Adoption of International Valuation Standards and Guidance Notes of the International Valuation Standards Council (IVSC)

Rule 8(1) of the Companies (Registered Valuers and Valuation) Rules, 2017 provides that the registered valuer shall, while conducting a valuation, comply with the valuation standards as notified or modified under rule 18. It further provides that until the valuation standards are notified or modified by the Central Government, a valuer shall make valuations as per-

(a) Internationally accepted valuation standards;

(b) Valuation standards adopted by any registered Valuers organization.

The Central Government, acting through the Ministry of Corporate Affairs has constituted a “committee to advice on valuation matters” under Rule 19. The Committee is yet to recommend any valuation standards to the Central Government for notification by it under Rule 18 ibid.

Accordingly, it is incumbent upon the Company to adopt appropriate valuation standards for compliance by its registered valuer members while conducting a valuation.

The Valuation Standards Board of the Company in its meeting held on July 14, 2018 at New Delhi has recommended the following to the Board of the Company to confirm the resolution for adoption of IVSC Standards for its members.

“The Valuation Standards Board (VSB) adopts the International Valuation Standards and Guidance Notes of the International Valuation Standards Council (IVSC) in their entirety. Where there are departures or differences in the application in India, appropriate note be included in the IVSC documents”.

Therefore, The Board of the company adopt the following resolution.

“RESOLVED THAT as provided under Rule 8(1) of the Companies (Registered Valuers and Valuation) Rules 2017, the Company hereby adopts the International Valuation Standards and Guidance Notes of the International Valuation Standards Council (IVSC) in their entirety, for compliance by its Registered Valuer Members.

RESOLVED FURTHER THAT where there are departures or differences in the application in India, appropriate note be included in the IVSC documents. The Company shall develop its own Valuation Standards and Guidance Notes in respect of areas of practice and asset categories not covered by the IVSC Standards and Guidance Notes.

RESOLVED FURTHER THAT all Registered Valuer Members of the Company, while conducting a valuation on or after August 1, 2018 shall comply with the International Valuation Standards and Guidance Notes of the International Valuation Standards Council (IVSC) as adopted by the Company.

RESOLVED FURTHER THAT these Valuation Standards and Guidance Notes adopted by the Company for compliance by its members shall remain in force until such time the Central Government notifies the Valuation Standards under Rule 18 of the Companies (Registered Valuers and Valuation) Rules, 2017.