THE COMPANIES (REGISTERED VALUERS AND VALUATION) RULES, 2017[1]

In exercise of the powers conferred by section 247 read with sections 458, 459 and 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, namely:-

CHAPTER I
PRELIMINARY

1. [2]**[Short title, commencement and application].—** (1) These rules may be called the Companies (Registered Valuers andValuation) Rules, 2017.

[3]**[**(3) These rules shall apply for valuation in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities under the provision of the Act or these rules.

Explanation – It is hereby clarified that conduct of valuation under any other law than the Act or these rules by any person shall not be affected by virtue of coming into effect of these rules.**]**

2. Definitions.— (1) In these rules, unless the context otherwise requires —

(a)"Act" means the Companies Act, 2013 (18 of 2013);

(b)"authority" means an authority specified by the Central Government under section 458 of the Companies Act, 2013 to perform the functions under these rules;

(c)"asset class" means a distinct group of assets, such as land and building, machinery and equipment, displaying similar characteristics, that can be classified and requires separate set of valuers for valuation;

(d)"certificate of recognition" means the certificate of recognition granted to a registered valuers organisation under sub-rule (5) of rule 13 and the term "recognition" shall be construed accordingly;

(e)"certificate of registration" means the certificate of registration granted to a valuer under sub-rule (6) of rule 6 and the term "registration" shall be construed accordingly;

(f)"partnership 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);

(g)"Annexure" means an annexure to these rules;

2 Subs. by the Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018, w.e.f. 13-11-2018. Before substitution, it stood as under:
"Short title and commencement"

3 Inserted by the Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018, w.e.f. 13-11-2018.

(h)"registered valuers organisation" means a registered valuers organisation recognised under sub-rule (5) of rule 13;

(i)"valuation standards" means the standards on valuation referred to in rule 18; and

(j)"valuer" means a person registered with the authority in accordance with these rules and the term "registered valuer" shall be construed accordingly.

(2) Words and expressions used but not defined in these rules, and defined in the Act or in the Companies (Specification of Definitions Details) Rules, 2014, shall have the same meanings respectively assigned to them in the Act or in the said rules.

CHAPTER II
ELIGIBILITY, QUALIFICATIONS AND REGISTRATION OF VALUERS

3. Eligibility for registered valuers.— (1) A person shall be eligible to be a 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 registeredvaluers 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 under rule 5 within three years preceding the date of making an application for registration under rule 6;

(d) possesses the qualifications and experience as specified in rule 4;

(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 samemeaning 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:

Providedthat if a person has been convicted of any offence and sentenced in respect thereof toimprisonment 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 theserules, the authority may take account of any relevant consideration, including but not limited to the following criteria-

(i) integrity, reputation and character,

(ii) absence of convictions and restraint orders, and

(iii) competence and financial solvency.

(2) 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 [4][***] 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), [5](f), (g), (h), (i), (j) and (k) of sub-rule (1);

(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

[4] Omitted by the Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018, w.e.f. 13-11-2018. Before omission, it stood as under :
"not".

[5] Inserted by the Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018, w.e.f. 13-11-2018.

(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.

4. Qualifications and experience.— An individual shall have the following qualifications and experience to be eligiblefor registration under rule 3, namely:-

(a) post-graduate degree or post-graduate diploma, in the specified discipline, from a University or Institute established, recognised or incorporated by law in India and at least three years of experience in the specified discipline thereafter; or

(b) a Bachelor's degree or equivalent, in the specified discipline, from a University or Institute established, recognised or incorporated by law in India and at least five years of experience in the specified discipline thereafter; or

(c) membership of a professional institute established by an Act of Parliament enacted for the purpose of regulation of a profession with at least three years' experience after such membership [6][***].

Explanation-I.—For the purposes of this clausethe 'specified discipline' shall mean the specific discipline which isrelevant for valuation of an asset class for which the registration as a valuer or recognition as a registered valuers organisation is sought under these rules.

Explanation-II.— Qualifying education and experience [7][***] for various asset classes, is given inan indicative manner in **Annexure–IV** of these rules.

[8]**[Explanation III** – for the purposes of this rule and Annexure IV, 'equivalent' shall mean professional and technical qualifications which are recognised by the Ministry of Human Resources and Development as equivalent to professional and technical degree.]

5. Valuation Examination.— (1) The authority shall, either on its own or through a designated agency,conduct valuation examination for one or more asset classes, for individuals, who possess the qualifications and experience as specified in rule 4, and have completed their educational courses as member of a registered valuers organisation, to test their professional knowledge, skills, values and ethics in respect of valuation:

Provided that the authority may recognise an educational course conducted by a registered valuers organisation before its recognition as adequate for the purpose of appearing for valuation examination:

6 Omitted by the Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018, w.e.f. 13-11-2018.

Before omission, it stood as under:

"and having qualification mentioned at clause (a) or (b)"

7 Omitted by the Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018, w.e.f. 13-11-2018.

Before omission, it stood as under:

*"*and examination or training".

8Inserted by the Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018, w.e.f. 13-11-2018.

Provided also that the authority may recognise an examination conducted as part of a master's or post graduate degree course conducted by a University which is equivalent to the valuation examination.

(2) The authority shall determine the syllabus for various valuation specific subjects or assets classes for the valuation examination on the recommendation of one or more Committee of experts constituted by the authority in this regard.

(3) The syllabus, format and frequency of the valuation examination, including qualifying marks, shall be published on the website of the authority at least three months before the examination.

(4) An individual who passes the valuation examination, shall receive acknowledgement of passing the examination.

(5) An individual may appear for the valuation examination any number of times.

6. Application for certificate of registration.— (1) An individual eligible for registration as a registered valuer underrule 3 may make an application to the authority in **Form-A** of **Annexure-II** along with a non-refundable application fee of five thousand rupees in favour of the authority.

(2) A partnership entity or company eligible for registration as a registered valuer under rule 3 may make an application to the authority in **Form-B** of **Annexure-II** along with a non-refundable application fee of ten thousand rupees in favour of the authority .

(3) The authority shall examine the application, and may grant twenty one days to the applicant to remove the deficiencies, if any, in the application.

(4)The authority may require the applicant to submit additional documents or clarification within twenty- one days.

(5)The authority may require the applicant to appear, within twenty one days, before the authority in person, or through its authorised representative for explanation or clarifications required for processing the application.

(6) If the authority is satisfied, after such scrutiny, inspection or inquiry as it deems necessary, that the applicant is eligible under these rules, it may grant a certificate of registration to the applicant to carry on the activities of a registered valuer for the relevant asset class or classes in

Form-C of the **Annexure-II** within sixty days of receipt of the application, excluding the time given by the authority for presenting additional documents, information or clarification, or appearing in person, as the case may be.

