

# Insolvency and Bankruptcy Board of India

No. IBBI/PR/2026/2  
26<sup>th</sup> February, 2026

## Press Release

**Insolvency and Bankruptcy Board of India introduces reforms to strengthen the valuation and information disclosure framework under the Insolvency and Bankruptcy Code, 2016.**

### **I. Structural reforms to strengthen the valuation framework under the Code**

The Insolvency and Bankruptcy Board of India (IBBI/Board) has undertaken major and transformative regulatory reforms to significantly strengthen the valuation framework under the Insolvency and Bankruptcy Code, 2016 (Code). Maximization of the value of assets of the corporate debtor (CD) in a time bound manner is one of the core objectives of the Code. In this context, valuation plays a critical role in commercial decision-making by stakeholders and has a direct bearing on value maximisation, the choice between resolution and liquidation, and distribution of proceeds.

Recognising the critical and determinative role of valuation in the insolvency ecosystem, the IBBI has undertaken a comprehensive review of the valuation framework and has introduced structural reforms to enhance transparency, uniformity, and overall credibility of valuation practices under the Code.

The amended Regulations, *inter alia*, provide for the following:

**(i) Standardisation of valuation reports and documentation:** The registered valuer shall prepare the valuation report and maintain such documentation as per the format notified by the Board through circular. This is intended to promote uniform disclosures, improved auditability, reduced disputes, and enhanced comparability across valuation reports.

**(ii) Harmonisation of valuation standards across insolvency processes:** The registered valuer shall compute the fair value and liquidation value in accordance with the valuation standards notified by the Board through circular. This amendment aims to ensure that a single, harmonized valuation standard is adopted for all valuations conducted under the Code, irrespective of the nature of process, to promote consistency, reliability, and professionalism in the valuation ecosystem.

**(iii) Fair Value to capture underlying synergies:** The definition of 'fair value' has been modified to explicitly recognise both tangible and intangible assets, along with their underlying synergies. This will ensure that the value of the CD is captured in a holistic manner, thereby reflecting its true commercial worth and economic value.

**(iv) Designating a Coordinating Valuer:** This amendment also introduces a framework for designating a Coordinating Valuer amongst the appointed registered valuers, for estimation of the Fair Value of the CD to ensure that enterprise-level consideration, including synergies and going-concern attributes, are appropriately reflected in the value of the CD, thereby enhancing the robustness and credibility of valuation outcomes.

These amendments aim to strengthen the valuation ecosystem under the Code with the objective of enhancing the credibility, comparability, and reliability of valuations

## **II. Strengthening information disclosure framework under the Code**

### **i) Disclosures relating to allottees:**

It has been mandated that the Information Memorandum (IM) shall include details of all allottees, including their names, amounts due, and units allotted, whose claims are reflected in the books of accounts of the corporate debtor or in the records of the Real Estate Regulatory Authority, but who have not submitted claims to the resolution professional. Further, where such details are included in the IM, the resolution plan shall also provide for treatment of such allottees. This amendment seeks to ensure fair and equitable treatment of all homebuyers, enhance transparency, and avoid uncertainty or disputes during plan implementation.

### **ii) Disclosures to reduce information asymmetry:**

It has been mandated that the Information Memorandum shall also include:

- (a) details of receivables of the corporate debtor, including trade receivables, inter-corporate receivables, and receivables arising under any contract;
- (b) details of joint development agreements and other similar collaboration or co-development arrangements, including the rights, obligations, and interests of the corporate debtor arising thereunder; and
- (c) details of assets under attachment by enforcement agencies, including particulars of the assets attached, the authority effecting such attachment, and the status of related proceedings.

These amendments aim to reduce information asymmetry through enhanced disclosures thereby ensuring efficient resolution outcomes.

The amended regulations are available on the website of the Board at [www.ibbi.gov.in](http://www.ibbi.gov.in).

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भारतीय दिवाला और शोधन अक्षमता बोर्ड

Insolvency and Bankruptcy Board of India

## Insolvency and Bankruptcy Board of India

19<sup>th</sup> November, 2025

### **Discussion Paper on Proposed Guidelines for Conducting Valuation under the Insolvency and Bankruptcy Code, 2016.**

In continuation to the Discussion Paper issued by the Insolvency and Bankruptcy Board of India (IBBI) on [Strengthening the Valuation Process under the Insolvency and Bankruptcy Code, 2016](#) on 17th November 2025, and the proposal contained therein to empower the Board through the Regulations to specify a uniform format for valuation reports as well as prescribe the documentation requirements to be followed by Registered Valuers (RVs) while undertaking valuation assignments under the Code, the Board has prepared the draft **Guidelines for Conducting Valuation under the Insolvency and Bankruptcy Code, 2016.**

2. These Guidelines are intended to promote consistency, transparency, and standardisation in valuations carried out under the Code. The objective is to ensure that valuation reports are comprehensive, supported by adequate documentation, and prepared through a structured and well-reasoned assessment of the assets of the corporate debtor.

