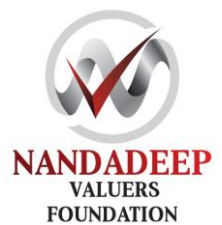


## **NANDADEEP VALUERS FOUNDATION**

CIN: U91990MH2018NPL312685

RVO RECOGNIZED BY IBBI

IBBI/RVO/2020/012



AS PER MINUTES OF THE 30th MEETING WITH THE MDs/CEOs OF REGISTERED VALUERS ORGANISATIONS HELD ON 07<sup>th</sup> AUGUST 2020, SUBJECT 7,

### **Subject7**

**Mechanism for disseminating important decisions taken in the monthly meetings:** It was noted that the Board has been receiving e-mails from the members of the RVOs seeking clarification on issues which have already been addressed in the monthly meeting of the CEOs/MDs of RVOs. **It was suggested that the RVOs shall devote a section of their website for disseminating information about the important decisions taken in the monthly meeting of the CEOs/MDs of RVOs to their members**

**In Compliance with above we will publish updates here. (This information is for reference only and provided in good faith only. Official copy may be obtained from Authority.)**

**Date : 07-03-2018**

**Meeting No. : 1**

No Subject Directly related to Registered Valuer not Discussed.

**Date : 09-04-2018**

**Meeting No. : 2**

### **Subject 11**

**Guidelines for fee:** - In the interest of users of services being rendered by Registered Valuers, it was decided that RVOs shall prepare draft guidelines for fees for various types of valuation. This would benefit the users of valuation services.

### **Subject 16**

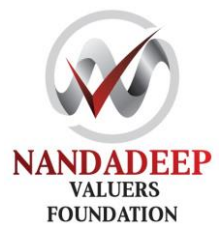
**Fee to be charges from members by RVOs:** - It was clarified that since the Rules do not specify fees to be charged by RVOs for membership and courses, the RVOs may judiciously decide on the fee structure on their own.

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**Date : 07-05-2018**

**Meeting No. : 3**

### **Subject 8**

It was decided that the RVOs shall prepare an inspection policy and module for the inspection of their valuer members and submit a draft to IBBI by 30th June 2018.

### **Subject 9**

As regards the guideline for fees to be charged by valuers for various types of valuation, it was decided that the fees being charged by the registered valuers cannot be laid down as it would not be in the spirit of development of a competitive market.

### **Subject 10**

The valuation exam required under the Rules should not be seen as a test of proficiency by the valuers, who have been practicing as professional valuers since many years.

### **Subject 13**

It was noted that the Indicative Matrix on requisite qualifications/experience in specified discipline provided in the Annexure IV of the Rules required further clarification. For the asset class of land and building, an applicant who is a post-graduate in valuation of land and building or real estate from a recognised university needs to have five years of experience in the discipline after completing Post Graduation, whereas Rule 4(a) provides that an individual shall have a post graduate degree or diploma in the specified discipline from a university or institute established, recognized or incorporated by law in India and at least three years of experience in the specified discipline thereafter. It was decided that this issue will be discussed further to bring about clarity.

### **Subject 14**

It was noted that Rule 4(a) and 4(b) required further clarification

Rule 4 (a) provides that an applicant should have a post-graduate degree or post-graduate diploma from a University or Institute established, recognized or incorporated by law in India. However, it does not specify, the university or institute whose degrees can be considered for this purpose.

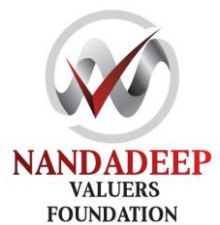
Rule(b) provides that an applicant should have a Bachelor's degree or equivalent in a specified discipline, from a University or Institute established, recognised or incorporated by law in India. However, the word equivalent has not been defined in the Rules.

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### **Subject 16**

Clarification was sought as to whether or not an individual can be a member of two RVOs. It was clarified that an individual can be a member of only one RVO. However, if the RVO is not recognised for all asset classes, the RV can take membership of another RVO for the other asset classes.

**Date** : **07-06-2018**

**Meeting No.** : **4**

No Subject Directly related to Registered Valuer not Discussed.