(7) If, after considering an application made under this rule, the authority is of the *prima facie* opinion that the registration ought not be granted, it shall communicate the reasons for

forming such an opinion within forty-five days of receipt of the application, excluding the time given by it for removing the deficiencies, presenting additional documents or clarifications, or appearing in person, as the case may be.

(8) The applicant shall submit an explanation as to why his/its application should be accepted within fifteen days of the receipt of the communication under sub- rule (7), to enable the authority to form a final opinion.

(9) After considering the explanation, if any, given by the applicant under sub-rule (8), the authority shall either -

(a) accept the application and grant the certificate of registration; or

(b) reject the application by an order, giving reasons thereof.

(10) The authority shall communicate its decision to the applicant within thirty days of receipt of explanation.

7. Conditions of Registration.— The registration granted under rule 6 shall be subject to the conditions that the valuershall –

(a) at all times possess the eligibility and qualification and experience criteria as specified under rule 3 and rule 4;

(b) 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; (c) in his capacity as a registered valuer, not conduct valuation of the assets or class(es) of assets other than for which he/it has been registered by the authority;

(d) take prior permission of the authority for shifting his/ its membership from one registered valuers organisation to another;

(e) take adequate steps for redressal of grievances;

(f) maintain records of each assignment undertaken by him for at least three years from the completion of such assignment;

(g) comply with the Code of Conduct (as per **Annexure-I** of these rules) of the registered valuers organisation of which he is a member;

(h) in case a partnership entity or company is the registered valuer, allow only the partner or director who is a registered valuer for the asset class(es) that is being valued to sign and act on behalf of it;

(i) in case a partnership entity or company is the registered valuer, it shall disclose to the company concerned, the extent of capital employed or contributed in the partnership entity 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;

(j) in case a partnership entity 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 entity;

(k) in case a company is the registered valuer, be liable alongwith director who signs and acts in respect of a valuation assignment on behalf of the company;

(l) in case a partnership entity or 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

(m) comply with such other conditions as may be imposed by the authority.

8. Conduct of Valuation.— (1) The registered valuer shall, while conducting a valuation, comply with the valuationstandards as notified or modified under rule 18:

Provided 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 organisation.

(2) The registered valuer may obtain inputs for his valuation report or get a separate valuation for an asset class conducted from another registered valuer, in which case he shall fully disclose the details of the inputs and the particulars etc. of the other registered valuer in his report and the liabilities against the resultant valuation, irrespective of the nature of inputs or valuation by the other registered valuer, shall remain of the first mentioned registered valuer.

(3) The valuer shall, in his report, state the following:-

(a) background information of the asset being valued;

(b) purpose of valuation and appointing authority;

(c) identity of the valuer and any other experts involved in the valuation;

(d) disclosure of valuer interest or conflict, if any;

(e) date of appointment, valuation date and date of report;

(f) inspections and/or investigations undertaken;

(g) nature and sources of the information used or relied upon;

(h) procedures adopted in carrying out the valuation and valuation standards followed;

(i) restrictions on use of the report, if any;

(j) major factors that were taken into account during the valuation;

(k) conclusion; and

(l) caveats, limitations and disclaimers to the extent they explain or elucidate the limitations faced by valuer, which shall not be for the purpose of limiting his responsibility for the valuation report.

9. Temporary surrender.— (1) A registered valuer may temporarily surrender his registration certificate inaccordance 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.

(2) A registered valuers organisation shall inform the authority if any valuer member has temporarily surrendered his/its membership or revived his/ its membership after temporary surrender, not later than seven days from approval of the application for temporary surrender or revival, as the case may be.

(3) Every registered valuers organisation shall place, on its website, in a searchable format, the names and other details of its valuers members who have surrendered or revived their memberships.

10. Functions of a Valuer.— A valuer shall conduct valuation required under the Act as per these rules [9]**[***]**.

11.Transitional Arrangement.— Any person who may be rendering valuation services under the Act, on the dateof commencement of these rules, may continue to render valuation services without a certificate of registration under these rules upto [10][31st January, 2019]:

Provided that if a company has appointed any valuer before such date and the valuation or any part of it has not been completed before [11][31st January, 2019], the valuer shall complete such valuation or such part within three months thereafter.

[12]**[***]**

CHAPTER III

RECOGNITION OF REGISTERED VALUERS ORGANISATIONS

12. Eligibility for registered valuers organisations.—(1) An organisation that meets requirements under sub-rule (2) may be recognised as a registered valuers organisation for valuation of a specific asset class or asset classes if—

(i) it has been registered under section 25 of the Companies Act, 1956 (1 of 1956) or section 8 of the Companies Act, 2013 (18 of 2013) with the sole object of dealing with matters

relating to regulation of valuers of an asset class or asset classes and has in its bye laws the requirements specified in Annexure-III;

[9] Omitted by the Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018, w.e.f. 13-11-2018. Before omission, it stood as under:
"and he mayconduct valuation as per these rules if required under any other law or by any other regulatory authority".

[10] Subs. by the Companies (Registered Valuers and Valuation) Third Amendment Rules, 2018, rule 2 (w.e.f. 25-09-2018). [11] Ibid.

[12] Omitted by the Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018, w.e.f. 13-11-2018. Before omission, it stood as under:
"*Explanation.*— It is hereby clarified that conduct of valuation by any person under any law other than the Act, or theserules shall not be effected by virtue of coming into effect of these rules unless the relevant other laws or other regulatory bodies require valuation by such person in accordance with these rules in which case these rules shall apply for such valuation also from the date specified under the laws or by the regulatory bodies."

(ii) [13][It is a professional institute] established by an Act of Parliament enacted for the purpose of regulation of a profession;

Provided that, subject to sub-rule (3), the following organisations may also be recognised as a registered valuers organisation for valuation of a specific asset class or asset classes, namely:-

(a) an organisation registered as a society under the Societies Registration Act, 1860 (21 of 1860) or any relevant state law, or;

(b) an organisation set up as a trust governed by the Indian Trust Act, 1882 (2 of 1882).

(2) The organisation referred to in sub-rule (1) shall be recognised if it –

(a) conducts educational courses in valuation, in accordance with the syllabus determined by the authority, under rule 5, for individuals who may be its valuers members, and delivered in class room or through distance education modules and which includes practical training;

(b) grants membership or certificate of practice to individuals, who possess the qualifications and experience as specified in rule 4, in respect of valuation of asset class for which it is recognised as a registered valuers organisation ;

(c) conducts training for the individual members before a certificate of practice is issued to them;

(d) lays down and enforces a code of conduct for valuers who are its members, which includes all the provisions specified in **Annexure-I**;

(e) provides for continuing education of individuals who are its members;

(f) monitors and reviews the functioning, including quality of service, of valuers who are its members; and

(g) has a mechanism to address grievances and conduct disciplinary proceedings against valuers who are its members.