Part I of these Guidelines sets out the general requirements, including:

- (a) documentation to be maintained by the registered valuer;
- (b) the minimum content of the valuation report; and
- (c) key parameters to be considered while valuing receivables.

Part II contains the asset-specific formats for the valuation report.

**Public comments:**

3. The draft detailed Guidelines are placed below for soliciting comments and suggestions from stakeholders.

**Submission of comments:**

4. Comments may be submitted electronically by **10th December 2025**. For providing comments, please follow the process as under:

(i) Visit IBBI website, [www.ibbi.gov.in](http://www.ibbi.gov.in);

(ii) Select 'Public Comments';

(iii) Select 'Discussion paper – "Discussion Paper on Proposed Guidelines for Conducting Valuation under the Insolvency and Bankruptcy Code, 2016"

(iv) Provide your Name, and Email Id;

(v) Select the stakeholder category, namely, -

a) Corporate Debtor;

b) Personal Guarantor to a Corporate Debtor;

c) Proprietorship firms;

d) Partnership firms;

e) Creditor to a Corporate Debtor;

f) Insolvency Professional;

g) Insolvency Professional Agency;

h) Insolvency Professional Entity;

i) Registered Valuers;

j) Registered Valuer Entity;

k) Registered Valuer Organization;

l) Academics;

m) Investor;

n) Others

(vi) Select the kind of comments you wish to make, namely, a) General Comments; or b) Specific Comments.

(vii) If you have selected 'General Comments', please select one of the following options:

a) Inconsistency, if any, between the provisions within the regulations (intra-regulations);

b) Inconsistency, if any, between the provisions in different regulations (inter regulations);

c) Inconsistency, if any, between the provisions in the regulations with those in the rules;

d) Inconsistency, if any, between the provisions in the regulations with those in the Code;

e) Inconsistency, if any, between the provisions in the regulations with those in any other law;

f) Any difficulty in implementation of any of the provisions in the regulations;

g) Any provision that should have been provided in the regulations, but has not been provided; or

h) Any provision that has been provided in the regulations but should not have been provided.

And then write comments under the selected option.

(viii) If you have selected 'Specific Comments', please select para/asset class and then sub-para number and write comments under the selected para/sub-para.

(viii) You can make comments on more than one para/sub-para or regulation / sub-regulation number, by clicking on More Comments and repeating the process outlined above from point 4 (vi) onwards.

(ix) Click 'Submit', if you have no more comments to mark

## **GUIDELINES FOR CONDUCTING VALUATION UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

Valuation reports and documentation are critical aspects, which collectively assist in creating consistency, professionalism, transparency, comparability, and trust in valuation to serve the public interest. Accordingly, valuation must have sufficient documentation and reporting that clearly describes and provides transparency to the intended user regarding the valuation approaches, methods, inputs, models, application of professional judgment, and the resulting values. The objective of these guidelines is to prescribe the minimum contents of the valuation report for conducting valuation under the Insolvency and Bankruptcy Code, 2016 (Code) and specify the responsibility of a valuer in preparing the relevant documentation for arriving at a value. Accordingly, Part – I of these guidelines provides the general content covering (a) documentation requirements (b) minimum content of the valuation report and (c) key parameters to be considered while valuing receivables. While Part – II specifies the asset specific format of the Valuation Report. The details of the same are mentioned below:

### **PART - I: GENERAL CONTENT**

#### **(a) Documentation**

- i. Documentation shall constitute the comprehensive written record of the valuation, and it includes relevant communications with the client, working papers, and supporting materials that substantiate the conclusions reached.
- ii. The Registered Valuer shall ensure that documentation shall be maintained in a manner that clearly describes the valuation process and is sufficient to substantiate the conclusions reached by him. Such documentation should

be sufficient to understand the scope of the valuation, the work performed, and the basis for the conclusions drawn.

- iii. Documentation shall include, but not be limited to, records of communication with the client; alternative methodologies considered; additional data and inputs evaluated; risks and potential biases identified and addressed; the exercise of professional judgement; and the valuation quality control procedures applied.
- iv. In all cases, documentation shall clearly set out the valuation process undertaken and the manner in which valuation risk was identified, assessed, and managed by the Registered valuer.

