

Insolvency and Bankruptcy Board of India

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Press Release

IBBI organises National Seminar on Valuation in New Delhi

Insolvency and Bankruptcy Board of India (IBBI), in association with all the eleven Registered Valuer Organisations, namely, Institute of Estate Managers and Appraisers, IOV Registered Valuers Foundation, ICSI Registered Valuers Organisation, The Indian Institution of Valuers, ICMAI Registered Valuers Organisation, ICAI Registered Valuers Organisation, PVAI Valuation Professional Organisation, CVSRTA Registered Valuers Association, Association of Certified Valuators and Analysts, CEV Integral Appraisers Foundation, and Divya Jyoti Foundation, organised a National Seminar on Valuation today at Vigyan Bhavan, New Delhi. A large number of registered valuers and other delegates from across the country participated in the seminar.

2. The Seminar featured discussion on four themes, namely, (i) Valuation Profession in 2030: Challenges, Development and Regulation; (ii) Technology in Valuation; (iii) Professional Conduct: Code of Conduct and Ethics, Best Practices, and Valuation Standards; and (iv) Valuation Frontiers: Plant & Machinery, Land & Building, and Securities or Financial Assets. Most of the speakers emphasised that the valuers must not be in the business of professional services but they must be in the professional services' business.

3. While noting that the Government had worked on a legislation to regulate valuers in 2008, in his address as the Chief Guest, Mr. Injeti Srinivas, Secretary, Ministry of Corporate Affairs observed: *"We now feel that we have enough critical mass (of valuers) to once again make an attempt to have a national institute for the valuers' profession along the lines of ICAI."* He stressed on the importance of developing professional competence, conduct and ethics amongst valuers. He stated that the standards for valuation were likely to be finalised in the near future. While responding to a query, Mr. Srinivas suggested that in a globalised world, the best approach would be for Indian standards to adopt the international valuation standards, albeit with some carve outs.

4. While recounting the history of valuation profession, in his welcome address, Dr. M. S. Sahoo, Chairperson, IBBI stated that though the valuation profession has long and rich history in India and considerable expertise and track record, it lacked a comprehensive institutional arrangement for its development and regulation and, consequently, the profession did not enjoy the respectability it deserved, in the absence of an adequate accountability framework. He stated that the current regulatory framework, which is provided under the Companies (Registered Valuers and Valuation) Rules, 2017, provides a holistic institutional arrangement, which is built on ground realities. It provides due role to Registered Valuers Organisations, through the Companies (Removal of Difficulties) Second Order, 2017. He emphasised that a profession stands on two pedestals, namely, competence and conduct. Highlighting the importance of competence, he stated that while the market could go wrong and discover a dirty price occasionally failing to reflect the accurate worth of an asset, a valuer must not go wrong. Dr. Sahoo emphasised collective responsibility of valuers to build and preserve reputation of the fledgling profession.

5. In his special address, Prof. R. Narayanaswamy, Chairperson, Committee to advise on Valuation Matters said that the work of a valuation professional has bearing on the lives of people. Irrespective of the fee a valuation professional receives for an assignment, he must give his best to the assignment. He suggested entry of young blood in the profession to reach new heights. Prof. Narayanaswamy stated that India's valuation standards must not only be in line with international standards, but also be able to transform "*standard setters and not standards takers*".

6. Mr. Sunil Mehta, Chairman, Indian Banks' Association and MD & CEO of Punjab National Bank shed light on the importance of valuation profession from the perspective of the banking industry. He emphasised that the valuation should be realistic and dependable for all the stakeholders. While dwelling on the importance of regulation, he said that "*self-regulation is the best among all regulations.*"

7. The distinguished speakers who addressed at the Seminar and interacted with the delegates included: Mr. K. V. R. Murty, Joint Secretary, Ministry of Corporate Affairs; Dr. Shashank Saxena, Adviser, Department of Economic Affairs; Dr. Navrang Saini, WTM, IBBI; Dr. (Ms.) Mamta Suri, Executive Director, IBBI; Mr. Alan Lok, Director, Ethics Education & Professional Standards, Asia Pacific, CFA Institute; Dr. Ajay Garg, Advocate and registered valuer; Mr. Sachin Sandhir, CEO, Valocity India; Mr. S. Pichyia, Chairman of Valuation Standards Board, IOV RVF; Mr. Vinay Goel, CEO, IoV RVO; Mr. Rajiv Ramesh Shah, MD & CEO, RBSA Group; Mr. Sandeep Kumar Deb, Managing Partner, Sandip Kumar Deb & Associates; Mr. Tehmasp Rustomjee, Partner, Deloitte Touche Tohmatsu India LLP; and Ms. Nandita Shyamsunder Pai, Partner, Deloitte Touche Tohmatsu India LLP.