

DC/IOVRVF/2024-25/ 4600

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/2023-24/4715** dated **03.10.2023** issued to **Mr. Gnanaraj Vincent** who is a member of the IOV Registered Valuer Foundation ("IOV RVF"), having Membership No. **IOVRVF/VM/L&B/3805** 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/02/2019/11277**.

1. Background

- 1.1. It has come to the notice of the Monitoring Committee of IOV RVF that Mr. Gnanaraj Vincent 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.


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#VALUATIONMATTERS

- 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	Not filled	Not filled	Not filled	Pending	Non Compliant
2019-20	Success	Not filled	Not Filled	Not Filled	Complete	Semi Compliant

CEP STATUS FOR F.Y. 2019 - 2024

Financial Year	Maximum CEP Required	Minimum CEP Required	CEP Earned	Pending
2019-20	14	14	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 28, 2023 stating that:

“• I have not filed Form M3, Form M4 for the periods 2021-22, 2022-23 and 2023-24
 • I have not paid the prescribed annual membership fee for the 3 years mentioned above
 I hereby inform you that I had not undertaken and carried out any Valuation assignment with regard to Companies Act 2013 and Insolvency and Bankruptcy code or any other relevant acts for any of the purposes during the above periods under the said RV Rules.
 I hereby inform you that had not undertaken and carried out any Valuation assignment with regard to Companies Act 2013 and Insolvency and Bankruptcy code or any other relevant acts for any of the purposes during the above periods under the said RV Rules.
 Also, I am 79 years old suffering from Prostate Cancer and taking treatment at Royal Care Multispecialty Hospital at Coimbatore.
 Under these circumstances I am prepared to pay the current year Annual Membership fees as I had not done any assignment during the past years and earned any fees.
 Kindly consider my age and experience and exempt me fees for the past periods and suspend further proceedings in the matter. I assure that I will submit the prescribed compliance forms viz M3 & M4 in the future promptly.”

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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) The RV has failed to comply with the submission of Form M3, M4, and payment of annual membership fees for the last 4 years.
 - b) Despite being informed of the senior citizen discount and offered assistance to settle dues, the member has not confirmed their final decision regarding payment or submitted the required compliance documents.
 - c) The RV request for exemption based on health grounds has not been substantiated with the necessary medical documentation.
- 4.5. Based on the findings of the material on records, it has been observed that RV's non-responsiveness and failure to comply with the regulatory requirements, lack of response to reminders, and failure to fulfill obligations as a Registered Valuer under the Companies Act, 2013 shows member's persistent negligence towards mandatory compliance.

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.





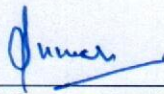
7. Appeal

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 this order.

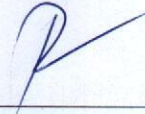
8. IBBI

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

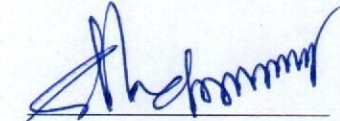
Given under seal of the Disciplinary Committee of IOV-RVF, this the day of 23rd December, 2024.



Shri Sunil Kumar Khosla
Chairman



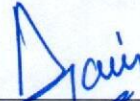
Shri Ramesh Kumar Meena
Member-IBBI Representative



Shri Pichaiya Subramaniam
Member



Shri Anand Raju
Member



CS Deepali Jain
Disciplinary Officer

CC :-

1. Insolvency and Bankruptcy Board of India
2. Gnanaraj Vincent, Registered Valuer
3. IOV-RVF- Record