1. **WHAT IS IOV REGISTERED VALUERS FOUNDATION (RVO/IOV-RVF)**
   The IOV Registered Valuers Foundation (IOV-RVF) is a Section 8 Company whose main objective is to enroll and regulate registered valuers as its members in accordance with the Companies (Registered Valuers and Valuation) Rules, 2017 and matters incidental thereto.

2. **WHO HAS RECOGNIZED IOV REGISTERED VALUERS FOUNDATION (RVO) AND FOR WHICH CLASS?**
   IOV-RVF has been recognized by the Insolvency and Bankruptcy Board of India (IBBI) for the Asset Class “Land and Building”, “Plant and Machinery” and “Securities or Financial Assets”.

3. **WHAT IS THE OBJECTIVE OF THE IOV REGISTERED VALUERS FOUNDATION (RVO)?**
   The primary objective of the Company is to enroll, educate and train members to enable them to carry out activities for the effective valuation procedures and methods, develop the profession of Registered Valuers, promote continuous professional development of valuation professionals, establish and promote high standards of practice and professional conduct.

4. **WHO SHALL BE TERMED AS A VALUER?**
   “Valuer” means a person registered with the Authority in accordance with Companies (Registered Valuers and Valuation) Rules, 2017 and the term “Registered Valuer” shall be construed accordingly.

5. **WHO IS THE AUTHORITY FOR ADMINISTERING THE REGISTERED VALUERS?**
   The Central Government has delegated its powers and functions under Section 247 of the Companies Act, 2013 to the Insolvency and Bankruptcy Board of India (IBBI) and specified the IBBI as the Authority under the Companies (Registered Valuers and Valuation) Rules, 2017.

6. **WHICH SECTION OF THE COMPANIES ACT, 2013 MANDATES VALUATION BY A REGISTERED VALUER?**
   Section 247 of the Companies Act, 2013 read with Companies (Registered Valuers and Valuation) Rules, 2017 mandates valuation under the provisions of the Companies Act, 2013 by a Registered Valuer under following Laws:

   I. Valuation under Companies Act, 2013
II. Valuation under Insolvency Code: Under Insolvency Code and Insolvency and Bankruptcy Board of India Regulations, 2016 – Registered Valuer means a person registered as such in accordance with the Companies Act, 2013 and rules made there under

III. Valuation under SEBI: Under (REIT and InvIT) Regulations, 2016 “valuer” means any person who is a “registered valuer” under section 247 of the Companies Act, 2013 and who has been appointed by the manager to undertake valuation of the REIT assets.

7. WHAT KIND OF VALUATIONS A REGISTERED VALUER CAN UNDERTAKE AS PER SECTION 247 OF THE COMPANIES ACT, 2013?

Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it shall be valued by a person having such qualifications and experience and registered as a valuer and being a member of an Organisation recognised, in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee or in its absence by the Board of Directors of that Company.


No, it has been clarified that conduct of valuation under any other law other than the Companies Act 2013 or Companies (Registered Valuers and Valuation) Rules, 2017 by any person shall not be affected by virtue of coming into effect of these rules.

9. WHAT ARE THE DUTIES OF A REGISTERED VALUER AS PER SECTION 247 OF THE COMPANIES ACT, 2013?

The valuer appointed under Section 247 shall

- make an impartial, true and fair valuation of any assets which may be required to be valued;
- exercise due diligence while performing the functions as valuer;
- make the valuation in accordance with such rules as may be prescribed; and
- not undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time period of three years prior to his appointment as valuer or three years after the valuation of assets was conducted by him.

10. WHAT ARE THE QUALIFICATIONS AND EXPERIENCE REQUIRED TO REGISTER AS A REGISTERED VALUER FOR SECURITIES CLASS OR FINANCIAL ASSETS?
An individual shall have the following qualifications and experience to be eligible for registration under Companies (Registered Valuers and Valuation) Rules, 2017:

- Chartered Accountant, Cost Accountant, Company Secretary, MBA/ PGDBM in Finance and an individual having post-graduate degree in finance and
- Having at least three years’ experience after possessing qualification as mentioned above.

