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# RVO CONNECT

NEWSLETTER  
FOR  
VALUATION  
PROFESSIONALS



**REGISTERED VALUERS ORGANISATION**  
(A Wholly owned subsidiary of ICSI and registered with IBBI)

# CONTENTS

From the President .....	3
New Board Members.....	4
Article	
Overview of Different Valuation Standards .....5 - 7 (Generally Accepted Valuation Standards)	
MCQ based on Securities and Exchange .....8 - 11 Board of India (Mutual Funds) Regulations, 1996	
Members Admitted .....	12
ICSI RVO Open Registration at Ahmedabad.....	13
Glimpses of Training Programme for .....14 Certificate of Practice at New Delhi	
Glimpses of Training Programme for Certificate of .....15 Practice at ICSI-SIRC House, Chennai	
Glimpses of ICSI RVO Educational Course at Pune .....	16
Latest Publication .....	17
About ICSI RVO .....	18 - 20

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## *From the President*

*“Your future is created by what you do today, not tomorrow.”*

### **Dear Professional Colleague,**

It only seems like yesterday that we had been the first among our peer professional institutions to have incorporated a dedicated entity i.e. the ICSI Registered Valuers Organisation or the ICSI RVO and shared with the world, its incorporation certificate at the 45<sup>th</sup> National Convention of Company Secretaries. A Convention focussed at Shaping New India through good governance, it only seemed apt that the Institute understood fully its role while taking the lead in the lesser treaded road of Valuation.

The above quote somehow sums up our past, present and future in a lucid manner. Undertaking the process of incorporation of this entity while we had been futuristic enough to understand its relevance but what we hadn't gauged was the fact that the entity and its activities shall be soaring skies within the matter of a year. A peep into the pages of history of the RVO and I am filled with a sense of immense delight. With the Educational Course for Securities and Financial Assets launched in June, 2018, each bygone month thereafter has witnessed a new city in a new state being witness to Classroom Training for this Course.

Even further, promoting and pursuing the interests of our coveted members, the ICSI RVO has been undertaking multifaceted endeavours of the likes of partnering with sister concerns of different professional bodies and discovering areas of activity for creating and sustaining synergies. The National Conclave on Corporate Insolvency and Valuation

definitely paved way for newer partnerships and opened doors of opportunities which until now had been more or less, latent.

Living truly by the quote above, and realising that the fate of our future depends on the efforts of the present, I feel pleased to share that reflecting and introspecting upon the significance of this profession and its professionals far and beyond the ambit of Company Law or the Companies Act, 2013, the Institute has been pursuing other Regulatory Bodies and representing before them the significance of bringing the Valuation activities required to be undertaken therein under the aegis of Registered Valuers.

On an optimistic note, I am hopeful that the times to come shall witness the profession of Registered Valuation fetching greater coveting virtually across all the arenas of law and beyond and if transformation is to see the light of the day, I would urge all my professional friends to adhere to the Code of Conduct with utmost sincerity and hold strong to their ethics, values and morals; for it is the beginners who lead the way and become great examples for those to follow...

*Happy Reading!!!*

**CS Ranjeet Pandey**  
**President, The ICSI**

## New Board Members



**CS Ranjeet Pandey**  
President, The ICSI

A Fellow Member of The Institute of Companies Secretaries of India, a Law Graduate from Faculty of Law, University of Delhi and a Graduate in Science (B.Sc), CS Ranjeet Pandey is also an Insolvency Professional, registered with IBBI and has over 15 years of experience in the field of Corporate and Commercial Laws. An ex-officio member of the Advisory Board of Sri Aurobindo Foundation for Integral Management (SAFIM), CS Pandey has also been a member of the Working Committee of MCA for streamlining 'Working under the Companies Act, 2013'. He is also a Member of the Steering Committee of National Foundation for Corporate Social Responsibility (NFCSR) constituted by the Ministry of Corporate Affairs, Govt. of India to prepare a roadmap, oversee the functioning and steer the activities of NFCSR for providing policy inputs and policy advocacy in the area of Corporate Social Responsibility (CSR).

His journey to the Chair began from the Regional Council of NIRC of ICSI wherein he served as a member for two consecutive terms i.e. 2007-2010 and 2011-2014. It was during his able Chairmanship that NIRC received the Best Regional Council Award in 2011. Setting benchmarks and achieving feats he further was elected to the Central Council of ICSI for the terms 2015-2018 and re-elected for the term 2019-2022. During his first term, his membership in Boards like the Secretarial Standards Board (SSB) and designation as Chairman at various Committees including the Golden Jubilee Organising Committee evidently proves his leadership skills as well as his knack for not just corporate laws but allied arenas as well. His role played in the carving of ICSI Vision 2022 too has been well acclaimed.