**Date** : **09-07-2018**

**Meeting No.** : **5**

### **Subject 8**

A reference was invited to Rule 26 (1) (b) of the Rules, wherein a clarification was sought as to whether, a valuer can be in employment, at the time of enrolling for the educational course with the RVOs. It was clarified that since the RVOs can grant membership and provide educational course only to those individuals who are eligible under the Rules, this was not permitted. The RVOs were directed to ensure that all members who are enrolled, satisfy the eligibility criteria as provided in the Rules. The Circular issued by IBBI in this regard may be referred to.

**Date** : **07-08-2018**

**Meeting No.** : **6**

### **Subject 7**

The RVOs suggested better clarity as well as more accommodative list of eligibility qualifications at the beginning of the regulatory regime for registered valuers. They also suggested certain qualifications given by certain institutes may not be recognized. It was informed that various suggestions received regarding eligibility have been forwarded to Government for consideration. In the meantime, the RVOs shall admit members in accordance with the Rules and the circular No. RVO/12/ 2018 dated 30th May, 2018.

**Subject 8**

A few RVOs expressed a concern that they get applications from individuals who have degrees from institutions which lack credibility in the industry. It was felt that the RVOs may have their own screening criteria, including conduct of an entrance test, before admitting a member. This is permissible under clause 9 of the Model Bye-laws which enables the Governing Board to provide additional eligibility requirements for enrollment.

**Date** : **07-09-2018**

**Meeting No.** : **7**

**Subject 5**

As regards, the eligibility of an individual who is in employment to attend the educational course and valuation examination, the IBBI informed that the matter is under examination and a view will soon be taken in the matter. However, it was informed that at present an employed person cannot become a member of a RVO as per the Clause 26(1)(b) of the Model Bye-laws and hence would not be able to appear in valuation examination as Rule 5 provides that an individual should have completed the educational course as a member of RVO, to be eligible to appear for the valuation examination.

**Subject 10**

Further, issues regarding registration of valuers were discussed. It was impressed upon all that the RVOs had the primary responsibility to verify the accuracy of information submitted. It was decided that the following documents would be accepted:

- a. Proof of address/Citizenship: The proof of address for correspondence and permanent address/citizenship should be submitted with the application. The preferred proof of address/citizenship would be Aadhar, otherwise the acceptable proof of address/citizenship would be PAN Card, Voter's I card or Passport. The correspondence address may be verified by the electricity bill/fixed line bill, bank pass book. Further the correspondence address would be displayed on the web site.
- b. Proof of Qualification: Graduation degree/Post Graduation degree/Membership Certificate of ICAI/ICSI/ICAI(Cost) may be attached, as confirmation of verification of the educational qualifications of the applicant.
- c. Declaration: In case a professional member with ICAI, ICSI, ICAI(Cost) is self- employed as per the records of the professional institute, a declaration along with the letter from the Institute may be accepted. However, even a self employed member is to be considered to be in employment.

## **NANADEEP VALUERS FOUNDATION**

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### **Subject 12**

RVOs were advised that one Mr. XXXXXXXX, a member of one of the RVOs was found to have used unfair means during the valuation examination on 24th August, 2018. RVOs were advised to convey to their members that this was not acceptable and appropriate action has to be initiated in case any untoward instance comes to their notice. Further the RVOs were directed not to enroll the individual as a member of any RVO.

**Date** : **08-10-2018**

**Meeting No.** : **8**

### **Subject 8**

Clause 11 of the Model Bye-laws provide: "The Organisation may require the members to pay a fixed sum of money as its annual membership fee." A clarification was sought as to how a RVO can charge an annual fee from a member who is not registered valuer. It was clarified that there is no obligation on an RVO to charge an annual fee.

### **Subject 9**

Rule 12(2)(c) of the Valuer Rules, 2017 requires a RVO to conduct training for individual members before a certificate of practice is issued to them. After detailed discussion, it was agreed that the RVO shall provide a training for at least for a day training (six-eight hours) focusing on soft skills, manner, behaviour and conduct of the registered valuer. This training should be imparted after an individual has been registered as 'registered valuer' with the IBBI and before a certificate of practice is issued to him. This implies that a RVO may have practicing members and non-practicing members. Therefore, RVOs must maintain separate records of the valuer members enrolled with them, classified under Registered Valuers (certificate of practice not issued) and Registered Valuers (certificate of practice issued).