11. WHO IS ELIGIBLE TO BE A REGISTERED VALUER?
A person shall be eligible to be registered valuer, if he -

a) is a valuer member of a registered valuers organisation;
   Explanation.— For the purposes of this clause, “a valuer member” is a member of a
   registered valuers organisation who possesses the requisite educational qualifications and
   experience for being registered as a valuer;

b) is recommended by the registered valuers organisation of which he is a valuer member
   for registration as a valuer;

c) has passed the valuation examination within three years preceding the date of making an
   application for registration;

d) possesses the qualifications and experience as specified in the rules;

e) is not a minor;

f) has not been declared to be of unsound mind;

g) is not an undischarged bankrupt, or has not applied to be adjudicated as a bankrupt;

h) is a person resident in India;
   Explanation.— For the purposes of these rules ‘person resident in India’ shall have the same
   meaning as defined in clause (v) of Section 2 of the Foreign Exchange Management Act,
   1999 (42 of 1999) as far as it is applicable to an individual;

i) has not 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,
   and a period of five years has not elapsed from the date of expiry of the sentence:
   Provided that if a person has been convicted of any offence and sentenced in respect
   thereof to imprisonment for a period of seven years or more, he shall not be eligible to be
   registered;

j) has not been levied a penalty under Section 271J of Income-tax Act, 1961 (43 of 1961) and
   time limit for filing appeal before Commissioner of Income-tax (Appeals) or Income-tax
   Appellate Tribunal, as the case may be has expired, or such penalty has been confirmed by
   Income-tax Appellate Tribunal, and five years have not elapsed after levy of such penalty;
   and

k) is a fit and proper person:
Explanation.— For determining whether an individual is a fit and proper person under these rules, the authority may take account of any relevant consideration, including but not limited to the following criteria—
l) Integrity, reputation and character,
m) Absence of convictions and restraint orders, and
n) Competence and financial solvency.

No partnership entity or company shall be eligible to be a registered valuer if:

(a) it has been set up for objects other than for rendering professional or financial services, including valuation services and that in the case of a company, it is a subsidiary, joint venture or associate of another company or body corporate;

(b) it is undergoing an insolvency resolution or is an undischarged bankrupt;

(c) all the partners or directors, as the case may be, are not ineligible under clauses (c), (d), (e), (f), (g), (h), (i), (j) and (k) above;

(d) three or all the partners or directors, whichever is lower, of the partnership entity or company, as the case may be, are not registered Valuers; or

(e) None of its partners or directors, as the case may be, is a registered valuer for the asset class, for the valuation of which it seeks to be a registered valuer.

12. WHAT ARE THE OTHER REQUIREMENTS TO REGISTER AS A REGISTERED VALUER?
Subject to meeting other requirements, an individual is eligible to be a registered valuer, if he
• is a fit and proper person,
• has the necessary qualification and experience,
• is a valuer member of an RVO,
• has completed a recognised educational course as a member of an RVO,
• has passed the valuation examination conducted by the IBBI, and
• is recommended by the RVO for registration as a valuer.

13. WHAT IS THE CODE OF CONDUCT FOR REGISTERED VALUERS?
As per Rule 7 (g) and Rule 12 (2) (d) of the Companies (Registered Valuers and Valuation) Rules, 2017, the Registered Valuers are required to follow the Code of Conduct available at: https://iovrvf.org/pages/code_of_conducts

14. WHETHER IT IS MANDATORY TO UNDERTAKE EDUCATIONAL COURSE BY AN RVO?
Yes as per Rule 5 (1) of the Companies (Registered Valuers and Valuation) Rule, 2017, it is mandatory to undertake Educational Course in the specified class.

15. WHAT IS THE PROCESS TO BE FOLLOWED TO BECOME A VALUER MEMBER?
An individual has to first enroll as a Primary Member with Registered Valuers Organisation and complete 50 hours Educational Course conducted by the RVO.

On completion of the Course and receiving a certificate of participation, the Primary Member has to clear examination conducted by IBBI.

16. WHAT CAN HAPPEN IF THE AUTHORITY REFUSES TO GRANT A CERTIFICATE?
If, after considering an application made under Rule 6 of Companies (Registered Valuers and Valuation) Rules, 2017, the Board is of the prima facie opinion that registration ought not be granted, it shall communicate the reasons for forming such an opinion and give the applicant an opportunity to explain why his application should be accepted, within fifteen days of the receipt of the communication from the Authority, to enable it to form a final opinion.