**(b) Minimum content of the valuation report**

- i. Purpose and scope of the work;
- ii. Name of Registered Valuer & Registration Number;
- iii. Details of the any other experts involved in the valuation;
- iv. Disclosure of valuer interest or conflict, if any;
- v. Identity of Client/appointing authority and other Intended users;
- vi. Intended use;
- vii. Details of assets and/or liabilities being valued;
- viii. Background and Other Relevant Information about the Asset Being Valued;
- ix. Valuation currency(ies) used and measurements;
- x. Valuation Report Identification Number (VRIN);
- xi. Sources of Information;
- xii. Basis/es and premise of value adopted;
- xiii. Valuation Standards followed;
- xiv. Valuation Approaches and Methods or valuation model(s) applied;
- xv. Relevant discounts and premiums
- xvi. Sources and selection of significant data and inputs used;

- xvii. Description of inspections and/or investigations undertaken;
- xviii. Sustainability and Functional Factors impacting valuation
- xix. Significant or special assumptions, and/or limiting conditions;
- xx. Specific reasons for any asset being left out or assigned zero value
- xxi. Findings of any other experts involved in the valuation;
- xxii. Value and rationale for valuation; and
- xxiii. Caveats, limitations and disclaimers as per the IBBI (Use of Caveats, Limitations, and Disclaimers in Valuation Reports) Guidelines, 2020

**(c) Key Parameters to be considered while valuing receivables**

- a) Nature of Receivable: Trade receivable, Loans, Advances, Taxation related receivables including carry forward losses, etc.
- b) Applicable Regulatory Framework: Companies Act, 2013, RBI's Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (IRACP) etc.
- c) Credit Risk Profile and Related Party Status: Financial health, solvency status (e.g., defaulter, under litigation, insolvent), availability of external ratings (if any) and related party status.
- d) Ageing of Receivables: Categorize receivables by period outstanding (e.g., <6 months, 6–12 months, 1–2 years, etc.).
- e) Legal Enforceability and Documentation: Status as secured or unsecured, disputed vs undisputed, availability of enforceable documentation like valid contracts, invoices, acknowledgment of debt, KYC of debtors of CD, etc.
- f) Past Recovery and Servicing Record: Historical recovery experience from similar types of receivables or customers or industry sectors including legal and administrative cost, time of recovery, etc.

- g) Macroeconomic and Industry Factors: Sector-specific default trends and economic conditions impacting the recoverability of receivables.

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## PART – II: ASSET SPECIFIC FORMAT OF THE VALUATION

### VALUATION REPORT FORMAT FOR LAND & BUILDING

#### Executive Summary of the Valuation Report

Item	Details
<b>Client / Appointing Agency</b>	[Name and registration number of the insolvency professional acting as Interim Resolution Professional (IRP), Resolution Professional (RP) or Liquidator as the case may be,]
<b>Details of the CD</b>	[Name] including business profile, CIN/ LLP No., Address of the registered office and principal office (if any) of CD, Date of incorporation of CD etc.
<b>Purpose of Valuation</b>	[Add details]
<b>Class of Asset</b>	Land & Building
<b>Subject Asset</b>	[Brief Description, e.g., Land & Building of XYZ, Project name, location etc.]
<b>Scope of Work</b>	[Scope Summary]
<b>Insolvency commencement date (ICD) / Liquidation commencement date (LCD)</b>	[dd/mm/yyyy]
<b>Valuation Date</b>	[dd/mm/yyyy]
<b>Inspection Date</b>	[dd/mm/yyyy]
<b>Report Date</b>	[dd/mm/yyyy]

<b>Item</b>	<b>Details</b>
<b>Fair Value</b>	INR X crore
<b>Liquidation Value</b>	INR Y crore
<b>Details of the Registered Valuer</b>	[Name of the Registered Valuer (RV)/Registered Valuer Entity (RVE)]
<b>Registration Number</b>	IBBI/RV/XXXX/YYYY
<b>Date of appointment</b>	[dd/mm/yyyy]
<b>Status of CoP as on appointment date</b>	[active/inactive]
<b>VRIN as generated from the website of the Authority.</b>	[            ]

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**a) Purpose and Scope of the Work**

The purpose of this valuation is to estimate the *Fair Value* and/or *Liquidation Value* of the subject Land and Building asset(s), as required under the Insolvency and Bankruptcy Code, 2016 and rules & regulations made thereunder. The scope of work as agreed upon in the engagement/appointment letter for the intent and purpose of the assignment should be elaborated.

**b) Details of the Registered Valuer & Registration Number**

[Name of the Registered Valuer (RV)/Registered Valuer Entity (RVE)] – Land & Building Registration Number:

*The VRIN shall be mentioned in the footer on the left side of each page of the report.*

**c) Details of any other experts' involved in the Valuation**

Provide name, qualifications, and role of any expert, if involved whose input was used in the valuation report.

**d) Disclosure of valuer interest or conflict, if any**

The valuer should declare personal, financial, or professional interest in the valuation or any conflict of interest with the client or stakeholders, as per the Companies (Registered Valuers & Valuation) Rules, 2017.

