

Insolvency and Bankruptcy Board of India

EXAM-11019/1/2021-IBBI

14th July 2025

Subject: Invitation for Expression of Interest (EOI) from Eligible Institutions for Conducting the Limited Insolvency Examination (LIE) and Valuation Examinations

The Insolvency and Bankruptcy Board of India (IBBI/the Board) invites Expressions of Interest (EOI) from eligible institutions experienced in conducting large-scale professional examinations, for administering the Limited Insolvency Examination (LIE) and Valuation Examinations in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code"), the relevant regulations, and the Companies (Registered Valuers and Valuation) Rules, 2017.

1. Background

IBBI is a statutory body established under Section 188 of the Code, tasked with developing and regulating the insolvency profession. Section 196(1)(e) of the code empowers the Board to prescribe the minimum curriculum for examination for insolvency professionals.

Regulation 3 of the IBBI (Insolvency Professionals) Regulations, 2016 mandates the Board to conduct the National Insolvency Examination and Limited Insolvency Examination, either on its own or through a designated agency. Similarly, Rule 5 of the Companies (Registered Valuers and Valuation) Rules, 2017 requires the Board to conduct Valuation Examinations, either on its own or through a designated agency.

The Board intends to engage a capable institution to administer the entire examination process, including question bank development, test delivery, and related services.

2. Role and Functions of Insolvency Professionals and Registered Valuers

Insolvency Professionals (IPs) play a critical role in resolution, liquidation, and bankruptcy processes. They manage operations, preserve asset value, resolve claims, negotiate transactions, and ensure regulatory compliance.

Registered Valuers (RVs) are responsible for impartial valuations of assets, liabilities, net worth, and goodwill. They must adhere to national or internationally accepted standards, ensuring objectivity and professional ethics.

3. Scope of Work

3.1 Preparation and Maintenance of Question Bank

The selected institution shall:

- Develop and maintain a high-quality, secure, and comprehensive bank of multiple-choice questions in alignment with the syllabus notified by the board from time to time. The syllabus is attached as **Annexure-I**.
- Ensure all questions are precise, clear, unambiguous, technically sound, and free from grammatical errors or plagiarism.
- Regularly update questions to reflect legal and regulatory changes.
- Engage qualified subject matter experts to prepare, review, and finalise questions, limiting individual contributions as specified.
- Maintain strict confidentiality protocols, use encrypted communication, and ensure that all personnel involved in question bank preparation sign oaths of secrecy.
- Provide documentation of question development, review, revisions, and expert involvement for audit purposes.
- Submit mock tests and sample papers aligned with the examination pattern and publish in coordination with IBBI.

All intellectual property, including the question bank and examination content, shall be the sole property of IBBI.

3.2 Examination Administration

The selected institution, either on its own or through a designated test agency/ies, shall:

- Conduct secure computer-based online examinations simultaneously/concurrently across a minimum of 100 cities. The indicative list of test centres is attached as **Annexure-II**.
- Develop and maintain a secure registration portal with integrated payment gateway.
- Schedule examinations for approximately 5,000 candidates annually.
- Ensure infrastructure at centres including biometric identification, CCTV surveillance, and proper verification protocols, etc.
- Deploy software that securely draws random questions, calculates scores automatically, and resists any kind of tampering.
- Provide post-exam services including provisional scorecards, candidate data reports, certificate issuance, grievance redressal, and helpdesk support.

4. Basic Pre-Qualifying Criteria

4.1 Eligibility criteria for institution intending to conduct the examination administration parts on its own:

- Be an institution of repute, such as a government institution, government-funded body, public sector entity including its wholly-owned subsidiaries, or a reputed private organization.
- Has a turnover of ₹25 crore or more in each of the last three financial years from services related to conducting of exams.

- Has a minimum of five years' experience in designing and curating examination content for conducting large-scale professional or academic examinations.
- Has at least 10 years of experience in administering secure computer-based online examinations.
- Has not been blacklisted in the last three years in the field of computer-based examination in India by any Government department or Semi- government organization, Autonomous Bodies/PSUs/Public Service Commission's/Other agencies.
- Demonstrates preparedness and infrastructure to conduct exams at 100 centres.
- Has handled at least 25,000 candidates per year in the last three years for Government Departments/Autonomous Bodies/PSUs/Public Service Commissions/Other agencies. (Other agencies mean statutory bodies and all bodies having ownership and/or control under Central / State Govt.)

4.2 Eligibility criteria for institution planning to administer the examination process through a designated test agency:

4.2.1: The institution must meet the following criteria:

- Be an institution of repute, such as a government institution, government-funded body, public sector entity including its wholly-owned subsidiaries, or a reputed private organization.
- Has a minimum of five years' experience in designing and curating examination content for conducting large-scale professional or academic examinations.

4.2.2 The designated test agency must meet the following criteria:

- Be a legal entity duly registered in India.
- Has a turnover of ₹25 crore or more in each of the last three financial years from services related to conducting of exams.
- Has at least 10 years of experience in administering secure computer-based online examinations.
- Demonstrate preparedness and infrastructure to conduct exams at 100 centres.
- Has handled at least 25,000 candidates per year in the last three years for Government Departments/Autonomous Bodies/PSUs/Public Service Commissions/Other agencies. (Other agencies mean statutory bodies and all bodies having ownership and / or control under Central / State Govt.)
- Has not been blacklisted in the last three years in the field of computer-based examination in India by any Government department or Semi- government organization, Autonomous Bodies/PSUs/Public Service Commissions/Other agencies.

5. General Clause:

- i. The institution and designated test agency, if any shall not have any conflict of interest in relation to the conduct of the Limited Insolvency Examination and Valuation

Examinations under the Insolvency and Bankruptcy Code, 2016, the Companies (Registered Valuers and Valuation) Rules, 2017, and other applicable rules and regulations.

ii. The institution shall submit the requisite security audit/certifications within the timeframe, as specified by the Board to ensure cyber security of its IT infrastructure.

6. Tenure of Contract:

The initial contract shall be for two years (unless terminated otherwise). However, it may be extended for a period not exceeding one year at a time, with mutual consent and on mutually agreed terms and conditions.

7. Evaluation and Selection Process:

The selection will be conducted in two phases:

- A. In the first phase, an Evaluation Committee (EC) constituted by IBBI will assess EOIs & shortlist the eligible applicant based on parameters such as completeness, eligibility, technical capabilities, infrastructure and examination security. Shortlisted applicants may be invited to make a presentation before the Committee.
- B. In the second phase, the final selection will be made based on a comprehensive evaluation of technical and financial bids to be submitted by the shortlisted applicants.

IBBI reserves the right to amend, modify, or withdraw any part of this EOI document or cancel the entire process without assigning any reason.

All disputes arising out of or in connection with this process shall lie exclusively within the jurisdiction of the Hon'ble High Court of Delhi.

8. Submission of EOI:

The EoI shall be submitted either by post addressed to Insolvency and Bankruptcy Board of India, at 7 th Floor, Mayur Bhawan, Shankar Market, Connaught Place, New Delhi-110001, or by email at establishment@ibbi.gov.in **by 04.08.2025**. This office is not responsible for delay, if any, in transit.

For any queries related to this document, you may write to **rammilan.singh@ibbi.gov.in**.