A firm believer in the significance of quality education, training and continuous training and skill upgradation and above all right amount of motivation in the effective and efficient dispensing off of responsibilities by professionals, CS Ranjeet Pandey is a regular speaker at various seminars, conferences and workshops organized by Banks, Industry Chambers, ICSI and ICAI.

A Company Secretary since 2004, he is a prominent advisor in the area of Corporate Restructuring, Insolvency & Bankruptcy, Commercial Contract and Agreements, SEBI and Capital Market matters, Audits, Compliances & Due-diligence of Business.



**CS Ashish Garg**  
Vice-President, The ICSI

A Fellow Member of the ICSI, a Post Graduate in Economics (M.A.) and Commerce (M.Com.) and a Graduate in Law (L.L.B.) from the Vikram University, Ujjain, CS Ashish Garg was elected to the Central Council of the ICSI for the term 2015-2018 and re-elected for the term 2019-2022.

During his first stint with the Central council, he was the Chairman of Practicing Company Secretaries Committee of the ICSI for the year 2015 and 2016 and it was under his leadership that the PCS Day was celebrated with full gusto on 15th June every year. While holding Chairmanships of the Core Group of GST of ICSI and Centre of Corporate Governance, Research and Training (CCGRT), he was also nominated by the ICSI as a member at the Cost Accounting Standards Board of the Institute of Cost Accountants of India.

A nominated Director on the Board of ICSI Institute of Insolvency Professionals, he has also chaired several in-house Committees of the ICSI of the likes of Placement Committee, PMQ Committee and Direct Tax Code Committee.

Extremely passionate and driven towards the betterment and growth of the profession, CS Garg has proved his dedication since his days as the Secretary and Vice Chairman of Indore Chapter of the ICSI in 2004 and 2005 and later on as a member of the Western India Regional Council of the ICSI for two consecutive terms from 2007-14 and even further as Secretary, WIRC in 2013 and 2014.

With almost over 18 years of experience and specialization in Corporate Laws, organizational restructuring and corporate legal counseling to companies, he is a sought after faculty at conferences and seminars of CA, CS and MBAs in India and abroad and is zealous when it comes to connecting with and motivating members and students. Having authored number of Articles for magazines and newspapers and extensively travelled across the length and breadth of the India, he feels pleasure in having visited four continents of the Globe and getting a chance of getting acquainted with varied cultures thereat.





**Vaidyanathan Ramachandran**

**FCA, CMA, Registered Valuer**

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## Overview of Different Valuation Standards (Generally Accepted Valuation Standards)

### Introduction

All of us are quite used to the words, 'Generally Accepted', paraphrasing 'commonly followed rules and standards'. These are commonly accepted norms in our conduct and behaviours. In the context of professional services, these 'Generally Accepted' denotes the minimum level of professionalism and independence expected in our actions (implied and/or express) across all our stakeholders.

For example, Generally Accepted Accounting Principles (GAAP), refers to collection of commonly-used Accounting Rules And Standards for Financial Reporting. In India, we follow Ind AS (issued by Ministry of Company Affairs vide The Companies (Indian Accounting Standards Rules, 2015) for reporting purposes, which drives commonality and standardization of Presentation/ Reporting of Financial Statements.

The framework for a formal, comprehensive, statutory & regulatory 'Valuation Standards & Practice' ecosystem in India can be traced to 'Sec 247 of Companies Act 2013' and 'Companies (Registered Valuers and Valuation) Rules, 2017' though there have been instances of articulation of Valuation Principles in few cases, on a non-comprehensive/ piece-meal basis too, in the past. For example, The Reserve Bank of India (Banking Statutory Regulator) had earlier prescribed the DCF method in respect of share acquisition under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 vide Notification No FEMA 205/2010-RB dated April 7, 2010, for the purpose of determining the fair value of Shares. Similar provisions exist in Income Tax Act also.

Unlike GAAP (say, US GAAP, which is issued by The Financial Accounting Standards Board (FASB) and

adopted by the regulator (U.S. Securities and Exchange Commission), which is considered as authoritative by many organizations including the American Institute of Certified Public Accountants (AICPA)), there is no universally recognised common standards for Business Valuation.

It is important to understand that there have been efforts to ensure convergence of US GAAP with IFRS (i.e., FASB and IASB (International Accounting Standard Board) issued a converged standard on revenue recognition, 'Revenue from Contracts with Customers' (IFRS 15/ Topic 605 & 606)). Such convergence is critical for the providing transparency and trust to Investors, Regulators, Tax Authorities, General Public and others. India has made giant strides in ensuring adoption of such globally recognised standards similar to IFRS (called as Ind AS).

Poor valuation practice was identified by the Financial Stability Board and the G20 as a significant contributor to the 2008 financial crisis with a particular focus on financial instruments, where there was much inconsistency in valuation between financial institutions as well as across national borders. One can hope, down the line, commonly accepted business valuation standards similar to IFRS/US GAAP Convergence are developed to satisfy the needs of all stakeholders.

