



**IOV REGISTERED VALUERS FOUNDATION
MONITORING POLICY**

1. INTRODUCTION

- 1.1 IOV Registered Valuer Foundation (“hereinafter referred to as “**IOV RVF**” or the “**Company**”) is a Section 8 Company having CIN: U93090DL2017NPL327392 incorporated under the provisions of the Companies Act, 2013 and recognised under Rule 13(5) of the Companies (Registered Valuers and Valuation) Rules, 2017 (“**Rules**”), with Insolvency and Bankruptcy Board of India (“**IBBI**”).
- 1.2 The Companies (Registered Valuers and Valuation) Rules, 2017, Annexure-III, Part-II i.e. Model Bye Laws, requires every Registered Valuers Organisation to constitute a Monitoring Committee under the Chairmanship of an Independent Director of the Organisation. The said Rules also require that
- (a) Every Registered Valuer(s) Organisation to have a **Monitoring Policy** to monitor the professional activities and conduct of member(s) for their adherence to the provisions of the Act, rules, regulations, and guidelines issued thereunder, and the bye-laws, the Code of Conduct, and directions given by the Governing Board.
 - (b) All Valuer Member(s) shall submit information about ongoing and concluded engagement(s) as a Registered Valuer, in the manner and format specified by the Organisation, at least twice a year stating inter alia, the date of assignment, date of completion and VRN and valuation report.
 - (c) The Monitoring Committee shall review the information and record(s) submitted by the Valuer Member(s) in accordance with the Monitoring Policy.
 - (d) The Monitoring Policy shall provide for the following:
 - (i) the frequency of monitoring;
 - (ii) the manner and format of submission or collection of information and record(s) of the Valuer Member(s), including by way of inspection;
 - (iii) the obligation of Valuer Member(s) to comply with the Monitoring Policy;
 - (iv) the use, analysis and storage of information and record(s);
 - (v) evaluation of performance of Valuer Member(s); and
 - (vi) any other matters that may be specified by the Governing Board.
- 1.3 In compliance of the aforesaid provisions, the Governing Board of the IOV Registered Valuers Foundation, under due intimation and/or approval of the Insolvency and Bankruptcy Board of India, has
- (a) constituted a Monitoring Committee headed by an Independent Director and shall ensure that such Committee is always in place; and
 - (b) adopted this Monitoring Policy.

2. OBJECTIVES

- 2.1 The objective of monitoring is to gather necessary information, record(s) and document(s) to enable the Monitoring Committee, Governing Board of IOV-RVF and Authority (IBBI) to monitor the performance and keep them informed with unbiased decisions about the performance of Valuer Member(s) registered with the Authority. The objective of this policy is to create framework for implementation of the functions of the IBBI and IOV-RVF as envisaged under section 247 of the Companies Act, 2013 read with the Companies (Registered Valuers and Valuations) Rules, 2017.

3. APPLICABILITY

The provisions of the Monitoring Policy **shall not** apply to the Primary Members and **shall** apply to all those individuals, Entity who are Registered Valuers and hold a valid certificate of Registration from the IBBI, irrespective of the fact whether they have undertaken any assignments or not and includes an individual/entity who is a valuer member of IOV RVF as on the date of the alleged misconduct.

