

PVAI VPO

INSPECTION POLICY

In compliance with Part V of Companies (Registered Valuers and Valuation) Rules, 2017, PVAI VPO has already framed its Monitoring Policy. This policy requires inspection to be carried out for randomly selected members to monitor and review the functioning, including quality of service, of its RV members.

The Scope, Procedure to be followed for such Inspection and the Reporting requirements have been documented in this Inspection Policy:

1. SCOPE AND TENURE OF INSPECTION

- 1.1 This Policy shall apply to all RVs registered with PVAI VPO but will be applicable only for valuation carried out under the provisions of Companies Act, 2013 and Rules made thereunder.
- 1.2 The name of RVs will be randomly selected from each discipline for conducting Inspection. Or if any specific mention by IP/IRP/IBBI/corporate debtor/ NCLT. The selection of RVs will be based on Geographic spread and distribution of RVs from various discipline.
- 1.3 The inspection will cover reports submitted by RV for a period of one year preceding the date of inspection.
- 1.4 The inspection shall cover:
 - (i) Compliance with the provisions of the Act, rules, regulations, and guidelines issued thereunder;
 - (ii) Compliance with VPO Bye-Laws and Code of Conduct;
 - (iii) Compliance with Valuation Standards adopted by VPO/IVS;
 - (iv) Systems and N procedures for conducting valuation engagements
 - (v) Training program for staff concerned with valuation functions, including availability of appropriate infrastructure.
- 1.5 PVAI VPO shall maintain a panel of eligible and willing registered valuer member(s) who offer themselves to be considered for part of the inspection team of VPO. The panel shall be valid for a period of two years and made public on the company's website

2. COMPOSITION OF INSPECTION TEAM

- 2.1 The inspection team will comprise of the following;
- (i) One Independent Director of PVAI VPO;
 - (ii) One Member from Monitoring Committee of PVAI VPO or
 - (iii) Any RV member of VPO as may be selected by Sr. (i) and (ii) above depending on the discipline of the Member being inspected,
- 2.2 For RV so selected for inspection should not have
- (i) been found guilty by the Disciplinary Committee of PVAI VPO;
 - (ii) been convicted by any competent court for an offence punishable with imprisonment for a term exceeding six months or for an offence involving moral turpitude;
 - (iii) been levied a penalty under section 271J of Income Tax Act, 1961;
 - (iv) been imposed any warning or penalty or strictures against him by the competent authority; or
 - (v) been categorized as semi-compliant or non-compliant by the Monitoring Committee of PVAI VPO

3. REPORTING

- 3.1 On completion of inspection visit to the registered valuer member, the Team shall submit its report to the Monitoring Officer and shall contain the following observations:
- (a) Details of entity and registration of its proprietor/partner(s)/ director(s) with the IBBI;
 - (b) Details of staff kept by the Member during the period of inspection;
 - (c) Details of office systems and procedures with regard to compliance with the provisions of the Act, rules, regulations, and guidelines issued thereunder; or compliance with the Bye-Laws, the Code of Conduct, and directions given by the Governing Board of PVAI VPO;
 - (d) Details of training program for the staff with valuation functions;
 - (e) Whether the Member fully cooperated with the Inspection Team; and

- (f) Whether he allowed complete and free access to PVAI VPO inspection team to undertake inspection of his information and records;
- (g) Whether the Member has regularly filed necessary reports and returns with the PVAI VPO;
- (h) Whether the Member has conducted valuations only in respect of those assets or asset class(es) for which he is registered with the IBBI;
- (i) Whether the Member has, while undertaking valuation assignments, fully adhered with the applicable provisions of Companies Act, 2013;
- (j) Whether the Member has fully adhered with the conditions of registration set-out in Rule 7 of the Companies (Registered Valuers and Valuation) Rules, 2017;
- (k) Whether the Member has, while undertaking valuation assignments, fully complied with the Valuation Standards as required under Rule 8(1) of the Companies (Registered Valuers and Valuation) Rules, 2017;
- (l) Whether the Member has, while undertaking valuation assignments, fully complied with the provisions of Rule 8(2) & (3) of the Companies (Registered Valuers and Valuation) Rules, 2017;
- (m) Whether the Member has maintained all the reports, records and documents relating to valuation assignments for the prescribed period of three years from the completion of each such assignment as required under Rule 7(f) of the Companies (Registered Valuers and Valuation) Rules, 2017;
- (n) Whether the Member as fully complied with the Code of Conduct of PVAI VPO; if not, state the clauses thereof violated;
- (o) Whether Any complaints were received against the member with respect to the:
- (p) Whether Any Valuations were challenged in any Court;
- (q) Whether Any warnings or penalties or strictures were imposed by the competent authority;
- (r) Whether Any Disciplinary proceedings were initiated against the member;
- (s) Whether Any legal action was initiated against the member;

- (t) In case a partnership entity or company is the registered valuer, whether only the partner or director who is a registered valuer for the asset class(es) that were valued was allowed to sign and act on behalf of it;
- (u) In case a partnership entity or company is the registered valuer, whether it disclosed to the company concerned, the extent of capital employed or contributed in the partnership entity or the company by the partner or director, as the case may be, who signed and acted in respect of relevant valuation assignment for the company;
- (v) In case a partnership entity or company is the registered valuer, whether it immediately informed the authority on the removal of a partner or director, as the case may be, who was a registered valuer along with detailed reasons for such removal; and
- (w) Any other issue considered important by the inspection team.

4. OBLIGATIONS OF THE REGISTERED VALUER MEMBERS

4.1 Any registered valuer member selected for inspection shall

- (i) Produce to the inspection team or allow access to, any record, document or prescribed register maintained by the member or any other record or document which is of a class or description so specified, and which is in the possession or under the control of the member;
- (ii) Provide to the inspection team such explanation or further particulars in respect of anything produced in compliance with a requirement under sub clause (i) above, as the inspection team shall specify; and
- (iii) Provide the inspection team all assistance in connection with inspection;

5. COST OF INSPECTION

5.1 The costs towards inspection i.e. fees to inspection team and incidental and OPEs associated with the inspection exercise will be shared between RVO and RV equally and RV shall, within 30 days of receipt of invoice from RVO reimburse his share of the cost.

6. SUBMISSION OF INSPECTION REPORT TO IBBI

6.1 Based on inputs from the inspection team, the Monitoring Committee shall submit its report to IBBI addressing all issues recorded in point 3 above.

7. REVIEW OF THE INSPECTION POLICY

7.1 The implementation of the Inspection Policy will be monitored and reviewed by the Monitoring Committee at yearly interval and annually by the Governing Board of PVAI VPO.
