



IIV INDIA REGISTERED VALUERS FOUNDATION

(Section 8 Company Incorporated under the Companies Act, 2013)

CIN: U93090PN2018NPL195112

Recognised as Registered Valuers Organization (RVO) by IBBI vide Letter - IBBI/RVO/2018/004 dated. 20th April 2018.

www.iivrvf.org

PAN NO.: AAJCR0549K

GST NO.: 27AAJCR0549K1Z1

TAN NO.: DELR32896D

IIV-RVF/DC/754/2023

Date: 04th May 2023

Order

In the matter of Mr. Vinodkumar Bhagvanji Bhogayata, Registered Valuer (RV) under Disciplinary Policy of IIV-RVF & Bye-Laws of IIV India Registered Valuers Foundation (IIV-RVF)

Of the Show Cause Notice (SCN) dated 21/11/2022 issued to Mr. Vinodkumar Bhagvanji Bhogayata who is a member of the IIV India Registered Valuers Foundation (IIV-RVF) and registered with the Insolvency and Bankruptcy Board of India (IBBI) as a valuer in the asset class of Plant and Machinery with the registration number IBBI/RV/04/2019/12573

1. Background

The IBBI has been delegated by the Central Government to perform the functions as the Authority under the Companies (Registered Valuers and Valuation) Rules, 2017 (Valuer Rules). IIV-RVF is recognized under IBBI. Mr. **Vinodkumar Bhagvanji Bhogayata** who is a member of the IIV India Registered Valuers Foundation (IIV-RVF) was registered with the IBBI as valuer in the asset class of Plant and Machinery with the registration number IBBI/RV/04/2019/12573 on 09.12.2019.

Mr. Vinodkumar Bhagvanji Bhogayata, a registered valuer, was sent a show cause notice dated 21/11/2022 for violating rules and regulations of our esteemed Insolvency and Bankruptcy Board of India, which expressly forbids from seeking employment elsewhere while being registered as a valuer for the Board.

On 09/11/2022, We had received a letter from, Gujarat Industrial and Technical Consultancy Organisation (GITCO) Limited addressed to our Grievance Redressal Officer and there it was brought to our attention regarding his employment at Gujarat Industrial and Technical Consultancy Organisation (GITCO) Limited, a Technical Consultancy Organisation-PSU since the year 2014.



Mr. Bhogayata had registered himself as a valuer in the year 2019 and yet continued to be employed at GITCO. IIV India Registered Valuers Foundation served this show cause notice, and was hereby asked to make written submission within 14 days explaining his conduct and provide a valid cause for the same and why further disciplinary and legal action should not be initiated against him.

Mr. Bhogayata being a registered valuer for Plant and Machinery at IBBI since the year 2019, bearing Registration Number: IBBI/RV/04/2019/12573, are bound by rules and regulations of our esteemed Insolvency and Bankruptcy Board of India, which expressly forbids him from seeking employment elsewhere while being registered as a valuer for the Board.

On a reply dated 02/12/2022, Mr. Bhogayata responded with written submissions, stating his innocence and non violation of aforementioned rule 12 of Companies (Registered Valuers and Valuation) Rules, 2017), concerning Occupation, employability and restrictions.

Not satisfied with the reply to the Show Cause notice, a Disciplinary Committee Meeting was called on March 6th 2023 to discuss on disciplinary action to be taken in respect of Mr. Vinodkumar Bhagvanji Bhogayata, Registered Valuer, bearing Registration Number: IBBI/RV/04/2019/12573. The meeting could not be connected due to absence of quorum, due to unavoidable reasons.

A rescheduled Disciplinary Committee Meeting was called on Thursday, 20th April 2023 to discuss on disciplinary action to be taken in respect of Mr. Vinodkumar Bhagvanji Bhogayata. The Meeting was attended by Mr. Hemant Sureshrao Pawar, Independent Director who was elected as Chairman for the meeting, Ms. Pooja Dawalkar, Member of Disciplinary Committee and Mr. Vinodkumar Bhagvanji Bhogayata.