Annexure 1

Syllabus for Limited Insolvency Examination

No.	Subject/Topics	Weight (%)
1	The Insolvency and Bankruptcy Code, 2016 (Code)	04
2	Rules and Regulations under the Code	06
3	Business Laws: (i) The Companies Act, 2013 Chapter III-Prospectus and Allotment of Securities Chapter IV-Share Capital and Debentures Chapter V-Acceptance of Deposits by Companies Chapter VI-Registration of Charges Chapter VII-Management and Administration Chapter IX-Accounts of Companies Chapter XV-Compromises, Arrangements and Amalgamations Chapter XVII-Registered Valuers Chapter XVIII-Removal of names of the companies from the register of companies Chapter XX-Winding Up Chapter XXVII-NCLT and NCLAT Chapter XXVIII-Special Courts Chapter XXIX-Miscellaneous (ii) The Partnership Act, 1932 (iii) The Limited Liability Partnership Act, 2008 (iv) The Indian Contract Act, 1872 Of contracts, Voidable Contracts and Void Agreement (Sections 10-30); Contingent Contracts (Sections 31-36); Performance of Contract (Sections 37-61); Novation, Rescission and Alteration of Contracts (Sections 62-67); Consequences of Breach of Contract (Sections 73-75); Contracts of Indemnity and Guarantee and Surety's Rights (Sections 124-127); Bailment and Pledge (Sections 148-181); Agency (Sections 182-238) (v) The Sale of Goods Act, 1930	04

4	<p>General Laws:</p> <p>(i) The Negotiable Instruments Act, 1881</p> <p>(ii) The Transfer of Property Act, 1882 The Code of Civil Procedure, 1908 (Sections 9, 10, 11, 26-32, 38-45, 60-64, 73, 75-78, 89 and Order 21) and the Limitation Act, 1963</p> <p>The Prevention of Corruption Act, 1988 (Definition of public servant, Section 7-16 read with Section 29A of the Insolvency and Bankruptcy Code, 2016) and the Prevention of Money Laundering Act, 2002 (Sections: 2-8, 48, 63, 67, 71, 72)</p> <p>(v) The Recovery of Debts and Bankruptcy Act, 1993</p> <p>(vi) The Arbitration and Conciliation Act, 1996</p> <p>(vii) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002</p> <p>(viii) The Micro, Small and Medium Enterprises Development Act, 2006: (Classification of enterprises, Advisory committee, Memorandum of micro, small and medium enterprises, Delayed payments to micro and small enterprises)</p> <p>(ix) Real Estate (Regulation and Development) Act, 2016 (Sections: 2, 4, 5, 11, 17, 18, 20, 23, 31, 34, 36, 37, 38, 40, 41, 42, 58, 59, 69, 70, 71, 79, 80, 85, 86, 88, 89, 90)</p> <p>(x) Securities Contracts (Regulation) Act, 1956 (Contracts and options in securities, listing of securities, Offences, penalties, and adjudication) and the following SEBI Regulations: -</p> <ul style="list-style-type: none"> • Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 • Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 • Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 • Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 <p>(xi) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952</p> <p>(xii) The Mediation Act, 2023</p> <p>(xiii) Digital Personal Data Protection Act, 2023</p>	07
5	Finance and Accounts (Corporate Finance; Financial Analysis; Liquidity Management; Tax Planning and GST)	02

6	General Awareness: (i) Constitution of India: Right to Constitutional Remedies, Provisions of Union Judiciary, Provisions of High Courts in the States; Principles of Natural Justice (ii) Rights of Workmen under Labour Laws (iii) Basic Principles of Economics (iv) Financial Markets (v) Basic Concepts of Valuation (vi) Forensic Audit	02
7	Case Laws- Important decisions of Supreme Court and High Courts, Decisions of NCLAT and NCLT relating to Corporate Insolvency Resolution, Corporate Liquidation, Voluntary Liquidation and Fast Track Resolution Process. There will be five questions carrying one mark each. (List of cases given in Annexure 1)	05
8	Case Studies: There will be comprehensions each narrating a case and there will be questions based on the narrative: a) Case study on Corporate Insolvency Resolution Process & Liquidation Process (10 questions x 2 marks each = 20 marks) b) Case study on Corporate Insolvency Resolution Process & Liquidation Process (10 questions x 2 marks each = 20 marks) c) Case study on Pre-Packaged Insolvency Resolution process (4 questions x 2 marks each = 08 marks) d) Case study on Individual Insolvency Resolution and Bankruptcy (4 questions x 2 marks each = 08 marks) e) Case study on Business and General Laws given at Sl. No 3 & 4 (4 questions x 2 marks each = 08 marks) f) Case study on Business and Professional Ethics (3 questions x 2 marks each = 06 marks)	70
TOTAL		100

Note: Wherever any law (an Act of Parliament or any Rule/Regulation) is referred to in the syllabus, the same shall be taken as in force as on 4th February 2025. This means that any amendment in such laws, Acts or Rules/Regulations effected after 4th February 2025 shall be ignored.

**ANNEXURE 1: LIST OF IMPORTANT CASES FOR LIMITED INSOLVENCY
EXAMINATION**

Sr. No.	Supreme Court Cases
1.	Innoventive Industries Ltd. Vs. ICICI Bank and Anr. [Civil Appeal Nos. 8337-8338 of 2017]
2.	Mobilox Innovations Private Limited Vs. Kirusa Software Private Limited [Civil Appeal No. 9405 of 2017]
3.	State Bank of India Vs. V. Ramakrishnan and Anr. [Civil Appeal No. 3595 of 2018]
4.	Pioneer Urban Land and Infrastructure Limited & Anr. Vs. Union of India & Ors. [WP(C) No. 43/2019 and other petitions]
5.	ArcelorMittal India Private Limited Vs. Satish Kumar Gupta & Ors. [Civil Appeal Nos.9402-9405 of 2018]
6.	Committee of Creditors of Essar Steel India Limited Through Authorised Signatory Vs. Satish Kumar Gupta & Ors. [Civil Appeal No. 8766-67 of 2019 and Ors.]
7.	B K Educational Services Pvt Ltd. Vs. Parag Gupta and Associates [Civil Appeal No.23988/2017 and other appeals]
8.	Chitra Sharma Vs. Union of India [WP No.744 of 2017 and other petitions]
9.	Anuj Jain Interim Resolution Professional for Jaypee Infratech Limited Vs. Axis Bank Limited Etc. Etc. [Civil Appeal Nos. 8512-8527 of 2019 and other petitions]
10.	Swiss Ribbons Pvt. Ltd. & Anr. Vs. Union of India & Ors. [Writ Petition (Civil)No.99 of 2018 and other petitions]
11.	Babulal Vardharji Gurjar Vs. Veer Gurjar Aluminium Industries Pvt. Ltd. & Anr.[Civil Appeal No. 6347 of 2019]
12.	K. Sashidhar Vs. Indian Overseas Bank & Ors. [Civil Appeal 10673-2018]
13.	Manish Kumar Vs. Union of India & Anr. [Writ Petition (C) No.26 of 2020 with other writ petitions]
14.	P. Mohanraj & Ors. Vs. Shah Brothers Ispat Pvt. Ltd. [Civil Appeal No. 10355 of 2018]
15.	Gujarat Urja Vikas Nigam Limited Vs. Amit Gupta & Ors. [Civil Appeal No. 9241of 2019]
16.	Arun Kumar Jagatramka Vs. Jindal Steel and Power Ltd. & Anr. [Civil Appeal No.9664 of 2019]
17.	Laxmi Pat Surana Vs. Union Bank of India & Anr. [Civil Appeal No. 2734 of 2020]

18.	Ghanashyam Mishra and Sons Pvt. Ltd. Through Authorised Signatory Vs. Edelweiss Asset Reconstruction Company Ltd. Through the Director & Ors. [Civil Appeal No. 8129 of 2019 and other appeals]
19.	Pratap Technocrats (P) Ltd. & Ors. Vs. Monitoring Committee of Reliance Infratel Limited & Anr., [Civil Appeal No. 676/2021]
20.	Ebix Singapore Private Limited Vs. Committee of Creditors of Educomp Solutions Limited & Anr. [Civil Appeal No. 3224 of 2020 with other appeals]
21.	Lalit Kumar Jain Vs. Union of India & Ors. [TC (Civil) No. 245/2020]
22.	Vidarbha Industries Power Limited Vs. Axis Bank Limited [Civil Appeal No. 4633 of 2021]
23.	New Okhla Industrial Development Authority Vs. Anand Sonbhadra, Civil Appeal No. 2222, 2367-2369 of 2021
24.	Bank of Baroda & Anr. Vs. MBL Infrastructures Ltd. & Ors. [Civil Appeal No. 8411 of 2019]
25.	State Tax Officer Vs. Rainbow Papers Limited with Other Appeals [Civil Appeal No. 1661 and 2568 of 2020]
26.	Asset Reconstruction company (India) Ltd Vs. Tulip Star Hotels Ltd. & Ors. [Civil Appeal 84-85 of 2020]
27.	Sundaresh Bhatt, Liquidator of ABG Shipyard Vs. Central Board of Indirect Taxes and Customs [Civil Appeal No. 7667 of 2021]
28.	Sunil Kumar Jain and Ors. Vs. Sundaresh Bhatt and Ors. [Civil Appeal No. 5910 of 2019]
29.	Victory Iron Works Ltd. Vs. Jitendra Lohia & Anr. [Civil Appeal No. 1743 and 1782 of 2021]
30.	Abhishek Singh Vs. Huhtamaki PPL Ltd. & Anr. [SLP (Civil) No. 6452 of 2021]
31.	Moser Baer Karmachari Union through President Mahesh Chand Sharma Vs. Union of India [WP (C) No.421 of 2019 and Ors.]
32.	M Suresh Kumar Reddy Vs. Canara Bank [Civil Appeal 7121 of 2022]
33.	Gluckrick Capital Pvt Ltd Vs. State of West Bengal [IA No 102537 of 2023 Misc. Appli. No. 1302 of 2023]
34.	Paschimanchal Vidyut Vitran Nigam Ltd. Vs. Raman Ispat Pvt. Ltd. & Ors. [Civil

