

REF NO:- DC/IOVRVF/2023-24/ 1647

**[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 of the Show Cause Notice (SCN) dated **03.09.2021** issued to CR Hariharan who is a member of the IOV Registered Valuer Foundation (IOV RVF), Registered Valuer Organization and registered with the Insolvency and Bankruptcy Board of India (IBBI), as valuer in asset class Land and Building with the registration no. IBBI/RV/02/2019/10772

1. Background

1.1 It has come to the notice of the Monitoring Committee of IOV Registered Valuer Foundation (“**IOV RVF**”) that CR Hariharan (“**Respondent**”) is/was falling under the category of ‘non-Compliant’ as he has failed to adhere Compliances procedure/framework laid down by IBBI (“**Authority**”) and IOV Registered Valuer Foundation. In this regard, matter was referred by Monitoring Committee to the Disciplinary Committee of IOV Registered Values Foundation and based on the findings of the committee, Show Cause Notice (“**SCN**”) dated **03.09.2021** was issued wherein it was mentioned that you are falling under the category of “**Non-Compliant**” and compliances mentioned below were/are pending: -

- **Not attended COP Training and obtained Certificate of Practice ;**
- **Payment of Annual Membership Fee** for the Financial Year 2019-20, 2020-21 and 2021-22;
- **Submission of M3 Form for the year** of April 2019 and April 2020 to March 2021;
- **Submission of M4 Form for the period** April 2019 to September 2019, October 2019 to March 2020, April 2020 to September 2020 and October 2020 to March 2021;
- **CEP Points** for the Financial Year April 2020 to March 2021;

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. Submission on behalf of Registered Valuer

Respondent in his reply dated 16. 09.2021 submitted as under: -

a) **Not attended COP Training and obtained Certificate of Practice.**

Ans. As stated above my purpose was to gain knowledge and not to practice and hence the above becomes redundant.

b) Payment of Annual Membership Fees for FY 2019-20, 2020-21 and 2021-22.

Ans. The payment does not arise as I do not wish to practice. I also wish to point out that yours is not the only RVF in the market and I have options to change over to any other. But the fact remains that I have not become a member of any other RVF for reasons stated above.

c) Submission of M3 form for the month April 2019 to March 2020 and April 2020 to March 2021

d) Submission of M4 form for the month April 2019 to September 2019, October 2019 to March 2020, April 2020 to September 2020 and October 2020 to March 2021 and;

e) CEP points for the financial year April 2020 to March 2021

Ans to points (c), (d) and (e) All the above three averments becomes redundant and I cannot be compelled under any circumstances. Also I wish to state that, being a senior citizen and the prevailing COVID -19 restrictions I am not in a position to take up any assignments under IBBI. I really fail to understand and pained to observe the wording of the Disciplinary committee in the above show cause notice.

3. Analysis and Findings

3.1 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. 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 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. 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 Annual Data i.e. M-3 E-Form and Activity Data i.e. M-4 E-Form. It would not be improper to mention here that IBBI time and again has laid emphasis on Educational Course and Continuing Professional Education as per Rules 12(2)(e) of the Rules.

3.2 The above-mentioned compliances are necessary in order to renew Certificate of Membership and Practice.

3.3. In the present case, it is observed that the Respondent was given ample opportunities to come forward and submit the response to the Show Cause Notice. However, Respondent did not provided any satisfactory response for falling under the category of "Non-Compliant"

3.4. Based on the findings of the material on records, it has been observed from the conduct of the Respondent that he does not have any plausible explanation for pendency of the compliances from his/her end.

4. Decision

Based on the above finding, the Disciplinary Committee in exercise of power conferred under Clause 24 sub clause 2 (b) (d) 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 he completes his/her pending compliances;
- b) impose a penalty of 12% p.a. on Annual Membership Fee which is due from 01.04.2019 till the date he clears his dues;
- c) Refer the matter to the Authority for appropriate action

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

6. Appeal

In case the Respondent is aggrieved by the order passed by the Disciplinary Committee, she may prefer an appeal before the Appellate Authority within thirty days from the receipt of the copy of such order.

Given under seal of the Disciplinary Committee of IOV-RVF, this the day of April 12, 2023



Shri Pichaiya Subramaniam
Member



Shri Sunil Kumar Khosla
Chairman



Shri Anand Raju
Member



Shri Ramesh Kumar Meena.
Member-IBBI Representative



CS Deepali Jain
Disciplinary Officer

Place: - Delhi

Dated: - 27.04.2023

CC :-

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