



M/s PRANJAL JOSHI & CO
CHARTERED ACCOUNTANTS

Office No. 9, Suvan Apartments, Opp. Jog High School, HDFC Bank Building, Mayur Colony, Kothrud, Pune – 411 038. Office cell 95798 43393, Mob: 98500 35736, contact@capranjaljoshi.com

Requirements of Valuation by a Registered Valuer under various provisions of The Companies Act 2013.

The requirements of Valuation under various provisions of the Companies Act 2013 and Rules thereunder and appointment of Registered Valuer are as follows:

Sr No	Purpose and Section	Section and rule
01	Chapter III Allotment of Securities for consideration other than Cash	39 (4)- Allotment of Securities by company Rule 12 (5)- Return of Allotment A report of a registered valuer in respect of valuation of the consideration shall also be attached along with the contract as mentioned in sub-rule (3) and sub-rule (4).
02	Chapter IV - Issue of sweat equity shares	Section 54 (1)- Issue of Sweat Equity Shares Rule 8 - Issue of Sweat Equity Shares 8 (6) The sweat equity shares to be issued shall be valued at a price determined by a registered valuer as the fair price giving justification for such valuation. 8 (7) The valuation of intellectual property rights or of know how or value additions for which sweat equity shares are to be issued, shall be carried out by a registered valuer, who shall provide a proper report addressed to the Board of directors with justification for such valuation.
03	Chapter IV Issue of Shares / convertible securities on preferential basis by unlisted company for cash or for consideration other than cash	Section 62 (1) (c) - Further issue of share capital. to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed. Rule 13 (1)- Issue of shares on preferential basis Provided further that the price of shares to be issued on a preferential basis by a listed company shall not be required to be determined by the valuation report of a registered valuer.



M/s PRANJAL JOSHI & CO
CHARTERED ACCOUNTANTS

Office No. 9, Suvan Apartments, Opp. Jog High School, HDFC Bank Building, Mayur Colony, Kothrud, Pune – 411 038. Office cell 95798 43393, Mob: 98500 35736, contact@capranjaljoshi.com

04	Chapter IV Issue of shares on preferential basis.-	<p>Section 67 (3) (b)- Restrictions on purchase by company or giving of loans by it for purchase of its shares</p> <p>Rule 16 (1) (c) - Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees.- where shares of a company are not listed on a recognized stock exchange, the valuation at which shares are to be purchased shall be made by a registered valuer;</p>
05	Chapter V Acceptance of Deposits Valuation of bonds where secured by charge of any assets	<p>Section 73- Prohibition on acceptance of deposits from public</p> <p>Rule 2 (ix) - Provided that if such bonds or debentures are secured by the charge of any assets referred to in Schedule III of the Act, excluding intangible assets, the amount of such bonds or debentures shall not exceed the market value of such assets as assessed by a registered valuer;</p>
06	Chapter V - Acceptance of Deposits	<p>Section 73 (2)- Prohibition on acceptance of deposits from public</p> <p>Rule 6 – Creation of Security Provided that in the case of deposits which are secured by the charge on the assets referred to in Schedule III of the Act excluding intangible assets, the amount of such deposits and the interest payable thereon shall not exceed the market value of such assets as assessed by a registered valuer.</p>
07	Chapter V Terms of Reference of Audit Committee	<p>Section 177 (4) (vi) Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,— valuation of undertakings or assets of the company, wherever it is necessary;</p>
08	Chapter XII Non cash transactions with Directors for acquiring assets from the company	<p>Section 192 (2) Restriction on noncash transactions involving directors. The notice for approval of the resolution by the company or holding company in general meeting under subsection (1) shall include the particulars of the arrangement along with the value of the assets involved in such arrangement duly calculated by a registered valuer.</p>



M/s PRANJAL JOSHI & CO
CHARTERED ACCOUNTANTS

Office No. 9, Suvan Apartments, Opp. Jog High School, HDFC Bank Building, Mayur Colony, Kothrud, Pune – 411 038. Office cell 95798 43393,
Mob: 98500 35736, contact@capranjaljoshi.com

09	Chapter XV- In case of any scheme of corporate debt restructuring	Section 230 (2) (c) (v) any scheme of corporate debt restructuring consented to by not less than seventy-five per cent. of the secured creditors in value, including a valuation report in respect of the shares and the property and all assets, tangible and intangible, movable and immovable, of the company by a registered valuer.
10	Chapter XV For valuation including swap ratio, in case of any scheme for the reconstruction of the company or companies involving merger/ amalgamation or demerger, copy of valuer report to be accompanied	Section 232 (2) (d) Merger and amalgamation of companies. Where an order has been made by the Tribunal under subsection (1), merging companies or the companies in respect of which a division is proposed, shall also be required to circulate the following for the meeting so ordered by the Tribunal, namely:— (d) the report of the expert with regard to valuation, if any;
11	Chapter XV Exit for dissenting shareholder of transferor company	Section 232 (3) (h) (B) where the transferor company is a listed company and the transferee company is an unlisted company,— (A) the transferee company shall remain an unlisted company until it becomes a listed company; (B) if shareholders of the transferor company decide to opt out of the transferee company, provision shall be made for payment of the value of shares held by them and other benefits in accordance with a predetermined price formula or after a valuation is made, and the arrangements under this provision may be made by the Tribunal: Provided that the amount of payment or valuation under this clause for any share shall not be less than what has been specified by the Securities and Exchange Board under any regulations framed by it;
12	Chapter XV Purchase of minority shareholding	Section 236 (2) The acquirer, person or group of persons under sub-section (1) shall offer to the minority shareholders of the company for buying the equity shares held by such shareholders at a price determined on the basis of valuation by a registered valuer in accordance with such rules as may be prescribed.



M/s PRANJAL JOSHI & CO
CHARTERED ACCOUNTANTS

Office No. 9, Suvan Apartments, Opp. Jog High School, HDFC Bank Building, Mayur Colony, Kothrud, Pune – 411 038. Office cell 95798 43393, Mob: 98500 35736, contact@capranjaljoshi.com

13	Chapter XVII Responsibilities of Registered Valuers	Section 247 Valuation by Registered Valuer Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it shall be valued by a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee or in its absence by the Board of Directors of that company.
14	Chapter XX Submission of report by Company Liquidator in case of winding up Order by NCLT	Section 281 (1) (a) the nature and details of the assets of the company including their location and value, stating separately the cash balance in hand and in the bank, if any, and the negotiable securities, if any, held by the company: Provided that the valuation of the assets shall be obtained from registered valuers for this purpose

Source – FAQ's issued by ICAI RVO