IOVRVF NEWSLETTER

Soaring high...

Wishing all a Happy New Year 2019

VOL.3 / 10th JANUARY 2019

IOV Registered Valuers Foundation formed under section 8 of Companies Act, 2013 and goverened by a Board of Directors is a Registered Valuers Organisation by the Insolvency and Bankruptcy Board of India.

'IOV Registered Valuers Foundation' is a subsidiary company of Institution of Valuers (IOV) which was founded by Shri P. C. Goel, "Father of Indian Valuers" in the year 1968.

According to Section 247 of the Companies Act, 2013 only the professionals who have been trained by recognised bodies can carry out Valuation. IOV RVF has launched Valuation courses with approval from IBBI to certify valuation professionals in particularly three classes of assets viz.:-

1. **LAND & BUILDING**
2. **PLANT & MACHINERY**
3. **SECURITIES OR FINANCIAL ASSETS**

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Website :**www.iovrvf.org**

To get registered for **'MEP 50 Hours Training'** you can write an e-mail to:
valuers@iovrvf.org

FROM THE DESK OF MD

MR. VINAY GOEL | MANAGING DIRECTOR & CEO, IOVRVF

Valuation is a fast emerging profession assuming greater significance due to its importance in assuaging economy and financial conditions of an individual, company or other such entities. Valuation of a business or an asset requires lot of deliberations because of continuous changes in the regulatory and business environment. Valuation process well reasoned, clear, precise and supported by analysis is the need of the hour. Thus role of Valuer, is now being redefined in terms of statutory positioning, and as such Company Rules, 2017 prescribes certain parameters in terms of 'Conduct of Valuation' and 'Functions of Valuers'. The conduct of Valuation under any other law, other than the Companies Act and the rules made there under, by any person shall not be affected by virtue of coming into effect of the Companies (Registered Valuers & Valuation) Rules, 2017.

Further, Central Government is in the process of finalizing the Valuation Standards, for which they have formed a committee also where IOVRVF has been included to represent as the only RVO. Until such Valuation Standards are notified, the rules state that the Valuers shall adopt the Valuation standards as per the internationally accepted valuation standards and valuation standards adopted by the RVO.

Moreover, since valuation is a legal and financial requirement and it requires a registered valuer to act in the best interest of the stakeholders, RVO has been entrusted with the responsibility to ensure that the aims and principles of ethical standards, such as integrity, objectivity, truthfulness and avoidance of conflicts of interest are followed. RVOs are tasked with keeping abreast with the changes in regulation codes and monitoring their valuer member's conduct to encourage and enforce conformity, sound professional and ethical practices. Accordingly RVO has 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, and the bye-laws, the Code of Conduct, and directions given by the Governing Board as per their monitoring policy.

IOVRVF has already put in place the monitoring policy, according to which the members are required to periodically submit information about ongoing and concluded engagements as a registered valuer. The Monitoring Committee of the RVO shall review the information and records submitted by the members in accordance with the Monitoring Policy and guide the valuer members in exercising the professional dispensations.

- Extracts of Mr. Vinay Goel's speech on occasion of IOVRVF's one day mandatory COP training program for all Registered Valuers.

Meet our new
CHAIRMAN
Dr. Goutam Sengupta

Since 2014, India's economy has been fastest growing major economy surpassing that of China. Based on this transformation in macro-economic environment, the valuation as a subject has become different than the way it was perceived earlier. The subject of valuation is now essentially to be technology driven and the professionals engaged in valuation have to sharpen their skills from experience based intuitive methods to technology based scientific approaches.

We need to standardize the processes of conducting valuation with the global standards. The financial and banking sectors in coming years shall become more technology enabled with artificial intelligence (AI), predictive modeling and analytics coming in a big way. The valuation professionals, therefore, shall have to sharpen their skills in these areas as well. There shall be a major shake-up in the field of valuation and those professionals who shall upgrade their skills through training and education shall stay in the race.

We must confess that Indian Universities so far have been giving poor attention to this most vital area of education which creates jobs and entrepreneurs as well as supports the economy for growth. Registered Valuers Organization (IOVRVF) is expected to discharge its responsibilities to bridge the gap between ever increasing demand and supply of valuation professionals.

In short, the future era is the era of valuation with huge opportunities preparing to unveil in the coming years. To grab this opportunity, the Indian Valuers must prepare themselves to catapult their pedigrees both professionally and financially.