4. DEFINITIONS

- 4.1 In this Policy, unless the context otherwise requires-

- (a) "**Act**" means the Companies Act, 2013 (18 of 2013);
- (b) "**Asset Class**" means distinct group of assets that have been classified as class of assets by the Insolvency and Bankruptcy Board of India and requires separate set of valuer(s) for valuation under the Companies (Registered Valuers and Valuation) Rules, 2017; Provided that the Insolvency and Bankruptcy Board of India has so far made only three asset classes viz. Land & Building; Plant & Machinery; and Securities or Financial Assets.
- (c) "**Authority**" means the Insolvency and Bankruptcy Board of India [IBBI] who has been specified by the Central Government under section 458 of the Companies Act, 2013 (18 of 2013) to perform the functions under the Companies (Registered Valuers and Valuation) Rules, 2017;
- (d) "**Bye-Laws**" means the Bye-Laws of the IOV Registered Valuers Foundation as amended from time to time;
- (e) "**Certificate of Practice**" means the certificate of practice granted to a Registered Valuer(s) or Valuer Member(s) who has completed the requisite training of the IOV Registered Valuers Foundation in respect of valuation of any asset class or classes;
- (f) "**Code of Conduct**" means the code of conduct for the Registered Valuer(s) as given in Annexure-I to the Bye-Laws of IOV Registered Valuers Foundation;
- (g) "**Company**" means a Company registered under the Companies Act, 2013 (18 of 2013) or under the Companies Act, 1956 (1 of 1956) or any other previous Company Law;
- (h) "**Disciplinary Proceeding**" means the proceedings initiated by the Disciplinary

Committee of IOV-RVF against Valuer Member(s);

- (i) "**Entity**" means a **Partnership Firm** registered under the Indian Partnership Act, 1932 (9 of 1932) or a **Limited Liability Partnership** registered under the Limited Liability Partnership Act, 2008 (6 of 2009) or a **Company** registered under the Companies Act, 2013 (18 of 2013) or under the Companies Act, 1956 (1 of 1956) or any other previous law;
- (j) "**Governing Board**" means the Board of Directors of the IOV Registered Valuers Foundation constituted under the applicable provisions of the Companies Act, 2013 (18 of 2013);
- (k) "**Grievance/Complaint**" means any communication that expresses dissatisfaction about an action or lack of action, about the standard of service/deficiency of service and the complainant asks for remedial action. The terms "Grievance" and "Complaint" may be used interchangeably unless the context requires that a specific meaning be ascribed thereto
- (l) "**IOV-RVF**" means the IOV Registered Valuers Foundation duly incorporated as section 8 Company under the provisions of the Companies Act, 2013 having CIN: U93090DL2017NPL327392, with its registered office situated at IOV Headquarters, 2nd Floor, Plot No. 3, Parwana Road, Pitampura, Delhi-110034 and recognized as Registered Valuers Organization by the Insolvency and Bankruptcy Board of India under Rule 13 of the Companies (Registered Valuers and Valuation) Rules, 2017;
- (m) "**Monitoring Committee**" means the committee constituted by the Governing Board of IOV RVF in accordance with Article 13.2(1)(b) of its Articles of Association, Bye-law 8(1)(b) of its Bye-Laws, and applicable provisions of the Companies (Registered Valuers and Valuation) Rules, 2017;
- (n) "**Monitoring Officer**" means an Officer of IOV-RVF either appointed or designated so, who shall perform the functions assigned to the Monitoring Officer under the Monitoring Policy or by Monitoring Committee;
- (o) "**Monitoring Policy**" / "**Policy**" means the Monitoring Policy of IOV RVF;
- (p) "**Primary Member**" means an applicant who possesses the required qualification and experience as per Rule 4 of the Companies (Registered Valuers and Valuation) Rules, 2017 and is eligible to become Registered Valuer but has not yet passed the Valuation examination under Rule 5 of the Rules;
- (q) "**Registered Valuer**" / "**Valuer Member**" means a person who has been granted certificate of registration by the authority under Rule 6 of the Companies (Registered Valuers and Valuation) Rules, 2017 and has been granted certificate of practice by the IOV Registered Valuers Foundation in respect of valuation of an asset class or classes and the term "Valuer" shall be construed accordingly and includes an individual who was a member of IOV RVF as on the date of the alleged misconduct;
- (r) "**Registered Valuers Organisation (RVO)**" means a legal entity recognized as registered valuers organization by the Insolvency and Bankruptcy Board of India under Rule 13 of the Companies (Registered Valuers and Valuation) Rules, 2017;