17. WITHIN WHAT TIME PERIOD, THE AUTHORITY SHALL COMMUNICATE ITS DECISION ABOUT ITS REJECTION OR ACCEPTANCE OF AN APPLICATION?
After considering the explanation, if any, given by the applicant, the Authority shall communicate its decision to-

- accept the application, along with the Certificate of Registration, or
- reject the application by an order, giving reasons thereof, within thirty days of receipt of the explanation.

18. WHAT ARE THE CONDITIONS FOR GRANT OF A CERTIFICATE OF REGISTRATION TO A VALUER TO CARRY ON THE ACTIVITIES OF A REGISTERED VALUER?
The Certificate of Registration is granted by the IBBI in Form C of Annexure II of Companies (Registered Valuers and Valuation) Rules 2017. The conditions for issuing a Certificate of Registration to valuer are as follows:

- At all times the applicant possess the eligibility and qualification and experience criteria as specified under the Rules.
- At all times the applicant complies with the provisions of the Companies Act, the rules and the Bye-laws or internal regulations, as the case may be, of the Organisation.
- He shall not in his capacity as a Registered Valuer, conduct valuation of the assets or class(es) of assets other than those for which he/it has been registered by the authority.
- He should take prior permission of the authority for shifting his/ its membership from one registered Valuers organisation to another.
- He should take adequate steps for redressal of grievances.
• He shall maintain records of each assignment undertaken by him for at least three years from the completion of such assignment.
• He should comply with the Code of Conduct.
• He should comply with such other conditions as may be imposed by the Authority.

19. WHAT IS THE PROCESS TO BE FOLLOWED WHEN THE REGISTERED VALUER TEMPORARILY SURRENDERS HIS CERTIFICATE?
Rule 9 of the Companies (Registered Valuers and Valuation) Rules, 2017 provides as under:
• A registered valuer may temporarily surrender his registration certificate in accordance with the bye-laws or regulations, as the case may be, of the Registered Valuers Organisation and on such surrender, the valuer shall inform the authority for taking such information on record.
• A Registered Valuers Organisation shall inform the Authority if any Valuer Member has temporarily surrendered his/its membership or revived his/its membership after the temporary surrender, not later than seven days from approval of the application for temporary surrender or revival, as the case may be.
• Every Registered Valuers Organisation shall place, on its website, in a searchable format, the names and other details of its Valuer Members who have surrendered or revived their memberships.

20. WHAT SHALL BE THE DUTIES OF REGISTERED VALUER AS PER MODEL CODE OF CONDUCT OF REGISTERED VALUERS?
The duties of registered valuer as per Model Code of Conduct of Registered Valuers are as follows:

Integrity and Fairness
• A valuer shall, in the conduct of his/its business, follow high standards of integrity and fairness in all his/its dealings with his/its clients and other valuers.
• A valuer shall maintain integrity by being honest, straightforward, and forthright in all professional relationships.
• A valuer shall endeavour to ensure that he/it provides true and adequate information and shall not misrepresent any facts or situations.
• A valuer shall refrain from being involved in any action that would bring disrepute to the profession.
• A valuer shall keep public interest foremost while rendering his services.

Professional Competence and Due Care
• A valuer shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
• A valuer shall carry out professional services in accordance with the relevant technical and professional standards that may be specified from time to time.
• A valuer shall continuously maintain professional knowledge and skill to provide competent professional service based on up-to-date developments in practice, prevailing regulations/guidelines and techniques.
• In the preparation of a valuation report, the valuer shall not disclaim liability for his/its expertise or deny his/its duty of care, except to the extent that the assumptions are based on statements of fact provided by the company or its auditors or consultants or information available in public domain and not generated by the valuer.
• A valuer shall not carry out any instruction of the client insofar as they are incompatible with the requirements of integrity, objectivity and independence.
• A valuer shall clearly state to his client the services that he would be competent to provide and the services for which he would be relying on other valuers or professionals or for which the client can have a separate arrangement with other valuers.

