entity or a company is also eligible for registration subject to meeting the requirements.

6. In pursuance of the Rules, the IBBI specified the details of educational course for the Asset Classes of (a) Securities or Financial Assets, (b) Land and Building, and (c) Plant and Machinery in December 2017. These courses would be delivered by the RVOs in not less than

50 hours. It also published the syllabus, format and frequency of the valuation examination for three asset classes in December 2017. It commenced the valuation examinations for the Asset Classes of (a) Securities or Financial Assets, (b) Land and Building, and (c) Plant and Machinery on 31st March 2018. These examinations are computer based online examinations, administered by BSE Institute Ltd. and are available from several locations across India. A candidate can register and schedule the examination on IBBI website www.ibbi.gov.in.

7. The RVO's have commenced the educational course. The number of candidates taking examination is likely to go up. A total of 21 candidates - 9 for Land and Building, 4 for Plant and Machinery and 8 for Securities or Financial Assets - appeared in the Examination till 31st May, 2018. The performance of candidates in the examination is summarised below:

Asset Class	No. of Candidates	Total No. of Attempts	No. of Candidates Passed
Land and Building	9	20	3
Plant and Machinery	4	7	0
Securities or Financial Assets	8	13	0
Total	21	40	3