



January 03, 2018

Info Capsule

IBBI NOTIFIES VALUATION EXAMINATION FOR ASSET CLASS – SECURITIES OR FINANCIAL ASSETS¹

The Insolvency and Bankruptcy Board of India *vide* its notification dated December 30, 2017 has in pursuance of the rule 5 (3) of the Companies (Registered Valuers and Valuation) Rules, 2017, rolled out the syllabus, format and frequency of the 'Valuation Examination' for the asset class: Securities or Financial Assets (*the class of assets for which the members of the Institute of Company Secretaries of India have been recognized to conduct valuation*). The brief details of the same are mentioned herein below:

I. Syllabus:

The syllabus for the examination totalling up to 100 marks shall cover the following areas:

- a. Macro Economics
- b. Finance
- c. Professional Ethics and Standards
- d. Financial Statement Analysis
- e. General laws and Judicial Pronouncements
- f. Overview of Valuation
- g. Valuation Approaches and Methodologies
- h. Valuation Application
- i. Laws and Regulations relevant to Financial Assets Valuation
- j. Case Studies (This section will have 2 case studies for application of valuation techniques.)

There will be two comprehensions narrating the transaction based on which questions will be asked from each case.)

II. Format of Examination:

The 2-hour examination shall be conducted online (computer-based in a proctored environment) with objective multiple-choice questions.

Negative marking : 25% of the marks assigned for the question

Passing percentage : 60% of marks for passing

¹Available at: http://ibbi.gov.in/webadmin/pdf/whatsnew/2017/Dec/Valuation%20Syllabus%20-Securities%20or%20FA%20_rev_2017-12-30%2019:08:42.pdf

III. Frequency of Examination:

A number of locations have been made available for the candidates for the said examination and the examination is available on every working day.

The Notification containing the detailed syllabus is available at [http://ibbi.gov.in/webadmin/pdf/whatsnew/2017/Dec/Valuation%20Syllabus%20-Securities%20or%20FA%20 rev 2017-12-30%2019:08:42.pdf](http://ibbi.gov.in/webadmin/pdf/whatsnew/2017/Dec/Valuation%20Syllabus%20-Securities%20or%20FA%20rev%202017-12-30%2019:08:42.pdf)

The syllabus, format, etc.; for other classes of assets has also been published by the Insolvency and Bankruptcy Board of India, and the same is available at <http://www.ibbi.gov.in/>

SECURITIES AND EXCHANGE BOARD OF INDIA (SETTLEMENT OF ADMINISTRATIVE AND CIVIL PROCEEDINGS) (SECOND AMENDMENT) REGULATIONS, 2017

SEBI vide its notification No. SEBI/LAD-NRO/GN/2017-18/025 dated December 27, 2017 amended the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 and inserted a new chapter VIA after Chapter VI and before Chapter VII which is discussed below:

“CHAPTER VIA

Summary Settlement Procedure

Summary Settlement Procedure

14A. (1) Notwithstanding anything contained in Chapter VI, before initiating any specified proceeding the Board may issue a notice of settlement in the format as specified in Schedule-III, calling upon the noticee to file a settlement application in respect of the specified proceeding(s) to be initiated, upon payment of the settlement amount and/or furnishing an undertaking in respect of other non-monetary terms or compliance with other non-monetary terms, as may be specified in the settlement notice in respect of the following alleged defaults,-

- i. Late filing of returns, report, document, etc;
- ii. Delay in making disclosures;
- iii. Non-disclosure in relation to companies exclusively listed on regional stock exchanges which have exited;
- iv. Failure to make disclosures in the prescribed formats;
- v. Delay in compliance of any of the requirements of law or with directions issued by the Board;
- vi. Such other violations as may be determined by the Board.

Provided that, the specified proceeding(s) shall not be settled under this Chapter, if in the opinion of the Board, the applicant has failed to make a full and true disclosure of facts or failed to co-operate to the satisfaction of the Board:

Provided further that, notwithstanding anything contained in the notice of settlement, the Board shall have the power to modify the enforcement action to be brought against the noticee and the notice of settlement shall not confer any right upon the noticee to seek settlement or avoid any enforcement action.