In the meeting held by Disciplinary Committee, Mr. Vinodkumar claimed his ignorance towards the rules of IBBI regarding employment and does not seem to hold them in high regards. The Committee was not satisfied with his pleadings and decided to dismiss him from the IIV India Registered Valuers Foundation (IIVRVF)

2. Contravention

The alleged contraventions in the SCN are summarised as follows:

The IBBI, acting as the Authority under the Valuer Rules, has granted Mr. Vinodkumar Bhagvanji Bhogayata, registration as a Valuer under the Rules, in the asset class of Plant and Machinery, with the registration number IBBI/RV/04/2019/12573 on 09.12.2019.



Mr. Bhogayata had registered himself as a valuer in the year 2019 and yet continued to be employed at GITCO. Mr. Vinodkumar Bhagvanji Bhogayata, a registered valuer, was sent a show cause notice dated 21/11/2022 for violating rules and regulations of our esteemed Insolvency and Bankruptcy Board of India, which expressly forbids from seeking employment elsewhere while being registered as a valuer for the Board. It was brought to our attention regarding his employment at Gujarat Industrial and Technical Consultancy Organisation (GITCO) Limited, a Technical Consultancy Organisation-PSU since the year 2014.

Under Schedule III (RULE 12) Model Bye Laws of a Valuation Professional Organization,
PART II

"XI. SURRENDER OF MEMBERSHIP AND EXPULSION FROM MEMBERSHIP"

Temporary Surrender of Membership.

26. (1) A member shall make an application for temporary surrender of his membership of the Organisation at least thirty days before he

(a) becomes a person not resident in India:

(b) takes up employment; or

(c) starts any business, except as specifically permitted under the Code of Conduct;

and upon acceptance of such temporary surrender and on completion of thirty days from the date of application for temporary surrender, the name of the member shall be temporarily struck from the registers of the Organisation, and the same shall be intimated to the Registration Authority.

In view of the foregoing, Mr. Bhogayata have shown utmost disregard towards the rules and regulations laid down by the Board and made a mockery of them by continuing to be employed with Gujarat Industrial and Technical Consultancy Organisation (GITCO) Limited even after registering himself as a valuer in the year 2019.

3. Submissions

Submissions by Mr. Vinodkumar Bhagvanji Bhogayata with regard to the aforesaid contraventions are summarised as follows:

Mr. Vinodkumar Bhagvanji Bhogayata submitted in his reply to a show cause notice dated 21/11/2022 for violating rules and regulations, stating his innocence and non violation of aforementioned rule 12 of Companies (Registered Valuers and Valuation) Rules, 2017), concerning Occupation, employability and restrictions.

Mr. Bhogayata in his reply to show cause notice, submitted that he was associated with GITCO as a consultant since 2014 and his Managing Director at GITCO has suggested to register as a valuer with IBBI and try to get valuation work for GITCO, therefore he underwent a training at a cost of GITCO and cleared the examination and became a registered valuer and member of IIV-RVF.

Mr. Bhogayata claimed that the then Managing Director suggested that he should get GITCO registered as a valuer with IBBI, but could not proceed with the same due to the striking of Covid Pandemic.



During that period the then Managing Director Mr. Dakshesh Mehta resigned and his successor was not interested in registering GITCO as a valuer with IBBI. Hence that put him in a difficult situation.

Mr. Bhogayata further claimed that he has not violated of Section 26 of the Model Bye Laws of Valuation Professional Organisation , Part II under Schedule III(Rule 12) as he did not knowingly continue employment with GITCO after registering as a valuer and did not take up any employment after registering as a valuer and merely continued his association with GITCO. Further, he had tendered his resignation to GITCO on 28/11/2022, which was accepted on 30/11/2022.

Mr. Bhogayata pleaded his case regarding a request that no further legal or disciplinary action shall be taken against him and this unknowing mistake should be condoned.

In the meeting held by Disciplinary Committee, Mr. Vinodkumar claimed his ignorance towards the rules of IBBI regarding employment and did not seem to hold them in high regards. He reiterated his stance of not deliberately continuing with GITCO as an employee even after being registered as a valuer and tried multiple times to shift the blame on the then Managing Director at GITCO, who he claimed to have suggested him to register a valuer.