IOV-RVF UPDATES

IOVRVF announced it's 100th number batch conducted at Coimbatore, Tamil Nadu.

This announcement was designed to thank all of it's aspirant valuers as well as registered members on this occasion.

TOTAL STUDENTS TRAINED IN MANDATORY 50 HOURS BATCHES AS ON DECEMBER 2018 (TILL DATE)

We have successfully completed total 103 batches all over India, till date. Details are:

- We have trained 2,339 students in sixty seven (67) batches in Land & Building (L&B) asset class,
- 302 students trained in thirty (30) batches in Plant & Machinery (P&M) asset class
- For Securities and Financial Assets (S&FA) 65 students were trained in total six (6) batches

TOTAL NUMBER OF REGISTERED VALUERS WITH IBBI

We have total number of 268 (two hundred and sixty eight) valuers who got registered with Insolvency and Bankruptcy Board of India (IBBI) in just 56 days, i.e.; from November month till date. To check the full list, you may visit IBBI's website:

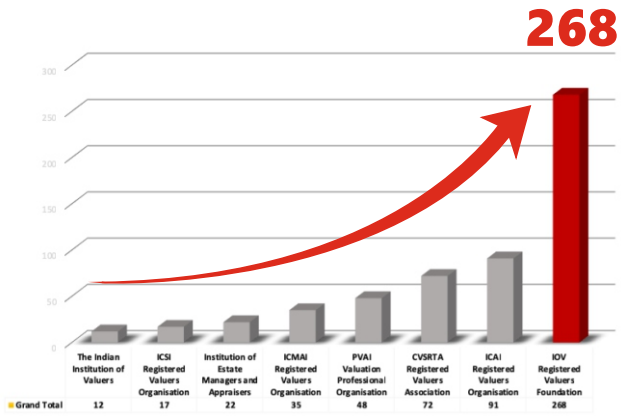
https://ibbi.gov.in/webfront/rvs.php

IMPORTANT UPDATE FOR IOVRVF'S VALUABLE MEMBERS

For every three members participating in IBBI exam two have passed the exam for Asset class 'Land & Building', the success rate is **67%**. In 'Plant & Machinery' this figure is 4 pass for every 7 members participating in exam, i.e.; **55%** success rate. Whereas in Securities & Financial assets; 2 Pass for every 5 members participating in exam which makes it as **40%**.

More than 900 members have passed IBBI exam since June 2018 (till date) in all three asset classes and every day number is increasing. This evident success across all regions of India and across all three asset classes is a result of our hard working valuer members and faculties.

Below is a graphical representation of our success rate compared to other RVOs:



TWO DAYS NATIONAL CONFERENCE ON "THE VALUATION STANDARDS" AT BANGALURU, IOV 2018

Mr. Vinay Goel in the middle (sitting) at the Conference (C.E.P.) with IOVRVF's valuer members

On the occasion of 50th year of IOV's Golden anniversary, Bangalore Branch organized two day National Conference on the theme "Valuation Standards a Global Perspective in the Emerging Scenario" at Hotel The Capitol, Bengaluru on 23rd & 24th November 2018. Conference theme was first of its kind with sub topics on the theme deliberated by the expert qualified resource persons enhanced its value for the participants in their valuation profession.

Prominent national and international speakers took part in this occasion. Members who attended this conference will be provided credit hours of 'Continuing Education Program (CEP)', as approved by IOV Registered Valuers Foundation (IOVRVF).

TOPICS DISCUSSED:

1. International Valuation Standards - an insight.
2. Valuation Standards And Its Relevance at present - context to the Valuation Profession.
3. Valuation Standards - Challenges and Implications
4. Adaptability of Valuation Standards - Actual Practice in India - Pros And Cons
5. Valuation Standards - requirement by IBBI, IBA, Banks and Financial Institutions.
6. International Court Judgements in relation to Valuation Standards.
7. Financial Reporting as per Valuation Standards.
8. International Valuation Standards and it's actual application towards the Valuation of REITS Assets World Over.
9. Standards for Quality Valuation

AMENDMENT FROM GOVERNMENT OF INDIA, MINISTRY OF CORPORATE AFFAIRS

Eligibility Qualification and Experience for Registration as Valuer (Extract from the rule)

