

## INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

[Authority delegated by the Central Government vide notification no. GSR 1316(E) dated 18.10.2017 under section 458 of the Companies Act, 2013 read with rule 2(1)(b) of the Companies (Registered Valuers and Valuation) Rules, 2017]

IBBI/Valuation/Disc./33/2025

27.11.2025

### ORDER

**This Order disposes the Show Cause Notice (SCN) No. RV-13012/3/2024-IBBI/402, dated 06.05.2025 issued to Mr. Viswanathan Rajagopalan (RV) under rule 17 read with rule 15 of the Companies (Registered Valuers and Valuation) Rules, 2017 (Valuation Rules). Mr. Viswanathan Rajagopalan is registered with IBBI as a valuer of Securities or Financial Assets (SFA) with the registration number IBBI/RV/07/2020/13416.**

#### **1. Issuance of Show Cause Notice (SCN) and hearing before the Authority.**

- 1.1 Rule 17(1) of the Valuation Rules provides that based on findings of an inspection, if the authorised officer is of the prima facie opinion that sufficient cause exists to cancel or suspend the registration of a valuer, it shall issue a SCN to the valuer.
- 1.2 IBBI has taken cognizance of valuation report submitted by Mr. Viswanathan Rajagopalan, Registered Valuer (hereinafter referred to as 'RV') which is available on the record in the Corporate Insolvency Resolution Process (CIRP) as well as Liquidation process of Corporate Debtor of M/s. Uniply Industries Limited, Corporate Debtor (CD). From the valuation report dated 20.10.2022 submitted during the CIRP period and valuation report dated 17.07.2023 submitted during the Liquidation process, and further clarifications submitted by the RV vide email dated 07.05.2024, several contraventions of the Valuation Rules have been observed with respect to assignment of RV in the CIRP and Liquidation process of the CD and accordingly SCN dated 06.05.2025 was issued to Mr. Viswanathan Rajagopalan.
- 1.3 Mr. Viswanathan Rajagopalan submitted his reply to the SCN on 16.05.2025. The matter was referred to this Authority for disposal of the SCN where Mr. Viswanathan Rajagopalan availed the opportunity of personal hearing through virtual mode on 17.07.2025. Mr. Viswanathan Rajagopalan submitted his additional response vide email dated 25.07.2025.

#### **2. Examination of contraventions alleged in the SCN**

The contraventions alleged in the SCN, the response of RV and the findings of the Authority are summarised as follows:

- 2.1 **Non-inclusion of Brand Name/trademarks/licenses/intellectual properties in Valuation Report:**

- 2.1.1 It was observed that point 3 of the valuation report dated 20.10.2022 (during the CIRP) states that vide engagement letter dated 05.10.2022, Mr. Viswanathan Rajagopalan was appointed as the RV during the CIRP of the CD. Further, point 3 of the valuation report dated 17.07.2023 (during the liquidation), also states that vide engagement letter dated 04.07.2023, Mr. Viswanathan Rajagopalan was appointed as the RV during Liquidation process by the Insolvency Professional of the CD, to determine the fair value and liquidation value of the financial assets of CD.
- 2.1.2 It was observed from the material available on record that there is a brand license agreement dated 01.10.2017 between M/s. Uniply Industries Limited (CD/ Licensor) and UV Boards Limited (Licensee), granting the use of trade name UNIPLY and other trademarks/licenses/intellectual properties as per the Schedule 1 of that agreement, by Licensor to Licensee for a consideration of ₹ 75 crore over 10 years.
- 2.1.3 As a registered valuer for securities and financial assets (SFA) during the valuation of CIRP and Liquidation, the valuation of intangible assets including brands and trademarks, falls within the RV's scope. The brand license agreement dated 01.10.2017 confers a contractual right to M/s. Uniply Industries Limited to receive future cash flows. This contractual right to receive future cash flows needs to be valued independently. However, Mr. Viswanathan Rajagopalan has not assigned any value to the trade name UNIPLY and other trademarks/licenses/intellectual properties during valuation of the CIRP of the CD. Mr. Viswanathan Rajagopalan in his clarification to the authority vide email dated 07.05.2024, has submitted as under:
- “...The Brand “UNIPLY” has not been assigned any value during CIRP as well as Liquidation for the following reasons:*
- a. The Company, Uniply Décor Limited itself was into CIRP and made a Claim of Rs. 35 crore to Uniply Industries Limited. There is no certainty on the receipt of the royalty amount from the Company which is under CIRP.*
- b. The Trademark License Agreement between Uniply Industries Limited and Uniply Décor Limited was cancelled (Annexure-1).”*
- 2.1.4 It is alleged in the SCN that from Mr. Viswanathan Rajagopalan's reply, it appears that he has prejudged that there is no certainty in receipt of the amounts from the investments of the CD and accordingly, he has not assigned any value for the trade name 'UNIPLY' and other trademarks/licenses/intellectual properties.
- 2.1.5 In respect of Annexure-I (notice of termination of trademark license agreement dated 10.03.2022) attached with the RV's reply, Mr. Viswanathan Rajagopalan has stated that the agreement was terminated as the licensee failed in its obligation to pay the consideration mentioned in the trademark license agreement. However, there is nothing on record to substantiate that this agreement was ultimately cancelled. Even otherwise, the economic value of the brands cannot be assumed as 'nil', as the brand has its inherent value attached to it unless otherwise its deletion is proved.