(3) A registered valuers organisation, being an entity under proviso to sub-rule (1), shall convert into or register itself as a company under section 8 of the Companies Act, 2013 (18 of 2013), and include in its bye laws the requirements specified in **Annexure- III,** within one year from the date of commencement of these rules.

13. Application for recognition.— (1) An eligible organisation which meets the conditions specified in rule 12may make an application for recognition as a registered valuers organisation

[13] Substituted by the Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018, w.e.f. 13-11-2018. Before substitution, it stood as under:
"a professional institute".

Form-D of the **Annexure-II** along with a non-refundable application fee of rupees one lakh in favour of the authority.

(2) The authority shall examine the application, and may grant twenty-one days to the applicant to remove the deficiencies, if any, in the application.

(3) The authority may require the applicant to submit additional documents or clarification within twenty-one days.

(4) The authority may require the applicant to appear, within twenty-one days, before the Authority through its authorised representative for explanation or clarifications required for processing the application.

(5) If the authority is satisfied, after such scrutiny, inspection or inquiry as it deems necessary that the applicant is eligible under these rules, it may grant a certificate of recognition as a registered valuers organisation in **Form-E** of **Annexure-II.**

(6) If, after considering an application made under sub-rule (1), the authority is of the *prima facie* opinion that recognition ought not to be granted, it shall communicate the reasons for

forming such an opinion within forty-five days of receipt of the application, excluding the time given by it for removing the deficiencies, presenting additional documents or clarifications, or appearing through authorised representative, as the case may be.

(7) The applicant shall submit an explanation as to why its application should be accepted within fifteen days of the receipt of the communication under sub- rule (6), to enable the authority to form a final opinion.

(8) After considering the explanation, if any, given by the applicant under sub- rule (7), the authority shall either -

(a) accept the application and grant the certificate of recognition; or

(b) reject the application by an order, giving reasons thereof.

(9) The authority shall communicate its decision to the applicant within thirty days of receipt of explanation.

14. Conditions of Recognition.— The recognition granted under rule 13 shall be subject to the conditions that theregistered valuers organisation shall-

(a) at all times continue to satisfy the eligibility requirements specified under rule 12;

(b)maintain a register of members who are registered valuers, which shall be publicly available;

(c)admits only individuals who possess the educational qualifications and experience requirements, in accordance with rule 4 and as specified in its recognition certificate, as members;

(d) make such reports to the authority as may be required by it;

(e)comply with any directions, including with regard to course to be conducted by valuation organisation under clause (a) of sub-rule (2) of rule 12, issued by the authority;

(f)be converted or registered as company under section 8 of the Act, with governance structure and bye laws specified in **Annexure-III**, within a period of [14][two years] from the date of commencement of these rules if it is an organisation referred to in proviso to sub-rule (1) of rule 12;

(g)shall have the governance structure and incorporate in its bye laws the requirements specified in **Annexure-III** within one year of commencement of these rules if it is an organisation referred to in clause (i) of sub-rule (1) of rule 12 and existing on the date of commencement of these rules;

(h)display on its website, the status and specified details of every registered valuer being its valuer members including action under rule 17 being taken against him; and

(i)comply with such other conditions as may be specified by authority.

CHAPTER IV

CANCELLATION OR SUSPENSION OF CERTIFICATE OF REGISTRATION OR RECOGNITION

15. Cancellation or suspension of certificate of registration or recognition.- The authority may cancel or suspendthe registration of a valuer or recognition of a registered valuers organisation for violation of the provisions of the Act, any other law allowing him to perform valuation, these rules or any condition of registration or recognition, as the case may be in the manner specified in rule 17.

16.Complaint against a registered valuer or registered valuers organisation.- A complaint may be filed against a registered valuer or registered valuers organisation before the authority in person or by post or courier along with a non-refundable fees of rupees one thousand in favour 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 organisation and such organisation shall handle the complaint in accordance with its bye laws.

[14]Subs. by the Companies (Registered Valuers and Valuation) Third Amendment Rules, 2018, rule 3 (w.e.f. 25-09-2018).

17. Procedure to be followed for cancellation or suspension of registration or recognition certificate.— (1)Based on the findings of an inspection or investigation, or a complaint received or on material otherwise available on record, if the authorised officer is of the *prima facie* opinion that sufficient cause exists to cancel or suspend theregistration of a valuer or cancel or suspend the recognition of a registered valuers organisation, it shall issue a show-cause notice to the valuer or registered valuers organisation:

Provided that in case of an organisation referred to in clause (ii) of sub-rule (1) of rule 12 which has been granted recognition, the authorised officer shall, instead of carrying out inspection or investigation, seek the information required from the registered valuers organisation within the time specified therein and in the case of a default, give one more opportunity to provide the information within specified time failing which or in the absence of sufficient or satisfactory information provided, either initiate the process under this rule or refer the matter to the Central Government for appropriate directions.

(2) The show-cause notice shall be in writing and shall state-

(a) the provisions of the Act and rules under which it has been issued;

(b) the details of the alleged facts;

(c) the details of the evidence in support of the alleged facts;

(d) the provisions of the Act or rules or certificate of registration or recognition allegedly violated, or the manner in which the public interest has allegedly been affected;

(e) the actions or directions that the authority proposes to take or issue if the allegations are established;

(f) the manner in which the person is required to respond to the show-cause notice;

(g) consequences of failure to respond to the show-cause notice within the given time; and (h) procedure to be followed for disposal of the show-cause notice.

(3) The show-cause notice shall be served in the following manner by-

(a) sending it to the valuer or registered valuers organisation at its registered address by registered post with acknowledgment due; or

(b) an appropriate electronic means to the email address provided by the valuer or registered valuers organisation to the authority.

(4) The authorised officer shall dispose of the show-cause notice by reasoned order in adherence to the principles of natural justice.

(5) The order in disposal of a show-cause notice may provide for-

(a) no action;

(b) warning; or

(c) suspension or cancellation of the registration or recognition; or

(d) change in any one or more partner or director or the governing board of the registered valuers organisation.

(6) An order passed under sub-rule (5) cancelling the recognition of a registered valuers organisation, shall specify the time within which its members may take membership of another registered valuers organisation recognised for valuation of relevant asset class without prejudice to their registration.

(7) The order passed under sub-rule (5) shall be issued to the concerned person immediately, and published on the website of the authority.

(8) The order passed under sub-rule (5) shall not become effective until thirty days have elapsed from the date of issue of the order unless stated otherwise.

(9) Any person aggrieved by an order of the authorised officer under sub-rule (5) may prefer an appeal before the authority.

Explanation.— For the purposes of this rule, the authorised officer shall be an officer as may be specified by theauthority.

CHAPTER V

VALUATION STANDARDS

18. Valuation Standards.— The Central Government shall notify and may modify (from time to time) the valuationstandards on the recommendations of the Committee set up under rule 19.

19. Committee to advise on valuation matters.— (1) The Central Government may constitute a Committee to beknown as "Committee to advise on valuation matters" to make recommendations on formulation and laying down of valuation standards and policies for compliance by companies and registered valuers.

