

Ref. No. IOVRVF/2022-2023/SEBI/2775

Dated: 23/01/2023

Sub: Comments on consultation paper on standardised approach o valuation of investment portfolio of Alternate Investment Funds

Respected Sir,
Greetings!!

This is with reference to the *Consultation Paper on standardised approach to valuation of investment portfolio of Alternative Investment Funds (AIF)* issued by SEBI.

IOV RVF welcomes the suggestion regarding empanelment of Valuers by the Regulator for AIF valuations. We understand and appreciate the manner in which SEBI has come out with elaborate policy on empanelment of Valuers, though it has been observed that the eligibility conditions for Valuers are not coming out with clear understanding and need modifications.

We are pleased to introduce IOV Registered Valuers Foundation (IOV–RVF), a subsidiary of IOV, as the largest, prestigious and most engaging “Registered Valuers Organisation” (RVO) recognised by the “Insolvency and Bankruptcy Board of India (IBBI)”. It was formed in 2017 under the provisions of Companies (Registered Valuer and Valuation) rules 2017 promulgated by Ministry of Corporate Affairs (MCA). Currently, IOV – RVF, more than 1900 Registered Valuers and 25 Registered Valuer Entities in all classes of assets for Valuation, is spearheading this new eco system in valuation.

In regard to the eligibility conditions for the Valuers as per para 6.4 of the captioned subject document, **we have highlighted some of the key concern areas for your immediate consideration: -**

Clause	Description	Suggestions
6.4 (2)	(ii) has membership of a professional institute established by an Act of Parliament enacted for the purpose of	There are many Registered Valuers with IBBI who are also qualified finance professionals with a Masters Degree in Finance (MBA) or Post Graduate Diploma in Management (PGDM) from reputed institutes/ universities. As per Rule 4(a) of The Companies (Registered Valuers and Valuation) Rules, 2017, an individual

	<p>regulation of a profession such as Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost Accountants of India, etc. or a CFA charter from the CFA institute;</p>	<p>shall have the following qualifications and experience to be eligible for registration under rule 3, namely:-</p> <p>(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;</p> <p>or</p> <p>(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</p> <p>(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.</p> <p>There are many Post Graduate Finance Professionals (MBAs and PGDMs or equivalent) from prestigious reputed management institutes such as IIMs, MBA's from Jamnalal Bajaj, XLRI etc who has vast experience in Valuations and whose experience will provide immense value for the stated purpose.</p> <p>The programs of such universities/ institutes are approved by UGC/ All India Council of Technical Education, a Central Government statutory Body and council for controlling and approving Technical and Management Education, under the Ministry of Human Resource Development.</p> <p>Given their capabilities and experience in handling finance profession, it is recommended to include all such professionals as well for the purpose of doing valuation as independent valuer.</p>
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Financial Stability and Development Council (FSDC) in its 26th meeting deliberated upon the fact that services of Registered Valuers shall be utilised by all Government Departments.

Also, in pursuant to IBBI directions read with Rules 8 of Companies (Registered Valuers & Valuation) Rules, 2017, **IOVRVF process the peer review for the Registered Valuers annually. It is the procedure wherein the expert Panel of Registered Valuers review their Valuation assignments** in accordance with the provisions of the Companies Act, 2018, International Valuation Standards, and other requirements as per the law.

IOV RVF also follows mechanism through Reviews & Inspection to monitor its valuers' members as per the Model Bye Laws for RVO governed under the Companies (Registered Valuers and Valuation) Rules, 2017. IOV RVF not only works actively for the redressal of grievances against Valuers but also initiates disciplinary action against the defaulting Valuers.

I would like to convey to your good self about **our readiness and cooperation to assist in the matters relating to Valuation policies** so that our capabilities may be synergised in devising the best frameworks for Empanelment of Valuers for achieving quality services from valuers. **The selection of valuers who are fully compliant with Peer Review certification may be an added evaluation criteria for getting the quality services from valuers.**

To discuss the same in detail, we would like to request for a courtesy Call-on-Meeting with your goodself on a convenient date, time & mode. Your office may get in touch with undersigned at 9810161103; gensec@iov.co.in or Ms. Sohale Gupta, Public Relations Officer, at +91 9289207007 for further coordination or clarification.

Thanking You,
Yours Sincerely



(**Vinay K. Goel**)

MD & CEO - IOV Registered Valuers Foundation
Hony. Gen. Secretary, Institution of Valuers