

**MONITORING POLICY**  
**OF**  
**PVAI VALUATION PROFESSIONAL ORGANISATION**

## **PVAI VALUATION PROFESSIONAL ORGANISATION**

<b>Topic</b>	<b>Monitoring Policy</b>
<b>Base Terms of Reference</b>	<b>Version 1.0</b>
<b>Created by</b>	<b>PVAI Valuation Professional Organisation team with help from Professionals</b>
<b>Approved by</b>	<b>Governing Board of PVAI Valuation Professional Organisation</b>
<b>Approval date</b>	

## TABLE OF CONTENTS

SR. NO	CONTENTS	PAGE NUMBER
1.	Preamble	4
2.	Definitions	4
3.	Objective	4
4.	Framework	5
5.	Annexure A(i)	10
6.	Annexure A(ii)	12
7.	Annexure A(iii)	15
8.	Annexure B	16

## **MONITORING OF MEMBERS**

### **PREAMBLE**

As per Companies (Registered Valuers and Valuation) Rules, 2017, the Registered Valuers Organisation shall have a Monitoring Policy to monitor the professional activities and conduct of members for their adherence to the provisions of the Act, rules, regulations and guidelines issued there-under, the bye-laws, the Code of Conduct and directions given by the Governing Board.

### **DEFINITIONS**

In this policy, unless the context otherwise requires, -

- 'Organisation' means the PVAI Valuation Professional Organisation (PVAI VPO)
- 'IBBI' means Insolvency and Bankruptcy Board of India
- 'Board of Directors' means Governing Board of PVAI VPO;
- 'Rules' means the Companies (Registered Valuers and Valuation) Rules, 2017
- 'Member' means a person enrolled with PVAI VPO as a member and registered with Insolvency and Bankruptcy Board of India (IBBI) as Registered Valuer (RV)
- 'Policy' means the Monitoring Policy of PVAI VPO.

### **OBJECTIVE**

The objective of monitoring is to gather sufficient information and documents to enable the Monitoring Committee, Board of Directors of PVAI VPO and IBBI to monitor the performance and keep them informed with unbiased decisions about the performance of members enrolled with the Organisation. The objective of the policy is to achieve the object in line with Rule 12 (2) (f) of Companies (Registered Valuers and Valuation) Rules, 2017 to provide for the following:

- the frequency of monitoring;
- the manner and format of submission or collection of information and records of the members, including by way of inspection;
- the obligations of professional members to comply with the Monitoring Policy;

- the use, analysis and storage of information and records;
- evaluation of performance of members; and
- any other matters that may be specified by the Governing Board.

## Framework

### ➤ Information to be Submitted

The Member are required to report each assignment they undertake under the Companies (Registered Valuers and Valuation) Rules, 2017 and to submit a copy of the records Organisation, in the manner and format specified by the Organisation, at least twice a year.

The reporting requirement for A member who:

1. Have not undertaken any engagement as a registered valuer, or
2. Have ongoing and concluded engagements as Registered Valuer with all related formalities/reporting requirements completed,

will be confined to submission of Static Data as detailed in paras 3.1.1(i), 3.2 and 3.3.

Classification of data required for Monitoring

- i. Static Data
- ii. Dynamic Data
- iii. Other qualitative information

(i) Static Data:

This consists of information furnished at the time of enrolment, which is less likely to change but is material in terms of the eligibility of the Member to continue as an Registered Valuer (RV) e.g., Employment Status, Conviction, Change of Nationality, Suspension or Restoration of COP, etc.

#### Periodicity of submission

Static data shall be provided by the RVs in the following events:

- a) At the time of enrolment;
- b) Updation of static data annually
- c) Updation of static data if there is a change and

d) At the time of renewal of membership

Any change in the Static Data will need to be advised immediately to the PVAI VPO, but in no case later than 15 days of the above change having occurred or its having come to the knowledge of the Member.

In all cases, the RV/Member will be required to submit a fresh Status report to the PVAI VPO at the time of his annual renewal of Membership.

(ii) Dynamic Data:

Every Member is required to report each assignment under the Companies (Registered Valuers and Valuation) Rules, 2017 and to submit data twice a year i.e., as on 30<sup>th</sup> of Sept and 31<sup>st</sup> of March, and to submit a copy of the records to Organisation.

The report should, inter alia, include comments for all cases being handled, on the following:

- Date of Assignment
- Date of Completion
- Reference number if valuation assignment
- Valuation Report
- Number and status of existing Resolution Assignment being handled by the RV
- Proposed timelines for compliance

Periodicity of submission

a) Half Yearly Report as on 30th September and 31st March.

b) Report on Appointment as RV - immediately and in any case, not later than 15 days

Apart from the above, the RV will be required to report within 24 hours:

- Any warnings or penalties or strictures imposed by the competent authority
- Initiation of legal action against the member

The RV/Member will also submit a summary of the outcome of each Valuation Report Within 21 days of its conclusion.