(2) The Committee shall comprise of-

(a) a Chairperson who shall be a person of eminence and well versed in valuation, accountancy, finance, business administration, business law, corporate law, economics;

(b) one member nominated by the Ministry of Corporate Affairs;

(c) one member nominated by the Insolvency and Bankruptcy Board of India;

(d) one member nominated by the Legislative Department;

(e) up to four members nominated by Central Government representing authorities which are allowing valuations by registered valuers;

(f) up to four members who are representatives of registered valuers organisations, nominated by Central Government.

(g) Up to two members to represent industry and other stakeholder nominated by the Central Government in consultation with the authority;

15[(h) Presidents of, the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India, the Institute of Cost Accountants of India as ex-officio members.]

(3) The Chairperson and Members of the Committee shall have a tenure of three years and they shall not have more than two tenures.

CHAPTER VI
MISCELLANEOUS

20. Punishment for contravention.- Without prejudice to any other liabilities where a person contravenes any ofthe provision of these rules he shall be punishable in accordance with sub-section (3) of section 469 of the Act.

21. Punishment for false statement.— If in any report, certificate or other document required by, or for, thepurposes of any of the provisions of the Act or the rules made thereunder or these rules, any person makes a statement,—

(a)which is false in any material particulars, knowing it to be false; or

(b)which omits any material fact, knowing it to be material,

he shall be liable under section 448 of the Act.

ANNEXURE-I

MODEL CODE OF CONDUCT FOR REGISTERED VALUERS

[See clause (g) of rule 7 and clause (d) of sub-rule (2) of rule 12]

Integrity and Fairness

1. 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.

15 Inserted by the Companies (Registered Valuers and Valuation) Second Amendment Rules, 2018, (w.e.f. 14-06-2018).

2. A valuer shall maintain integrity by being honest, straightforward, and forthright in all professional relationships.

3. A valuer shall endeavour to ensure that he/it provides true and adequate information and shall not misrepresent any facts or situations.

4. A valuer shall refrain from being involved in any action that would bring disrepute to the profession.

5. A valuer shall keep public interest foremost while delivering his services.

Professional Competence and Due Care

6. A valuer shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
7. A valuer shall carry out professional services in accordance with the relevant technical and professional standards that may be specified from time to time
8. 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.
9. 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.
10. A valuer shall not carry out any instruction of the client insofar as they are incompatible with the requirements of integrity, objectivity and independence.
11. 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

12. A valuer shall act with objectivity in his/its professional dealings by ensuring that his/its decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the valuation assignment or not.
13. A valuer shall not take up an assignment if he/it or any of his/its relatives or associates is not independent in terms of association to the company.
14. A valuer shall maintain complete independence in his/its professional relationships and shall conduct the valuation independent of external influences.
15. A valuer shall wherever necessary disclose to the clients, possible sources of conflicts of duties and interests, while providing unbiased services.
16. 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.
17. A valuer shall not indulge in “mandate snatching” or offering “convenience valuations” in order to cater to a company or client’s needs.
18. As an independent valuer, the valuer shall not charge success fee.
19. 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

20. 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

21. 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.

22. 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.

23. 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.

24. 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.

25. A valuer or his/its relative shall not accept gifts or hospitality which undermines or affects his independence as a valuer.

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

26. A valuer shall not offer gifts or hospitality or a 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.

27. 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.

28. 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.

29. 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.

30. A valuer shall not conduct business which in the opinion of the authority or the registered valuer organisation discredits the profession.

ANNEXURE-II

FORM-A

[See sub-rule (1) of rule 6)]

Application for registration as a valuer by an individual To

The Authority
[Insert address]
From
[Name and address]
Subject: Application for registration as a valuer

Sir/Madam,

I, having been enrolled as a member with the (please write the name of the Registered valuers organisation), hereby apply for registration as a valuer under section 247 of the Companies Act, 2013 read with sub-rule (1) of rule 6 of the Companies (Registered Valuers and Valuation) Rules, 2017 for the following class(es) of assets:-

(a)_____

(b)_____

My details are as under:

A. PERSONAL DETAILS

1. Title (Mr/Mrs/Ms):

2. Name:

3. Father's Name:

4. Mother's Name:

5. Date of Birth:

6. PAN No.:

7. AADHAAR No.:

8. Passport No.:

9. Address for Correspondence:

10. Permanent Address:

11. E-Mail Address

12. Mobile No:

EDUCATIONAL, PROFESSIONAL QUALIFICATIONS

1. Educational Qualifications

[Please provide educational qualifications from Bachelor's degree onwards]

Educational Qualifications	Year of Passing	Marks (Per cent.)	Grade/Class	University/College	Remarks, if any

2. Professional Qualifications [excluding valuation specific courses]

Professional Qualification [excluding valuation specific education/courses]	Institute/ Professional Body	Membership No. (if applicable)	Date of enrolment	Remarks, if any

3(a) Details of valuation examination passed

Date of examination	Asset class, if any	Marks secured	Percentage

3(b) Valuation Qualifications

Valuation specific qualification/course	Recognised Registered Valuers Organisation		Asset class	Membership No. in Registered Valuers Organisation	Remarks, if any
	Name	Recognition No			

C. WORK EXPERIENCE

1. Are you presently in practice / employment? (Yes or No)
2. Number of years in practice or of work experience in the relevant profession or in valuation (in years and months):
3. If in practice, address for professional correspondence:
4. Number of years in employment (in years and months)
5. Experience Details

Sl. No.	From Date	To Date	Employment/ Practice	If employed, Name of Employer and Designation	If in practice, experience in the relevant profession/ valuation	Area of work

D. REGISTERED VALUERS ORGANISATION

1. Please give details of the registered valuers organisation of which you are a member. 2. Please state your membership number.

E. ADDITIONAL INFORMATION

1. Have you ever been convicted for an offence? Yes or No If yes, please give details.
2. Are any criminal proceedings pending against you? (Yes or No) If yes, please give details.
3. Have you ever been declared as an undischarged bankrupt, or applied to be adjudged as Bankrupt? (Yes or No)
If yes, please give details.
4. Please provide any additional information that may be relevant for your application.

F. ATTACHMENTS

1. Copy of proof of residence.
2. Copies of documents in support of educational qualifications, professional qualifications and Registered Valuation Examination qualifications.
3. Copies of documents demonstrating practice or work experience for the relevant period.
4. Copies of certificate of employment by the relevant employer(s), specifying the period of such employment.
5. Income Tax Returns for the last three years.
6. Copy of proof of membership with a registered valuers organisation.

7. Passport-size photo.

8. Evidence of deposit/ payment of five thousand rupees.

G. AFFIRMATIONS

1. Copies of documents, as listed in section F of this application form have been attached/ uploaded. The documents attached/ uploaded are ……

I undertake to furnish any additional information as and when called for.

