

DC/IOVRVF/2024-25/ 4595

DATE: 23/12/2024

[AUTHORITY DELEGATED BY THE MINISTRY OF CORPORATE AFFAIRS UNDER CLAUSE X, SUB CLAUSE-24(2) OF THE PART-II OF ANNEXURE III OF THE COMPANIES (REGISTERED VALUERS AND VALUATION) RULES, 2017]

ORDER

This Order disposes the Show Cause Notice (SCN) No. DC/IOV-RVF/2023-24/4710 dated 03.10.2023 issued to Mr. Dileep Ganpatrao Zarkar who is a member of the IOV Registered Valuer Foundation ("IOV RVF"), having Membership No. IOVRVF/VM/L&B/3118 and registered with the Insolvency and Bankruptcy Board of India ("IBBI"/"Authority"), as valuer in asset class Land & Building with the registration no. IBBI/RV/02/2019/10631.

1. Background

- 1.1. It has come to the notice of the Monitoring Committee of IOV RVF that Mr. Dileep Ganpatrao Zarkar was falling under the category of 'non-Compliant' from the last three years as he has failed to adhere to compliances procedure/framework laid down by IBBI and IOV RVF. In this regard, matter was referred by Monitoring Committee to the Disciplinary Committee of IOV RVF.
- 1.2. Respondent was given ample opportunities to put forth his defense/reply and along with a personal hearing keeping in mind the principles of Natural Justice.

2. Examination of contraventions alleged in the SCN

2.1. The contravention alleged in the SCN is summarized as under: -

- i. **Non-payment of Annual Membership Fee:** as per Rule 11 of Annexure III of Companies (Registered Valuers and Valuation) Rules, 2017 ("Rules"), an organization may require the members to pay a fixed sum of money as its annual membership fee. Respondent was given ample opportunities to put forth his defense/reply and along with a personal hearing keeping in mind the principles of Natural Justice. Despite repeated reminders, the member has not paid the annual membership fee for the relevant year(s).
- ii. **Non-filing of M3 i.e. CEP Annual Data and M-4 i.e. Valuation Activity Data :** - As per Rule 16 of Annexure III of Rules, 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. Further, IOV-RVF also provides procedural framework comprising of collection of the information, record(s) and document(s) both from the Valuer Member(s) and from independent sources to monitor the performance of Valuer Member(s) in form of M-3 i.e. CEP Annual Data and M-4 i.e. Valuation Activity Data.



#VALUATIONMATTERS



Page 1 of 4

iii. The member has failed to submit the M-3 and M-4 for the relevant periods.

iv. **Non-attendance of CPE Programs:** The member has not attended the required number of Continuing Professional Education (CPE) programs for the relevant periods.

2.2. A summary Chart is also re-produced as under: -

COMPLIANCE STATUS FOR F.Y.2019 - 2024

Financial Year	Annual Membership Fee	M3 Status	M4 (Apr-Sep) Status	M4 (Oct-Mar) Status	CEP Status	Compliance Status
2023-24	Pending	Not filled	Not filled	Not filled	Pending	Non Compliant
2022-23	Pending	Not filled	Not filled	Not filled	Pending	Non Compliant
2021-22	Pending	Not filled	Not filled	Not filled	Pending	Non Compliant
2020-21	Pending	filled	Not filled	Not filled	Pending	Non Compliant
2019-20	Success	filled	Filled	Filled	Complete	Semi Compliant

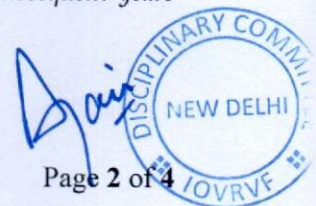
CEP STATUS FOR F.Y.2019 - 2024

Financial Year	Maximum CEP Required	Minimum CEP Required	CEP Earned	Pending
2019-20	16	16	16	0
2020-21	16	10	0	16
2021-22	16+16=32	10	0	32
2022-23	16+32=48	10	0	48
2023-24	48+16=64	64	0	64

3. Reply from the Registered Valuer

Registered Valuer replied via email dated October 16, 2023 stating that "I had already communicated in past years through many mails, that I don't do/done valuations under IBBI/Cos. Rules, so I don't want to continue my membership, see mails attached. At that time on phone talk it was told that committee will decide small lumpsum fees/charges for closure of membership, as my case was not regular issue, but after that I have not received any confirmation about charges, so the issue was pending. But now I request you to close issue now, as I have not done any valuation under Cos. rules & don't want to do in future. I think there is no purposeful negligence on my side. So I have not filled M3, M4 forms & also not completed CPE points, my followup was for many years back, also other emails reference will forward you, if get, sincerely request you to close issue by deciding reasonable fees/charges, as I am not able to pay subsequent years annual fees, etc. Also show cause notice after @ 4 years not expected ? So pl. do the needful & oblige, thanks,".