In India, The Indian Valuation Standards issued by ICAI is binding on its members effective 1<sup>st</sup> Jul 2018. Note: The text 'Appraisal' and 'Valuation', used in the practice of business valuation, is referred in the same context. This article gives an overview of different types of Valuation Standards which is normally used/applied or available across the globe and a positive movement in preparation of an ecosystem for generally accepted valuation standards.

**Different Valuation Standards across the Globe:****a) International Valuation Standards (IVS)(<https://www.ivsc.org/>)**

International Valuation Standard Council (IVSC) claims themselves as the 'global standard setter for valuation practice and valuation profession'. Valuation Standards issued by IVSC are referred as 'International Valuation Standards', which are recognised or adopted in 100+ countries.

Their latest valuation standards are referred as 'IVS 2017'.

**b) The Appraisal Foundation (<https://www.appraisalfoundation.org/>)**

Uniform Standards of Professional Appraisal Practice (USPAP) can be considered the quality control standards applicable for real property, personal property, intangible assets, and business valuation appraisal analysis and reports in the United States and its territories. USPAP, as it is commonly known, was first developed in the 1980s by a joint committee representing the major U.S. and Canadian appraisal organizations.

In 1989, the U.S. Congress enacted the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), which authorized the Foundation as the source of appraisal standards and qualifications. The Foundation is not a membership organization but rather is composed of other organizations. Today, with Sponsoring Organizations and Advisory Councils, close to one hundred organizations, corporations and government agencies are affiliated with the Foundation.

**c) American Institute of Certified Public Accountants ([www.aicpa.org](http://www.aicpa.org))**

Founded in 1887, the American Institute of Certified Public Accountants (AICPA) is the national professional organization of Certified Public Accountants (CPAs) in the United States, with more than 418,000 members in 143 countries in business and industry, public practice, government, education, student affiliates and international associates. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies, non-profit organizations, federal, state and local governments. It also develops and grades the Uniform CPA Examination.

The AICPA's standards on Business Valuations are published as Statement on Standards for Valuation Services No.1 (SSVS1), which its accredited members adhere to.

**d) American Society of Appraisers (<http://www.appraisers.org/Home>)**

The American Society of Appraisers (ASA) is the largest multi-discipline organization representing appraisers in America. The society was founded in 1936 and is one of the eight major appraisal groups that founded The Appraisal Foundation.

The ASA comprises appraisal review and management, valuers of business, gems and jewellery, machinery and technical specialties, personal property and real property. The standards issued by ASA are to be used in conjunction with the USPAP by its members.

**e) European Valuation Standards (EVS) ([www.tegova.org](http://www.tegova.org))**

TEGoVA, The European Group of Valuers' Associations is an European non profit making association composed of 72 valuers' associations from 37 countries representing more than 70,000 valuers in Europe.

The framework and content of EVS 2016, the eighth edition of European Valuation Standards, provides harmonised European standards, guidance and technical information for use by all sectors of the European valuation profession.

EVS is referred as 'Blue Book'.

**f) UK Valuation Standards (<https://www.rics.org/uk/>)**

The Royal Institution of Chartered Surveyors (RICS) is a professional body that accredits professionals within the land, property, construction, and infrastructure sectors worldwide, was established in 1868. The Valuation Standards issued by RICS may be referred as standards of United Kingdom.

RICS aims to cover, among its practising members, property and construction related expertise generally.

RICS standards are referred as 'Red Book'

**g) Canadian Institute of Chartered Business Valuators (<https://cicbv.ca/>)**

The CICBV is a valuation professional organization (RVO) that establishes practice standards, educational requirements and ethical guidelines, which promote the integrity of the Chartered Business Valuator (CBV) profession in Canada.

For example, these standards define different scope which may be performed by its members:

- Valuation Reports: when valuator acts independently

- Advisory Reports: Valuator not engaged to act independently
- Expert Reports: any report other than valuation prepared by an expert acting independently
- Limited Critique Reports: any report issued in the context of litigation or report (of the original report) but does not contain a valuation conclusion
- Fairness Opinions: any report conclusion as to the fairness of a proposed transaction from a financial point of view
- Investment Entity Review Report: report prepared by a Valuator containing a conclusion as to the reasonableness of the value of the specified shares, units, underlying investments or the net asset value of the Investment Entity as determined by a manager of the Investment Entity

#### h) Other Standards

There are other standards which are followed in Business Valuation across the world like those issued by the National Association of Certified Valuation Analysts (<https://www.nacva.com>), HKIS Valuation Standards 2017 issued by Hong Kong Institute of Surveyors, etc.

#### Interpretative Differences across Standards:

There are significant interpretive differences across these standards practiced globally. For example, <http://web.nacva.com/TL-Website/PDF/Standards Chart-B%20FINAL.pdf> provides a comparison across standards adopted by AICPA, USPAP, NACVA, IBA and ASA.