2. I am not disqualified from being registered as a valuer under the Companies (Registered Valuers and Valuation) Rules, 2017.

3. This application and the information furnished by me along with this application is true and complete. If found false or misleading at any stage, my registration shall be summarily cancelled.

I hereby undertake to comply with the requirements of the Companies Act, 2013, the rules made thereunder, the directions given by the authority, and the bye-laws, directions and guidelines issued or the resolutions passed in accordance with the bye-laws by the registered valuers organisation with which I am enrolled.

4. The applicable fee has been paid.

Name and Signature of applicant

Place:
Date:

VERIFICATION BY THE REGISTERED VALUERS ORGANISATION

We have verified the above details submitted by … who is our member with membership no. … and confirm these to be true and correct.

We recommend registration of … as a valuer.

(Name and Signature)

Authorised Representative of the Registered Valuers Organisation

Seal of the Registered Valuers Organisation

Place:
Date:

FORM-B

(See sub-rule (2) of rule 6)

Application for registration as a valuer by a partnership entity/Company

To

The Authority,

[Insert address]

From

[Name and address]

Subject: Application for registration as a valuer

Sir/Madam,

I, being a partner/director (strike off whichever is not applicable), being duly authorised for the purpose by the partnership entity/company through a resolution/deed (strike out whichever is not applicable) apply on behalf of [name and address of applicant partnership entity/company], and on behalf of its partners/directors, for registration as a valuer under section 247 of the Companies Act, 2013 read with sub-rule (2) of rule 6 of the Companies (Registered Valuers and Valuation) Rules, 2017 for the following class(es) of assets :-

(a) _____

_____The details are as under:

A. DETAILS OF THE PARTNERSHIP ENTITY/COMPANY

1. Name:
2. Registration Number/ LLP Number/CIN Number:
3. PAN No.:
4. Address for Correspondence or registered office:
5. Permanent Address:
6. E-Mail Address
7. Telephone No.:
8. Others:

B. PERSONAL DETAILS OF EACH PARTNER/DIRECTOR

Title (Mr/Mrs/Ms):

1. Name:
2. Father’s Name:
3. Mother’s Name:
4. Date of Birth:
5. PAN No.:
6. AADHAAR No.:
7. Passport No.:
8. Address for Correspondence:
9. Permanent Address:
10. E-Mail Address

11. Mobile No.:

12. Others:

EDUCATIONAL, PROFESSIONAL QUALIFICATIONS OF PARTNERS/ DIRECTORS

1. Educational Qualifications

[Please provide educational qualifications from Bachelor's degree onwards for each partner/director]

Educational Qualification	Year of Passing	Marks (per cent.)	Grade/ Class	University/College	Remarks, if any

2. Professional Qualifications for each partner/director

Professional Qualification	Institute/ Professional Body/ registered valuers organisation	Membership No. (if applicable)	Date of enrolment	Remarks, if any

3(a) Details of valuation examination passed (for all partners/directors who are registered valuers)

Date of examination	Asset class, if any	Marks secured	Per centage

3(b) Valuation Qualifications (for all partners/directors who are registered valuers)

Valuation specific qualification/course	Recognised Registered Valuers Organisation		Asset class	Membership No. in Registered Valuers Organisation	Remarks, if any.
	Name	Recognition No			

D. REGISTERED VALUERS ORGANISATION

1. Please give me details of the registered valuers organisation of which you are a member. Please state your membership number.

2. Please give details of the registered valuers organisations of which your partners are members. Please state your membership number.

E. ADITIONAL INFORMATION

1. Have you or any of your partners/directors ever been convicted for an offence? (Yes or No)
If yes, please give details.

2. Are any criminal proceedings pending against you or your partners/directors? (Yes or No)
If yes, please give details.

3. Are you any of your partners/directors undischarged bankrupt, or have applied to be adjudged as a bankrupt? (Yes or No)
If yes, please give details.

4. Please provide any additional information that may be relevant for your application.

F. ATTACHMENTS

1. Copy of proof of residence of itself and its partners/directors.

2. Copies of documents in support of educational qualifications, professional qualifications and valuation qualifications of partners/directors.

3. Financial statements/Income Tax Returns for the last three years.

4. Copy of proof of membership with a registered valuers organisation.

5. Passport-size photo.

6. Evidence of deposit/payment of ten thousand rupees.

G. AFFIRMATIONS

1. Copies of documents, as listed in section F of this application form have been attached/ uploaded. The documents attached/ uploaded are ……
I undertake to furnish any additional information as and when called for.

2. I am not disqualified from being registered as a valuer under the Companies (Registered Valuers and Valuation) Rules, 2017.

3. This application and the information furnished by me along with this application is true and complete. If found false or misleading at any stage, the registration of the applicant shall be summarily cancelled.

4. I hereby undertake that the partnership entity/company and its partners/directors shall comply with the requirements of the Companies Act, 2013, the rules made thereunder, the directions given by the authority, and the bye-laws, directions and guidelines issued or the resolutions passed in accordance with the bye-laws by the registered valuers organisation with which I am enrolled.

5. The applicable fee has been paid.

Place: Name and Signature of Applicant's representative
Date:

VERIFICATION BY THE REGISTERED VALUERS ORGANISATION

We have verified the above details submitted by … who is our member with membership no. … and confirm these to be true and correct. We recommend registration of … as a valuer.

(Name and Signature)
Authorised Representative of the Registered Valuers Organisation
Seal of the Registered Valuers Organisation

Place:
Date:

FORM-C

(See sub-rule (6) of rule 6)

CERTIFICATE OF REGISTRATION

VALUER REGISTRATION NO.

1. In exercise of the powers conferred by Section 247 of the Companies Act, 2013 read with sub-rule (6) of rule 6 of the Companies (Registered Valuers and Valuation) Rules, 2017 the Authority hereby grants a certificate of registration to [*insert name*], to act as a valuer in respect of [*insert asset class*] in accordance with these rules.
2. This certificate shall be valid from [*insert start date*].

Date : (Name and Designation)

Place : For the behalf of the Authority

FORM-D

(See sub-rule (1) of rule 13)

APPLICATION FOR RECOGNITION

To
The Authority
[*Insert address*]
From
[*Name and address*]

Subject: Application for grant of certificate of recognition as a registered valuers organisation

Madam/Sir,

1. I, being duly authorised for the purpose, hereby apply on behalf of [*name and address of the applicant*] for grant of certificate of recognition as a registered valuers organisation in respect of the following class(es) of assets:

   (a)

   (b)

   and enclose a copy of the board resolution authorising me to make this application and correspond with the authority in this respect.

2. Copies of the articles of association, memorandum of association, trust-deed, bye-laws and code of conduct, as applicable, of the applicant are enclosed.