The Chairman of the meeting, Mr. Hemant Suresh Pawar and Disciplinary Committee member Ms. Pooja Dawalkar, did not find any merit in the arguments put forward by Mr. Bhogayata and decided to dismiss him from IIV RVF, effective immediately.

4. Analysis and Findings

The Valuer Rules provides a comprehensive framework for development and regulation of the profession of valuers. These Valuer Rules set standards of professional conduct and performance for the valuation profession in the interest of stakeholders. The valuation profession has diverse practices and to establish the integrity in the process of valuation and inspire confidence among the stakeholders,

1.1 Rules 3 and 7 of the Valuer Rules provide for eligibility and conditions for registration of valuers which read as under:

"3. Eligibility for registered valuers.— (1) A person shall be eligible to be a registered valuer if he-

(k) is a fit and proper person:

Explanation.— For determining whether an individual is a fit and proper person under these rules, the authority may take account of any relevant consideration, including but not limited to the following criteria-

- (i) integrity, reputation and character,*
- (ii) absence of convictions and restraint orders, and*
- (iii) competence and financial solvency."*



"7. Conditions of Registration. — The registration granted under rule 6 shall be subject to the conditions that the valuer shall –

(a) at all times possess the eligibility and qualification and experience criteria as specified under rule 3 and rule 4;

(b) at all times comply with the provisions of the Act, these rules and the Bye-laws or internal regulations, as the case may be, of the respective registered valuers organisation;

(g) comply with the Code of Conduct (as per Annexure-I of these rules) of the registered valuers organisation of which he is a member;"

Further, Under Schedule III (RULE 12) Model Bye Laws of a Valuation Professional Organisation,

PART II

"XI. SURRENDER OF MEMBERSHIP AND EXPULSION FROM MEMBERSHIP"

Temporary Surrender of Membership.

26. (1) A member shall make an application for temporary surrender of his membership of the Organisation at least thirty days before he

(a) becomes a person not resident in India:

(b) takes up employment; or

(c) starts any business, except as specifically permitted under the Code of Conduct; and upon acceptance of such temporary surrender and on completion of thirty days from the date of application for temporary surrender, the name of the member shall be temporarily struck from the registers of the Organisation, and the same shall be intimated to the Registration Authority.

- 1.2 Upon hearing of above subject matter by the Disciplinary Committee held on April 20, 2023 in the matter of Mr. Vinodkumar Bhagvanji Bhogayata it has been observed that Mr. Vinodkumar has deliberately violated the rules laid down by IBBI concerning Occupation, employability and restrictions. In view of the above, it has been unanimously decided to dismiss Mr. Vinodkumar Bhagvanji Bhogayata as a member from IIV India Registered Valuers Foundation (IIV-RVF) with immediate effect.

5. Conclusion

It has been observed that Mr. Vinodkumar has deliberately violated the rules laid down by IBBI concerning Occupation, employability and restrictions. After persual of the information made available and documents on record and received explanation, the committee is of unanimous opinion that Mr. Vinodkumar Bhagvanji Bhogayata is to be dismissed from IIV India Registered Valuers Foundation (IIV-RVF) with immediate effect.





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TAN NO.: DELR32896D

ORDER

Subject: Registered Valuer deliberately violated the rules laid down by IBBI concerning Occupation, employability and restrictions

1. Upon hearing of the above subject matter by the Disciplinary Committee held on April 20, 2023, The committee here is of the unanimous opinion that Mr. Vinodkumar Bhagvanji Bhogayata is to be dismissed from IIV India Registered Valuers Foundation (IIV-RVF) with immediate effect.
2. A copy of this Order shall be forwarded to Insolvency and Bankruptcy Board of India, where Mr. Bhogayata is registered as a Registered Valuer.
3. Accordingly, the Show Cause Notice is disposed of.



Name : Hemant Suresh Pawar

Designation : Chairman, Disciplinary Committee, IIV-RVF

Dated : 4th May 2023

Place: Pune