#### Movement to Generally Accepted Valuation Standards

There is a definite pattern in moving towards a common Valuation Standards across the business community:

#### I. Various VPO/RVO are making a move to adopt IVS

- Shanghai Orient Appraisal Company, the leading valuation company in China has joined IVSC and had embraced International Valuation Standards (IVS)
- Abu Dhabi Government has announced it will become the first emirate in the UAE to officially adopt International Valuation Standards (IVS) to its new rules and regulations for land and property valuations
- HypZert, the German Organization, one of the most influential and respected valuation bodies in the world, is joining VPOs from around the globe, as a member of the IVSC, to support the development of IVS and the global valuation profession

- The Saudi Authority for Accredited Valuers (Taqeem) aims to regulate and develop the valuation profession, accredit qualified valuers and apply the International Valuation Standards to increase the community trust and awareness in the valuation profession in Saudi Arabia.
- Panamerican Union of Valuation Associations has agreed to adopt IVS 207 as its standards
- The ASEAN Valuers Association (AVA) has adopted IVS

#### II. Convergence of Standards between IVS and USPAP:

Convergence of Standards is extremely critical for providing absolute confidence to the stakeholders. The Appraisal Foundation and IVSC has brought out a note titled 'A Bridge from USPAP to IVS 2018' which can be accessed from <https://www.ivsc.org/files/file/view/id/1051>

This note provides for a summarized comparison of USPAP and IVS, an interesting read, concluding more on commonalities than differences.

#### III. Co-operation between IFRS Foundation and IVS

Strengthening the financial system requires the elimination of any significant differences in the way that fair value is understood, and consequently reported, between different sectors and markets. It is a welcome sign on the agreed co-operation between IASB and IVS, especially, in terms of approach and application of 'Fair Value'.

#### Summary

We are treading into an exciting territory. The stage is set for each one of us, registered as Registered Valuer with Insolvency and Bankruptcy Board of India, to raise and deliver on the expectations of our stakeholders. Since, this is an evolving practice (in the sense, a new regulatory framework along with a common standards/governance), all of us have a big role to play.

Like you, I too, eagerly looking forward to the 'Valuation Standards' which are expected from the 'Committee to advise on valuation matters' constituted by MCA.

#### Sources:

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## MCQ based on Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

- 1 As per Regulation 2(s) of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 Open-ended scheme means a scheme of a mutual fund which offers units for sale without specifying any ..... for redemption;
  - (i) duration
  - (ii) returns
  - (iii) amount
  - (iv) benefits
- 2 As per Regulation 2(f) of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 Close-ended scheme means any scheme of a mutual fund in which the ..... the scheme is specified
  - (i) Return on
  - (ii) Amount of
  - (iii) Benefits of
  - (iv) period of maturity
- 3 As per regulation 2(o) f Securities and Exchange Board of India (Mutual F7unds) Regulations, 1996 Money market instruments includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity ....., call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by ..... from time to time;
  - (i) up to one year Securities and Exchange Board of India
  - (ii) up to two years Securities and Exchange Board of India
  - (iii) up to one year Reserve Bank of India
  - (iv) up to two years Reserve Bank of India
- 4 As per Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, an application for registration of a mutual fund shall be made to the
  - (i) Board in Form A by the sponsor
  - (ii) RBI in Form A by the sponsor
  - (iii) Board in Form B by the sponsor
  - (iv) RBI in Form B by the sponsor
- 5 Every application for registration under regulation 3 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 shall be accompanied by non-refundable application fee of
  - (i) Rs 1 lac
  - (ii) Rs 5 lac
  - (iii) Rs 10 lac
  - (iv) Rs 25 lac
- 6 As per Second Schedule to Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ,Registration fees payable by mutual funds is
  - (i) Rupees one lakh
  - (ii) Rupees five lakhs
  - (iii) Rupees ten lakhs
  - (iv) Rupees twenty five lakhs



- 7 Advertisements shall be in conformity with the Advertisement Code as specified in the ..... and shall be submitted to the Board within ..... from the date of issue.
  - (i) Forth Schedule 7 days
  - (ii) Fifth Schedule 10 days
  - (iii) Sixth Schedule 7 days
  - (iv) Seventh Schedule 10 days
  
- 8 As per regulation 7 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, for the purpose of grant of a certificate of registration, the applicant has to fulfil the following, namely :
  - (i) the sponsor has contributed or contributes at least 10% to the net worth of the asset management company:
  - (ii) the sponsor has contributed or contributes at least 20% to the net worth of the asset management company:
  - (iii) the sponsor has contributed or contributes at least 30% to the net worth of the asset management company:
  - (iv) the sponsor has contributed or contributes at least 40% to the net worth of the asset management company:
  
