

## INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

(Authority specified by the Central Government under section 458 of the Companies Act, 2013)

11<sup>th</sup> March 2020

### ORDER

**IN THE MATTER OF APPLICATION OF ██████████ FOR GRANT OF CERTIFICATE OF REGISTRATION AS A REGISTERED VALUER UNDER RULE 6 OF THE COMPANIES (REGISTERED VALUERS AND VALUATION) RULES, 2017.**

██████████, a resident of ██████████ (applicant) had submitted an application under section 247 of the Companies Act, 2013 read with rule 6 (1) of the Companies (Registered Valuers and Valuation) Rules, 2017 (Rules) seeking a certificate of registration as a Registered Valuer (RV) in the asset class 'Securities or Financial Assets' (SFA). The ██████████, where the applicant is enrolled as a valuer member, forwarded the application to the Authority on 19<sup>th</sup> March 2019, with a recommendation for registration of the applicant as an RV.

2. As per Rule 4(c) r/w Annexure IV of the Rules, an individual must possess the following educational or professional qualification and subsequent experience to be eligible for registration as a valuer in the asset class of SFA: –

- a. 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) and three years of work experience thereafter, or,
- b. Post Graduate in Finance and three years of work experience in Finance discipline after post-graduation.

3. While considering the aforesaid application it was observed that the applicant possesses only degree of Bachelor of Commerce (Honours.) and does not satisfy the requirement of being a member of any of the professional institutes as prescribed under rule 4(c) r/w Annexure IV of the Rules. In view of para 2 above, the Authority formed a *prima facie* opinion that the registration ought not to be granted to the applicant. The *prima facie* opinion, alongwith the reason for the same, was communicated to the applicant vide mail dated 21<sup>st</sup> August, 2019 and was provided an opportunity to explain, within 15 days of the receipt of the communication, as to why his application for registration as valuer should be accepted by the Authority. The applicant, vide said mail, was also provided an opportunity of personal hearing.

4. The applicant, vide mail dated 27<sup>th</sup> August 2019, submitted his response to the Authority, stating that when he took the membership of the ██████████ and completed the mandatory 50 hours education course, he was eligible to seek registration as per the then prevalent Rules and therefore registration should be granted to him. The applicant, in support of his claim, presented a communication from Authority wherein his educational qualification was stated to be satisfied under the Rules. However, the Rules were later amended with effective from 13<sup>th</sup> November 2018 which does not mention graduate degree as eligible educational qualification for registration as valuer.

5. The applicant availed the opportunity of personal hearing and appeared before me on 5<sup>th</sup> November 2019. During the personal hearing, the applicant requested for further time to submit his written explanation which was granted. The applicant submitted his written explanation vide letter dated 02<sup>nd</sup> December 2019 wherein he has reiterated his original explanation submitted vide mail dated 27<sup>th</sup> August 2019.

6. In this background, after considering the oral and written submissions made by the applicant and material available on record, it is observed that the Fourth amendment to the Rules came into force on 13<sup>th</sup> November 2018 and the eligibility conditions with respect to educational and professional qualifications for seeking registration as valuer was clarified through this amendment. For the asset class of “Securities or Financial Assets”, the eligibility condition prescribed is as explained in para 2 above.

7. The application for registration as valuer of the applicant was received by the Authority only on 19<sup>th</sup> March 2019. There can be no doubt that the applicant must satisfy the eligibility conditions in accordance with the relevant laws prevalent at the time of grant of registration. When the application of the applicant was received by the Authority, the amended Rules were in force which prescribes the eligibility qualification for asset class of “Securities or Financial Assets” as explained in para 2 above. The sole educational qualification as Bachelor of Commerce (Honours.), on the basis of which the applicant has claimed for registration as valuer for the asset class of “Securities or Financial Assets”, does not meet the prescribed eligible educational qualifications under the current Rules. The Rules existing prior to amendment w.e.f. 13<sup>th</sup> November 2018, also provided for the requirement of being a member of any of the professional institutes mentioned in the Rules, which the applicant does not possess.

8. In view of the foregoing, it is observed that the applicant does not comply with the educational qualification prescribed under the Rules. Therefore, the application of [REDACTED] [REDACTED] for registration as valuer is rejected under rule 6 (9) (b) of the Companies (Registered Valuers and Valuation) Rules, 2017.

Date: 11<sup>th</sup> March 2020  
New Delhi

Sd/-  
(Dr. Mukulita Vijayawargiya)  
Whole Time Member  
Insolvency and Bankruptcy Board of India