Independence and Disclosure of Interest
• A valuer shall act with objectivity in his/its professional dealings by ensuring that his/its decisions are made without any bias, conflict of interest, coercion, or undue the influence of any party, whether directly connected to the valuation assignment or not.
• A valuer shall not take up an assignment if he/it or any of his/its relatives or associates is/are not independent in terms of association to the company.
• A valuer shall maintain complete independence in his/its professional relationships and shall conduct the valuation independent of external influences.
• A valuer shall, wherever necessary disclose to the clients, possible sources of conflicts of duties and interests, while providing unbiased services.
• A valuer shall not deal in securities of any subject company after any time when he/it first becomes aware of the possibility of his/its association with the valuation, and in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 or till the time the valuation report becomes public, whichever is earlier.
• A valuer shall not indulge in “mandate snatching” or offering “convenience valuations” in order to cater to a company’s or client’s needs.
• As an independent valuer, the valuer shall not charge any ‘success’ fee.
• In any fairness opinion or independent expert opinion submitted by a valuer, if there has been a prior engagement in an unconnected transaction, the valuer shall declare the association with the company during the last five years.

Confidentiality
• A valuer shall not use or divulge to other clients or any other party any confidential information about the subject company, which has come to his/its knowledge without proper and specific authority or unless there is a legal or professional right or duty to disclose.
Information Management

• A valuer shall ensure that he/it maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of his/its decisions and actions.

• A valuer shall appear, co-operate and be available for inspections and investigations carried out by the authority, any person authorised by the authority, the registered valuers organisation with which he/it is registered or any other statutory regulatory body.

• A valuer shall provide all information and records as may be required by the authority, the Tribunal, Appellate Tribunal, the registered valuers organisation with which he/it is registered, or any other statutory regulatory body.

• A valuer, while respecting the confidentiality of information acquired during the course of performing professional services, shall maintain proper working papers for a period of three years or such longer period as required in its contract for a specific valuation, for production before a regulatory authority or for a peer review. In the event of a pending case before the Tribunal or Appellate Tribunal, the record shall be maintained till the disposal of the case.

Gifts and hospitality

• A valuer or his/its relative shall not accept gifts or hospitality which undermines or affects his independence as a valuer Registered Valuer

Explanation.—For the purposes of this Rules, the term ‘relative’ shall have the same meaning as defined in clause (77) of Section 2 of the Companies Act, 2013 (18 of 2013).

• A valuer shall not offer gifts or hospitality or financial or any other advantage to a public servant or any other person with a view to obtain or retain work for himself/itself, or to obtain or retain an advantage in the conduct of profession for himself/itself.

Remuneration and Costs

• A valuer shall provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken, and is not inconsistent with the applicable rules.

• A valuer shall not accept any fees or charges other than those which are disclosed in a written contract with the person to whom he would be rendering service.

Occupation, employability and restrictions

• A valuer shall refrain from accepting too many assignments, if he/it is unlikely to be able to devote adequate time to each of his/its assignments.

• A valuer shall not conduct business, which in the opinion of the authority or the registered valuer organisation discredits the profession.
21. **UNDER WHAT CIRCUMSTANCES, A CERTIFICATE OF REGISTRATION OR RECOGNITION BE CANCELLED OR SUSPENDED?**

   In accordance with Rule 15 of the Companies (Registered Valuers and Valuation) Rules, 2017, the Authority may cancel or suspend the registration of a valuer or recognition of a registered valuers organisation for violation of the provisions of the Companies Act, 2013. However, any other law may allow him to perform the valuation.

22. **IF THE CERTIFICATE OF REGISTRATION OR RECOGNITION HAS BEEN CANCELLED OR SUSPENDED BY THE AUTHORITY UNDER THE COMPANIES ACT, 2013, WHETHER A REGISTERED VALUER CAN PERFORM VALUATION UNDER ANY LAW?**

   Yes, any other law may allow a registered valuer to perform valuation, in case certificate of registration or recognition has been cancelled or suspended by the authority under the Companies Act, 2013.

23. **WHETHER IT HAS BEEN MANDATED BY ANY REGULATOR THAT THE VALUATION IS REQUIRED TO BE UNDERTAKEN BY A REGISTERED VALUER REGISTERED UNDER THE COMPANIES ACT 2013 AND RULES MADE THEREUNDER?**

   Yes, it has been mandated by the Insolvency and Bankruptcy Board of India that every valuation required under the Insolvency and Bankruptcy Code, 2016 or any of the regulations made thereunder is required to be conducted by a ‘Registered Valuer’, that is, a Valuer registered with the IBBI under the Companies (Registered Valuers and Valuation) Rules, 2017. It has been directed that with effect from 1st February, 2019, no insolvency professional shall appoint a person other than a registered valuer to conduct any valuation under the Code or any of the regulations made thereunder.

