

DC/IOVRVF/2024-25/ 4599

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/2023-24/4707 dated 03.10.2023 issued to Mr. Moses Thanabalan who is a member of the IOV Registered Valuer Foundation ("IOVRVF"), having Membership No. IOVRVF/VM/P&M/2967 and registered with the Insolvency and Bankruptcy Board of India ("IBBI"/"Authority"), as valuer in asset class **Plant & Machinery** with the registration no. IBBI/RV/02/2019/11538.

1. Background

- 1.1. It has come to the notice of the Monitoring Committee of IOVRVF that Mr. Moses Thanabalan 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. 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

#VALUATIONMATTERS



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.

- 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

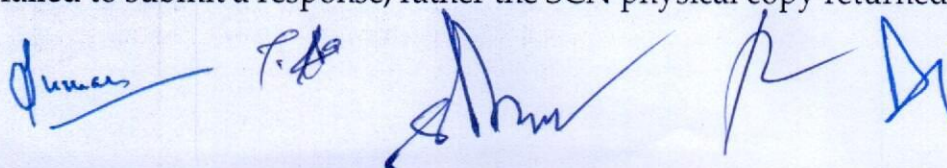

Financial Year	Annual Membership Fee	M3 Status	M4 (Apr-Sep) Status	M4 (Oct-Mar) Status	CEP Status	Compliance Status
2023-24	Pending	Not filled	Not filled	Not filled	Pending	Non-Compliant
2022-23	Pending	Not filled	Not filled	Not filled	Pending	Non-Compliant
2021-22	Pending	Not filled	Not filled	Not filled	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	0	14
2020-21	16	10	0	16
2021-22	16+16=32	10	0	32
2022-23	16+32=48	10	0	48
2023-24	16+48=64	64	0	64

3. Reply from the Registered Valuer

Despite the service of the Show Cause Notice dated October 03, 2023, reminders via email dated November 23, 2023 and September 13, 2024, the Registered Valuer has failed to submit a response, rather the SCN physical copy returned to us.

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

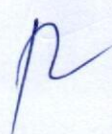
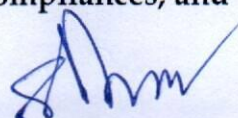
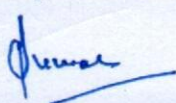
Disciplinary committee has found that the Registered Valuer is in default of the following provisions of the Valuation Rules:

- 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)(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. As per Rule 7A i.e. Intimation of changes in the personal details by registered valuer to the authority. A Registered Valuer shall intimate the authority for change in the personal details, which may affect the registration of registered valuer, after paying fee as per table -1 in the Annexure V of the Valuation Rules.
- 4.5. **In the present case, it is observed that the Registered Valuer was given ample opportunities to come forward and submit the response to the Show Cause Notice. However, Registered Valuer did not submit any reply or provide any satisfactory response.**
- 4.6. **Bases 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 further appropriate actions as deemed fit

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

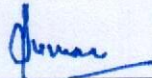
7. Appeal

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 IOVRVF within thirty days from the receipt of this order.

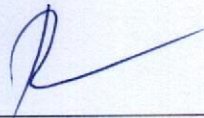
8. IBBI

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

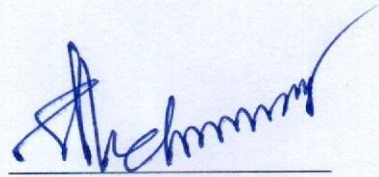
Given under seal of the Disciplinary Committee of IOV-RVF, this the day of 23rd December, 2024.



Shri Sunil Kumar
Khosla
Chairman



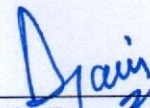
Shri Ramesh Kumar
Meena.
Member-IBBI
Representative



Shri Pichaiya
Subramaniam
Member



Shri Anand Raju
Member



CS Deepali Jain
Disciplinary Officer

CC:-

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