**e) Identity of Client/Appointing Authority and other intended users**

Client/Appointing Authority: Name and registration number of the insolvency professional [acting as Interim Resolution Professional (IRP), Resolution Professional (RP) or Liquidator as the case may be,] other intended users: [if any, e.g., Creditors]

**f) Intended Use**

This report is intended to determine valuation as per the provisions of the Insolvency and Bankruptcy Code, 2016 and rules and regulations made thereunder.

**g) Details of Assets and/or Liabilities being Valued**

**Asset Class:** Land and Building

**Description:**

Details should include Size, location/address where the land and building are situated, revenue survey, property circle rate, geographical coordinates of the location, name of Property Owner/ Lessor/ Lessee/ Sublessee/ Assignee, legal title status , status of lease as on valuation date, the interest to be valued, possession/occupancy status, type and current use of the asset(s), boundaries or cardinal directions (north, south, east, west), and general description of the

asset(s), details of land (area, circle rates, access, Topography/level, Shape, Frontage to depth ratio, Visibility), any other relevant information.

#### **h) Background and Other Relevant Information about the Asset being valued**

Details of property ownership history, permissible use of the property, encumbrances (if any), relevant approvals (RERA, zoning), development potential, any other relevant information.

#### **i) Valuation Currency(ies) and measurement**

The currency used in valuation should be clearly stated. In case of currency other than Indian Rupees (INR) is used, explanation for the same should be provided. It is also necessary to mention the conversion rate between the two currencies and its source.

The units for measurement of land and building used in the report should be mentioned. For example, sq. ft., sq. m. or any other customary unit.

#### **j) Sources of Information**

- Title documents, site inspection, municipal approvals
- List of buildings and civil structures along with their respective built-up area.
- Approved Building and Layout plans.
- Market data from government records & real estate databases
- Discussions with local brokers
- Expert reports (if any)

#### **k) Basis(es) and Premise of Value adopted**

The RV has to select the most appropriate ‘Basis(es) of Value’ and the ‘Premise(s) of Value’ for the purpose of IBC. The relevant definitions of the

adopted Basis of value, Premise of value, must be stated with pertinent discussions in the following format:

### **Basis Adopted**

Valuation Purpose	Basis
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*\*The basis of valuations under IBC is to identify the fair value as defined under regulation 2(1)(hb) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and liquidation value as defined under Regulation 2(1)(k) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.*

### **Premise Adopted**

Asset Type	Premise Adopted	Remarks/Justification
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*\*The premise of valuations under IBC may include the following–*

- (a) valuation of an asset on a standalone basis;*
- (b) valuation of the assets in a slump sale;*
- (c) valuation of a set of assets collectively;*
- (d) valuation of the assets in parcels;*
- (e) valuation of the CD as a going concern; or*
- (f) valuation of the business(s) of the CD as a going concern.*

### **I) Valuation Standards Followed**

RV shall clearly mention the internationally accepted valuation standards and relevant sections thereof used in the report.

### **m) Valuation Approaches and Methods or Valuation Model(s) Applied**

Details of the approaches considered:

- Market Approach
- Income Approach
- Cost Approach

The valuation report must contain a conceptual description of each of these approaches with simultaneous discussion as to its applicability or non-applicability to the assignment on hand and reasoning for the selected approach(es).

Out of the various methods available to estimate the value of the subject property within the approach(es) selected, the method(s) adopted by the RV with reasons thereof must be provided in the report. In addition to certain data such as physical and social aspects that are common to all types of real properties, some of the important data to be collected varies according to the method adopted and the same shall also be disclosed in the report.

RV shall also provide brief details about the meetings held with members of the committee to explain the methodology being adopted to arrive at valuation as per the requirement of Regulation 35 (1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

### **n) Relevant discounts and premiums**

The valuer shall provide a detailed description of all relevant discounts and premiums considered during the valuation process along with the rationale for each adjustment.

### **o) Sources of Data and Inputs Used along with rationale/justification.**

- Neighborhood Analysis;
- Registered sales data from Sub-Registrar;

- Market quotes/survey;
- Online property portals;
- Local trends, macro-economic & micro-economic indicators;
- Approved FAR details and analysing possibility of enhanced FAR from asset maximisation view ; and
- Any other source, to be specified.

**p) Description of Inspections and/or Investigations Undertaken**

- Site visit conducted on [dd/mm/yyyy]
- Physical measurements and photographic evidence taken
- Observations on condition, location advantages, encumbrances
- Interviews with local agents & verification of property access and marketability
- Any other details as considered necessary for the purpose of valuation.

**q) Sustainability and Functional Factors impacting valuation**

- Environmental: Information about environmental factors considered.
- Social: Connectivity, Proximity to social infrastructure, schools, hospitals etc.
- Governance: RERA compliance, municipal approvals, zoning & land use conformity any other regulatory compliance/approval that affect the lawful usage of the asset.
- Right to sell/transfer/lease/develop the property.
- Age, structural condition, balance economic life of structures/building.
- Demand and Supply conditions.
- Potential usage: Residential, Commercial, Leasehold etc.
- Any other factors affecting the asset's ability to generate net economic outcome.