- (2) The noticee may within thirty calendar days from the date of receipt of the notice of settlement,-
- (a) file a settlement application in the Form specified in Part-A of the Schedule-I alongwith non-refundable application fee as specified in Part-B and the undertakings and waivers as specified in Part-C of the Schedule-I;
 - (b) remit the settlement amount as specified in the notice of settlement; and
 - (c) comply or undertake to comply with other non-monetary terms as specified in the notice of settlement, as the case may be.

Provided that, in case of any discrepancy in calculation of settlement amount specified in the notice of settlement, the noticee may seek rectification of the same at the time of filing the settlement application and in such cases the decision of the Board shall be final and remittance shall be done within thirty calendar days from the date of receipt of the decision of the Board.

Provided further that, the Board may for reasons to be recorded, grant extension of time not exceeding a further period of fifteen calendar days for filing of the settlement application, remittance of the settlement amount and/or furnishing an undertaking in respect of any of the non-monetary terms or compliance with any of the non-monetary terms specified in the notice of settlement.

- (3) The Board upon being satisfied with the remittance of settlement amount and undertaking furnished in respect of non-monetary terms or compliance with non-monetary terms, if any specified in the settlement notice, shall pass an order of settlement under regulation 15.

14B. Notwithstanding anything contained in Chapter VI and in regulation 14A, with respect to specified proceedings pending as on the date of commencement of this Chapter, the Board may issue a notice of settlement under sub-regulation (1) of regulation 14A in respect of such proceedings and in such cases the procedure specified in regulation 14A shall apply mutatis mutandis.

Explanation. - For the purposes of this Chapter, it is clarified that a specified proceeding is not deemed to be initiated and pending, unless the Board has communicated the matter to the authority who shall conduct such proceedings.

14C. Notwithstanding anything contained in these regulations, where a noticee does not file a settlement application under this Chapter or remit the settlement amount and/or comply with other non-monetary terms to the satisfaction of the Board or withdraws the settlement application, the specified proceedings may be initiated or continued, as the case may be and such a noticee shall only be permitted to file a settlement application in respect of proceedings pending before a Court or tribunal after conclusion of proceedings before the Adjudicating Officer or the Board, as the case may be."

(II) In Schedule II, in Chapter I, -

- (A) Item 12 shall be deleted;
- (B) Existing item (13) shall be renumbered as item (12).

(III) After Schedule II, the following Schedule shall be inserted, namely,-

Schedule III
(See regulation 14A)
Form

To

Date

.....

Address

Sub: Notice of settlement in the matter of

Securities and Exchange Board of India (SEBI) during the investigation/ inspection/ inquiry/ examination in the matter ofhas prima facie observed that you have violated the following provisions of the securities laws:

- (i)
- (ii)
- (iii)
- (iv)

Extracts of the findings are enclosed.

2. In view of the aforesaid you are liable to be proceeded against under(***relevant provisions under which the proceedings may be initiated or continued***)

3. The aforesaid proceedings (to be) initiated may, be settled and disposed of upon filing of a settlement application under the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 alongwith remittance of a settlement amount of Rs.to SEBI in terms of (provision) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 within 30 calendar days from the date of receipt of this notice and upon complying with the following non-monetary terms:

- (i)
- (ii) (***please specify any other terms, if any***)

4. If remittance of the settlement amount is not made and/ or any of the non-monetary terms are not complied or undertaken to be complied within the specified time, the Board may initiate or continue any specified proceedings against you in accordance with law.

Notwithstanding anything contained in this notice, the Board reserves the right to modify the proceedings and charges (to be) brought against you and this notice shall not confer any right to seek settlement or avoid any action initiated by the Board.

5. If the settlement application is not filed or the settlement amount is not remitted and/or undertaking in respect of other non-monetary terms is not furnished or other non-monetary terms are not complied to the satisfaction of the Board or the settlement application is withdrawn, the specified proceedings may be initiated or continued, as the case may be and you shall be permitted to file a settlement application only in respect of proceedings pending before a Court or tribunal after conclusion of proceedings before the Adjudicating Officer or the Board, as the case may be.

Name, designation and signature

Encl: As above"

Team ICSI

Disclaimer : The information in the Info Capsules is developed according to the information available in public domain and for academic purposes only. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.