	Appeal No. 7976 of 2019]
35.	Vishal Chelani & Ors. Vs. Debashis Nanda [Civil Appeal No.3806 of 2023]
36.	Dilip B Jiwrajka Vs. Union of India & Ors. [W. P. (C) No. 1281 of 2021]
37.	DBS Bank Limited Singapore Vs. Ruchi Soya Industries Limited and Anr. [Civil Appeal No. 9133 of 2019]
38.	Greater Noida Industrial Development Authority Vs. Prabhjit Singh Soni & Anr. [Civil Appeal Nos.7590-7591 of 2023]
39.	Eva Agro Feeds Private Limited Vs. Punjab National Bank & Anr. [Civil Appeal No. 7906/2021]
40.	In the matter of Hari Babu Thota, [Civil Appeal No.4422-2023]
41.	State Bank of India & Ors. Vs. The Consortium of Mr. Murari Lal Jalan and Mr. Florian Fritsch & Anr. [Civil Appeal No. 5023-5024/2024]

Sl. No.	High Court Cases
1.	Univalue Projects Pvt. Ltd. Vs. The Union of India & Ors. [WP No. 5595(W) of 2020 with C.A.N 3347 of 2020]
2.	Rajiv Chakraborty, Resolution Professional of EIEL Vs. Directorate of Enforcement [WP (C) 9531/2020 and other applications]
3.	CA V. Venkata Sivakumar Vs. Insolvency and Bankruptcy Board of India & Ors. [WP No. 13229/2020]
4.	CA Venkata Siva Kumar Vs. Insolvency and Bankruptcy Board of India & Ors. [WP No. 9132 -2020 and WMP No 11134-2020]
5.	Tata Steel BSL Ltd. Vs. Venus Recruiter Pvt. Ltd. & Ors. [LPA 37/2021 and C.M. Nos. 2664/2021, 2665/2021 & 2666/2021]
6.	V. Venkata Siva Kumar Vs. Insolvency and Bankruptcy Board of India & Ors. [WP No. 21186 of 2023 and WMR No. 20596 of 2023]
7.	Shiv Charan & Ors. Vs. Adjudicating Authority under the PM LA & Anr. and connected petitions [WP(L)No. 9943 & 29111 of 2023]
8.	Accipiter Investments Aircraft 2 Ltd. (Lessors) Vs. Union of India & Anr. [W.P.(C) 6569 of 2023 & CM APPL. 36850 of 2023 and other WPs]
9.	Sundaresh Bhat Vs. Insolvency and Bankruptcy Board of India [W.P.(C) 14389 of 2022]
10.	Rohit J. Vora Vs. Insolvency & Bankruptcy Board of India [W.P. (Lodging) No. 20352 of 2023]
11.	Insolvency and Bankruptcy Board of India Vs. State Bank of India & Ors. [W.P. (C) 10189/2018 & CM APPL. 39715/2018]
12.	Jeny Thankachan Vs. Union of India & Ors. [W.P.(C) No.31502 of 2023]

Sl. No.	NCLAT Cases
1.	Varrsana Ispat Limited Vs. Deputy Director, Directorate of Enforcement [C.A (AT) (Ins) No. 493/32018]
2.	Kundan Care Products Ltd Vs. Amit Gupta and Ors. [C.A (AT) (Ins) No. 653 of 2020]
3.	Ramesh Kymal Vs. Siemens Gamesa Renewable Power Private Limited [C.A (AT) (Ins) No. 701 of 2020]
4.	Union of India Vs. Vijaykumar Vs. Iyer [C.A (AT) (Ins) No.733 of 2020 and other appeals]
5.	Mohan Gems & Jewels Private Limited Vs. Vijay Verma & Anr. [C.A (AT) (Ins.) No. 849/2020]
6.	Jet Aircraft Maintenance Engineers Welfare Association Vs. Ashish Chhawchharia [C.A (AT) (Ins) 752 of 2021]
7.	State Bank of India Vs. Mahendra Kumar Jajodia [C.A (AT) Insolvency No. 60 & 61 of 2022].
8.	Technology Development Board Vs. Mr. Anil Goel and Ors. [C.A (AT) (Ins) No. 731 of 2020].
9.	Hindalco Industries Ltd. Vs. Hirakud Industrial Works Ltd. & Ors. [C.A (AT) (Ins) No. 42, 43, 52 and 53 of 2022]
10.	Ashoka Hi-Tech Builders Pvt. Ltd. Vs. Sanjay Kundra & Anr. [C.A (AT) (Ins.) No. 46 of 2023]
11.	Yamuna Expressway Industrial Development Authority Vs. Monitoring Committee of Jaypee Infratech Ltd. through Anuj Jain, Secretary & Ors. [C.A (AT) (Ins.) No. 493 of 2023 & I.A No. 3017,3703 of 2023 & 2535, 2548, 2660, 2669 of 2024]
12.	Mr. Anuj Bajpai Vs. Employees' Provident Fund Organization (EPFO) & Ors. [C.A (AT) (Ins.) No. 1141 of 2023]
13.	SVA Family Welfare Trust & Anr. Vs. Ujaas Energy Ltd. & Ors. [C.A (AT) (Ins.) No. 266 of 2023]

Sl. No.	NCLT Cases
1.	In the matter of Aircel Limited [C.P. (IB)-298/(MB)/2018 and C.P. (IB)-302/(MB)/2018]
2.	In the matter of Jet Airways [CP(IB)-2205/MB/2019]
3.	In the matter of Videocon Industries Ltd [CP No. 02/2018 & other CPs]
4.	In the matter of Jaypee Infratech Limited [IA. No. 2836,3306 & 3457-PB-2021 and IA. No. 2521-PB-2022 in CP No. (IB)-77(ALD)-2017]
5.	Inquest Fintech Pvt. Ltd. Vs. Ms. Maya Gupta Liquidator of Rain Automotive India Pvt. Ltd. [IA-35, 36 & 57/2022 in CP No. (IB)- I095(ND)/2019]
6.	Pravin R. Navandar, Resolution Professional of the VOVL Ltd. Vs. BPRL Ventures BV [I.A. No. 702 of 2024 & I.A. No. 2787 of 2023 in CP (IB) NO. 2742/MB/2019]

Syllabus of Valuation Examination for Asset Class - Land and Building

In pursuance of the rule 5 (3) of the Companies (Registered Valuers and Valuation) Rules, 2017, the Insolvency and Bankruptcy Board of India, being the Authority, hereby publishes the syllabus, format, and frequency of the 'Valuation Examination' for the asset class: **Land and Building** to be commenced from 1st May 2024.