#### **r) Significant or Special Assumptions, and/or Limiting Conditions**

- Title verification subject to legal opinion.
- Assumed soil bearing capacity suitable for construction.
- Assumed free of unknown encumbrances unless stated.
- Estimated marketability based on current economic conditions.
- Pending litigation, if any, and its impact on valuation.

#### **s) Value and Rationale for Valuation**

Fair Value: INR X crore

Liquidation Value: INR Y crore

Rationale: Based on analysis of comparable transactions, market trends, property condition, and regulatory constraints.

Book Value: INR Z crore (Asset wise)

#### **t) Caveats, Limitations and Disclaimers**

Caveats, limitations and disclaimers as per the IBBI (Use of Caveats, Limitations, and Disclaimers in Valuation Reports) Guidelines, 2020.

#### **u) Summary of Conclusions**

The valuation report in this section would conclude the identified rights, the approach and method adopted, data availability and provide the final calculation workings.

#### **v) Annexures**

- Appointment letter
- Engagement terms
- Site photographs
- Layout maps
- Title documents

- Market data extracts
- Minutes of the meetings/discussions held with committee of creditors

*Note: (1) This is a basic format of valuation report. Additional information items may be included for specific asset classes as required.*

*(2) The VRIN shall be mentioned in the footer on the left side of each page of the report.*

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## VALUATION REPORT FORMAT FOR PLANT & MACHINERY

### Executive Summary of the Valuation Report

Item	Details
<b>Client / Appointing Agency</b>	[Name and registration number of the insolvency professional acting as Interim Resolution Professional (IRP), Resolution Professional (RP) or Liquidator as the case may be,]
<b>Details of the CD</b>	[Name] including business profile, CIN/ LLP No., Address of the registered office and principal office (if any) of CD, Date of incorporation of CD etc.
<b>Purpose of Valuation</b>	[Add details]
<b>Class of Asset</b>	Plant & Machinery
<b>Subject Asset</b>	[Brief Description, e.g., Machinery at XYZ etc.]
<b>Scope of Work</b>	[Scope Summary]
<b>Insolvency commencement date (ICD) / Liquidation commencement date (LCD)</b>	[dd/mm/yyyy]
<b>Valuation Date</b>	[dd/mm/yyyy]
<b>Inspection Date</b>	[dd/mm/yyyy]
<b>Report Date</b>	[dd/mm/yyyy]
<b>Fair Value</b>	INR X crore
<b>Liquidation Value</b>	INR Y crore
<b>Details of the Registered Valuer</b>	[Name of the Registered Valuer (RV)/Registered Valuer Entity (RVE)]

<b>Item</b>	<b>Details</b>
<b>Registration Number</b>	IBBI/RV/XXXX/YYYY
<b>Date of appointment</b>	[dd/mm/yyyy]
<b>Status of CoP as on appointment date</b>	[active/inactive]
<b>VRIN as generated from the website of the Authority.</b>	[            ]

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**a) Purpose and Scope of the Work**

The purpose of this valuation is to estimate the *Fair Value* and/or *Liquidation Value* of the subject Plant & Machinery asset(s), as required under the Insolvency and Bankruptcy Code, 2016 and rules & regulations made thereunder. The scope of work as agreed upon in the engagement/appointment letter for the intent and purpose of the assignment should be elaborated.

**b) Details of the Registered Valuer & Registration Number**

[Name of the Registered Valuer (RV)/Registered Valuer Entity (RVE)] – Plant & Machinery

Registration Number:

*The VRIN shall be mentioned in the footer on the left side of each page of the report*

**c) Details of any other experts involved in the valuation**

Provide name, qualifications, and role of any expert, if involved whose input was used in the valuation report.

**d) Disclosure of valuer interest or conflict, if any**

The valuer should declare personal, financial, or professional interest in the valuation or any conflict of interest with the client or stakeholders, as per the Companies (Registered Valuers & Valuation) Rules, 2017.

**e) Identity of Client/appointing Authority and other intended users**

Client/Appointing Authority: Name and registration number of the insolvency professional [acting as Interim Resolution Professional (IRP), Resolution Professional (RP) or Liquidator as the case may be,] other intended users: [if any, e.g., Creditors]

**f) Intended Use**

This report is intended to determine valuation as per the provisions of the Insolvency and Bankruptcy Code, 2016 and rules and regulations made thereunder.

**g) Details of Assets and/or Liabilities Being Valued**

Details should include location/address where the plant and machinery are situated, revenue survey, geographical coordinates of the location, name of Asset(s) Owner/Lessee /Assignee, Asset No. (if any), machine name/make/capacity, Year of Manufacturing, Year of Purchase, current use of the asset(s) Date of Put to Use, Quantity, Units of measurement, and any other relevant information.