[Handwritten signatures and initials]



4. Findings of the Disciplinary Committee

Disciplinary committee has found that the Registered Valuer is in default of the following provisions of the Valuation Rules:

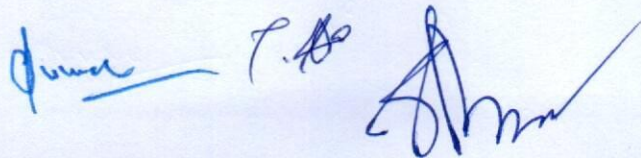
- 4.1. Rule 11 of Annexure III of Companies (Registered Valuers and Valuation) Rules, 2017 ("Rules"), an organization may require the members to pay a fixed sum of money as its annual membership fee.
- 4.2. Rule 16 of Annexure III of Rules, a member shall submit information about ongoing and concluded engagements as a registered valuer, in the manner and format specified by the Organization, at least twice a year stating inter alia, the date of assignment, date of completion and reference number of valuation assignment and valuation report.
- 4.3. Rules 12(2)(e) of the Rules, an RVO is required to provide continuing education to its individual members. Also, as per IBBI directions on CEP requirement, The RV shall undertake a minimum of 10 CEP credit hours in each Financial Year (FY) and 48 credit hours of CEP in the rolling block of 3 years. The year pertains to the Financial Year i.e. 1st April to 31st March.
- 4.4. In the present case, following has been observed:
 - a) RV claims to have communicated about his intent to discontinue membership via emails and phone calls, stating that the committee was to decide a small lump sum fee for closure. However, there is no record of any conclusive action taken from his end to formally surrender his membership as per prescribed procedures.
 - b) Despite repeated reminders and issuance of a Show Cause Notice, the member failed to settle outstanding dues, submit required M3 and M4 forms, or meet CEP compliance.
 - c) The RV's assertion that he was unaware of the surrender process and pending dues is inconsistent, as the organization has consistently provided clear communication and guidance regarding compliance requirements.
 - d) The RV's continued negligence and misrepresentation of facts in his response indicate a lack of accountability and professionalism,
- 4.5. Based on the findings of the material on records, it has been observed from the conduct of the Registered Valuer that he does not have any plausible explanation for pendency of the compliances from his end.

5. Decision

Based on the above finding, the Disciplinary Committee in exercise of power conferred under Clause 24 sub clause 2 (b) and (e) of the Para X of Part II (Model Bye-Laws of a Registered Valuers Organization) of Annexure III of the Companies (Registered Valuers and Valuation) Rules, 2017, hereby: -

- a) Suspend the membership of Respondent till the time Registered Valuers completes his pending compliances; and
- b) Refer the matter to the Authority for the further appropriate action as deemed fit.

6. Show Cause Notice, accordingly, is disposed of.



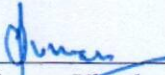
7. Appeal

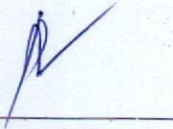
In case the Registered Valuer is aggrieved by the order passed by the Disciplinary Committee, he may prefer an appeal before the Appellate Authority of IOV RVF within thirty days from the receipt of the copy of such order.

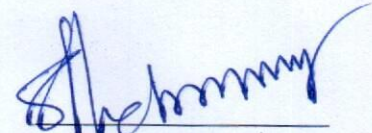
8. IBBI

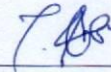
A copy of this order shall be forwarded to IBBI ("Authority") for future course of action.

Given under seal of the Disciplinary Committee of IOV-RVF, this the day of 23rd December, 2024.

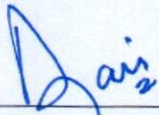

Shri Sunil Kumar Khosla
Chairman


Shri Ramesh Kumar
Meena
Member-IBBI
Representative


Shri Pichaiya Subramaniam
Member


Shri Anand Raju
Member




CS Deepali Jain
Disciplinary Officer

CC :-

1. Insolvency and Bankruptcy Board of India
2. Dileep Ganpatrao Zarkar, Registered Valuer
3. IOV-RVF- Record