Syllabus

Sl. No.	Coverage	Weight (%)
1.	Principles of Economics - Microeconomics <ul style="list-style-type: none"> • Consumption: Indifference curve, consumer surplus, elasticity • Price mechanism: determinants of price mechanism; individual and market demand schedules; conditions, exceptions, and limitations of law of demand; individual and market supply schedules; conditions and limitations of law of supply; highest, lowest and equilibrium price; importance of time element • Pricing of products under different market conditions: perfect and imperfect competition, monopoly etc. • Factors of production and their pricing: land, labour, capital, entrepreneur, and other factors • Theory of rent • Capital and interest: types of capital, gross interest, net interest • Organisation and profit: functions of entrepreneur; meaning of profit and theories of profit 	3
	Macroeconomics <ul style="list-style-type: none"> • Functions and role of money • Inflation: types of inflation; causes and effects of inflation; Inflationary gap • Control of inflation: monetary, fiscal, and direct measures • Deflation: causes and effects of deflation; deflationary gap; measures to control deflation; deficit financing • Savings and investment: savings and types of savings; determinants of savings; investment and types of investment; determinants of investment; relationship between savings and investment • Components of economy: primary sector, secondary sector, tertiary sector; informal sector in urban economy; parasitic components in urban economy • Concepts of gross domestic product and gross national product; capital formation etc. 	3

	<ul style="list-style-type: none"> • Definition of parallel economy; causes of parallel economy and effects on use of land and its valuation • Impact on real estate market and construction industry 	
2.	Book-keeping and Accountancy <ul style="list-style-type: none"> • Meaning and objects of book-keeping; double entry book-keeping • Books of prime entry and subsidiary books: cash book, bank book, journal, ledger, purchase and sale books, debit and credit notes register; writing of books; posting and closing of accounts • Trading account; profit and loss account; income and expenditure account • Preliminary analysis of financial statements • Cost and costing; elements of cost - fixed expenses, variable expenses, break-even point 	3
3.	Laws - General <ul style="list-style-type: none"> • Indian legal system: salient features of the Indian Constitution, fundamental rights, directive principles of state policy • Government: executive, legislature, and judiciary • Laws of contract: formation of a contract, parties, void, voidable and unenforceable contract, contingent contract, misrepresentation, fraud, and effect thereof, termination of contract, remedies for breach, performance of contract, indemnity and guarantee, law of agency • Tort: general principles of tort, tort affecting valuation • Law of arbitration and conciliation: salient features • Auction: authority of auctioneer, duties of vendor, purchaser and public, mis-description and misrepresentation, advertisements, particulars and catalogues, statements on the rostrum, conduct of sale, reservation of price, right to bid, bidding agreements, memorandum of the sale, deposit, rights of auctioneer against vendor and purchaser • Laws of evidence: burden of proof, presumptions, conclusive proof • Salient features of the Insolvency and Bankruptcy Code, 2016 concerning valuation • The Companies Act, 2013: Section 192(2), 230 (1), 230 (2), 230 (3), 231, 232, 247 and 281(1) • Salient features of the Companies (Registered Valuers and Valuation) Rules, 2017 • Salient features of the Securitisation and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) concerning valuation • Section 5(n) of the Banking Regulation Act, 1949 on “secured loan or advance” 	9

4.	Introduction to Statistics <ul style="list-style-type: none"> Data classifications and processing, graphical representation of data, frequency distributions Measures of central tendency, dispersion, and skewness 	2
	<ul style="list-style-type: none"> Elementary theory of probability and probability distributions, sampling, and sampling distributions Simple test of significance, regression and correlation, multiple correlation coefficient Time series Index numbers 	
5.	Environmental Issues in Valuation <ul style="list-style-type: none"> Environment and valuation - differences between the market price and the negative value consequent on environmental impact Environmental issues of air pollution, water pollution, environmental factors and their effects, measures to restore the damage, cost to cure Outlines of environmental legislations: the Indian Forest Act, 1927, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Environment (Protection) Act, 1986 Laws related to industrial health and safety 	3
6.	Professional/Business Ethics and Standards <ul style="list-style-type: none"> Model code of conduct under the Companies (Registered Valuers and Valuation) Rules, 2017: professional competence and due care, independence and disclosure of interest, confidentiality, information management, gifts, and hospitality Integrity and fairness, remuneration and costs, occupation, employability and restrictions, business ethics Ethical considerations under terms of engagements: engagement letter, management representation, guidance on use of work of experts, independence and conflict of interest, quality review process of valuers, rights, and responsibilities of valuers 	3

7.	Laws related to Real Estate <ul style="list-style-type: none"> Land acquisition - the right to fair compensation and transparency in the land acquisition, the Rehabilitation and Resettlement Act, 2013 General building rules and regulations Rent control laws: sections pertaining to occupancy rights of tenants, freezing of rent, protection against eviction of tenant and its effect on value of property Right of way and Section 52 - licenses under the Indian Easements Act, 1882 Salient features of the Real Estate (Regulation and Development) Act, 2016 and regulating authorities established under the Act The Transfer of Property Act, 1882: transfer of immovable property, sale, mortgage, gift, exchange, assignment, charge, lien, tenancies/sub-tenancies; lease of immovable property; lease granted by private and statutory bodies - impact of each on valuation; Sections: 3, 5, 6, 7, 25, 53 and 53A of the Transfer of Property Act, 1882 	7
	<ul style="list-style-type: none"> Laws relating to inheritance/succession: Mohammedan: Muslim Personal Law; the Hindu Succession Act, 1956, the Hindu Succession (Amendment) Act, 2005; the Indian Succession Act, 1925: law of succession for person other than Hindu and Mohammedan; will & testament, succession certificate 	
8.	Valuation of Real Estate <ul style="list-style-type: none"> Cost, price, and value Types of value Basic elements of value - marketability, utility, scarcity, and transferability Factors affecting value - physical, economic, legal, and social Highest and best use, value in use, value in exchange Real property: rights and interests in real estate; types of ownerships and types of occupancy in real estate Annuities; capitalization and rate of capitalization; years purchase; sinking fund; redemption of capital; reversionary value Construction and use of valuation tables Urban infrastructure and its influence on value of real estate Real estate market and its characteristics; investment in real estate; factors influencing demand and supply schedule in real estate • Concepts of green building 	9

	Income Approach to Value <ul style="list-style-type: none"> • Relation between income and value • Valuation of property affected by the Rent Control Acts; licensed property under the Easement Act, 1882; leasehold properties under the Transfer of Property Act, 1882 • Derivation of yield rate from market derived data • Remunerative rate of interest and accumulative rate of interest • Types of rent: outgoings, income, yield, years purchase • Determination of market rent and standard rent • Lease - lessor and lessee: types of lease; lease provisions and covenants • Valuation of lessor's interest, lessee's interest including sub-lease in leased property; premature termination of lease or surrender of lease • Real estate as an investment; yield from real estate vis-à-vis other forms of investments; sound investment comparison • Investment decisions: discounted cash flow techniques, internal rate of return, net present value and capital assets pricing model • Profit method for valuation of special properties: hotels, cinema, mall, petrol pump, hill resorts 	7
	Market Approach to Value <ul style="list-style-type: none"> • Types of market • Market survey and data collection; sources of sale transactions 	7
	<ul style="list-style-type: none"> • Comparison of sale instances: factors of comparison and weightages for adjustment in value • Hedonic model and adjustment grid model under sales comparison method • Land characteristics and its effect on land values • Hypothetical plotting scheme for value of large size land • Residue technique and other development methods • Valuation for joint venture development of property 	

	Cost Approach to Value <ul style="list-style-type: none"> • Methods of cost estimates for buildings • Life of building: economic, physical, legal • Factors affecting life of the building • Total life, age, estimating future life • Various methods of computation of depreciation, functional, technological, and economic obsolescence • Reproduction cost/replacement cost, depreciated replacement cost (DRC) working, adopting DRC as value subject to demand and supply aspect • Land value by market approach and building value by cost estimation method for owner occupied bungalows, factories, public buildings 	7
	Various purposes of Valuation <ul style="list-style-type: none"> • Valuation of properties for purposes such as: bank finance, auction reserve, building insurance, sale, purchase, valuation disputes in court, probate, partition, rent fixation, stamp duty, capital gains tax, as per rule 11UA of the Income Tax Act, 1961, lease and mortgage of property, any other purposes not referred above • Valuation standards as per the provisions of the Companies Act, 2013 • Indian accounting standards (Ind AS 16, Ind AS 36, Ind AS 40, Ind AS 113) as applicable to valuation • Valuer as an expert witness in court • Valuers' functions & responsibilities, error of judgement and professional negligence 	3
9.	Principles of Insurance and Loss Assessment <ul style="list-style-type: none"> • Principles and legal concepts in relation to insurance of buildings; contract of insurance; insurable interests; liability to insure; duties of the insurer and the insured • Types of fire policies; reinstatement value, indemnity policies and policies for other perils; terms and conditions; perils, beneficial and restrictive clauses • Value at risk, sum insured and condition of average, over and under insurance; provisions regarding inflation, depreciation, obsolescence, and betterment; other provisions • Preparation of claim for damages due to insured perils 	3
	<ul style="list-style-type: none"> • Obligations and rights of insurer and insured 	