**h) Background and other relevant information about the asset being valued**

Ownership history, legal status, encumbrances, usage, approvals, development potential and any other relevant information

### **i) Valuation Currency(ies) and Measurement**

The currency used in valuation should be clearly stated. In case of currency other than Indian Rupees (INR) is used, explanation for the same should be provided. It is also necessary to mention the conversion rate between the two currencies and its source.

The units for measurement of Plant and Machinery used in the report should be mentioned.

### **j) Sources of Information**

- Financials of the CD (P&L, Cash flow, Balance Sheet to understand the utilization of P&M assets)
- Fixed Asset Register
- List of Plant and Machinery
- Maintenance schedules
- Purchase documents
- Site inspection
- Market data, comparables
- Discussions with manufacturers, agents
- Cost indices (reproduction cost)

### **k) Basis(es) and Premise of Value adopted**

The RV has to select the most appropriate ‘Basis(es) of Value’ and the ‘Premise(s) of Value’ for the purpose of IBC. The relevant definitions of the adopted Basis of value, Premise of value, must be stated with pertinent discussions in the following format:

#### **Basis Adopted**

Valuation Purpose	Basis
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*\*The basis of valuations under IBC is to identify the fair value as defined under regulation 2(1)(hb) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and liquidation value as defined under Regulation 2(1)(k) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.*

### **Premise Adopted**

Asset Type	Premise Adopted	Remarks/Justification
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*\*The premise of valuations under IBC may include the following–*

- (a) valuation of an asset on a standalone basis;*
- (b) valuation of the assets in a slump sale;*
- (c) valuation of a set of assets collectively;*
- (d) valuation of the assets in parcels;*
- (e) valuation of the CD as a going concern; or*
- (f) valuation of the business(s) of the CD as a going concern*

### **l) Valuation Standards Followed**

RV shall clearly mention the internationally accepted valuation standards and relevant sections thereof used in the report.

### **m) Valuation Approaches and Methods or Valuation Model(s) Applied**

Details of the approaches considered:

- Market Approach
- Income Approach
- Cost Approach

The valuation report must contain a conceptual description of each of these approaches with simultaneous discussion as to its applicability or non-applicability to the assignment on hand and reasoning for the selected approach(es).

Out of the various methods available to estimate the value of the subject plant and Machinery within the approach(es) selected, the method(s) adopted by the RV with reasons thereof must be provided in the report.

RV shall also provide brief details about the meetings held with members of the committee to explain the methodology being adopted to arrive at valuation as per the requirement of Regulation 35 (1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

#### **n) Relevant discounts and premiums**

The valuer shall provide a detailed description of all relevant discounts and premiums considered during the valuation process along with the rationale for each adjustment.

#### **o) Sources of Data and Inputs Used along with rationale/justification.**

- Market quotes
- Manufacturer/supplier data
- Online portals
- Fixed Asset Register
- Local trends, macro-economic & micro-economic indicators.
- Legal, Social, Physical and technological factors.
- Any other source, to be specified.

#### **p) Description of Inspections and/or Investigations Undertaken**

- Date of visit [dd/mm/yyyy]

- Machines verified against fixed asset register/ list of items
- Availability of raw materials, labour, market/purchase agreement, lease validity etc.
- Conditions noted
- Photographs taken
- Maintenance schedules
- Process chart, machine layout
- Observations recorded (usage, wear & tear, obsolescence)
- Any intangibles associated with P&M
- Any other details as considered necessary for the purpose of valuation.

**q) Assessment of Sustainability and Functional Factors Considered**

- Environmental/ Pollution Control compliance
- Safety standards (approvals for boiler operations, factory license, fire safety approvals etc.)
- Proximity to sensitive zones
- Compliance with relevant laws
- Category of supplier/vendor
- Type of Plant & Machinery.
  - Imported or indigenous.
- Any other factor affecting the asset's ability to generate net economic outcome.

#### **r) Significant or Special Assumptions, and/or Limiting Conditions**

- Title clear unless otherwise mentioned.
- Condition as seen on inspection date.
- Usable as-is, unless maintenance (capital/ regular) required.
- Pending litigation, if any, and its impact on valuation.

#### **s) Value and Rationale for Valuation**

Fair Value: INR X crore (Asset wise)

Liquidation Value: INR Y crore (Asset wise)

Rationale: Summary of key findings, approach used, and professional judgment applied.

Book Value: INR Z crore (Asset wise)

#### **t) Caveats, Limitations and Disclaimers**

Caveats, limitations and disclaimers as per the IBBI (Use of Caveats, Limitations, and Disclaimers in Valuation Reports) Guidelines, 2020.