- 9 As per regulation 7B of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 No sponsor of a mutual fund, its associate or group company including the asset management company of the fund, through the schemes of the mutual fund or otherwise, individually or collectively, directly or indirectly, have :
  - (i) 1% or more of the share-holding or voting rights in the asset management company or the trustee company of any other mutual fund;
  - (ii) 5% or more of the share-holding or voting rights in the asset management company or the trustee company of any other mutual fund;
  - (iii) 10% or more of the share-holding or voting rights in the asset management company or the trustee company of any other mutual fund;
  - (iv) 40% or more of the share-holding or voting rights in the asset management company or the trustee company of any other mutual fund;
  
- 10 As per regulations 2(q) of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Mutual fund means a fund established in the form of .....to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities
  - (i) a Trust
  - (ii) a Private limited co
  - (iii) a Public limited Company
  - (iv) a listed company
  
- 11 As per Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, No trustee shall initially or any time thereafter be appointed without prior approval of
  - (i) Sponsor
  - (ii) RBI
  - (iii) SEBI
  - (iv) Assets Management Company
  
- 12 As per Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 the appointment of an asset management company can be terminated by
  - (i) majority of the trustees or by sixty six per cent of the unit holders of the scheme.
  - (ii) Sixty six of the trustees or by majority of the unit holders of the scheme
  - (iii) seventy-five per cent of the trustees or by majority of the unit holders of the scheme
  - (iv) majority of the trustees or by seventy-five per cent of the unit holders of the scheme
  
- 13 As per Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 the sponsor or asset management company shall invest ..... in the growth option of the scheme and such investment shall not be redeemed unless the scheme is wound up. However that this requirement shall not apply to close ended schemes.
  - (i) not less than one percent of the amount which would be raised in the new fund offer or fifty lakh rupees, whichever is less
  - (ii) not less than five percent of the amount which would be raised in the new fund offer or fifty lakh rupees, whichever is less
  - (iii) not less than ten percent of the amount which would be raised in the new fund offer or ten lakh rupees, whichever is less

- (iv) not less than ten percent of the amount which would be raised in the new fund offer or fifty lakh rupees, whichever is less
- 14 Every mutual fund which has previously entered into agreements with a recognised stock exchange to list units of its schemes shall execute a fresh listing agreement with such stock exchange .....of the date of notification of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (i) within one month
- (ii) within two months
- (iii) within three months
- (iv) within six months
- 15 No scheme of a mutual fund other than the initial offering period of any equity linked savings schemes shall be open for subscription for
- (i) more than 15 days
- (ii) more than 30 days
- (iii) more than 45 days
- (iv) more than 90 days
- 16 A scheme of a mutual fund may be wound up, after repaying the amount due to the unit holders,..... pass a resolution that the scheme be wound up;—
- (i) if fifty one per cent of the unit holders of a scheme
- (ii) if sixty six percent of the unit holders of a scheme
- (iii) if seventy-five per cent of the unit holders of a scheme
- (iv) if all of the unit holders of a scheme
- 17 Every mutual fund and asset management company shall, despatch to the unit holders the dividend warrants within ..... of the declaration of the dividend
- (i) 10 days
- (ii) 15 days
- (iii) 30 days
- (iv) 60 days
- 18 Every mutual fund shall within ..... months from the date of closure of each financial year forward to SEBI a copy of the Annual Report and other information including details of investments and deposits held by the mutual fund so that the entire scheme wise portfolio of the mutual funds is disclosed to the Board.
- (i) Three
- (ii) Four
- (iii) Six
- (iv) Nine
- 19 A mutual fund scheme shall not invest more than ..... of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to ..... of the NAV of the scheme with the prior approval of the Board of Trustees and Board of Directors of the asset management company
- (i) 5% 7%
- (ii) 8% 10%
- (iii) 10% 12%
- (iv) 15% 17%
- 20 A mutual fund scheme shall not invest more than ..... of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed .....of the NAV of the scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of asset management company.
- (i) 5% 20%
- (ii) 8% 23%
- (iii) 10% 25%
- (iv) 15% 30%
- 21 As per Second Schedule to Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ,Application fees payable by mutual funds is
- (i) Rupees one lakh
- (ii) Rupees five lakhs
- (iii) Rupees ten lakhs
- (iv) Rupees twenty five lakhs