10.	Report writing <ul style="list-style-type: none"> • Reports: quality, structure, style • Report writing for various purposes of valuation: sale, purchase, purchase, mortgage, taxation, insurance, liquidation etc. • Contents of the report: instruction of clients; date as on which valuation is made and date of report; site inspection; location; ownership history; data collection and analysis; type of construction; valuation method; value estimation; assumptions and limiting conditions including caveats and conclusion 	3
11.	Important Case Laws on principles of valuation of Real Estate: <ul style="list-style-type: none"> • R.C. Cooper Vs. Union of India, (1970) AIR SC 564 • Sorab D. Talati Vs. Joseph Michem, Appeal No. 101 Of 1949 in R.A. Application No. 805 of 1948 • CWT Vs. P.N. Sikand (1977) 107 ITR 922 (SC) • Wenger & Co. Vs. DVO (1978) 115 ITR 648 Delhi HC • Jawajee Nagnathan Vs. Revenue Divisional Officer (1994) SCC (4) 595 (SC) • Chimanlal Hargovinddas Vs. SLAO, Pune AIR 1988 SC 1652 • CED Vs. Radhadevi Jalan (1968) 67 ITR 761 (Cal) • CIT Vs. Ashima Sinha (1979) 116 ITR 26 (Cal) • CIT Vs. Anupkumar Kapoor & others (1980) 125 ITR 684 (Cal) • CIT Vs. Smt. Vimlaben Bhagwandas Patel (1979) 118 ITR 134 (Guj) 	2
12.	Case Studies: Three case studies on valuation of land and building: <ul style="list-style-type: none"> • One case study with six 2-mark questions, for 12 marks • One case study with four 2-mark questions, for 8 marks • One case study with three 2-mark questions, for 6 marks (This section will have case studies for application of valuation techniques. For each case there will be a comprehension narrating the transaction based on which questions will be asked from the case)	26
Total		100

Note: Wherever any Law, Act of Parliament or any Rule/Regulation is referred in the syllabus, the same shall be taken as updated as on 31st December, 2023.

Subject: Syllabus of Valuation Examination for Asset Class- Plant and Machinery

In pursuance of the rule 5 (3) of the Companies (Registered Valuers and Valuation) Rules, 2017, the Insolvency and Bankruptcy Board of India, being the Authority, hereby publishes the syllabus, format and frequency of the 'Valuation Examination' for the asset class: **Plant and Machinery** to be commenced from 1st May 2024.

Syllabus

Sl. No.	Coverage	Weight (%)
1.	Principles of Economics - Microeconomics <ul style="list-style-type: none"> Consumption: Indifference curve, consumer surplus, elasticity Price mechanism: determinants of price mechanism; individual and market demand schedules; conditions, exceptions and limitations of law of demand; individual and market supply schedules; conditions and limitations of law of supply; highest, lowest and equilibrium price; importance of time element Pricing of products under different market conditions: perfect and imperfect competition, monopoly etc. Factors of production and their pricing: land, labour, capital, entrepreneur and other factors Theory of rent Capital and interest: types of capital, gross interest, net interest Organisation and profit: functions of entrepreneur; meaning of profit and theories of profit 	3
	Macroeconomics <ul style="list-style-type: none"> Functions and role of money Inflation: types of inflation; causes and effects of inflation; Inflationary gap Control of inflation: monetary, fiscal and direct measures Deflation: causes and effects of deflation; deflationary gap; measures to control deflation; deficit financing Savings and investment: savings and types of savings; determinants of savings; investment and types of investment; determinants of investment; relationship between savings and investment Components of economy: primary sector, secondary sector, tertiary sector; informal sector in urban economy; parasitic components in urban economy Concepts of gross domestic product and gross national product; capital formation etc. 	3

	<ul style="list-style-type: none"> • Definition of parallel economy; causes of parallel economy and effects on use of land and its valuation • Impact on real estate market and construction industry 	
2.	Book-keeping and Accountancy <ul style="list-style-type: none"> • Meaning and objects of book-keeping; double entry book-keeping • Books of prime entry and subsidiary books: cash book, bank book, journal, ledger, purchase and sale books, debit and credit notes register; writing of books; posting and closing of accounts • Trading account; profit and loss account; income and expenditure account • Preliminary analysis of financial statements • Cost and costing; elements of cost - fixed expenses, variable expenses, break-even point 	3
3.	Law - General <ul style="list-style-type: none"> • Indian legal system: salient features of the Indian Constitution, fundamental rights, directive principles of state policy • Government: executive, legislature and judiciary • Laws of contract: formation of a contract, parties, void, voidable and unenforceable contract, contingent contract, misrepresentation, fraud and effect thereof, termination of contract, remedies for breach, performance of contract, indemnity and guarantee, law of agency • Tort: general principles of tort, tort affecting valuation • Law of arbitration and conciliation: salient features • Auction: authority of auctioneer, duties of vendor, purchaser and public, mis-description and misrepresentation, advertisements, particulars and catalogues, statements on the rostrum, conduct of sale, reservation of price, right to bid, bidding agreements, memorandum of the sale, deposit, rights of auctioneer against vendor and purchaser • Laws of evidence: burden of proof, presumptions, conclusive proof • Salient features of the Insolvency and Bankruptcy Code, 2016 concerning valuation • The Companies Act, 2013: Section 192(2), 230 (1), 230 (2), 230 (3), 231, 232, 247 and 281(1) • Salient features of the Companies (Registered Valuers and Valuation) Rules, 2017 • Salient features of the Securitisation and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) concerning valuation • Section 5(n) of the Banking Regulation Act, 1949 on “secured loan or advance” 	9
4.	Introduction to Statistics	2

	<ul style="list-style-type: none"> • Data classifications and processing, graphical representation of data, frequency distributions • Measures of central tendency, dispersion and skewness • Elementary theory of probability and probability distributions, sampling and sampling distributions • Simple test of significance, regression and correlation, multiple correlation coefficient • Time series • Index numbers 	
5.	Environmental Issues in Valuation <ul style="list-style-type: none"> • Environment and valuation - differences between the market price and the negative value consequent on environmental impact • Environmental issues of air pollution, water pollution, environmental factors and their effects, measures to restore the damage, cost to cure • Outlines of environmental legislations: the Indian Forest Act, 1927, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Environment (Protection) Act, 1986 • Laws related to industrial health and safety 	3
6.	Professional/Business Ethics and Standards <ul style="list-style-type: none"> • Model code of conduct under the Companies (Registered Valuers and Valuation) Rules, 2017: professional competence and due care, independence and disclosure of interest, confidentiality, information management, gifts and hospitality • Integrity and fairness, remuneration and costs, occupation, employability and restrictions, business ethics • Ethical considerations under terms of engagements: engagement letter, management representation, guidance on use of work of experts, independence and conflict of interest, quality review process of valuers, rights and responsibilities of valuers 	3

7.	Law - Plant and Machinery <ul style="list-style-type: none"> • Sale of goods and agreements to sell; seller's obligations as to delivery time, title, description, fitness, quality and quantity; exclusion of obligations; sales by sample; passing of property in goods; transfer of title by non-owner; breach of contract and remedies; rights of unpaid seller against goods • Licensing of Industries and regulation of industrial activities under various industrial licensing laws etc. • Salient features of various acts such as the Factory Act, 1948, the Electricity Act, 2003, Labour laws with regards to regulatory measures for industrial undertakings 	2
8.	Valuation of Plant and Machinery	5

