

DC/IOVRVF/2024-25/ 4531

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/2023-24/4601 dated 03.10.2023 issued to Mr. Bhalchandra Damodar Kulkarni who is a member of the IOV Registered Valuer Foundation ("IOVRVF"), having Membership No. IOVRVF/VM/L&B/3018 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/02/2019/11336.

**1. Background**

- 1.1. It has come to the notice of the Monitoring Committee of IOV RVF that Mr. Bhalchandra Damodar Kulkarni is/was falling under the category of 'Non and Semi 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

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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	filled	Not filled	Pending	Semi Compliant
2021-22	Pending	Not filled	filled	filled	Pending	Semi Compliant
2020-21	Success	filled	filled	filled	Completed	Compliant
2019-20	Success	filled	filled	filled	Completed	Compliant

**CEP STATUS FOR F.Y.2019 - 2024**

Financial Year	Maximum CEP Required	Minimum CEP Required	CEP Earned	Pending/Extra
2019-20	13	13	20	0
2020-21	16	10	5	11
2021-22	16+11=27	10	0	27
2022-23	16+27=43	10	1	42
2023-24	42+16=58	58	0	58

**3. Reply from the Registered Valuer**

Registered Valuer has replied via email dated November 30, 2023 to the show cause notice by stating that "I have attained age of 80+ and therefore I am not able to carry out valuation works. So far I have not done even a single valuation under IBBI and this I have informed you earlier. You are kindly requested to terminate my membership and oblige".

*T. Sa*

*[Signature]*

*[Signature]*

*[Signature]*

*[Signature]*



#### 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, the member confirmed that he is not practicing and not interested in doing the Valuation. He also requested to terminate his membership.

This confirmation emphasizes his withdrawal and lack of compliance, justifying his withdrawal from the membership.

- 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.

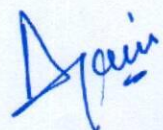
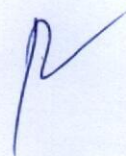
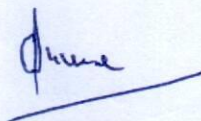
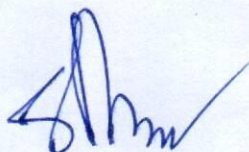
#### 5. Decision

Based on the above finding, the Disciplinary Committee in exercise of power conferred under Clause 24 sub clause 2 (a) 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) Expel the Member from IOV RVF; 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

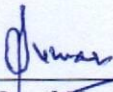


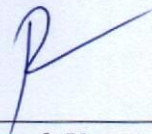
In case the Registered Valuer is aggrieved by the order passed by the Disciplinary Committee, he may prefer an appeal before the Appellate Authority of IOV RVF within thirty days from the receipt of this order.

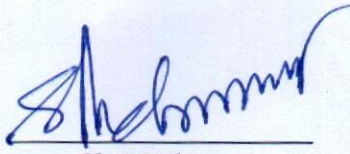
## 8. IBBI


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 23<sup>rd</sup> December, 2024.

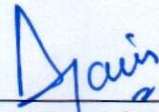
  
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Shri Sunil Kumar  
Khosla  
Chairman

  
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Shri Ramesh Kumar  
Meena.  
Member-IBBI  
Representative

  
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Shri Pichaiya  
Subramaniam  
Member

  
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Shri Anand Raju  
Member



  
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CS Deepali Jain  
Disciplinary Officer

CC :-

1. Insolvency and Bankruptcy Board of India
2. Bhalchandra Damodar Kulkarni, Registered Valuer
3. IOV-RVF- Record