

DC/IOVRVF/2024-25/ 4542

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/2023-24/4621** dated **03.10.2023** issued to **Mr. Sivaraj E** who is a member of the IOV Registered Valuer Foundation ("IOV RVF"), having Membership No. **IOVRVF/VM/L&B/4210** 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/02/2020/13006**.

1. Background

- 1.1. It has come to the notice of the Monitoring Committee of IOV RVF that Mr. Sivaraj E 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. Sivaraj E sent was given ample opportunities to put forth his defense/reply and along with a personal hearing keeping in mind the principles of Natural Justice.

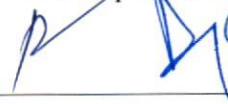
2. Examination of contraventions alleged in the SCN

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



#VALUATIONMATTERS



Page 1 of 4



- 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

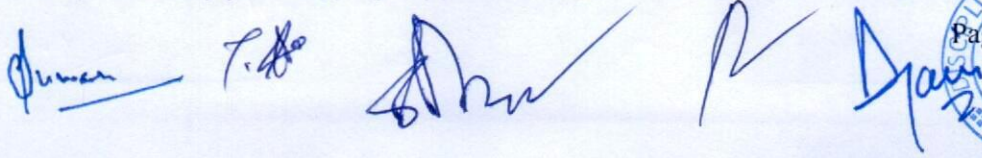
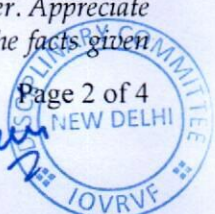
Financial Year	Annual Membership Fee	M3 Status	M4 (Apr-Sep) Status	M4 (Oct-Mar) Status	CEP Status	Compliance Status
2023-24	Pending	Not filled	Not filled	Not filled	Pending	Non Compliant
2022-23	Pending	Not filled	Not filled	Not filled	Pending	Non Compliant
2021-22	Pending	Not filled	Not filled	Not filled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

CEP STATUS FOR F.Y. 2019 - 2024

Financial Year	Maximum CEP Required	Minimum CEP Required	CEP Earned	Pending/Extra
2019-20	16	10	1	15
2020-21	16	10	1	15
2021-22	16+15=31	10	0	31
2022-23	16+31=47	10	0	47
2023-24	16+47=63	63	0	63

3. Reply from the Registered Valuer

- a) Registered Valuer has replied via email dated June 25, 2024 to the show cause notice by stating that "I do not concur with your unilateral decisions and fully disagree with you. I am not practicing as a Valuer and hence not renewed the membership with your RVF. It has to be remembered that there are multiple RVFs in India and IOV RVF cannot force anybody to continue as your member despite of not renewing your membership. Normally membership renewal is not automatic in any organization and is time bound if renewal is not subscribed. You cannot be arbitrarily holding your members. However, I am a senior citizen 67 years old and a cancer surveyor. My active practice is curtailed and stopped due to my age and ailment. Hence, I earnestly request you to stop harassing a senior citizen in the name of Disciplinary action committee etc. which are unwarranted when I have not done even a single valuation up till now and also not renewed your Membership in your RVF. Any action hence forth will be viewed as for economic gains and collecting fines illegally from a non-member and senior citizen. Again, as an ailing senior citizen, I request you to drop all the fictitious notices, disciplinary action etc. and I deemed not to be your member and also not practicing as a Registered Valuer. Appreciate your confirmation of your stopping any further action in this regard considering the facts given

above."

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, it is observed that the Registered Valuer was given ample opportunities to come forward and submit the response to the Show Cause Notice. However, there was insufficient explanation in the Registered Valuer's response to the Show Cause Notice for his three-years non-compliances. It should be noted that, in accordance with the Companies (Registered Valuers and Valuation) Rules, 2017, all Registered Valuers must abide by the code of conduct and regulatory requirements for the duration of their registration, even though the valuer claims he has not renewed his membership and is not currently practicing as a Registered Valuer. Until the registration is legally canceled or surrendered, the need to uphold these criteria remains in effect.
- 4.5. The valuer's failure to renew his membership with IOV RVF does not release him from obligations or violations that he committed when he was a registered member and an active member. Furthermore, the RVF operates within the parameters of established regulations rather than acting unilaterally or arbitrarily. We understand the valuer's unique situation, including his age and health issues, but this does not excuse him from fulfilling his legal responsibilities as a Registered Valuer. In order to preserve the integrity and standards of the profession, the Disciplinary Committee of IOV RVF has taken appropriate disciplinary action in compliance with the regulations, as there has been no valid reason for non-compliance during the last three years.
- 4.6. 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

Page 3 of 4



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.

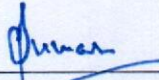
7. Appeal

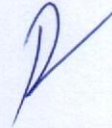
In case the Registered Valuer is aggrieved by the order passed by the Disciplinary Committee, he may prefer an appeal before the Appellate Authority of IOVRVF within thirty days from the receipt of this order.

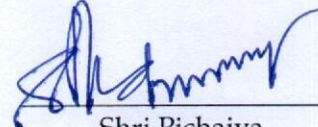
8. IBBI


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.

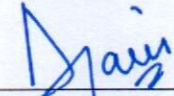

Shri Sunil Kumar
Khosla
Chairman


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. Sivaraj E, Registered Valuer;
3. IOV-RVF- Record