#### **u) Summary of Conclusions**

The valuation report in this section would conclude the identified rights, the approach and method adopted, data availability and provide the final calculation workings (to be supported with Annexures)

#### **v) Annexures**

- Appointment letter
- Engagement terms
- Site photographs
- Machine specs & registers
- Title/supporting documents
- Market data extracts

- Calculation sheets
- Minutes of the meetings/discussions held with committee of creditors

*Note: (1) This is a basic format of valuation report. Additional information items may be included for specific asset classes as required.*

*(2) The VRIN shall be mentioned in the footer on the left side of each page of the report*

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**VALUATION REPORT FORMAT FOR SECURITIES OR FINANCIAL ASSETS**

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**Executive Summary of the Valuation Report**

<b>Item</b>	<b>Details</b>
<b>Client / Appointing Agency</b>	[Name and registration number of the insolvency professional acting as Interim Resolution Professional (IRP), Resolution Professional (RP) or Liquidator as the case may be,]
<b>Details of the CD</b>	[Name] including business profile, CIN/ LLP No., Address of the registered office and principal office (if any) of CD, Date of incorporation of CD etc.
<b>Purpose of Valuation</b>	[Add details]
<b>Class of Asset</b>	Securities or Financial Assets
<b>Subject Asset</b>	[Brief Description, e.g., Equity Shares of XYZ Ltd. etc.]
<b>Scope of Work</b>	[Scope Summary]
<b>Insolvency commencement date (ICD)</b>	[dd/mm/yyyy]
<b>Date of appointment</b>	[dd/mm/yyyy]
<b>Inspection Date</b>	[dd/mm/yyyy]
<b>Report Date</b>	[dd/mm/yyyy]
<b>Fair Value</b>	INR XX crore
<b>Liquidation Value</b>	INR YY crore

<b>Item</b>	<b>Details</b>
<b>Details of the Registered Valuer</b>	[Name of the Registered Valuer (RV)/Registered Valuer Entity (RVE)]
<b>Registration Number</b>	IBBI/RV/XXXX/YYYY
<b>Status of CoP as on appointment date</b>	[active/inactive]
<b>Valuation Date</b>	[dd/mm/yyyy]
<b>VRIN as generated from the website of the Authority.</b>	[Valuation Report Identification Number]

**a) Purpose and Scope of Work**

The purpose of this valuation is to estimate the *Fair Value* and/or *Liquidation Value* of the Securities & Financial asset(s), as required under the Insolvency and Bankruptcy Code, 2016 and rules & regulations made thereunder. The scope of work as agreed upon in the engagement/appointment letter for the intent and purpose of the assignment should be elaborated.

**b) Details of the Registered Valuer & Registration Number**

[Name of the Registered Valuer (RV)/Registered Valuer Entity (RVE)] – Securities or Financial Assets

Registration Number:

*The VRIN shall be mentioned in the footer on the left side of each page of the report.*

**c) Valuation Details of any other experts involved in the valuation**

Provide name, qualifications, and role of any expert, if involved whose input was used in the valuation report.

**d) Disclosure of Valuer Interest or Conflict, if Any**

The valuer should declare personal, financial, or professional interest in the valuation or any conflict of interest with the client or stakeholders, as per the Companies (Registered Valuers & Valuation) Rules, 2017.

**e) Identity of Client/Appointing Authority and Other Intended Users**

Client/Appointing Authority: Name and registration number of the insolvency professional [acting as Interim Resolution Professional (IRP), Resolution Professional (RP) or Liquidator as the case may be,] other intended users: [if any, e.g., Creditors]

**f) Intended Use**

This report is intended to determine valuation as per the provisions of the Insolvency and Bankruptcy Code, 2016 and rules and regulations made thereunder.

**g) Details of Assets and/or Liabilities being valued**

Details may include Classification and Type of assets including intangible assets, quantity, ownership, issuer details, rights, marketability, legal agreements, financial metrics, and regulatory compliance.

**h) Background and other Relevant Information about the Asset being valued**

- Type of assets/Instruments:
- Issuer: Company or entity details
- Quantity and Characteristics: No. of units, face value, rights, preferences, covenants etc.
- Ownership Details: Legal holder, beneficial interest, lien/pledge if applicable etc.

- Historical Performance & Marketability: Trading frequency, market capitalization, volatility, liquidity etc.
- Loans and Advances extended by CD, KYC of debtors of the CD , business characteristics of debtors, past recovery trends etc.
- Intangibles including goodwill, customer relationships, intellectual property, domain names, licenses etc.
- Inventories
- Receivables – nature, age, past recovery trends, KYC of debtors of CD, ongoing litigations/ results etc.

#### **i) Valuation Currency(ies) and Measurement**

The currency used in valuation should be clearly stated. In case of currency other than that locally used Indian Rupees (INR), in the market is used, explanation for the same should be provided. It is also necessary to mention the conversion rate between the two currencies and its source.