3. I, on behalf of [*insert name*], affirm that the applicant is eligible to be recognised as a registered valuers organisation for the abovementioned class(es) of assets.

4. I, on behalf of[*insert name*], hereby affirm that-

   (a) all information contained in this application is true and correct in all material aspects,

   (b) no material information relevant for the purpose of this application has been suppressed, and

   (c) recognition granted in pursuance of this application may be cancelled summarily if any information submitted is found to be false or misleading in material respects at any stage.

5. If granted recognition, I, on behalf of [*insert name*], undertake to comply with the requirements of the Act, the rules, directions or guidelines issued by the authority, and such other conditions and terms as may be contained in the certificate of recognition or be specified or imposed by the authority subsequently, including the requirement to convert into a company registered under section 8 of the Companies Act, 2013 within the required period, if applicable.

Yours faithfully, Authorised Signatory
(Name)
(Designation) Date :

Place :

FORM-D
PART
GENERAL

1. Name of the applicant.

2. Address of registered office and principal place of business of the applicant.

3. Corporate Identification Number (CIN)/ PAN/ Other Identification Number.

4. Name, designation and contact details of the person authorised to make this application and correspond with the authority in this respect.

PART II
STRUCTURE AND GOVERNANCE 1.

Please provide brief details of the applicant's-

(i) form of establishment
(ii) ownership structure
(iii) governance structure

PART III
MEMBERSHIP AND EXAMINATION

1. Please provide brief details of the
(i) number of members who practice valuation and are already registered with the applicant
(ii) specific discipline (in terms of rule 4):
(iii) other criteria/ qualifications for and manner of registration with the applicant
Note: In case of organisations referred to in clause (ii) of sub-rule (1) of rule 12, in lieu of information at (i), theymay provide brief details of the number of members who have passed the valuation specific course conducted by the organisation.

2. Please provide brief details of any examination conducted for registration of members with the applicant.

3. Please provide brief details of the requirements of continuous education of the applicant's members.

PART IV
CODE OF CONDUCT

1.Please state if the Code of Conduct of the applicant is in compliance with the Companies (Registered Valuers and Valuation) Rules, 2017.

2. Please specify the clause number of the provisions of the Code of Conduct which are in addition to the provisions of the model Code of Conduct specified in the Companies (Registered Valuers and Valuation) Rules, 2017 (if any).

PART V
MONITORING AND DISCIPLINE

1. Please provide details mechanisms employed by the applicant to monitor its members. 2. Please provide details of mechanisms employed by the applicant to redress grievances against its members and itself.

3.Please provide details of disciplinary mechanisms employed by the applicant.

4.Please provide any other details you consider relevant in support of the application.

Authorised Signatory.

(Name)
(Designation)

Date :
Place:

FORM-E

(See sub-rule (5) of rule 13)

CERTIFICATE OF RECOGNITION REGISTERED VALUERS ORGANISATION RECOGNITION NO.

1. In exercise of the powers conferred by sub-rule (5) of rule 13 of the Companies (Registered Valuers and Valuation) Rules, 2017 the Registration hereby grants a certificate recognising *[insert name],* as a registered valuers organisation for the valuation of *[insert class(es) of assets]*.

Conditions of Recognition

2. [Insert Name] shall admit as members who possess the educational qualifications and experience as specified herein under:
3. Conditions as laid down in rule 14 [give in detail]
4. This certificate of recognition shall be valid from *[insert start date].*

(Name and Designation)
For and on behalf of the Authority

Date:
Place :

ANNEXURE - III

(See sub-rule (3) of rule 12 and clauses (f) and (g) of rule 14)

Governance Structure and Model Bye Laws for registered valuers organisation

Part I

1. Governance Structure

No person shall be eligible to be recognised as an registered valuers organisation unless it is a company registered under section 8 of the Companies Act, 2013 with share capital, and – (a) its sole object is to carry on the functions of a registered valuers organisation under the Companies Act, 2013;
(b) it is not under the control of person(s) resident outside India,

(c) not more than forty-nine per cent. of its share capital is held, directly or indirectly, by persons resident outside India; and
(d) it is not a subsidiary of a body corporate through more than one layer:
Explanation: "layer" in relation to a body corporate means its subsidiary;
(e) itself, its promoters, its directors and persons holding more than ten percent. of its share capital are fit and proper persons.

2. REGISTERED VALUERS ORGANISATION TO HAVE BYE-LAWS

(1) The registered valuers organisation shall submit to the authority its bye-laws along with the application for its registration as a registered valuers organisation.

(2) The bye-laws shall provide for all matters specified in the model bye-laws in Part II. (3) The bye-laws shall at all times be consistent with the model bye-laws.
(4) The registered valuers organisation shall publish its bye-laws, the composition of all committees formed, and all policies created under the bye-laws on its website.

3.AMENDMENT OF BYE-LAWS

(1) The Governing Board may amend the bye-laws by a resolution passed by votes in favour being not less than three times the number of the votes, if any, cast against the resolution, by the directors.

(2) A resolution passed in accordance with sub-bye law (1) shall be filed with the authority within seven days from the date of its passing, for its approval.

(3) The amendments to the bye-laws shall come into effect on the seventh day of the receipt of the approval, unless otherwise specified by the authority.

(4) The registered valuers organisation shall file a printed copy of the amended bye-laws with the authority within fifteen days from the date when such amendment is made effective.

4. Composition of the Governing Board.

1. The Governing Board shall have a minimum of ____ [Insert number] directors.

2. More than half of the directors shall be persons resident in India at the time of their appointment, and at all times during their tenure as directors.

3. Not more than one fourth of the directors shall be registered valuers.

4. More than half of the directors shall be independent directors at the time of their appointment, and at all times during their tenure as directors:
Provided that no meeting of the Governing Board shall be held without the presence of at least oneindependent director.

5. An independent director shall be an individual –

(a) who has expertise in the field of finance, law, management or valuation; (b) who is not a registered valuer;

(c) who is not a shareholder of the registered valuers organisation; and

(d) who fulfils the requirements under sub-section (6) of section 149 of the Companies Act, 2013.

6. The directors shall elect an independent director as the Chairperson of the Governing Board.

Explanation - For the purposes of bye laws, any fraction contained in

(a) 'more than half' shall be rounded off to the next higher number; and

(b)'not more than one- fourth' shall be rounded down to the next lower number.

PART II

MODEL BYE-LAWS OF A REGISTERED VALUERS ORGANISATION

I. GENERAL

1. The name of the registered valuers organisation is "____" (hereinafter referred to as the 'Organisation').

2. The 'Organisation' is registered as a company under section 8 of the Companies Act, 2013 (18 of 2013) with its registered office situated at _____ *[provide full address]*.