24. **ENUMERATE THE REQUIREMENT OF VALUATION BY A REGISTERED VALUER UNDER VARIOUS PROVISIONS OF THE COMPANIES ACT 2013.**

   The Companies Act 2013 prescribes Valuation by a registered valuer under the following Sections:
   - Section 62 (c) – Issue of shares on rights basis
   - Section 192 (2) – Non cash transactions with Directors
   - Section 230 – Compromise or arrangement with creditors and members
   - Section 236 – Purchase of minority shareholding
   - Section 247- Registered Valuer
   - Section 260- Valuation in respect of Shares and Assets to arrive at the Reserve Price for Company Administrator
   - Section 281- Valuing assets for submission of the report by Company Liquidator
   - Section 305- Report on Assets for declaration of solvency in case of the proposal to wind up voluntarily
• Section 319- Valuing interest of any dissenting member under Power of Company Liquidator to accept shares etc., as consideration for sale of the property of the company.


The requirements of Valuation under various provisions of the Companies Act 2013 and Rules thereunder and appointment of Registered Valuer are as follows:

<table>
<thead>
<tr>
<th>S. No</th>
<th>Purpose</th>
<th>Section</th>
<th>Rule</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Chapter III- Allotment of Securities for consideration other than Cash</td>
<td>39 (4)- Allotment of Securities by company</td>
<td>Rule 12 (5)- Return of Allotment A report of a registered valuer in respect of valuation of the consideration shall also be attached along with the contract as mentioned in sub-rule (3) and sub-rule (4).</td>
</tr>
<tr>
<td>2.</td>
<td>Chapter IV- Issue of sweat equity shares</td>
<td>Section 54 (1)- Issue of Sweat Equity Shares</td>
<td>Rule 8 - Issue of Sweat Equity Shares 8 (6) The sweat equity shares to be issued shall be valued at a price determined by a registered valuer as the fair price giving justification for such valuation. 8 (7) The valuation of intellectual property rights or of know how or value additions for which sweat equity shares are to be issued, shall be carried out by a registered valuer, who shall provide a proper Frequently Asked Questions on Valuation 14 report addressed to the Board of directors with justification for such valuation</td>
</tr>
<tr>
<td>3.</td>
<td>Chapter IV - Issue of Shares / convertible securities on preferential basis by unlisted company for cash</td>
<td>Section 62 (1) (c) - Further issue of share capital. to any persons, if it is authorised by a special resolution, whether or not those persons</td>
<td>Rule 13 (1)- Issue of shares on preferential basis. Provided further that the price of shares to be issued on a preferential basis by a listed company shall not be required to be</td>
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</table>
or for consideration other than cash include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

<p>| 4. | Chapter IV - Issue of shares on preferential basis. | Section 67 (3) (b) - Restrictions on purchase by company or giving of loans by it for purchase of its shares | Rule 16 (1) (c) - Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees. where shares of a company are not listed on a recognized stock exchange, the valuation at which shares are to be purchased shall be made by a registered valuer; |
| 5. | Chapter V - Acceptance of Deposits Valuation of bonds where secured by charge of any assets | Section 73 - Prohibition on acceptance of deposits from public |
| 6. | Chapter V - Acceptance of Deposits | Section 73 (2) - Prohibition on acceptance of deposits from public | Rule 6 - Creation of Security Provided that in the case of deposits which are secured by the charge on the assets referred to in Schedule III of the Act excluding intangible assets, the amount of such deposits and the interest payable thereon shall not exceed the market value of |</p>
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<tr>
<th></th>
<th>Chapter</th>
<th>Terms of Reference of Audit Committee</th>
<th>Section</th>
<th>Description</th>
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<tr>
<td>7</td>
<td>Chapter V</td>
<td>Terms of Reference of Audit Committee</td>
<td>177 (4) (vi)</td>
<td>Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,— valuation of undertakings or assets of the company, wherever it is necessary; such assets as assessed by a registered valuer</td>
</tr>
<tr>
<td>8</td>
<td>Chapter XII</td>
<td>Noncash transactions with Directors for acquiring assets from the company</td>
<td>192 (2)</td>
<td>Restriction on noncash transactions involving directors. The notice for approval of the resolution by the company or holding company in general meeting under subsection (1) shall include the particulars of the arrangement along with the value of the assets involved in such arrangement duly calculated by a registered valuer</td>
</tr>
<tr>
<td>9</td>
<td>Chapter XV</td>
<td>In case of any scheme of corporate debt restructuring</td>
<td>230 (2) (c) (v)</td>
<td>any scheme of corporate debt restructuring consented to by not less than seventy-five per cent. of the secured creditors in value, including a valuation report in respect of the shares</td>
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| and the property and all assets, tangible and intangible, movable and immovable, of the company by a registered valuer | **Chapter XV** - For valuation including swap ratio, in case of any scheme for The reconstruction of the company or companies involving merger/amalgamation or demerger, copy of valuer report to be accompanied | **Section 232 (2) (d) Merger and amalgamation of companies.** Where an order has been made by the Tribunal under subsection (1), merging companies or the companies in respect of which a division is proposed, shall also be required to circulate the following for the meeting so ordered by the Tribunal, namely:—