- 22 As per Second Schedule to Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Registration fees payable by mutual funds is
- Rupees one lakh
  - Rupees five lakhs
  - Rupees ten lakhs
  - Rupees twenty five lakhs
- 23 As per regulation 35. (1) Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the asset management company shall specify in the offer document,
- the minimum subscription amount it seeks to raise under the scheme; and (b) in case of over subscription the extent of subscription it may retain, provided that where the asset management company retains the over subscription referred to in clause
  - all the applicants applying ..... shall be given full allotment subject to the over subscription mentioned in clause (b).
- Up to two thousand units
  - Up to five thousand units
  - Up to ten thousand units
  - Up to fifteen thousand units
- 24 As per regulation 35. (4) Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, in the event of failure to refund the amounts within the period specified in sub-regulation 35(3), the asset management company shall be liable to pay interest to the applicants at a rate of .....from the expiry of five working days from the date of closure of the subscription list:
- 10%
  - 12%
  - 15%
  - 18%
- 25 As per regulation 38 Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, No guaranteed return shall be provided in a scheme :
- unless such returns are fully guaranteed by the sponsor or the asset management company;
  - unless a statement indicating the name of the person who will guarantee the return, is made in the offer document;
  - the manner in which the guarantee is to be met has been stated in the offer document.
- Find the correct answer
- (a)
  - (a) and (b)
  - (b) and (c)
  - (a) (b) and (c)
- 26 As per regulation 43(1) Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Subject to other provisions of these regulations, a mutual fund may invest moneys collected under any of its schemes only in—
- securities;
  - money market instruments;
  - privately placed debentures;
  - gold or gold related instruments
- Find the correct answer
- (a) and (b)
  - (a) and (c)
  - (a) (b) and (c)
  - (a) (b) (c) and (d)

**ANSWER KEY:**

1(i), 2(iv), 3(iii), 4(i), 5(ii), 6(iv), 7(iii), 8(iv), 9(iii), 10(i), 11(iii), 12(iv), 13(i), 14(iv), 15(i), 16(iii), 17(iii), 18(ii), 19(iii), 20(iii), 21(ii), 22(iv), 23(ii), 24(iii), 25(iv), 26(iv)

## Members Admitted

S. No.	Registration No.	Name	Address	E-mail	Date of Registration
1	IBBI/RV/03/2019/10703	Chalapathy Rao Marthy	D.NO. 43-5-12/3 BHANU APARTMENT, RAILWAY NEW COLONY, OPP KRISHNA MATERNITY HOSPITAL, Visakhapatnam, Andhra Pradesh, 530016	marthyr Rao@yahoo.co.uk	29 Jan, 2019





## REGISTERED VALUERS ORGANISATION

(A Wholly owned subsidiary of ICSI and registered with IBBI)

Dear Professional Colleagues,

### Subject: Registrations Open for Educational Course on 'Valuation of Securities or Financial Assets' at AHMEDABAD

We are pleased to inform you that the Classroom training of ICSI Registered Valuers Organisation (ICSI RVO) Educational Course on 'Valuation of Securities or Financial Assets' has been successfully completed at various cities.

In continuation of the above, ICSI RVO is planning to conduct Classroom training of its 50 hour course for its next batch at **Ahmedabad**:

**Venue : Ahmedabad Management Association  
AMA Management House, ATIRA Campus, AMA Complex, Dr. V S Marg,  
Vastrapur, Ahmedabad – 380 015 Phone : 079-40038581**

**Dates : The 50 hour course shall be conducted as follows:  
12<sup>th</sup> March, 2019 to 18<sup>th</sup> March, 2019**

Any individual willing to register for the Educational Course, which is a pre-requisite for appearing in the IBBI examination, may fill-in the online application in the form available at the link below with the requisite attachments:

<http://www.icsirvo.in/Member/Login>

After the successful submission of application, the payment link shall be sent to the candidates.

**Enrolment Fee : Rs. 8,850 (Rs. 7,500 + GST @18%)**

**Educational Course Fee : Rs. 26,550 (Rs. 22,500 + GST @ 18%)**

**Educational course Fee** (for members who have successfully completed online Course on Valuation conducted by ICSI): **Rs.20,650 (Rs.17,500 + GST @ 18%)**

For more details, please visit the website [www.icsirvo.in](http://www.icsirvo.in)

Regards

CS Samir Raheja  
CEO (Designate)

