

DC/IOVRVF/2024-25/ 4535

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/2023-24/4607 dated 03.10.2023 issued to Ms. Kokila K.N. who is a member of the IOV Registered Valuer Foundation ("IOV RVF"), having Membership No. IOVRVF/VM/L&B/2198 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/02/2020/13708.

1. Background

- 1.1. It has come to the notice of the Monitoring Committee of IOV RVF that Ms. Kokila K.N was falling under the category of 'non-Compliant' from the last three years as she 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 her 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 her 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.
- 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: -



#VALUATIONMATTERS

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
2019-20	NA	NA	NA	NA	NA	NA
2020-21	Success	Not Filled	Not Filled	Not Filled	Completed	Semi-Compliant
2021-22	Pending	Not Filled	Not Filled	Not Filled	Pending	Non- Compliant
2022-23	Pending	Not Filled	Not Filled	Not Filled	Pending	Non- Compliant
2023-24	Pending	Not Filled	Not Filled	Not Filled	Pending	Non- Compliant

CEP STATUS FOR F.Y.2019 - 2024

Financial Year	Maximum CEP Required	Minimum CEP Required	CEP Earned	Pending
2019-20	NA	NA	NA	NA
2020-21	5	3	5	0
2021-22	16	10	0	16
2022-23	16+16=32	10	0	32
2023-24	32+16=48	48	0	48

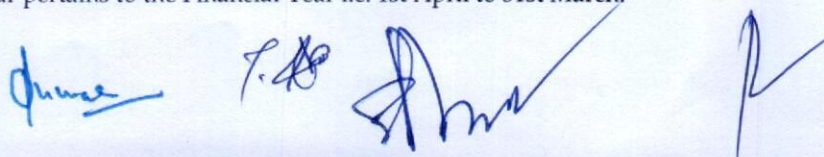

3. Reply from the Registered Valuer

- a) Registered Valuer has replied via email dated June 25, 2024 to the show cause notice by stating that "Spent nearly one lakh rupees including training, exam, Membership charges etc.. I applied in many banks, but rejected as this IBBI certificate doesn't hold any value to them to consider Freshers like us. Nor IBBI is interested to look into what really happened to their enrollers.. I see your sole interest is money making business. Hence as a last resort I am mailing this, if u r little concerned/ responsible then look into it. though u can refund the time, energy spent on this IBBI. Please refund my amount spent on IBBI with interest."

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, considering her request, Registered Valuer had been granted discount of 25% on Annual Membership dues via email dated September 13, 2024, despite the same, the Registered Valuer had failed to submit a response. In adherence to the principles of natural justice, the attempts were also made to reach her on his registered mobile number. However, the Registered Valuer was very rude with the officials on call and shown her intension to not to continue with the IBBI registration.
- 4.5. Based on the findings of the material on records, it has been observed from the conduct of the Registered Valuer that she does not have any plausible explanation for pendency of the compliances from her 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 her 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.

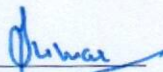
7. Appeal

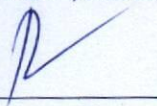
In case the Registered Valuer is aggrieved by the order passed by the Disciplinary Committee, she may prefer an appeal before the Appellate Authority of IOVRVF within thirty days from the receipt this order.

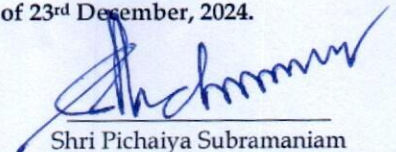
8. IBBI


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.

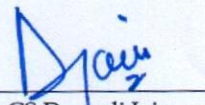

Shri Sunil Kumar
Khosla
Chairman


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. Ms. Kokila K. N.
3. IOV-RVF- Record