

## MINUTES OF THE 52<sup>nd</sup> MEETING WITH THE MDs/CEOs OF REGISTERED VALUERS ORGANISATION HELD ON JULY 26, 2022 AT 03:30 PM

The 52<sup>nd</sup> Meeting with the MDs/CEOs of Registered Valuers Organization (RVO) took place through video conference on July 26, 2022, under the Chairmanship of Shri Jayanti Prasad, Whole Time Member, IBBI. Shri Amit Pradhan, Executive Director, IBBI introduced Chair of the meeting with all the participants of the meeting. The Chair of the meeting welcomed all the participants to the meeting and appreciated on the usefulness and effectiveness of regular meetings with the MDs/CEOs of RVOs which ensures continuous engagement with the RVOs. He invited suggestions from the RVOs in the course of insolvency process, wherever required, so that the IBBI can initiate regulatory intervention. He apprised the RVOs on the discussion papers uploaded on the website of the Board for prospective reforms and expected that the RVOs have provided their valuable suggestions on the discussion papers.

2. List of participants is given at *Annexure-B*. Continuous absence of AIVA in the meetings was noted with concern.

3. Agenda-wise discussion and decisions are summarised below:

### 3.1 Agenda No. 1: Circulation of the Minutes of 51<sup>st</sup> Meeting

The Minutes of the 51<sup>st</sup> Meeting with the CEOs/MDs of the RVOs held on June 17, 2022 were approved as circulated.

### 3.2 Agenda No. 2: Action Taken Report

It was noted that AIVA did not submit the ATR for the 51<sup>st</sup> monthly meeting of the Board with the RVOs. The action taken report on the decisions taken in the previous meeting were taken up for discussion as under:-

**3.2.1 Development of best practices in the interest of the valuation profession:** ICMAI RVO jointly with all other RVOs have reviewed the list of the grey areas for preparation of paper on best practices. It was noted that ICMAI RVO had submitted two basic documents for grey areas finalised by all the RVOs to the IBBI. It was decided that the RVO division will discuss the observations on the basic documents submitted by ICMAI RVO separately. *(Action: RVO division, IBBI and ICMAI RVO)*

**3.2.2 Checklist for valuation under each asset class:** ICAI RVO was required to prepare a paper on ‘*Checklist for valuation under each asset class*’ in collaboration with all the RVOs. In the meeting, it was noted that the Registered Valuers division is drafting a guidelines for valuation profession entailing the ‘*Checklist for valuation under each asset class*’ in consultation with all the RVOs. Therefore, it is decided to mark this action point as ‘*Completed*’. *(Action completed)*

**3.2.3 Peer Review of Registered Valuers by RVOs for FY 21-22:** A Workshop was organised by the Board in consultation with all the RVOs. ICAI RVO provided secretarial assistance for the workshop organised for FY 2021-22 held on 21<sup>st</sup> April, 2022. A concept paper was prepared by ICAI RVO in association with all the RVOs providing the learnings and outcomes of the peer review conducted by the RVOs. The RVOs were requested to upload the concept paper on their website for benefit of their members. It was noted that ten RVOs have already published the paper on their website and the concerns of remaining RVOs have been addressed. *(Action: RVOs)*

**3.2.3 Status of compliance of the rules and directions:** The consolidated status of compliance of the various activities as per the Companies (Registered Valuer and Valuation) Rules, 2017 and directions of the Authority were placed in the meeting. All RVOs were advised to take note of the status of compliance and comply with all the requirements by the next monthly meeting. *(Action: RVOs)*

**3.2.4 Submission of Half Yearly Reports for the period October, 21 to March, 22:** The RVOs were required to submit half yearly reports to the Board in a specified format. The RVOs were also required to conduct an analysis of the information received from the RVs and provide a summarised version to the Board. It was observed that all the RVOs except AIVA have submitted the half yearly report for the period ending March 2022. Further, it is noted that only 5 RVOs, namely, IOV RVF, CVSRTA RVA, IBVA, ICMAI RVO, and PVAI VPO have submitted the analysis on half yearly reports for the period ending March 2022. Other RVOs were requested to expedite the submission of analysis of HYRs to the Board. *(Action: RVOs)*