## Glimpses of Training Programme for Certificate of Practice at New Delhi



## Glimses of Training Programme for Certificate of Practice at ICSI-SIRC House, Chennai





## Glimpses of ICSI RVO Educational Course at Pune



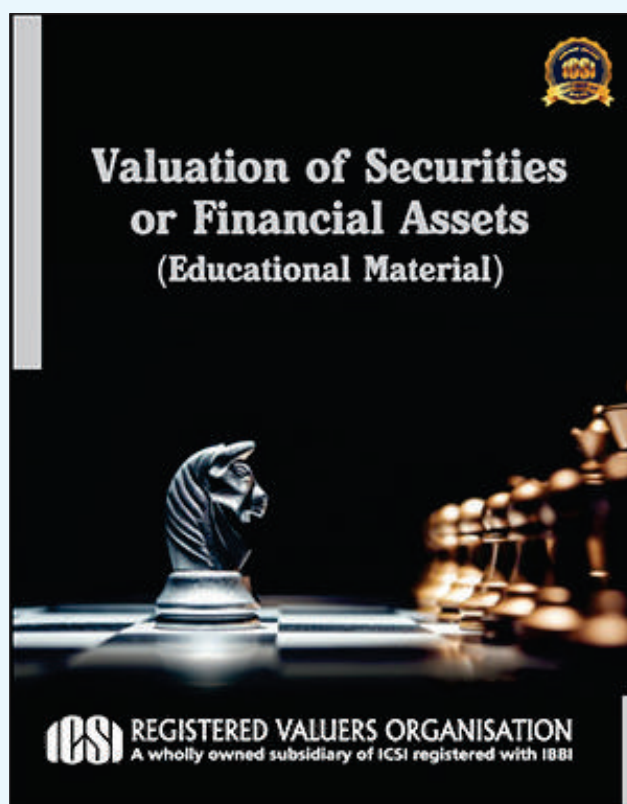


## ABOUT THE BOOK

In pursuance of Rules 5 of the Companies (Registered Valuers and Valuation) Rules, 2017, the Insolvency and Bankruptcy Board of India ("IBBI"), being the Authority, has specified the curriculum of Educational Courses for the Asset Class "Securities or Financial Assets". The Task Force constituted by the Governing Board of ICSI Registered Valuers Organisation has developed a comprehensive material covering the following entire curriculum prescribed by IBBI.

### Topics

- Macro Economics
- Finance
- Professional Ethics and Standards
- Financial Statements Analysis
- General Laws and judicial Pronouncements
- Overview of Valuation
- Valuation Approaches and Methodologies
- Valuation Application
- Laws and Regulation relevant to Financial Assets Valuation
- Case Studies on application of valuation techniques



Price : 750/- (Postage extra)

The Book is available at [www.amazon.in](http://www.amazon.in)

## About ICSI RVO

The field of valuation, as an area of activity is still untapped, demanding the presence of experts possessing the right knowledge and capabilities which brings upon the realisation that we Company Secretaries as professionals in India can provide the much needed support both as members of ICSI as well as by forming a significantly strong army of Valuation members.

In order to enable the members of ICSI, as well as other professionals and eligible persons to register as Registered Valuers, the ICSI on November 22, 2017 incorporated a not-for-profit private limited company under Section 8 of the Companies Act, 2013, by the name **ICSI Registered Valuers Organisation (ICSI RVO)**.

ICSI RVO intends to enrol, educate, train and promote the profession of Registered Valuers as per the Companies (Registered Valuers and Valuation) Rules, 2017.



**"You cannot connect dots looking forward, but you can connect dots looking backwards."**

~ Steve Jobs

The concept of 'Registered Valuer' was introduced under section 247 of the Companies Act, 2013 to carry out valuation in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities, as per the Companies (Registered Valuers and Valuation) Rules, 2017 notified by MCA on 18<sup>th</sup> October, 2017. The Rules will lead to setting-up of Valuation Standards which will further improve transparency and governance and, while bringing about a clarity regarding various aspect of valuation will have a major impact on the industry, professionals, stakeholders and the government as well. Needless to say, the requirement of Registered Valuers will definitely enhance professional opportunities for both the Company Secretaries as well as other professionals.

Some of the areas under Companies Act, 2013 requiring valuation include:



### About the Institute of Company Secretaries of India (ICSI):

ICSI is a statutory body constituted under the Company Secretaries Act, 1980 to regulate and develop the profession of Company Secretaries. The Institute has been contributing in all initiatives of Govt. of India having potential to excel socio-economic growth of the nation and in one such initiative has delved into developing Registered Valuers by establishing its wholly owned subsidiary **ICSI Registered Valuers Organisation (ICSI RVO)**.



## SYLLABUS FOR VALUATION OF SECURITIES OR FINANCIAL ASSETS

S. No.	COVERAGE		
1.	Marco Economics	6.	Overview of Valuation
2.	Finance	7.	Valuation Approaches and Methodologies
3.	Professional Ethics and Standards	8.	Valuation Application
4.	Financial Statement Analysis	9.	Law and Regulations relevant to Financial Assets Valuation
5.	General Laws and Judicial Pronouncements	10.	Case Studies

## EDUCATIONAL QUALIFICATION & EXPERIENCE

### Post Graduate Level

1. Member of the ICSI or ICAI the ICMAI or;
2. MBA/PGDBM specialisation in finance or;
3. Post Graduate Degree in Finance