(d) the report of the expert with regard to valuation, if any; |

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| 10. | **Chapter XV** - Exit for dissenting shareholder of transferor company | **Section 232 (3) (h) (B) where the transferor company is a listed company and the transferee company is an unlisted company,—**

(A) the transferee company shall remain an unlisted company until it becomes a listed company;

(B) if shareholders of the transferor company decide to opt out of the transferee company, provision shall be made for payment of the value of shares held by them and other benefits | - |
<table>
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<tr>
<th>12.</th>
<th>Chapter XV - Purchase of minority shareholding</th>
<th>Section 236 (2)</th>
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<td></td>
<td>The acquirer, person or group of persons under sub-section (1) shall offer to the minority shareholders of the company for buying the equity shares held by such shareholders at a price determined on the basis of valuation by a registered valuer in accordance with such rules as may be prescribed</td>
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<tr>
<th>13.</th>
<th>Chapter XVII - Responsibilities of Registered Valuers</th>
<th>Section 247 Valuation by Registered Valuer</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it</td>
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</table>
shall be valued by a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee or in its absence by the Board of Directors of that company.

<p>| 14. | <strong>Chapter XX</strong> Submission of report by Company Liquidator in case of winding up Order by NCLT | <strong>Section 281 (1) (a)</strong> | - |</p>
<table>
<thead>
<tr>
<th>S. No.</th>
<th>Section/ Regulation</th>
<th>Brief description</th>
<th>Requirement</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Regulation 27 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016</td>
<td>Appointment of registered valuers</td>
<td>The Insolvency Resolution professional (IRP) shall within 7 days of his appointment, appoint two registered valuers to determine the fair value and liquidation value of the corporate debtor in accordance with regulation 35</td>
</tr>
</tbody>
</table>
### 2. Regulation 35 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations 2016

**Liquidation value**

The 2 registered valuers appointed under Regulation 27 shall submit to the IRP, an estimate of the fair value and liquidation value. If in the opinion of the IRP, the 2 estimates are significantly different, he may appoint another registered valuer who shall submit an estimate in the same manner. The average of the 2 closest estimates shall be considered the fair value and liquidation value.

### 3. Regulation 3 (2) of IBBI (Voluntary Liquidation Process) Regulations 2016

**Initiation of voluntary liquidation**

Where a corporate person intends to liquidate itself voluntarily, the declaration shall be accompanied by the report of the valuation of assets of the corporate person, prepared by a registered valuer.

### 4. Regulation 38 (1) of IBBI (Voluntary Liquidation Process) Regulations 2016

**Final report prior to dissolution**

The liquidator shall prepare a sale statement of assets showing the value realized lesser than the value assigned by the registered valuer.

### 5. Section 46

**Valuation of avoidable transactions**

The adjudicating authority may require an independent expert to assess evidence relating to the value of the transactions.


The requirements of Valuation under various under SEBI – SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 (LODR), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR), SEBI (Employee Stock Option Scheme) Regulations, 2014 (ESOP) are as follows:

