

DC/IOVRVF/2024-25/ 4616

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/2023-24/4740 dated 03.10.2023 issued to Mr. Vishal Verma who is a member of the IOV Registered Valuer Foundation ("IOV RVF"), having Membership No. IOVRVF/VM/L&B/7135 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/02/2020/12923.

1. Background

- 1.1. It has come to the notice of the Monitoring Committee of IOV RVF that Mr. Vishal Verma 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. 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


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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: -

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	NA	Not Filled	NA	Semi 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	16	10	0	16
2021-22	16+16=32	10	0	32
2022-23	16+32=48	10	0	48
2023-24	48+16=64	64	0	64

3. Reply from the Registered Valuer

Registered Valuer replied via email dated October 28, 2023 stating that:

"As clarified to you IOV RVF earlier also by mail and speaking to concerned officers also on call that I had passed IBBI examination in 2019 but not practicing the same and so far till date I had not involved into valuation in any respect/ any kind. So, accordingly not submitted any data to

[Handwritten signatures]

Page 2 of 4


IOV RVF.

Since, I am not involved into any valuation till date any in next 1-2 years there are no plans to take up any valuation assignments so no point of any membership with IOV RVF also."



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, following has been observed:**
 - a) RV has acknowledged in his response to the Show Cause Notice (dated 03.10.2024) that he has not undertaken any valuation assignments since 2019 and has no plans to engage in any valuation activities in the near future.
 - b) Despite repeated communications, the member has failed to comply with the required dues and compliance formalities.
 - c) RV has also indicated that he does not intend to continue with the membership as he is not practicing as a Registered Valuer.
 - d) As per the IOV RVF guidelines, non-compliance with annual membership dues and required forms (M3, M4) over multiple years and failure to engage in any valuation leads disciplinary action.
- 4.5. **Based on the findings of the material on records, it has been observed that the member's confirmation of non-participation in the profession, suspension of the membership is warranted until the member fulfills all compliance requirements, including payment of dues.**

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


Page 3 of 4


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 the further appropriate action as deemed fit.

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

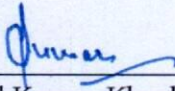
7. Appeal

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.

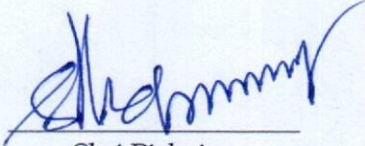
8. IBBI

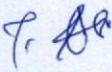
A copy of this order shall be forwarded to IBBI ("Authority") for future course of action.

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

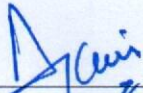

Shri Sunil Kumar Khosla
Chairman


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. Vishal Verma, Registered Valuer
3. IOV-RVF- Record