

AUTHOR

CS RAMESH ATLURI,
M.COM., B.L., P.G.D.P.M & IC
Practising Company Secretary
Insolvency Professional - IBBI
Registered Valuer – IBBI
Mobile : 9247177852
Mail : atlurifcs@gmail.com

Valuer – Registered under IBBI

Section 247 of Companies Act 2013 --- 247 (1)

The introduction of Section 247 in Companies Act 2013, given wide elevation to the term of Registered Valuer. Consequently so many situations warranted for the appointment and relevant valuation services from the Registered Valuer. The Valuation may be required by the Company for different purposes such as further allotment, sweat equity etc. Sec.. 247 (1) speaks about the appointment of Registered Valuer to make valuation of any assets, stocks, property etc. Even Liabilities as well as net worth can be done through the valuation services. The appointment of Registered Valuer should done through the audit committee. However Board of Directors of such can make appointment of Registered Valuer in the absence of Audit Committee. The Registered Valuer means who has prescribed qualifications and experience and enrolled and become member with any of the following Registered Valuer Organisation. Consequent to membership and further completion of course should get registered with Insolvency and Bankruptcy Board of India. The person who is interested to pursue the course of Registered Valuer needs to become with any of the following Registered Valuer Organisations in the respective class. i.e. Land & Building, Plant & Machinery. A Mandatory requirement to complete of 50 hours pre educational course with any the following organisations. After successful completion 50 hours course, the persons will be eligible to attend the examination with IBBI after enrolling with Insolvency and Bankruptcy Board of India.

1. RVO Estate Managers and Appraisers Foundation
2. IOV Registered Valuers Foundation
3. ICSI Registered Valuers Organisation
4. IIV India registered Valuers Foundation
5. ICMAI Registered Valuers Organisation
6. ICAI Registered Valuers Organisation
7. PVAI Valuation Professional Organisation
8. CVSRTA Registered Valuers Association
9. Association of Certified Valuers and Analysts
10. CEV Integral Appraisers Foundation
11. DivyaJyoti Foundation
12. Nandadeep Valuers Foundation
13. All India Institute of Valuers Foundation
14. International Business Valuers Association
15. All India Valuers Association

16. Assessors and Registered Valuers foundation

Concluding, the intending person needs to be member of any Registered Valuer Organisation and need to be registered with Insolvency and Bankruptcy Board of India, to become CERTIFIED REGISTERED VALUER.

Section 247 (2) (a, b, c)

The Registered Valuer need to make Valuation by exercising due diligence with Impartial True and Fair value of the Asset Class being valued. The Valuer so appointed to provide valuation in accordance rules as prescribed. In this regard COMPANIES (REGISTERED VALUERS AND VALUATION) RULES, 2017 are applicable as well. The Valuation Standards yet to notify by the Central Government. Till then, the Registered Valuer can make valuations the choice among the following:

1. Valuation standards which are Internationally accepted valuation methodology - for example – The International Valuation Standards Council (IVSC) issued Global Standard like IVS 2017 – FIVE GENERAL STANDARDS AND SIX ASSET STANDARDS.
2. Valuation standards adopted by respective Registered Valuers Organisation. (For example every RVO adopts some set of STANDARDS like ICAI VALUATION STANDARDS)
3. Any valuation standards recommended by RBI, SEBI or any other regulatory Body (For example : in this regard IBBI notified the standards for particular valuation matters)

Based, on the above, it is better to Registered Valuer to make valuation based on the valuation standards adopted by the respective Registered Valuers Organisation till notification of valuation standards by Central Government.

247 (2) (d)

The sub section clearly explains that the Valuer appointed to undertake valuation should not have any direct or indirect interest or become interested with the valuation of assets. It applicable even after the valuation of such assets. In this regard, the interest is associated with the particulars assets but not particular Company. So if the Registered Valuer makes valuation of fair value of shares and holding or purchased same shares belonging to that company, then sub section attracts.

If any Contravention of provisions of Section as well as Rules attracts punishable with a fine to the valuer ranges between Rs. 25,000 to 1,00,000 besides refund the remuneration received from a company and need to pay damages to the extent.

Further even such Valuer punishable with a term of imprisonment up to one year besides fine between one lakh to five lakh rupees, if such contravention to defraud the company or its members.

Out of other recognitions, the term of registered valuer recognised in various legislations including the following which attract the role of Registered Valuer

REGISTERED VALUER – Recognition - Under Companies Act

REGISTERED VALUER - Recognition -Under IBBI

REGISTERED VALUER - Recognition - Under SEBI

Reference :

Information accessed from the Government Web sites

- MCA - <https://www.mca.gov.in/>
- IBBI - <https://ibbi.gov.in/>