3. These bye-laws may not be amended, except in accordance with this Annexure.

II. DEFINITIONS

4. (1) In these bye-laws, unless the context otherwise requires -

(a) "certificate of membership" means the certificate of membership of the Organisation granted under bye-law 10;

(b) "Act" means the Companies Act, 2013 (18 of 2013);

(c) "Governing Board" means the Board of Directors or Board of the Organisation as defined under clause (10) of section 2 of Companies Act, 2013 (18 of 2013);

(d) "relative" shall have the same meaning as assigned to it in clause (77) of section 2 of the Companies Act, 2013 (18 of 2013);

(2) Unless the context otherwise requires, words and expressions used and not defined in these bye-laws shall have the meanings assigned to them in the Companies Act, 2013 (18 of 2013).

III. OBJECTIVES

5. (1) The Organisation shall carry on the functions of the registered valuers organisation under the Companies (Registered Valuers and Valuation) Rules, 2017, and functions incidental thereto.

(2) The Organisation shall not carry on any function other than those specified in sub-clause (1), or which is inconsistent with the discharge of its functions as a registered valuers organisation .

IV.DUTIES OF THE ORGANISATION

6. (1) The Organisation shall maintain high ethical and professional standards in the regulation of its members.

(2) The Organisation shall -

(a) ensure compliance with the Companies Act, 2013 and rules, regulations and guidelines issued thereunder governing the conduct of registered valuers organisation and registered valuers;

(b) employ fair, reasonable, just, and non-discriminatory practices for the enrolment and regulation of its members;

(c) be accountable to the authority in relation to all bye-laws and directions issued to its members;

(d) develop the profession of registered valuers;

(e) promote continuous professional development of its members;

(f) continuously improve upon its internal regulations and guidelines to ensure that high standards of professional and ethical conduct are maintained by its members; and (g) provide information about its activities to the authority.

V. COMMITTEES OF THE ORGANISATION

Advisory Committee of Members.

7. (1) The Governing Board may form an Advisory Committee of members of the Organisation to advise it on any matters pertaining to-

(a) the development of the profession;

(b) standards of professional and ethical conduct; and

(c) best practices in respect of Valuation.

(2) The Advisory Committee may meet at such places and times as the Governing Board may provide.

Other Committees of the Organisation.

8. (1) The Governing Board shall constitute-

(a) one or more Membership Committee(s) consisting of such members as it deems fit; (b) a Monitoring Committee consisting of such members as it deems fit;

(c) one or more Grievance Redressal Committee(s), with not less than three members; (d) one or more Disciplinary Committee(s) consisting of at least one member nominated by the authority.

(2) The Chairperson of each of these Committees shall be an independent director of the Organisation.

VI.MEMBERSHIP

Eligibility for Enrolment.

9. No individual shall be enrolled as a member if he is not eligible to be registered as a registered valuer with the authority:

Provided that the Governing Board may provide additional eligibility requirements for enrolment:

Provided further that such additional requirements shall not discriminate on the grounds of religion, race, caste,gender, place of birth or professional affiliation.

Process of Enrolment as Member.

10. (1) An individual may apply for enrolment as a member by submitting an application in such form, in such manner and with such fees as may be specified by the Organisation.

(2) The Organisation shall examine the application in accordance with the applicable provisions of the rules, regulations and guidelines thereunder.

(3) On examination of the application, the Organisation shall give an opportunity to the applicant to remove the deficiencies, if any, in the application.

(4) The Organisation may require an applicant to submit additional documents, information or clarification that it deems fit, within reasonable time.

(5) The Organisation may reject an application if the applicant does not satisfy the criteria for enrolment or does not remove the deficiencies or submit additional documents or information to its satisfaction, for reasons recorded in writing.

(6) The rejection of the application shall be communicated to the applicant stating the reasons for such rejection, within thirty days of the receipt of the application, excluding the time given for removing the deficiencies or presenting additional documents or clarification by the Organisation, as the case may be.

(7) The acceptance of the application shall be communicated to the applicant, along with a certificate of membership.

(8) An applicant aggrieved of a decision rejecting his application may appeal to the Membership Committee of the Organisation within thirty days from the receipt of such decision.

(10) The Membership Committee shall pass an order disposing of the appeal in the manner it deems expedient, within thirty days of the receipt of the appeal.

Membership Fee.

11. The Organisation may require the members to pay a fixed sum of money as its annual membership fee.

Register of Members.

12. (1) The Organisation shall maintain a register of its professional members, containing their- (a) name;
(b) proof of identity;
(c) contact details;
(d) address;
(e) date of enrolment and membership number;
(f) date of registration with the authority and registration number;
(g) details of grievances pending against him with the Organisation;
(h) details of disciplinary proceedings pending against him with the Organisation; and (i) details of orders passed against him by the authority or Disciplinary Committee of the Organisation.

(2) The records relating to a member shall be made available for inspection to-
(a) the authority,
(b) any other person who has obtained the consent of the member for such inspection.

VII.DUTIES OF MEMBERS

13. (1) In the performance of his functions, a member shall-
(a) act in good faith in discharge of his duties as a registered valuer;
(b) discharge his functions with utmost integrity and objectivity;
(c) be independent and impartial;
(d) discharge his functions with the highest standards of professional competence and professional ethics;
(e) continuously upgrade his professional expertise;
(f) comply with applicable laws in the performance of his functions; and
(g) maintain confidentiality of information obtained in the course of his professional activities unless required to disclose such information by law.

14. The Organisation shall have a Code of Conduct that shall be consistent with, and that shall provide for all matters in the Code of Conduct as specified in the Annexure-I.

VIII.MONITORING OF MEMBERS

15. The Organisation shall have a Monitoring Policy to monitor the professional activities and

conduct of members for their adherence to the provisions of the Act, rules, regulations and guidelines issued thereunder, these bye-laws, the Code of Conduct and directions given by the Governing Board.

16. A member shall submit information about ongoing and concluded engagements 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 reference number of valuation assignment and valuation report.

17. The Monitoring Committee shall review the information and records submitted by the members in accordance with the Monitoring Policy.

18. The Monitoring Policy shall provide for the following -
(a) the frequency of monitoring;
(b) the manner and format of submission or collection of information and records of the members, including by way of inspection;
(c) the obligations of members to comply with the Monitoring Policy;
(d) the use, analysis and storage of information and records;
(e) evaluation of performance of members; and
(f) any other matters that may be specified by the Governing Board.

19. The Monitoring Policy shall –
(a) have due regard for the privacy of members,
(b) provide for confidentiality of information received, except when disclosure of information is required by the authority or by law, and
(c) be non-discriminatory.

20. The Organisation 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 appointments made under the Act/these Rules,
(b) the transactions conducted with stakeholders during the period of his appointment; (c) the transactions conducted with third parties during the period of his appointment; and (d) the outcome of each appointment.