	<ul style="list-style-type: none"> • Role, functions and responsibilities of a plant and machinery valuer • Cost, price, value and valuation • Types of market • Annuities; capitalisation and rate of capitalisation; years purchase; sinking fund; redemption of capital; reversionary value • Construction and use of valuation tables • Definitions of the various terms: plant, machinery, furniture, fixtures, fittings - judicial interpretation of these terms; market value, highest and best use value • Basis of valuation: value in use, value in exchange, value to the buyer, value to the seller, value to the occupier, value in existing use insitu/ex-situ, value in alternative use in in-situ/ex-situ, liquidation value in-situ/ex-situ, orderly liquidation value, forced sale value • Characteristics and approaches to value investment property, marketable non-investment property and non-marketable noninvestment property • Factors having direct bearing on value (valuation maxims) like physical, legal, social, economic, utility, marketability, transferability, scarcity; present worth of future benefits; intangible rights 	
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	Identification and Physical Verification of Plant, Machinery and Equipment (PME) <ul style="list-style-type: none"> • Inventory (listing of machinery) and data to be collected while taking inventory • Importance of technical specifications of PME in valuation exercise • Assessment of condition of PME based on visual inspection • Comparing inventory with plant and machinery records maintained by the company • Ascertaining discrepancy • Identification of productive, non-productive, surplus and off-balance sheet assets • Age, effective age, total economic life, economic balance life, physical life and their importance in valuation • Factors affecting life, both in terms of years or hours of use, depending on type of assets and maintenance • Definition and distinction of the terms - historical cost, acquisition cost, book cost, written down value and net book value • Items in the nature of buildings to be treated as plant and machinerylike chimneys to the boiler, brick, concrete or RCC foundation for plant and machinery, Water and Sewerage installations, Effluent treatment plant etc. 	2
	<ul style="list-style-type: none"> • Depreciation under the Income Tax Act, 1961 as well as the Companies Act, 2013 • Useful lives to compute depreciation as per Schedule II of the Companies Act, 2013 • Factors to be considered for componentization of asset 	3
	<ul style="list-style-type: none"> • Installed capacity of the plant and actual production; raw material availability and level of technology used such as current or obsolete, issues if any regards to these • Part, fraction and whole valuation • Relationship of earnings and assets • Difference between business specific economic viability and economic obsolescence • Efficiency of plant layout, imbalances in different production sections and their relevance in valuation 	

<p>Cost Approach</p> <ul style="list-style-type: none"> • Reproduction cost new; replacement cost new; depreciated reproduction cost/depreciated replacement cost (DRC); Difference and similarity in DRC and market value • Difference between reproduction cost new and replacement cost new • Methods of computation of reproduction cost new • Market inquiry of current cost of brand: new machine with identical specifications from same manufacturer i.e. replica indexation and its limitations; cost to capacity method and its limitation • Methods of computation of replacement cost new when identical machine/plant is not available and factors to be taken into consideration. • Direct and indirect costs for estimation of reproduction new /replacement cost new • Meaning of the term depreciation for wear and tear; Factors influencing depreciation, its measurements and application by valuers • Salvage value and scrap value along with the basis of the same • Methods of depreciation: observed deterioration; straight line; diminishing balance (written down value) • Difference between accounting and technical depreciation • Factors to be taken into consideration for selection of depreciation method • Obsolescence: technological, functional and economic • DRC subject to potential profitability • Limitations of cost approach 	5
<p>Market Approach- Sales comparison method</p> <ul style="list-style-type: none"> • Data collection • Elements of comparability and application of appropriate weights to identified comparable to estimate value of subject asset. • Instances when sales comparison method is not feasible and limitations of sales comparison method 	2
<p>Income Approach</p> <ul style="list-style-type: none"> • Concept of income approach • Gross income-outgoings; net income and years purchase 	2

<ul style="list-style-type: none"> • Actual income Vs potential income • Terminal income • Remunerative and accumulative rates of interest and various methods of determining the same • Capitalization of earnings method • Discounted future earnings method (Discounted cash flow- DCF technique) • Pitfalls of DCF technique 	
Process of Valuation <ul style="list-style-type: none"> • Check list for valuation of plant and machinery; documents to be studied prior to plant visit/inspection; ABC analysis • Items to be treated as plant and machinery • Items to be treated as land and buildings • Physical verification (survey and inspection) • Data collection and valuation analysis for replacement cost new Method (cost approach) 	3
Broad categories of machines <ul style="list-style-type: none"> • Valuation of a machine for which current cost of identical brand-new machine is available • Valuation of a machine for which current cost of identical brand-new machine is not available • Valuation of a machine which is no longer manufactured • Reasons for difference in price of machines with same technical specifications and features by different manufacturers • Factors to be considered while adopting cost approach • Data collection and valuation analysis under: cost, market and income approaches 	2

	Leasing of plant and machinery <ul style="list-style-type: none"> • Definition of lease • Leasing, Hiring and Renting • Obligations of supplier of asset, user of asset, hire purchase company/lessor in cases of loan; supplier's credit; hire purchase and leasing • Leasing as an instance of bailment; nature of the bailment agreement; features of bailment; contracts law on bailment. • Leasing rules • Types of leases and their characteristics • Structure of a lease agreement and steps in structuring a lease contract • Leasing from point of view of lessor/lessee • Limitations of leasing • Treatment of leased assets in company accounts – accounting practice for leased plant and machinery as per Indian Accounting Standards • Assessment of lease related risk 	2
	<ul style="list-style-type: none"> • Risk and return trade-off • Valuation of leased plant and machinery 	
	Valuation of plant and machinery for following purposes <ul style="list-style-type: none"> • Mergers and Acquisitions (including purchase price allocation) • Financial statements • Impairment • Auction • Insurance • Leasing • Disposal • Capital raising • Corporatization and privatization • Stamp duty • Any other purpose • Valuation Standards as per the provisions of the Companies Act, 2013 • Indian Accounting Standards (Ind AS 16, Ind AS 36, Ind AS 105, Ind AS 113, Ind AS 116) as applicable to valuation • Valuer as an expert witness in Court • Valuers' functions and responsibilities, error of judgement and professional negligence 	5

9.	Machine Tools, Factory, Utility Equipment and Electrical Installations <ul style="list-style-type: none"> Machine Tools: milling, turning, cutting, drilling and threading, grinding, shaping, casting, plastic deforming, powder forming, sheet metal, welding, fabrication Factory equipment: material handling and fire protection Utility equipment for energy generation, energy consuming devices, for energy utilisation Electrical installations 	2
10.	Industrial Processes <ul style="list-style-type: none"> Factory planning and layout: types of plant layout; production techniques; automation; mass production, batch and one-off production Principles of industrial processes: material flow, process sequences, automation and process control Industrial processes: Normal processes, Methods of manufacture, Plant and machinery utilised, Flow diagrams and Inventory compilation for the following specific industries: Iron, Steel, Nonferrous metal Production, Power, Cement, Petro-chemicals, Chemical and Pharmaceutical, Plastic and Rubber, Paper and paper Products, Printing, Binding and Publishing, Textiles, Dairy, Vegetable Oil, Food and Drink Nature and function of trade specific machinery in the above industries 	6
11.	Principles of Insurance and Loss Assessment <ul style="list-style-type: none"> Principles and legal concepts in relation to insurance of Plant and Machinery; contract of insurance; insurable interests; liability to insure; duties of the insurer and the insured Types of fire policies; reinstatement value, indemnity policies and policies for other perils; terms and conditions; perils, beneficial and restrictive clauses Value at risk, sum insured and condition of average, over and under insurance; provisions regarding inflation, depreciation, obsolescence and betterment; other provisions Preparation of claim for damages due to insured perils Obligations and rights of insurer and insured 	3