- (s) **"Rules"** means the Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time;
- (t) **"Valuation Standards"** means the standards of valuation as notified or modified by the Central Government under Rule 18 of the Companies (Registered Valuers and Valuation) Rules, 2017; Provided that until the valuation standards are notified or modified by the Central Government, the valuation standards would mean the standards of valuation adopted by the IOV Registered Valuers Foundation;
- (u) **"Valuation Reference Number"/"VRN"** is a number which needs to be generated by all the Valuer Member(s) by using their login id and password in their User panel on the IOV-RVF portal. This reference number is mandatory to be generated for each valuation assignment and is to be mentioned on the respective valuation report by such Registered Valuer as the reference number.
- (v) **"Rules"** means the Companies (Registered Valuers and Valuation) Rules, 2017 as amended from time to time;
- (w) **"Year"/"Financial Year"** for the purpose of this policy shall mean the period commencing 1st day of April and ending on 31st day of March;

4.2 Unless the context otherwise requires, word(s) and expression(s) used but not defined in this policy shall have the meanings respectively assigned to them in the Companies Act, 2013 (18 of 2013) and Rules made there under.

5. FUNCTIONS OF THE MONITORING COMMITTEE

5.1 The Monitoring Committee as constituted by the Governing Board of IOV RVF in accordance with Article 13.2(1)(b) of its Articles of Association, Bye-law 8(1)(b) of its Bye-Laws, and applicable provisions of the Companies (Registered Valuers and Valuation) Rules, 2017 shall perform the following functions:

- (i) To monitor the professional activities and conduct of member(s) for their adherence to the provisions of the Act, rules, regulations, and guidelines issued there under, and the bye-laws, the Code of Conduct, and directions given by the Governing Board.
- (ii) To prescribe manner, format, frequency, and timeline of submission of information and records by the Valuer Member(s) to IOV-RVF about ongoing and concluded engagements.
- (iii) To review the information and record(s) submitted by the Valuer Member(s) in accordance with this Monitoring Policy.
- (iv) To analyse and make use of the information and records submitted by the Valuer Member(s) for furtherance of the objectives of IOV-RVF and profession of valuation.
- (v) To undertake or cause to undertake inspections of the information and record(s) submitted by the Valuer Member(s).
- (vi) To evaluate the performance of Valuer Member(s).
- (vii) To ensure submission of report(s) to the authority in the manner specified by the authority with information collected during monitoring.
- (viii) Any other matters that may be specified by the Governing Board.

6. DUTIES OF VALUER MEMBER(S)

6.1 In the performance of his functions, a Valuer Member(s) shall-

- (i) act in good faith in discharge of his duties as a Registered Valuer;
- (ii) discharge his functions with utmost integrity and objectivity;
- (iii) be independent and impartial;
- (iv) discharge his functions with the highest standards of professional competence and professional ethics;
- (v) continuously upgrade his professional expertise;
- (vi) comply with applicable laws in the performance of his functions; and
- (vii) maintain confidentiality of information obtained in the course of his professional activities unless required to disclose such information by law.

6.2 In addition, a Valuer Member(s) shall also-

- (i) while conducting a valuation, comply with the Rule 8 (1) of the Rules. ;
- (ii) fully comply & adhere, at all times, to the provisions of the Act, rule(s), regulation(s), and guideline(s) issued thereunder, and the Bye-Laws, the Code of Conduct, and directions given by the Governing Board of IOV-RVF;
- (iii) furnish information and record(s) to IOV-RVF as prescribed under this policy from time to time; and
- (iv) fully cooperate and allow access to the IOV-RVF and to any person authorised by IOV-RVF, all information including the record(s), document(s), and other matters of the registered valuer(s), which the IOV-RVF or its authorised representative is aware that is relevant to the inspection and verification of the information and record(s) of the Valuer Member(s).