ASSET CLASS	ELIGIBILITY QUALIFICATIONS	EXPERIENCE IN SPECIFIC DISCIPLINE
Plant & Machinery	1. Graduate in Mechanical, Electrical, Electronic and Communication, Electronic & Instrumentation, Production, Chemical, Textiles, Leather, Metallurgy, or Aeronautical Engineering, or Graduate in Valuation of Plant and Machinery or equivalent; 2. Post Graduate on above courses	Five years Three years
Land & Building	1. Graduate in Civil Engineering, Architecture, Town Planning or equivalent; 2. Post Graduate on above courses and also in valuation of land and building or Real Estate Valuation (a two-year full time post-graduation course).	Five years Three years
Securities & Financial Assets	1. Member of institute of Chartered Accountants of India, Member of Institute of Company Secretaries of India, Member of the Institute of Cost Accountants of India, Master of Business Administration or Post Graduate Diploma in Business Management (specialisation in finance). 2. Post Graduate in Finance	Three years

IMPORTANT: The amendments made in rules for eligibility of candidates are here. Now **AMIE graduates** and technical qualification introduced can also apply and give the exam.

HIGHLIGHTS

- IBBI has introduced a change in **Process Flow for Form-A submission**, effective dated: 01st January 2019.

  From now onwards, all physical applications must have the following documents in the order stated hereunder:
  1. Checklist (duly verified by the Authorised Representative of the RVO)
  2. Form-A (duly verified by the Authorised Representative of the RVO)
  3. Addendum to Form-A
  4. Fee Receipt

  To check full 'Process Flow for Form-A', please check the following link:
  https://iovrvf.org/pages/display_news_attachment/45

- We have new additions in our 'Director's List' who started working with us from 15th Dec 2018.

  We welcome them in the family!!!

Mr. Sunil Kumar Khosla
Director (Independent)

Mr. Mukesh Kumar Arora
Director (Independent)

- Conducting one day mandatory **Certificate Of Practice (COP)** at Coimbatore for all 'Registered Valuers' on 24th January 2019.

- Next COP will be at Hyderabad and Delhi in January 2019.

- Total **268 number** of Student members got registered as **Registered Valuers with IBBI in just almost two month**s, i.e; November, December 2018 and till date as on January 2019

- IOV conducted it's **49th Indian Valuers Congress event at Hyderabad** on 28th - 30th December 2018. This event was co-hosted by IOV Registered Valuers Foundation.

- Successfully conducted one day mandatory **Certificate Of Practice (COP)** at Delhi and Chennai on 22nd December 2018

- IOVRVF conducted it's **100th number batch at Coimbatore**, Tamil Nadu; on 14th Dec 2018

- On the occasion of 50th year of IOV's Golden anniversary, Bangalore Branch organized a two day **National Conference** on the theme "Valuation Standards a Global Perspective in the Emerging Scenario" at Bengaluru on 23rd & 24th November 2018. (more information inside)

VALUATION UPDATES

Only Registered Valuers can do valuation under Insolvency Bankruptcy Code (IBC) from February 2018

With effect from February 2019, only entities registered as valuers with the IBBI can carry out valuation of assets under the insolvency law, according to a circular. Valuation of assets is a key factor for an "informed decision making" under the Insolvency and Bankruptcy Code (IBC). According to IBBI, "No insolvency professional shall appoint a person other than a registered valuer, who is registered with IBBI under the Companies Rules (Registered Valuers and Valuation), 2017; to conduct any valuation under the Code or any of the regulations made thereunder,".

The IBBI conducts valuation examination for three asset classes Land and Building, Plant and Machinery, and Securities or Financial Assets as well as recognises Registered Valuer Organisations.

MCA tweaks policy, says Graduation not compulsory for CAs to become registered valuers

The Ministry of Corporate Affairs (MCA) amended a policy on Graduation as an essential qualification for registered valuers. According to the latest policy, non-graduate chartered accountants with three years of experience can register as a valuer.

Any Chartered Accountants having three years of Post-Qualification experience as a Chartered Accountant can become a Registered Valuer. A registered valuer is required to carry out valuation of assets, net worth of a firm or its liabilities as required under the Companies Act, 2013.

INDUCTION TRAINING PROGRAM FOR GRADE 'A' OFFICERS OF IBBI

As part of their training curriculum, Grade 'A' officers from IBBI spent a day with IOVRVF to understand the concept of 'Valuation & Role of RVOs'.

FUN AT WORK

50 HOURS MEP BATCHES

AHMEDABAD

CHENNAI

PUNE

NAGPUR

COIMBATORE

DELHI