#### **j) Sources of Information**

- Financials of the CD including explanatory notes to accounts.
- Prospective financial information
- Summary of Cash and Bank Balance.
- Shareholding patterns
- Relevant Income Tax Returns, TDS statements
- GST Cash and Credit Ledgers
- Information on compensation for owners including benefits and personal expenses;
- Industry reports
- Forecasts (where available/projected) to be discussed with COC during the meeting to explain methodology
- Discussions with management along with RP

- Other relevant information: related party transactions, any personal expenses recorded in business account etc.

**k) Basis(es) and Premise of Value Adopted**

The RV has to select the most appropriate ‘Basis(es) of Value’ and the ‘Premise(s) of Value’ determining fair and Liquidation Value under IBC. The relevant definitions of the adopted Basis of value, Premise of value, must be stated with pertinent discussions in the following format:

**Basis Adopted**

Valuation Purpose	Basis

*\*The basis of valuations under IBC is to identify the fair value as defined under regulation 2(1)(hb) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and liquidation value as defined under Regulation 2(1)(k) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.*

**Premise Adopted**

Asset Type	Premise Adopted	Remarks/Justification

*\*The premise of valuations under IBC may include the following–*

- (a) valuation of an asset on a standalone basis;*
- (b) valuation of the assets in a slump sale;*
- (c) valuation of a set of assets collectively;*
- (d) valuation of the assets in parcels;*
- (e) valuation of the CD as a going concern; or*

*(f) valuation of the business(s) of the CD as a going concern*

#### **l) Valuation Standards Followed**

RV shall clearly mention the internationally accepted valuation standards and relevant sections thereof used in the report.

#### **m) Valuation Approaches and Methods or Valuation Model(s) Applied**

Details of the approaches considered:

- Market Approach
- Income Approach
- Cost Approach

The valuation report must contain a conceptual description of each of these approaches with simultaneous discussion as to its applicability or non-applicability to the assignment on hand and reasoning for the selected approach(es).

Out of the various methods available to estimate the value of the securities or financial assets within the approach(es) selected, the method(s) adopted by the RV with reasons thereof must be provided in the report.

RV shall also provide brief details about the meetings held with members of the committee to explain the methodology being adopted to arrive at valuation as per the requirement of Regulation 35 (1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

#### **n) Relevant discounts and premiums**

The valuer shall provide a detailed description of all relevant discounts and premiums considered during the valuation process along with the rationale for each adjustment.

**o) Sources of Data and Inputs used along with rationale/justification**

- Industry reports
- Financial Databases
- Comparable listed entity data
- Forecasts (where available)
- Management discussions
- Relevant capital markets information in case of listed entity (Stock market, merger and acquisition data).
- Local trends, macro-economic & micro-economic indicators
- Key customers and suppliers; etc
- Any other source, to be specified.

**p) Description of Inspections and/or Investigations Undertaken**

- Site visits (if applicable – dd/mm/yyyy)
- Management interviews
- Review of contracts/agreements
- Observations about economic/industry environment
- Any other details as considered necessary for the purpose of valuation.

**q) Assessment of Sustainability and Functional Factors Considered**

- Environmental: Compliance with ESG investing principles
- Social: Impact on stakeholders or societal factors
- Governance: Promoter integrity, board strength, audit history
- Information on major customers, suppliers, contracts and relationships that effect the business continuity and revenue generation.
- Business risks, future outlook, strategy, and future plans.
- For intangible assets, this includes legal rights, licensing agreements, sublicense agreements, non-disclosure agreements, development rights, and commercialization rights.

- Any other relevant factors considered necessary by the RV.

**r) Significant or Special Assumptions, and/or Limiting Conditions**

- Reliance on representations
- Material assumptions (e.g., no contingent liabilities unless disclosed)
- Pending litigation, if any, and its impact on valuation.

**s) Value and Rationale for Valuation**

Fair Value: INR X crore (Asset wise)

Liquidation Value: INR Y crore (Asset wise)

Rationale: Summary of key findings, approach used, and professional judgment applied.

Book Value: INR Y crore(Asset wise)

**t) Caveats, Limitations and Disclaimers**

Caveats, limitations and disclaimers as per the IBBI (Use of Caveats, Limitations, and Disclaimers in Valuation Reports) Guidelines, 2020.

**u) Summary of Conclusions**

The valuation report in this section would conclude the identified rights, the approach and method adopted, data availability and provide the final calculation workings (to be supported with Annexures)

**v) Annexures**

- Appointment letter
- Engagement terms
- Comparable company analysis
- Financial statement extracts
- Computation sheets

- Photographs or screenshots (if applicable)
- Minutes of the meetings/discussions held with committee of creditors

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