12.	Report writing <ul style="list-style-type: none"> • Reports: Quality, Structure, Style • Report writing for various purposes of valuation: sale, purchase, purchase, mortgage, taxation, insurance, liquidation etc • Contents of the report: instructions (including basis of valuation) received from the clients showing scope of work; date as on which valuation is made and date of report; site inspection; purpose of valuation; location of assets; valuation definition considered; approach/method of valuation; procedure adopted; summary of valuation; assumptions and limiting conditions including caveats; schedule of plant and machinery with make, model, description, year, condition, values 	3
13.	Important Case Laws on principles of valuation of plant and machinery: <ul style="list-style-type: none"> • Holland Vs. Hodgson (1872) L.R.7 C.P.328 at 335 (Australia) • Duncan Industries Ltd. Vs. State of U.P. and Other AIR 2000 SC 355 • Westinghouse Elect. Corporation 93 NC App. 710, 379 S.E.2D 37(1989) (U.S.A) • Sirpur Paper Mills Pvt. Ltd. Vs. The Collector of the Central Excise, Hyderabad AIR (1998) 1 SCC 400: (1998 AIR SCW 366: AIR 1998 SC 1489) • Official Liquidator Vs. Sri Krishna Deo and Ors. (AIR 1959 All 247) • Symex Holdings Ltd. Vs. Commissioner of State Revenue, Supreme Court of Victoria, Australia- (2007) VSC 159 	1
14.	Case Studies: Three case studies on valuation of plant and machinery: <ul style="list-style-type: none"> • One case study with six 2-mark questions, for 12 marks • One case study with four 2-mark questions, for 8 marks • One case study with three 2-mark questions, for 6 marks 	26
	(This section will have case studies for application of valuation techniques. For each case there will be a comprehension narrating the transaction based on which questions will be asked from the case)	
	Total	100

Note: Wherever any Law, Act of Parliament or any Rule/Regulation is referred in the syllabus, the same shall be taken as updated as on 31st December, 2023.

Syllabus of Valuation Examination for Asset Class- Securities or Financial Assets

In pursuance of the rule 5 (3) of the Companies (Registered Valuers and Valuation) Rules, 2017, the Insolvency and Bankruptcy Board of India, being the Authority, hereby publishes the syllabus, format, and frequency of the 'Valuation Examination' for the asset class: **Securities or Financial Assets** to be commenced from 1st May 2024.

Syllabus

Sl. No.	Coverage	Weight (%)
1.	Macroeconomics <ul style="list-style-type: none"> National income accounting: consumption, capital, intermediate and final goods, stock and flows concepts, gross investment, depreciation, and net investment; income method; expenditure method; value added method; GDP and NDP at factor cost and market price; national disposal income (gross and net); nominal and real income, GDP deflator Basics of fiscal policy: meaning, objectives and components; revenue receipts, capital receipts, revenue expenditure, capital expenditure, government deficit, revenue deficit, effective revenue deficit, fiscal deficit, primary deficit Basics of monetary policy: meaning, objectives and components; credit creation; money multiplier; tools of monetary policy- open market operation, cash reserve ratio, statutory liquidity ratio, bank rate, liquidity adjustment facility, marginal standing facility, reverse repo rate, quantitative easing; fiscal responsibility and budget management Understanding business cycles: business cycle; phases of business cycle; yield curve as a predictor of future economic growth; real business cycle 	3
2.	Finance and Financial Statement Analysis <ul style="list-style-type: none"> Finance: basic concepts of finance including time value of money decisions in finance - investment decision; financing decision; dividend decision; net present value; internal rate of return; payback period Financial statement analysis: financial statements; operating and nonoperating assets; liabilities; incomes and expenses; profit and loss analysis; balance sheet analysis; ratio analysis; performance analysis; capital structure analysis; credit analysis; cash flow analysis 	6
3.	Professional/Business Ethics and Standards <ul style="list-style-type: none"> Model Code of Conduct under the Companies (Registered Valuers and Valuation) Rules, 2017: professional competence and due care, 	3

	<p>independence and disclosure of interest, confidentiality, information management, gifts, and hospitality</p> <ul style="list-style-type: none"> • Integrity and fairness, remuneration and costs, occupation, employability and restrictions, business ethics • Ethical considerations under terms of engagements: engagement letter, management representation, guidance on use of work of experts, independence and conflict of interest, quality review process of valuers, rights, and responsibilities of valuers 	
4.	<p>General laws</p> <ul style="list-style-type: none"> • The Companies Act, 2013: Chapter IV - Share Capital and Debentures; Chapter XV - Compromises, Arrangements and Amalgamations and the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016; Chapter XVII - Registered Valuers; The Companies (Registered Valuers and Valuation) Rules, 2017; Chapter XX -Winding Up • The Transfer of Property Act, 1882: definition of immovable property; transfer and sale of property; rights and liabilities of buyer and seller; mortgage of property; rights and liabilities of mortgager and mortgagee; lease; gift of immovable property • The Indian Stamps Act, 1899: basics of the act; instruments on which duty is levied; valuation for duty • The Income Tax Act, 1961: taxes on individuals; taxes on companies; taxes on partnership firms; heads of income- income from salary; income from house property; income from profits; gains of business or profession; income from capital gains and income from other sources; clubbing and set off provisions; Double Taxation Avoidance Agreement; Valuation under Rule 11UA of Income Tax Act; taxation on transfer of business; transfer pricing issues; employee stock option plan or scheme • The Insolvency and Bankruptcy Code, 2016 (IBC) and Regulations: Part I of IBC: Preliminary; Part-II of IBC: Insolvency Resolution and Liquidation for Corporate Persons; The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016; The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016; The Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017; Valuation under IBC • The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) • The Securities and Exchange Board of India (SEBI) Regulations: <ul style="list-style-type: none"> □ The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; □ The SEBI (Prohibition of Insider Trading) Regulations, 2015; 	18

	<ul style="list-style-type: none"> □ The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; □ The SEBI (Delisting of Equity Shares) Regulations, 2021 	
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	<ul style="list-style-type: none"> ▪ The SEBI (Share Based Employee Benefits) Regulation, 2021: Employee stock option schemes, Employee stock purchase schemes and Stock appreciation rights schemes; • Reserve Bank of India and Regulations under Foreign Exchange Management Act, 1999: FEMA (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2017; Foreign Direct Investment (Pricing Guidelines); Direct Investment by Residents in Joint Venture/ Wholly Owned Subsidiary abroad; Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks; Guidelines on Sale of Stressed Assets by Banks • Digital Personal Data Protection Act, 2023 	
5.	Financial reporting under Indian Accounting Standards (Ind AS) : Basics of fair value, fair value, and adjustments; Highest and best use, Fair value techniques, Disclosure in financial statement; Impairment of Assets (Ind AS 36); Financial Instruments (Ind AS 109); Business Combinations (Ind AS 103); Fair Value Measurement (Ind AS 113)	3
6.	Overview of Valuation <ul style="list-style-type: none"> • Meaning of value: Difference between price and value; definition of Value • Types of value: fair market value, fair value, intrinsic value, investment value, synergistic value, market value, special value • Premise of valuation: going concern and liquidation • Purpose of valuation: mergers and acquisitions, strategy evaluation, identification of under and overvalued assets, legal, financial reporting, scope of work • Valuation standards • Valuation process: understanding the business; planning and preparation; forecasting company performance; selecting the appropriate valuation model; converting forecast to valuation; applying analytical results in the form of recommendations; conclusions • Valuation report and documentation: scope of the work performed, approach adopted, method applied, key inputs used, assumptions made, conclusion(s) of value and principal reasons for any conclusions reached, and date of report, date of valuation • Importance of documentation, nature and purpose of documentation, timely preparation of documentation, documentation of valuation procedures performed, assembly of the final documentation, ownership of documentation 	4

7.	Valuation Approaches <ul style="list-style-type: none"> • Cost approach: net asset value and book value, adjusted value, sum of the parts, replacement cost • Market approach: quoted market price, price of recent investment and price of recent transaction, relative valuation, concept of multiples, selection of appropriate comparables; adjustments to multiple calculated 	3
	<p>in accordance with size, lines of operation and geographical areas of operation</p> <ul style="list-style-type: none"> • Income approach: discounted cash flow approach; terminal value; present value; adjusted present value approach; internal rate of return; cash flow analysis- end of year and mid of year conventions; earning capitalization method /yield method; concept of perpetual growth; concept of cost of capital and capitalization rate 	