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<thead>
<tr>
<th>S. No.</th>
<th>Regulations</th>
<th>Brief description</th>
<th>Requirement</th>
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<tbody>
<tr>
<td>1.</td>
<td>SEBI delisting Regulations - 23</td>
<td>Rights of public shareholders in case of compulsory delisting</td>
<td>Where equity shares are delisted by a recognized stock exchange, the stock</td>
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<td>exchange shall appoint an independent valuer or valuers who shall determine the fair value of the delisted equity shares; from out of its panel of expert valuers.</td>
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<tr>
<td>2.</td>
<td>SEBI ICDR - 70</td>
<td>Preferential issue – conversion of debt into equity under strategic debt restructuring scheme Conversion price shall be certified by two independent qualified valuers</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>SEBI ICDR – 73</td>
<td>Disclosures – consideration other than cash Where specified securities are issued on a preferential basis for consideration other than cash, the valuation of assets in consideration for which the equity shares are issued shall be done by an independent qualified Valuer, which shall be submitted to the recognized stock exchange where the equity shares are listed; provided that if the stock exchange is not satisfied with the appropriateness of the valuation, it may get the valuation done by any other Valuer</td>
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<td>4.</td>
<td>SEBI ICDR annexure to the due diligence certificate</td>
<td>Revaluation Certificate Revaluation certificate of the issuing company’s assets given by an approved Valuer</td>
<td></td>
</tr>
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<td>5.</td>
<td>SEBI LODR Part C – regulation 18(3)</td>
<td>Role of Audit Committee Valuation of undertakings or assets of the listed entity, wherever it is necessary</td>
<td></td>
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<td>6.</td>
<td>SEBI SAST regulations – regulation 8</td>
<td>Offer price The open offer for acquiring shares under regulations 3, 4, 5 or 6 shall be determined in accordance with sub clause (2) or (3). (2)(e) where the shares are not frequently traded, the price determined by the acquirer and manager to the open offer taking into</td>
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</table>
28. CAN A COMPLAINT BE FILED AGAINST A REGISTERED VALUER OR REGISTERED VALUER ORGANISATION?

A complaint may be filed against a registered valuer or registered valuers organization before the authority, in person or by post or courier along with a non-refundable fees of rupees one thousand in favor of the authority and the authority shall examine the complaint and take such necessary action as it deems fit.

Provided that in case of a complaint against a registered valuer, who is a partner of a partnership entity or director of a company, the authority may refer the complaint to the relevant registered valuers organization and such organization shall handle the complaint in accordance with its bye laws.

29. NO PARTNERSHIP ENTITY OR COMPANY SHALL BE ELIGIBLE TO BE A REGISTERED VALUER IF:

It has been set up for objects other than for rendering professional or financial services, including valuation services and that in the case of a Company, it is not a Subsidiary, Joint Venture or Associate of another Company or body corporate;

- it is undergoing an insolvency resolution or is an undischarged bankrupt;
- all the partners or directors, as the case may be, are not ineligible under clauses (c), (d), (e), (g), (h), (i), (j) and (k) of sub-rule (1);
- three or all the partners or directors, whichever is lower, of the partnership entity or Company, as the case may be, are not Registered Valuers; or
- none of its partners or directors, as the case may be, is a registered valuer for the asset class, for the valuation of which it seeks to be a registered valuer.
WHO IS ELIGIBLE TO BE A REGISTERED VALUER?

I. A person shall be eligible to be registered valuer, if
   i. is a valuer member of a registered valuers organisation;

Explaination – For the purposes of this clause, “a valuer member” is a member of a registered valuers organisation who possesses the requisite educational qualifications and experience for being registered as a valuer;

ii. is recommended by the registered valuers organisation of which he is a valuer member for registration as a valuer;

iii. has passed the valuation examination under rule 5 within three years preceding the date of making an application for registration under rule 6;

iv. possesses the qualifications and experience as specified in rule 4;

v. is not a minor;

vi. has not been declared to be of unsound mind;

vii. is not an undischarged bankrupt, or has not applied to be adjudicated as a bankrupt;

viii. is a person resident in India;

Explaination – For the purposes of these rules ‘person resident in India’ shall have the same meaning as defined in clause (v) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999) as far as it is applicable to an individual;
ix.) has not 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, and a period of five years has not elapsed from the date of expiry of the sentence: Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be registered;

x.) has not been levied a penalty under section 271J of Income-tax Act, 1961 (43 of 1961) and time limit for filing appeal before Commissioner of Income-tax (Appeals) or Income-tax Appellate Tribunal, as the case may be has expired, or such penalty has been confirmed by Income-tax Appellate Tribunal, and five years have not elapsed after levy of such penalty; and

xi.) is a fit and proper person:

Explanation.— For determining whether an individual is a fit and proper person under these rules, the authority may take account of any relevant consideration, including but not limited to the following criteria—

(a) integrity, reputation and character,
(b) absence of convictions and restraint orders, and
(c) competence and financial solvency.