**Date** : **07-12-2018**

**Meeting No.** : **10**

### **Subject 4**

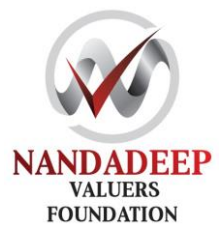
There were deliberations on the disclosure requirement of valuers, it was apprised by the RVOs that the disclosure requirements are guided by the monitoring policy of the respective RVO. It was noted that the requirement was generally for half-yearly disclosures. It was decided that RVOs may create awareness among their members about making such disclosures and initiate appropriate action, if required against defaulters. The RVOs shall publish such disclosures on their website to ensure transparency and accountability of their members.

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**Date : 07-02-2019**

**Meeting No. : 12**

### **Subject 6**

RVOs were requested in the last meeting to gather international practice regarding fee in respect of valuation profession as well as domestic practice in respect of other professions. ICSI RVO shared some information about international practice. After discussion, it was agreed that it was premature to have guidelines on fee and it may be revisited, if required, after gaining some experience

### **Subject 8**

It was informed that with effect from 1st February, 2019, only Registered Valuers whose names are appearing on the IBBI website, can be appointed for valuations required under the Code. The RVOs may remain vigilant to ensure that no unauthorised person conducts valuation. They may subscribe to IBBI website to know when a corporate insolvency resolution process is initiated.

### **Subject 10**

The format of disclosure for RVs, as prepared by IOV RVF, was discussed. It was suggested that in the interest of client confidentiality, the format may not include the name of the client. It was, however, noted that the valuations required under the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016 would ultimately be available in the public domain. It was, therefore, decided that the name of client in respect of such valuations may be provided in the format, as at Annexure A. The client name in respect of other valuations may not be disclosed. It was also decided that the disclosures shall indicate the valuation standards followed with respect to each valuation assignment.

### **Subject 12**

After detailed deliberation on the Rules 3(1), 3(2) and 6(2) read with Form B of the Rules, it was decided that a partnership firm or a company needs to first be a member of a RVO and thereafter, it may be registered as a RV. The RVO may enroll a partnership firm or a company for the asset category for which it is recognised. It was noted that IBBI has sought some clarifications from MCA about provisions in rule 3(2). It was suggested that while IBBI may follow up with MCA for the clarification, it may register a partnership firm or a company as RV where clarification is not required. It was noted that the recent order of the Delhi High Court in the matter of Cushman and Wakefield India Private Limited Vs. Union of India & Anr., has settled provision of the rule 3(2)(a).

**Subject 15**

The requirements of Continuing Education Program (CEP) were discussed. It was clarified that CEP will be required for individual RVs and partners / directors of partnership / company RVs. It will not be mandatory for other members, who are not RVs. RVOs suggested that some of them conduct 16 hours CEP in a year. **It was decided that:**

- a. To start with, 16 hours of CEP may be made mandatory for RVs;
- b. IBBI shall monitor compliance with the CEP requirements from 1<sup>st</sup> April, 2019;
- c. The CEP will be conducted through classroom mode; and
- d. To facilitate RVs complete CEP, a member of an RVO can participate in the CEP of another RVO.

**Subject 17**

A need was felt to spread awareness about valuation as a profession. RVOs were advised to conduct one program every two months, preferably in tier II / III cities/towns, and IBBI would collaborate with them for such awareness programs.

**Date** : **07-03-2019**

**Meeting No.** : **13**

**Subject 2.C**

The format of disclosure for RVs was discussed. It was clarified that the name of client in respect of valuations required under the Companies Act, 2013 and Insolvency and Bankruptcy Code, 2016 may be provided in the format already circulated to the RVOs. It was clarified that there was nothing confidential about disclosing the name of the client for whom the valuation work had been carried out by the registered valuers.

**Subject 4**

It was noted that during the meeting held with the officials of MCA, the MCA has clarified the Rules regarding educational qualification to be eligible for registration as under

a. The educational qualification for the purpose of registration should be strictly in accordance with the Annexure IV of Companies (Registered Valuers & Valuation) Rules, 2017. The graduation/post-graduation in any other course or discipline apart from the specific disciplines mentioned in the Annexure-IV shall not be considered for the purpose of registration.

b. The intent of the Rules is that full-time degrees for graduation as well as post-graduation will be accepted as eligible educational qualification for all the Asset Classes for the purpose of registration. The Rules do not provide for any qualification which has been acquired on Part-time basis to be eligible qualification. The RVOs shall strictly adhere to the Rules while examining applications for registration as members and for registration as valuers.