8.	<p>Valuation Application</p> <ul style="list-style-type: none"> Equity / Business Valuation: analysis of entity's business environment/ business model, industry analysis, regulatory framework (EIC) Analysis of Business environment, Entity's Business Strategy Analysis: Michael Porter's five forces; SWOT; PEST; GE/McKinsey Matrix; ADL Matrix; core competencies Business Combinations: amalgamation, merger, demerger, arrangement & restructuring; concept of due diligence, business risk assessment, historical financial analysis, sources of information; top to bottom and bottom to top approaches to analysis Forecasting approaches and techniques; cash flow analysis - end of year and mid of year conventions Appropriate Cost of Capital / rate of return; built-in Discount Rate; capital Asset Pricing Model (CAPM); modified CAPM; weighted Average Cost of Capital; weighted Average Rate of return on asset; internal rate of return; arbitrage pricing theory; risk adjustments Valuation adjustments in relation to discount and premium <p>Fixed Income Securities</p> <ul style="list-style-type: none"> Types of fixed income securities: categories of fixed income securities i.e., debt and preferred stocks along with different rights attached to both categories Types of debt instruments: sovereign securities; state and local government bonds; semi-government/agency bonds; corporate debt securities; corporate bonds; money market securities in relation to investments (CP, CD, T-Bills); tax free securities; asset backed securities Terms used in fixed income securities: fixed income securities; bond indenture; issuer and holder; covenants; maturity; par value, coupon rate, clean price, dirty price; repurchase agreement; yield to maturity, yield to put, yield to call; forward rate and spot rate Bond duration- Macaulay duration, Modified duration, Effective duration, Key duration Credit rating of bonds: risk assessment and factors considered in assigning credit rating Embedded options for issuer and holder; call/put for repayment; cap and floor on coupon; conversion options; pre-payment options Derivative products: types of derivative products; calculation of swap rates; valuation of swaps; accruals on swaps Related Fixed Income Money Market and Derivatives Association of India circulars for Non-SLR bonds, Traded bonds, Non-traded bonds- 	33
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rated, Non-traded bonds-not rated, Floating rate bonds, Staggered redemption bonds, Perpetual bonds, Deep discount bonds, Bonds with call/put options, Tax free bonds, Security receipts/Pass through certificates

- Option valuation: General principles
- Option valuation models: Black and Scholes; Black and Scholes Merton option pricing method; Binomial tree method; Monte Carlo simulation
- Valuation of other financial assets and liabilities: concept of financial and non-financial assets and liabilities; valuation of other instruments like financial guarantees and warranties

Intangible Assets

- Nature and classification of intangibles
- Identification of nature of intangible assets: life of asset; based on function; acquired or internally generated; generating cash flow independently or not generating cash flow independently; intangible assets under development and research assets
- Purpose of intangibles valuation: financial reporting under Ind AS, legal and tax reporting, estate and gift tax, amortization allowance, transfer of standalone intangible assets, transfer of intangible asset as part of transaction, collateral lending, franchises and brand license agreement, insolvency/ bankruptcy
- Valuation Approaches: excess earnings method; relief-from-royalty method; premium profit method; greenfield method; distributor method; other valuation approaches as applicable; rate of return and discount rate for intangibles

Situation Specific Valuation

- Distressed asset valuation
- Start-up entities valuation
- Valuation of small and medium enterprises
- Valuation of cyclical firms
- Valuation of investment entities
- Valuation for insurance coverage

9.	Judicial Pronouncements on Valuation <ul style="list-style-type: none"> • Miheer H. Mafatlal Vs. Mafatlal Industries Ltd. (1997) 1 SCC 579 • Hindustan Lever Employees' Union Vs. Hindustan Lever Limited and Ors • Brooke Bond Lipton India Ltd. (1999) 98 Comp Cas 496 (Cal) • Dinesh Vrajlal Lakhani Vs. Parke Davis (India Ltd.) (2005) 124 Comp Case 728 (Bom HC) • Dr. Mrs. Renuka Datla Vs. Solvay Pharmaceutical B.V. and Ors. • G.L. Sultania and Another Vs. The Securities and Exchange Board of India 	1
10.	Case Studies This section will have three case studies for application of valuation techniques. <ul style="list-style-type: none"> • One case study with six 2-mark questions, for 12 marks • One case study with four 2-mark questions, for 8 marks • One case study with three 2-mark questions, for 6 marks (This section will have case studies for application of valuation techniques. For each case there will be a comprehension narrating the transaction based on which questions will be asked from the case.)	26
	Total	100

Note: Wherever any Law, Act of Parliament or any Rule/Regulation is referred in the syllabus, the same shall be taken as updated as on 31st December, 2023.

Annexure II**(List of centres)**

Sl. No	Test Centre City	State
1	Chennai	Tamil Nadu
2	Kolkata	West Bengal
3	Mumbai	Maharashtra
4	Bengaluru	Karnataka
5	Agra	Uttar Pradesh
6	Amaravati	Maharashtra
7	Coimbatore	Tamil Nadu
8	Surat	Gujarat
9	Madurai	Tamil Nadu
10	MANGALORE	Karnataka
11	Vizianagaram	Andhra Pradesh
12	Ahmedabad	Gujarat
13	Bhubaneshwar	Odisha
14	Kochi	Kerala
15	Hyderabad	Telangana
16	Ajmer	Rajasthan
17	Allahabad	Uttar Pradesh
18	Nagpur	Maharashtra
19	Mysore	Karnataka
20	Trichy	Tamil Nadu
21	Vishakhapatnam	Andhra Pradesh
22	Vijayawada	Andhra Pradesh
23	Pune	Maharashtra
24	Baroda	Gujarat
25	Ludhiana	Punjab
26	Pondicherry	Puducherry
27	Salem	Tamil Nadu
28	Amritsar	Punjab
29	Thrissur	Kerala
30	Chandigarh	Chandigarh
31	Bareilly	Uttar Pradesh
32	Bathinda	Punjab
33	Bhopal	Madhya Pradesh
34	Jaipur	Rajasthan
35	Navi Mumbai	Maharashtra
36	Meerut	Uttar Pradesh
37	Ranchi	Jharkhand
38	Kanpur	Uttar Pradesh
39	Nashik	Maharashtra
40	Bikaner	Rajasthan

41	Jamnagar	Gujarat
42	Kolhapur	Maharashtra
43	Indore	Madhya Pradesh
44	Gwalior	Madhya Pradesh
45	Kharagpur	West Bengal
46	Warangal	Telangana
47	Satara	Maharashtra
48	Dehradun	Uttarakhand
49	Rourkela	Odisha
50	Trivandrum	Kerala
51	Aurangabad	Maharashtra
52	Jammu	Jammu and Kashmir
53	Calicut	Kerala
54	Jabalpur	Madhya Pradesh
55	Kannur	Kerala
56	Patna	Bihar
57	Lucknow	Uttar Pradesh
58	Faizabad	Uttar Pradesh
59	Raipur	Chhattisgarh
60	Jodhpur	Rajasthan
61	Jalandhar	Punjab
62	Kollam	Kerala
63	Jalgaon	Maharashtra
64	Aligarh	Uttar Pradesh
65	Vellore	Tamil Nadu
66	Jamshedpur	Jharkhand
67	Tezpur	Assam
68	Tirunelveli	Tamil Nadu
69	Ahmednagar	Maharashtra
70	Belgaum	Karnataka
71	Gandhinagar	Gujarat
72	Hissar	Haryana
73	Dibrugarh	Assam
74	Sagar	Madhya Pradesh
75	Guwahati	Assam
76	Kottayam	Kerala
77	Kurnool	Andhra Pradesh
78	Patiala	Punjab
79	Solapur	Maharashtra
80	Bhadrak	Odisha
81	Dharamshala	Himachal Pradesh
82	Tirupathi	Andhra Pradesh
83	Varanasi	Uttar Pradesh
84	Gorakhpur	Uttar Pradesh

85	Gaya	Bihar
86	Kota	Rajasthan
87	Moradabad	Uttar Pradesh
88	Shimla	Himachal Pradesh
89	Udaipur	Rajasthan
90	Durgapur	West Bengal
91	Howrah	West Bengal
92	Bilaspur	Chhattisgarh
93	Rajkot	Gujarat
94	Panaji	Goa
95	Nanded	Maharashtra
96	Delhi-NCR	New Delhi
97	Silchar	Assam
98	Imphal	Manipur
99	Siliguri	West Bengal
100	Prayagraj	Uttar Pradesh