6.3 As prescribed under Rule 7 of the Companies (Registered Valuers and Valuation) Rules, 2017, the Valuer Member(s) shall-

- (i) at all times possess the eligibility and qualifications and experience criteria as specified under rule 3 and rule 4;
- (ii) at all times comply with the provisions of the Act, these rules and the Bye-laws or internal regulations, as the case may be, of the respective Registered Valuers Organisation;
- (iii) in his capacity as a Registered Valuer, not conduct valuation of the assets or class(es) of asset(s) other than for which he/it has been registered by the authority;
- (iv) take prior permission of the Authority for shifting his/ its membership from one Registered Valuers Organisation to another;
- (v) take adequate steps for redressal of grievances;
- (vi) maintain records of each assignment undertaken by him for at least three years from the completion of such assignment;
- (vii) comply with the Code of Conduct (as per Annexure-I of these rules) of the Registered Valuers Organisation of which he/she is a member;
- (viii) in case a Partnership Firm or a Company is the Registered Valuer,
 - allow only the partner(s) or director(s) who is a Registered Valuer for the asset class(es) that is being valued to sign and act on behalf of it;
 - it shall disclose to the Company concerned, the extent of capital employed or contributed in the Partnership Firm or the Company by the partner or director, as the case may be, who would sign and act in respect of relevant

valuation assignment for the Company;

- (ix) in case a Partnership Firm is the Registered Valuer, be liable jointly and severally along with the partner who signs and acts in respect of a valuation assignment on behalf of the Partnership Firm;
- (x) in case a Company is the Registered Valuer, be liable along with director who signs and acts in respect of a valuation assignment on behalf of the Company;
- (xi) in case a Partnership Firm or a Company is the Registered Valuer, immediately inform the authority on the removal of a partner or director, as the case may be, who is a Registered Valuer along with detailed reasons for such removal; and
- (xii) comply with such other conditions as may be imposed by the Authority.

6.4 The Valuer Member(s) shall, in his valuation report, state the matters as prescribed under Rule 8 (3) of the Rules.-

7. MONITORINGPROCEDURE

7.1 The IOV-RVF shall have procedural framework comprising of collection of the information, record(s) and document(s) both from the Valuer Member(s) and from independent sources to monitor the performance of Valuer Member(s). The scope of procedure is as follows.

Annual Data

7.2 Annual Data consists of information furnished by a person at the time of enrolment with the IOV-RVF, which is less likely to change but is material in terms of the eligibility of the Member to continue as Valuer Member, example, Employment Status, Conviction, Change of Nationality, Suspension or Restoration of Registration by IBBI, etc. All Valuer Member(s) shall file **Form M3 – Registered Valuer Member's Annual Data** to be given to IOV-RVF at the time of annual renewal of Certificate of Practice and within 15 days of any change in the data. To make it more clear,

- (i) ***At the time of renewal of certificate of practice*** - In all cases, the Valuer Member(s) will be required to submit a fresh Status report to the IOV-RVF at the time of his annual renewal of Certificate of Practice.
- (ii) ***At the time of any change*** - Any change in the Annual Data will need to be informed by the Valuer Member(s) immediately to the IOV-RVF, but in no case later than 15 days of such change having occurred or its having come to the knowledge of the Valuer Member(s).

Activity Data

Every Valuer Member(s) is required to report details of each ongoing and concluded engagement relating to valuation under the Companies Act, 2013 (18 of 2013) read with Rule 8 of the Companies (Registered Valuers and Valuation) Rules, 2017. In compliance with these provisions, all Valuer Member(s) shall file **Form M4 –Valuer Member's Activity Data** to be given half-yearly by 10thApril and 10thOctober of each Financial Year and submit a copy of all the relevant records to the Monitoring Committee of IOV-RVF. The

report should, inter alia, include comments for all the engagements being handled and/or concluded as described in above Point No. 6.4.

