

DC/IOVRVF/2024-25/ 5022

DATE: 20.03.2025

[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/2023-24/4703 dated 03.10.2023 issued Manohar Kakaraparthi who is a member of the IOV Registered Valuer Foundation ("IOVRVF"), having Membership No. IOVRVF/VM/P&M/2717 and registered with the Insolvency and Bankruptcy Board of India ("IBBI"/"Authority"), as valuer in asset class Plant and machinery with the registration no. IBBI/RV/02/2019/10995.

1. Background

- 1.1. It has come to the notice of the Monitoring Committee of IOVRVF Manohar Kakaraparthi is/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 IOVRVF.
- 1.2. Manohar Kakaraparthi 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

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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.

- 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	NO	Not Filled	Not Filled	Not Filled	Pending	Non Compliant
2022-23	NO	Not Filled	Not Filled	Not Filled	Pending	Non Compliant
2021-22	NO	Not Filled	Not Filled	Not Filled	Pending	Non Compliant
2020-21	NO	Not Filled	Not Filled	Not Filled	Pending	Non Compliant
2019-20	YES	Filled	Filled	Filled	Complete	Compliant

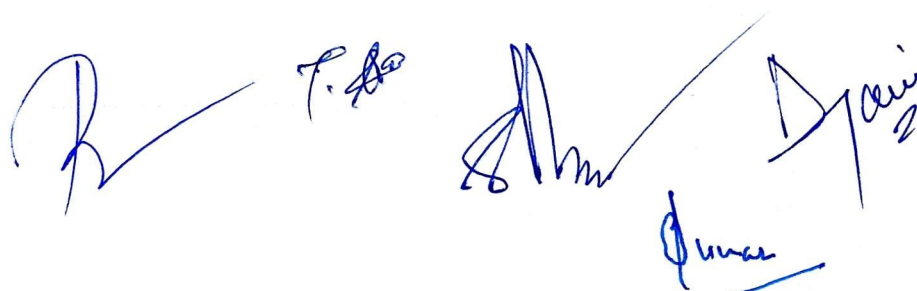
CEP STATUS FOR F.Y.2019-2024

Year	Maximum CEP Required	Minimum CEP Required	CEP Earned	Pending
2019-20	15	15	15	0
2020-21	16	10	2	14
2021-22	16+14= 30	10	0	16
2022-23	30+16 = 46	10	0	16
2023-24	46+16= 62	62	0	62

3. Reply from the Registered Valuer

In response to the SCN, the Member in his reply via email dated October 16, 2023 stated as under:-
"With reference to the above & telephonic discussion I reiterate that I have not done any valuation to be reported under M3&M4. As such I am not active to run office as I am affected by COVID & recovery is taking more time because of Age."

In adherence to the principles of natural justice, the attempts were also made to reach him on his registered mobile number. However, no calls were answered.



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) 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. It is having been observed that the SCN was duly acknowledged by the Registered Valuer and based upon his submissions and considering his situation, the management also offered 70 percent discount on his total dues. However, despite this concession, the dues remain unpaid, and no further action has been taken from his end to clear the outstanding amount and pending compliances. Again, on December 13, 2024 he was given one more opportunity to complete his pending compliances till December 31, 2024, however, it was all in vain and no further communication received from the Registered Valuer.
- 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 Member from IOV RVF; and
- b) Refer the matter to the Authority for appropriate action.

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

7. Appeal

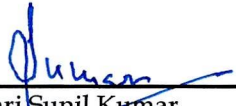



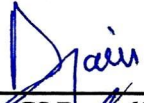


In case the Registered Valuer is aggrieved by the order passed by the Disciplinary Committee, he may prefer an appeal before the Appellate Authority of IOV RVF within thirty days from the receipt of the copy of such order.

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
20th March, 2025

 _____ Shri Sunil Kumar Khosla Chairman	 _____ Shri Pichaiya Subramaniam Member	 _____ Shri Anand Raju Member
 _____ Shri Ramesh Kumar Meena. Member-IBBI Representative		 _____ CS Deepali Jain Disciplinary Officer

CC :-

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