(iii) Other qualitative information

The following supplementary information also needs to be submitted by the Member:

- a. the details of the appointments made under the Rules,
- b. summary of transactions conducted with stakeholders during the period of his

- appointment;
- c. summary of transactions conducted with third parties during the period of his appointment; and
- d. the outcome of each appointment.

#### Periodicity of submission

Details of the outcome of each appointment within 21 days of its conclusion.

#### ➤ **Manner / Format of Submission of Information**

Information will be submitted by RVs on the formats placed at Annexure A(i) for Static Data and A(ii) for Dynamic Data. The format in which the Other Qualitative Information is to be submitted is given as Annexure A(iii).

#### ➤ **Obligations to comply with the Monitoring Policy**

(i) Every Members registered with PVAI VPO is obliged to comply with the requirements of the Monitoring Policy.

(ii) The Monitoring Committee shall review the information and records submitted by the RV with the objective of monitoring the professional activities and conduct of each member.

(iii) Falsification, misreporting or non-reporting of information required under the Monitoring Policy or sought separately by the Monitoring Committee or any other competent authority may lead to initiation of Disciplinary Proceedings against the member.

(iv) The guidelines set here should be strictly adhered to, failing which action against the Professional may be recommended by the Monitoring Committee to the Disciplinary Committee of PVAI VPO.

#### ➤ **Inspection**

The Monitoring Committee may carry out an inspection of a Member's records wherever deemed necessary, with or without prior notice to the member. This function may be delegated to a suitable member(s), where required. The report of the inspection will be put up by the inspecting member(s) to the Monitoring Committee, which would take appropriate steps/action, as warranted.

#### ➤ **Use, Analysis and Storage of Information and Records**

- Use/ Analysis of information and records

PVAI VPO shall submit a report to IBBI on the Format presently in use **(Annexure B)**,

containing information collected from members, pertaining to -

- a. the details of the appointments made under the Act / Rules,
  - b. the transactions conducted with stakeholders during the period of his appointment;
  - c. the transactions conducted with third parties during the period of his appointment; and
  - d. the outcome of each appointment.
  - e. Any other related information.
- Storage of information and records

The data so collected shall be stored and recorded in a physical and/or digital manner for a period of 8 years, having due regard for:

- a. ensuring the privacy of members and confidentiality of information received, except when disclosure of information is required by the authority or by law,
- b. in a non-discriminatory, and
- c. with proper safeguards, including Disaster Recovery Mechanism procedures.

#### ➤ **Evaluation of Members**

The information obtained from members shall be analyzed to verify whether the transactions conducted were in compliance with the Act, Rules and other applicable laws.

The information collected from the members will be evaluated on Quantitative and Qualitative Parameters, with a weightage of 30:70 being assigned to the two respectively for facilitating the assessment.

- Quantitative:
  1. Frequency of submission of reports
  2. Delay in submission of information exceeding 15 days from stipulated timeline
  3. Deviation from timelines prescribed under Act/Rules
  4. Transactions conducted with stakeholders/3<sup>rd</sup> parties
  5. No. of Warnings/Strictures/Penalties imposed till date of report
  6. No. of incorrect submissions/ data falsifications, etc.
  7. No. of Disciplinary cases initiated, if any, with outcomes
  8. No. of grievances raised, if any, with outcomes
  9. Outcome of Inspection, if any.
- Qualitative:
  1. Review of steps taken by the Member
  2. Violations, if any, of Rules



3. Nature of condonation sought, if applicable, and adjudicating authority's response
4. Effectiveness and timeliness of follow-up measures
5. Quality of reporting
6. Quality of citings/references
7. Quality of Interaction with Stakeholders
8. Valuation methodology/approach
9. Implication and impact of grievances received, if any
10. Outcome of steps taken for Valuation Report
11. Result of Disciplinary Action, if any
12. Others

Apart from the above, features adversely impinging on ethics and integrity, if prima facie tenable, would be referred to the Disciplinary Committee and their decision taken into consideration.

Evaluation criteria for RVs who have undertaken assignments would cover the above factors.

In respect of members who have not undertaken any assignment, their Static Data would be verified annually on a proportionate sample size of 5% of the strength registered from each Region, to keep a check on any unreported changes.

➤ **Review of the Monitoring Policy**

The implementation of the Policy will be monitored and reviewed by the Monitoring Committee at quarterly intervals and bi-annually by the Governing Board of PVAI VPO.

The Monitoring Policy may be amended from time to time by the Governing Board and will remain in force till further instructions of the Governing Board or IBBI.

Reporting Format  
Static Data

Name:

Enrolment Number:

Address for Correspondence:

Email/Mobile:

Reporting Format for Static Data:

Sr. No.	Static Data Change Particulars	Date of Change	Reason for Change	Implications for Current/ Concluded assignment

Remarks:

Date:

Name and Signatures of RV

Explanatory Notes:

3.1.1(i) Static Data

Source: Information detailed in Form A (Application for Registration as an Registered Valuer) Items A to E.