- 7.3 **In case of completed engagements**, the report(s) are not required to be attached; only the details thereof as sought shall be provided.
- 7.4 **In case of ongoing engagements**, the Valuer Member(s) shall be required to submit a Status report till the valuation is completed and report is finally submitted.
- 7.5 The Valuer Member(s) will be required to report within 48 hours any warnings or penalties or restrictions imposed by the competent authority; or initiation of legal action against the Valuer Member(s).

8. USE, ANALYSIS & STORAGE OF INFORMATION AND RECORDS

- 8.1 Monitoring Committee shall appoint a Monitoring Officer whose role is to perform:-
- (a) Maintain the data / report(s) received from the Valuer Member(s).
 - (b) Receive and communicate with all stakeholder(s) on behalf of Monitoring Committee.
 - (c) Prepare summary report(s) in the prescribed as required under the Act & Rules for onwards submission to the Monitoring Committee, Governing Board, and Authority.
 - (d) Prepare summary report(s) in the prescribed format(s) regarding non-compliance of the Monitoring Policy by the Valuer Member(s) and present before the Monitoring Committee on monthly basis.
 - (e) Correspondence on behalf of the Monitoring Committee with the Valuer Member(s).
 - (f) Any other matters that may be specified either by the Monitoring Committee or by the Governing Board.
- 8.2 A designed email Id would be provided on the website on IOV-RVF enabling member(s) to submit all the information as required under this policy.
- 8.3 The data, information & record(s) so collected shall be stored and recorded in a physical and/or digital manner for a period of not less than 8 years, having due regard to the following:
- (a) ensuring the privacy of Valuer Member(s) and confidentiality of information received, except when disclosure of information is required by the Authority or bylaw;
 - (b) in a non-discriminatory; and
 - (c) with proper safeguards, including Disaster Recovery Mechanism procedures.

9. PRIVACY

- 9.1 All information and record(s) received by the IOV-RVF from the Valuer Member(s) in accordance with this policy shall be kept fully confidential except when disclosure of such

data/information is required by the authority or bylaw.

- 9.2 The IOV-RVF shall take adequate steps for proper and safe storage, including digital storage, of the information and record(s) received from the Valuer Member(s). No person, other than the authorised officials of IOV-RVF, shall be given access to such information and record(s). There shall be complete audit trail of the retrieval and use of any part of such information and record(s) made by any official of the IOV-RVF.
- 9.3 The IOV-RVF shall take adequate precautions to maintain complete privacy of its Valuer Member(s) and about their ongoing & completed engagements except when disclosure thereof is required by the authority or bylaw.

10. INSPECTION & MONITORING VISITS

- 10.1 In pursuance of its monitoring objectives and in fulfillment of its obligations as set out in this Monitoring Policy, the IOV-RVF shall draw a scheme to undertake monitoring visits to its Valuer Member(s) for inspection of their information and record(s) and to review of compliance of obligations under the Act & Rules as and when required. The frequency of such visits will be determined using a risk-based approach and will have regard to the following:
- (a) Review of the information / document(s) received from the Valuer Member(s);
 - (b) Any information received from other stakeholders and regulators;
 - (c) Any information received from the third party resources; and
 - (d) On the direction of the Monitoring Committee and Governing Board of IOV-RVF.
- 10.2 The Monitoring Committee may direct the inspection to be carried out and also prescribe the scope of inspection by any member of the Committee, any officer of IOV-RVF, any member of the Governing Board of IOV-RVF, or by any other professional valuer member(s), either individually or jointly with other members or officers in any manner as determined by the Monitoring Committee.
- 10.3 On completion of a monitoring visit to the Valuer Member(s), the Monitoring Team shall submit its report setting out the scope of the monitoring visit, the extent to which the Valuer Member(s) comply with the terms of reference of Team and relevant law and practice and other legislation, the extent to which professional competence has been tested and achieved and any other information which the Monitoring Team would like to add in the report.
- 10.4 To remove subjectivity of the evaluation process, the Monitoring Committee may design and implement an appropriate check list and evaluation format to calculate 'Overall Compliance Point Index (OCPI)' which shall determine degree of compliance with respect to provisions of the act, rules, regulations, and guidelines issued there under and the by-laws, the code of conduct and the directions given by the Governing Board.