3 Years  
of experience in the  
discipline

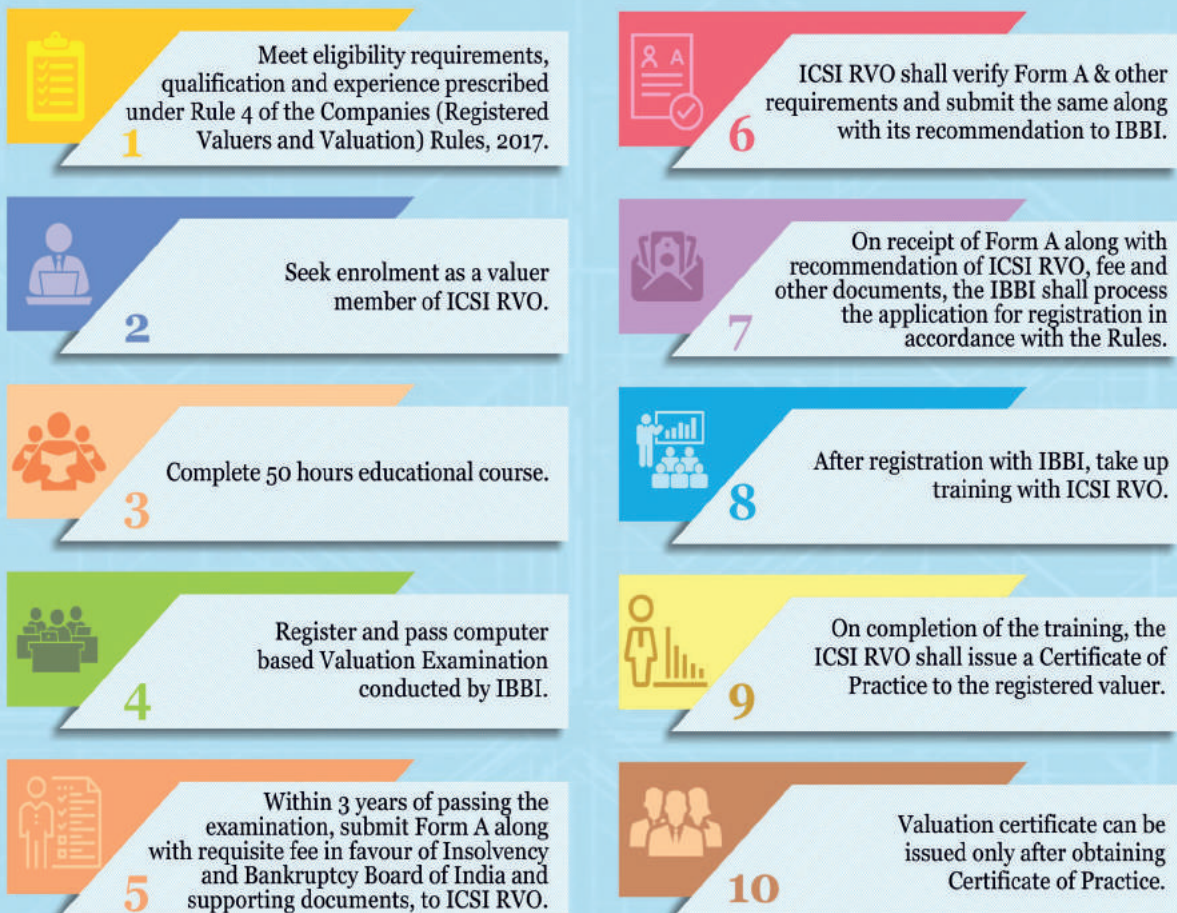
## REGISTRATION

Any individual willing to register himself as a Valuer Member may send an application in the form available at the website: [www.icsirvo.in](http://www.icsirvo.in)

## FEE FOR THE COURSE:

- Enrolment Fee: Rs. 8,850/- (Rs.7,500+GST@18%)
- Course Fee: Rs. 26,550/- (Rs. 22,500+GST@18%)
- Educational course Fee (for members who have successfully completed the online Course on Valuation conducted by ICSI): Rs.20,650/- (Rs. 17,500+GST@18%)



**PROCEDURE TO BE FOLLOWED****IBBI EXAMINATION REQUIREMENTS**

- a. The examination is conducted online (computer-based in a proctored environment) with objective multiple-choice questions by IBBI
- b. The duration of the examination is 2 hours
- c. A candidate is required to answer all questions
- d. Wrong answer attracts a negative mark of 25% of the marks assigned for the question
- e. A candidate needs to secure 60% of marks for passing

**FEE FOR THE IBBI EXAMINATION:** Rs. 1500/- for every enrolment.

**For further information contact:**

CS Samir Raheja, CEO (Designate), ICSI RVO  
 4th Floor, ICSI-House, 22, Institutional Area, Lodi Road, New Delhi-110 003,  
 Phone : +91-11-45341028, E-mail : [rvo@icsi.edu](mailto:rvo@icsi.edu), Website : [www.icsirvo.in](http://www.icsirvo.in)



## Motto

सत्यं वद। धर्मं चर।

इष्टवर्क तेह truth. ओवेह by तेह कव।

## Vision

"To be a global leader in promoting  
good corporate governance"

## Mission

"To develop high calibre professionals  
facilitating good corporate governance"



**REGISTERED VALUERS ORGANISATION**

(A Wholly owned subsidiary of ICSI and registered with IBBI)