Explanation: Static Data consists of information furnished at the time of enrolment, which is less likely to change but is material in terms of the eligibility of the Member to continue as an Registered Valuers (RV), e.g., Employment Status, Conviction, Change of Nationality, Suspension or Restoration of COP, etc.

Any change in the Static Data will need to be advised immediately to the Organisation, but in no case later than 15 days of the above change having occurred or its having come to the knowledge of the Member.

In all cases, the Member will be required to submit a fresh Status report to the Organisation at the time of his annual renewal of Membership.

Periodicity of Submission:

Static data shall be provided by the RVs in the following events:

- a) At the time of enrolment;
- b) Updation of static data annually
- c) Updation of static data if there is a change and
- d) At the time of renewal of membership

Periodicity of submission of Changes in Static Data

Immediately on any change in Static Data, as defined earlier, but in any case not later than 15 days of the occurrence of the change on the format given above.

Reporting Format  
Dynamic Data

Name:

Enrolment Number:

Address for Correspondence:

Email/Mobile:

Half Yearly Report as on 30<sup>th</sup> Sept/31<sup>st</sup> March  
(To be provided separately for each Resolution Process)

Reporting Parameter	RV's Comments
<ul style="list-style-type: none"> <li>- Date of Assignment</li> <li>- Date of Completion</li> <li>- Reference number if valuation assignment</li> <li>- Valuation Report</li> <li>- Number and status of existing Resolution Assignment being handled by the RV</li> <li>- Proposed timelines for compliance</li> </ul>	

Report of New Appointment as RV (Max Time 15 days)

Reporting Parameter	RV's Comments
<ul style="list-style-type: none"> <li>- Number and status of assignment being handled by the RV</li> <li>- Date of fresh appointment as RV</li> <li>- Brief information about the new case awarded</li> <li>- Proposed timelines for compliance with stipulations under the Act/Regulation</li> <li>- Number and status of existing Resolution Assignment being handled by the RV</li> <li>- Steps proposed to be taken for discharge of responsibilities as RV for the new and existing cases .</li> <li>- Any conflict of interest as on date or likely to arise</li> </ul>	

Remarks:

Date:

Name and Signatures of RV

Flash Report (Within 24 hours of receipt of notice/order by RV)

Reporting Parameter	RV's Comments
<ul style="list-style-type: none"><li>- Initiation of legal action against the member by third parties</li><li>- Any warnings or penalties or strictures imposed by the competent authority</li></ul>	

Remarks:

Date:

Name and Signatures of RV

Explanatory Notes:

Dynamic Data:

Every RV/Member is required to report each assignment under the Insolvency & Bankruptcy Code twice a year, as on 30<sup>th</sup> of Sept and 31<sup>st</sup> of March, and to submit a copy of the records to PVAI VPO.

The report should, inter alia, include comments for all cases being handled, on the following:

- Date of Assignment
- Date of Completion
- Reference number if valuation assignment
- Valuation Report
- Number and status of existing Resolution Assignment being handled by the RV
- Proposed timelines for compliance

Apart from the above half yearly report, the RV/Members shall immediately, and in no case later than 15 days of the appointment, inform PVAI VPO of the following:

- Number and status of assignment being handled by the RV
- Date of fresh appointment as RV
- Brief information about the new case awarded
- Proposed timelines for compliance with stipulations under the Act/Regulation
- Number and status of existing Resolution Assignment being handled by the RV

- Steps proposed to be taken for discharge of responsibilities as RV for the new and existing cases .
- Any conflict of interest as on date or likely to arise.

The RV will be required to report within 24 hours

- Initiation of legal action against the member by third parties
- Any warnings or penalties or strictures imposed by the competent authority

The RV/Member will also submit a summary of the outcome of each Resolution Process within 21 days of its conclusion.

Periodicity of Submission:

1. Half Yearly as on 30<sup>th</sup> of Sept and 31<sup>st</sup> of March
2. Report on Appointment as RV - immediately and in no case later than 15 days.

Reporting Format  
Other Qualitative Information

Name:

Enrolment Number:

Address for Correspondence:

Email/Mobile:

1. Conclusion Report – Valuation Report
- 2.(a) Summary Report of Transactions with Stake Holders
- 2.(b) Summary Report of Transactions with Third Parties

Remarks:

Date:

Name and Signatures of RV

Explanatory Notes:

Other Qualitative Information:

The following supplementary information also needs to be submitted by the Professionals:

- a. the details of the appointments made under the Rules,
- b. summary of transactions conducted with stakeholders during the period of his appointment;
- c. summary of transactions conducted with third parties during the period of his appointment; and
- d. the outcome of each appointment.

Periodicity of Submission:

1. Summary of the outcome of each Resolution Process within 21 days of its conclusion.
2. Summary Report of Transactions half yearly as on 30<sup>th</sup> Sept and 31<sup>st</sup> March

Report to IBBI

MIS Format for the transactions handled by the Registered Valuer enrolled with PVAI  
VPO