**3.2.5 Inspection of Registered Valuers Inspection of Registered Valuers:** In the 44<sup>th</sup> monthly meeting held on 08<sup>th</sup> November 2021, it was decided that the RVOs will conduct inspections based on their no. of RVs registered as given below:

SI. No.	Number of RVs with the RVO	Minimum no. of inspections to be carried out by the RVO
1	Less than 500	1% of RVs
2	501-1000	10
3	1001-above	15

As per the criteria decided, a table reflecting the minimum no. of inspections to be conducted by an RVO during FY 2021-22 was presented during the 51<sup>st</sup> monthly meeting. The table is also enclosed as **Annexure-A**. As regards discussion on inspection, following decision have been taken :-

- IOV RVF, ICMAI RVO and CEV IAF have provided the requisite details of inspections. However, AARVF in their action taken report raised the concern of their ineligibility, as they have 30 members and 1% of RVs equals to 0.3. It was clarified that the Board has prescribed minimum no. of inspections to be conducted by an RVO in a financial year. Therefore, the RVOs have to conduct at least one or more than one inspection of their members in a financial year. The directions of the Board is to be taken into account by the RVOs in letter and spirit.
- AIIOVF raised concerns in their action taken report that out of their 21 RVs, 19 RVOs did not handle any assignment. The two RVs have handled three assignments which will be covered in the current FY 2022-23. ACVA RVO apprised that the RVO has only two members and inspections will be conducted in the current FY 2022-23. It was noted that AARVF, ACVA and AIIOVF have not conducted inspections of their members in FY 2021-22. Other RVOs were requested to expedite submission of their compliance for the FY 2021-22 with the details of inspections conducted (*no. of inspections, name of RVs, observations, remarks if any, outcome of inspection etc.*) along with their analysis on the inspections to the Board.

*(Action: RVOs)*

**3.3 Agenda No. 3: Amendment to the Insolvency and Bankruptcy Board of India(Online Delivery of Educational Course and Continuing Professional Education by Insolvency Professional Agencies and Registered Valuers Organisations) Guidelines, 2020 (Guidelines):** ICAI RVO and IOV RVF with permission of the Chair raised an additional agenda seeking amendment in Clause 9(d) of the Guidelines. Clause 9(d) of the Guidelines provide that, “*The number of participants shall not exceed 50 for an educational course and 100 for a continuing educational course.*” Both the RVOs requested to increase the minimum no. of participants attending a CEP. It was decided that the RVOs shall prepare a consolidated proposal to amend the Guidelines and submit to the Board for necessary action us. (Action: RVOs)

The meeting concluded with a vote of thanks to the Chair.

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**Annexure-A**

<b>Registered Valuers as on March 31, 2022</b>		
<b>Registered Valuer Organisation</b>	<b>Total Registered Valuers</b>	<b>Minimum no. of inspections to be conducted</b>
RVO Estate Managers and Appraisers Foundation	100	1
IOV Registered Valuers Foundation	1760	15
ICSI Registered Valuers Organisation	217	2
IIV India registered Valuers Foundation	257	3
ICMAI Registered Valuers Organisation	333	3
ICAI Registered Valuers Organisation	908	10
PVAI Valuation Professional Organisation	483	5
CVSRTA Registered Valuers Association	264	3
Association of Certified Valuators and Analysts	2	1
CEV Integral Appraisers Foundation	144	1
Divya Jyoti Foundation	115	1
Nandadeep Valuers Foundation	2	1
All India Institute of Valuers Foundation	26	1
International Business Valuers Association	12	1
All India Valuers Association	1	1
Assessors and Registered Valuers Foundation	13	1
<b>Total</b>	<b>4637</b>	