

**Insolvency and Bankruptcy Board of India**  
**7<sup>th</sup> Floor, Mayur Bhawan, Connaught Place, New Delhi-110001**

**CIRCULAR**

No. IBBI/RVO/026/2019

16<sup>th</sup> September, 2019

To

All Registered Valuers

All Recognised Registered Valuer Organisations

All Registered Insolvency Professionals, and

All Registered Insolvency Professional Agencies.

(By mail to registered email addresses and on website of the IBBI)

Dear Madam / Sir,

**Subject: Valuation required under the provisions of the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016.**

Rule 10 of the Companies (Registered Valuers and Valuation) Rules, 2017 (Rules) read with section 247 of the Companies Act, 2013 (Act) require that a registered valuer shall conduct valuations required under the Act.

2. Circular No. IBBI/RV/019/2018 dated 17<sup>th</sup> October, 2018 of IBBI mandates that the valuations required under the Code or any of the regulations made thereunder shall be conducted by a registered valuer.

3. A list of the provisions of the Act and the Code under which valuations are required to be conducted by a registered valuer are at Annexures I and II respectively for ready reference of the stakeholders. The stakeholders are, however, advised to refer to the relevant provisions in the Act, the Code and the Rules and Regulations made there under, for the purpose of compliance.

Yours faithfully,

Sd/-

(Debajyoti Ray Chaudhuri)

Chief General Manager

Email: dr.chaudhuri@ibbi.gov.in

Encl.: Annexures I and II

**ANNEXURE-I**

**Valuation required under the Companies Act, 2013**

<b>Sl. No.</b>	<b>Section / Rules</b>	<b>Particulars</b>
1	<b>Section 62(1)(c) of the Companies Act, 2013 read with Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014</b>	Further issue of share capital
2	<b>Section 177(4)(vi) of the Companies Act, 2013</b>	Terms of reference of Audit Committee
3	<b>Section 192(1) and 192(2) of the Companies Act, 2013</b>	Restriction on non-cash transactions involving directors
4	<b>Section 230(2)(c)(v) and Section 230(3) of Companies Act, 2013</b>	Power to compromise or make arrangements with creditors and members
5	<b>Section 232 (2)(d) and Section 232 (3)(h)(B) of the Companies Act, 2013</b>	Merger and amalgamation of companies
6	<b>Section 236(2) of the Companies Act, 2013</b>	Purchase of minority shareholding
7	<b>Section 247(1) of the Companies Act, 2013</b>	Valuation by Registered Valuers
8	<b>Section 281(1)(a) of the Companies Act, 2013</b>	Submission of report by Company Liquidator
9	<b>Rule 2(c)(ix) of the Companies (Acceptance of Deposit) Rules, 2014</b>	Exclusions from deposits.
10	<b>Rule 6(1) of the Companies (Acceptance of Deposit) Rules, 2014</b>	Creation of security
11	<b>Rule 8(6), (7), (9) and (12) of the Companies (Share Capital and Debentures) Rules, 2014</b>	Issue of sweat equity shares
12	<b>Rule 16(1)(c) of the Companies (Share Capital and Debentures) Rules, 2014</b>	Provision of money by company for purchase of its own shares by employees or by trustees, for the benefit of employees
13	<b>Rule 12(5) of the Companies (Prospectus and Allotment of Securities) Rules, 2014</b>	Return of allotment

## ANNEXURE-II

### Provisions under the Insolvency and Bankruptcy Code, 2016 and the Regulations

<b>Sl. No.</b>	<b>Section/Regulation/ Rules</b>	<b>Particulars</b>
1	<b>Section 59(3)(b)(ii) of the Insolvency and Bankruptcy Code, 2016</b>	Voluntary liquidation of corporate persons
2	<b>Section 46(2) of the Insolvency and Bankruptcy Code, 2016</b>	Relevant period for avoidable transactions
3	<b>Regulation 27 read with regulation 35 of the IBBI(Insolvency Resolution Process for Corporate Persons) Regulations, 2016</b>	1) Appointment of registered valuers; 2) Fair value and liquidation value
4	<b>Regulation 35 of the IBBI(Liquidation Process) Regulations, 2016</b>	Valuation of assets intended to be sold
5	<b>Regulation 3(1)(b)(ii) of the IBBI (Voluntary Liquidation Process) Regulations, 2017</b>	Initiation of liquidation
6	<b>Regulation 26 of the IBBI(Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017</b>	Appointment of registered valuer
7	<b>Regulation 34 of the IBBI (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017</b>	Fair value and liquidation value