IX. GRIEVANCE REDRESSAL MECHANISM

21. (1) The Organisation shall have a Grievance Redressal Policy providing the procedure for receiving, processing, redressing and disclosing grievances against the Organisation or any member of the Organisation by-

(a) any member of the Organisation;

(b) any person who has engaged the services of the concerned members of the Organisation; or (c) any other person or class of persons as may be provided by the Governing Board.

(2) The Grievance Redressal Committee, after examining the grievance, may- (a) dismiss the grievance if it is devoid of merit; or
(b) initiate a mediation between parties for redressal of grievance.

(3) The Grievance Redressal Committee shall refer the matter to the Disciplinary Committee, wherever the grievance warrants disciplinary action.

22. The Grievance Redressal Policy shall provide for-
(a) the format and manner for filing grievances;
(b) maximum time and format for acknowledging receipt of a grievance;
(c) maximum time for the disposal of the grievance by way of dismissal, reference to the Disciplinary Committee or the initiation of mediation;
(d) details of the mediation mechanism
(e) provision of a report of the grievance and mediation proceedings to the parties to the grievance upon dismissal or resolution of the grievance;
(f) action to be taken in case of malicious or false complaints;
(g) maintenance of a register of grievances made and resolutions arrived at; and (h) periodic review of the Grievance Redressal Mechanism.

X. DISCIPLINARY PROCEEDINGS

23. The Organisation may initiate disciplinary proceedings by issuing a show-cause notice against members-

(a) based on a reference made by the Grievances Redressal Committee;

(b) based on monitoring of members;

(c) following the directions given by the authority or any court of law; or

(d) *suo moto*, based on any information received by it.

24. (1) The Organisation shall have a Disciplinary Policy, which shall provide for the following - (a) the manner in which the Disciplinary Committee may ascertain facts;

(b) the issue of show-cause notice based on the facts;

(c) disposal of show-cause notice by a reasoned order, following principles of natural justice;

(d) timelines for different stages of disposal of show cause notice; and

(e) rights and obligations of the parties to the proceedings.

(2) The orders that may be passed by the Disciplinary Committee shall include-

(a) expulsion of the member;

(b) suspension of the member for a certain period of time;

(c) admonishment of the member;

(d) imposition of monetary penalty;

(e) reference of the matter to the authority, which may include, in appropriate cases, recommendation of the amount of restitution or compensation that may be enforced by the authority; and

(f) directions relating to costs.

(3) The Disciplinary Committee may pass an order for expulsion of a member if it has found that the member has committed-

(a) an offence under any law for the time being in force, punishable with imprisonment for a term exceeding six months, or an offence involving moral turpitude;

(b) a gross violation of the Act, rules, regulations and guidelines issued thereunder, bye-laws or directions given by the Governing Board which renders him not a fit and proper person to continue acting as a registered valuer.

(4) Any order passed by the Disciplinary Committee shall be placed on the website of the Organisation within seven days from passing of the said order, with one copy each being provided to each of the parties to the proceeding.

(5) Monetary penalty received by the Organisation under the orders of the Disciplinary Committee shall be used for the professional development.

25. (1) The Governing Board shall constitute an Appellate Panel consisting of one independent director of the Organisation, one member each from amongst the persons of eminence having experience in the field of law and field of valuation, and one member nominated by the authority.

(2) Any person aggrieved of an order of the Disciplinary Committee may prefer an appeal before the Appellate Panel within thirty days from the receipt of a copy of the final order.

(3) The Appellate Panel shall dispose of the appeal in the manner it deems expedient, within thirty days of the receipt of the appeal.

XI.SURRENDER OF MEMBERSHIP AND EXPULSION FROM MEMBERSHIP

Temporary Surrender of Membership.

26. (1) A member shall make an application for temporary surrender of his membership of the Organisation at least thirty days before he-

(a) becomes a person not resident in India;

(b) takes up employment; or

(c) starts any business, except as specifically permitted under the Code of Conduct;

and upon acceptance of such temporary surrender and on completion of thirty days from the date of application for temporary surrender, the name of the member shall be temporarily struck from the registers of the Organisation, and the same shall be intimated to the authority.

(2) No application for temporarily surrender of membership of the Organisation shall be accepted if -

(a) there is a grievance or disciplinary proceeding pending against the member before the Organisation or the authority, and he has not given an undertaking to cooperate in such proceeding; or

(b) the member has been appointed as a registered valuer for a process under the Companies Act, 2013, and the appointment of another registered valuer may be detrimental to such process.

(3) A member may make an application to revive his temporarily surrendered membership when the conditions for temporary surrender as provided in sub-clause (1) cease to be applicable, and upon acceptance of the application for revival, the name of the member shall be re-inserted in the register of the Organisation, and the same shall be intimated to the authority.

Surrender of Membership

27. (1) A member who wishes to surrender his membership of the Organisation may do so by submitting an application for surrender of his membership.

(2) Upon acceptance of such surrender of his membership, and completion of thirty days from the date of such acceptance, the name of the member shall be struck from the registers of the Organisation, and the same shall be intimated to the authority.

28. Any fee that is due to the Organisation from a member surrendering his membership shall be cleared prior to his name being struck from the registers of the Organisation.

29. The Organisation may refuse to accept the surrender of membership by any member if- (a) there is any grievance or disciplinary proceeding pending against the member before the Organisation or the authority; or

(b) the member has been appointed as a registered valuer process under the Companies Act, 2013, and the appointment of another registered valuer may be detrimental to such process.

Expulsion from Membership

30. A member shall be expelled by the Organisation-

(a) if he becomes ineligible to be enrolled under bye-law 9;

(b) on expiry of thirty days from the order of the Disciplinary Committee, unless set aside or stayed by the Appellate Panel;

(c) upon non-payment of membership fee despite at least two notices served in writing; (d) upon the cancellation of his certificate of registration by the authority;

(e) upon the order of any court of law.

[16][ANNEXURE-IV]

Eligibility qualification and Experience for Registration as Valuer (See Explanation II to rule 4)

Asset Class	Eligibility	Experience in specified discipline.
	Qualifications	

Plant and Machinery	(i) Graduate in Mechanical, Electrical, Electronic and Communication, Electronic and Instrumentation, Production, Chemical, Textiles, Leather, Metallurgy, or Aeronautical Engineering, or Graduate in Valuation of Plant and Machinery or equivalent;	(i) Five Years

[16] Subs. by the Companies (Registered Valuers and Valuation) Fourth Amendment Rules, 2018, w.e.f. 13-11-2018.

	(ii) Post Graduate on above courses.	(ii) Three years
Land and Building	(i) Graduate in Civil Engineering, Architecture, or Town Planning or equivalent; (ii) 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)	(i) Five years (ii) Three years.
Securities or Financial Assets	(i) 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). (ii) Post Graduate in Finance	Three years
Any other asset class along with corresponding qualifications and experience in accordance with rule 4 as may be specified by the Central Government.		

Note.- The eligibility qualification means qualification obtained from a recognised Indian University or equivalent whether in India or abroad.