11. REVIEW OF INFORMATION, RECORDS AND DOCUMENTS

11.1 The Monitoring Committee shall review the information and record(s) submitted by the Valuer Member(s) in its meeting. The Monitoring Committee shall take all adequate measures to preserve the privacy and confidentiality of all submitted information & record(s) unless required by the Authority or by law enforced in the Country. Based on the record(s) submitted by the Valuer Member(s), the Monitoring Committee will evaluate the performance of the Valuer Member(s) and categorize them into three categories:-

- (i) **Category A – Compliant:** Valuer Member(s) submitting the information regularly and fully complying with the provisions of the Act, rules, regulations, and guidelines issued thereunder, and the bye-laws, the Code of Conduct, and directions given by the Governing Board.
- (ii) **Category B – Semi-Compliant:** Valuer Member(s) submitting information with delay or are irregular in complying with policy or partly comply with the provisions of the Act, rules, regulations, and guidelines issued there under, and the bye-laws, the Code of Conduct, and directions given by the Governing Board.
- (iii) **Category C – Non-Compliant:** Valuer Member(s) who are not filing any information with the Monitoring Committee at all are considered as Non-Compliant.

11.2 The Committee shall post the status of each Valuer Member(s) on its website.

12. REPORTS TO THE AUTHORITY

12.1 The Monitoring Committee shall submit a report to the Authority in the manner specified by the Authority with information collected during monitoring including information pertaining to:-

- (a) the details of the appointment(s) made under the Act/Rules;
- (b) the transactions conducted with stakeholder(s) during the period of the appointment;
- (c) the transactions conducted with third party(s) during the period of his appointment; and
- (d) the outcome of each appointment.

13. OBLIGATIONS TO COMPLY WITH THE MONITORING POLICY

- (a) Every Valuer Member(s) registered with IOV-RVF is obliged to comply with the requirements of this Monitoring Policy.
- (b) The Monitoring Committee shall review the information and record(s) submitted by the Valuer Member(s) with the objective of monitoring the professional activities and conduct of each Valuer Member(s).
- (c) Falsification, misreporting or non-reporting of information required under the

Monitoring Policy or sought separately by the Monitoring Committee or any other competent authority shall lead to initiation of Disciplinary Proceedings against the Valuer Member(s).

- (d) The guidelines set here should be strictly adhered to, failing which action against the Valuer Member(s) shall be recommended by the Monitoring Committee to the Disciplinary Committee of IOV-RVF.
- (e) If any Valuer Member(s) conducts any misconduct of any nature whatsoever or fails to do the following, he shall be liable for appropriate action under the stated Disciplinary Policy of IOV-RVF-
 - (i) comply with this Monitoring Policy; or
 - (ii) comply with the duties prescribed for Valuer Member; or
 - (iii) provide prescribed information & records to IOV-RVF; or
 - (iv) allow access to IOV-RVF or its authorised representative to undertake inspection of information and records; or
 - (v) comply with the provisions of the Act, rules, regulations, and guidelines issued thereunder; or
 - (vi) comply with the Bye-Laws, the Code of Conduct, and directions given by the Governing Board of IOV-RVF.

14. REVIEW OF THE MONITORING POLICY

- 14.1 The Monitoring Committee will take reasonable step(s) in seeking to confirm compliance on the part of Valuer Member(s) with all relevant aspects of the Act, Rules, Regulations, and Guidelines issued under the Act, and other legislations that may impact an individual while acting as Valuation Professional. The above includes the requirements of Code of Conduct prescribed under the Rules, which have been adopted by the IOV-RVF.
- 14.2 The implementation of the Policy will be monitored and reviewed by the Monitoring Committee at half-yearly interval and annually by the Governing Board of IOV-RVF.
- 14.3 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 by the IBBI.