### **Submission of Mr. Viswanathan Rajagopalan.**

- 2.1.6 Mr. Viswanathan Rajagopalan in his response to the SCN submitted that the brand name “UNIPLY” was not capitalized as an intangible asset in the books of the Corporate Debtor, Uniply Industries Limited, as is evident from the Audited Annual Report as on 31.03.2020, wherein the value of intangible assets was shown as NIL. The underlying transaction for royalty income was based solely on a Trade License Agreement between Uniply Industries Limited (Licensor) and Uniply Decor Limited (Licensee). However, the royalty was accounted for only till FY 2019-20 and not thereafter, and no such royalty receivable was reflected as current assets in the financials shared with the valuer for the period Apr, 20 to Dec, 20. Correspondingly, no royalty expense was recorded in the books of Uniply Decor Limited for FY 2020-21.
- 2.1.7 Mr. Viswanathan Rajagopalan in his response to the SCN further submitted that as Uniply Decor itself entered CIRP on 11.03.2022 and made a claim of ₹35 Crore against Uniply Industries Limited on 06.04.2022, the valuer adopted a conservative approach and excluded any future royalty receivables from the valuation exercise. Furthermore, there was no evidence or likelihood of a similar Trade License Agreement being executed with any third party, given the ongoing CIRP proceedings and dispute under the existing agreement. Mr. Viswanathan Rajagopalan also highlighted that the Trade License Agreement was formally terminated through a letter dated 10.03.2022 and these circumstances were adequately disclosed in the Valuation Reports dated 22.10.2022 (CIRP stage) and 17.07.2023 (Liquidation stage), including the limitations in data availability as of the valuation date. Accordingly, he has not factored the royalty receivable into the valuation during liquidation and given that the brand name was not recognized as an asset in the books, there was no basis to attribute standalone value to it. The non-inclusion of the brand or related royalty receivable was a reasonable and duly documented professional judgment exercised in good faith under the Code’s framework.

### **Findings of the Authority.**

- 2.1.8 This Authority has perused the communication between Mr. Viswanathan Rajagopalan and the Resolution Professional/Liquidator – Mr. L V Shyam Sundar regarding the appointment of former as valuer for conducting valuation of the assets falling under asset class of ‘Securities or Financial Assets’. It is observed that Mr. Viswanathan Rajagopalan was provided with the list of assets to be valued vide email dated 18.11.2021. This list of assets comprised of 72 number of assets as appearing in the balance sheet with their description and value as well as the grouping of assets i.e. Cash and cash equivalents, Investments, Trade receivables, Other financial Assets, Other current assets, Other non-current assets. So, the reference was in respect of specific financial assets as appearing in the balance sheet of the CD and ‘brand’ was not part of it.
- 2.1.9 Thereafter, the RV had specified his fees to value these assets and subsequently he was appointed to value these financial assets of the CD during CIRP vide letter dated

20.11.2021 and during liquidation vide letter dated 04.07.2023. Mr. Viswanathan Rajagopalan in his valuation report has mentioned his scope of work as follows:

*“4. Scope and Purpose of the Report*

*The Scope and purpose of this valuation engagement is to recommend the value of the Financial Assets of the Company as on the Valuation Date to the Insolvency Professional.”*

2.1.10 This Authority notes that the ‘brand’ of the CD in the present case is internally generated and has not been acquired through any business combination and is therefore not reflected in the balance sheet of the CD. The para 63 of the Indian Accounting Standards states that the internally generated brands should not be recognized as intangible assets. The relevant extracts of para 63 is as follows:

*“Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance shall not be recognized as intangible assets”*

2.1.11 Since ‘brand’ is an intangible asset which is internally generated in this case, it is not part of the balance sheet and therefore will not find place in the assets referred for valuation as the RP is only referring the assets mentioned in the balance sheet for valuation. In any case, in the facts of this case the ‘brand’ does not find place in the financial assets referred for valuation by the Resolution Professional to the RV. Accordingly, this Authority accepts the explanation of the RV on this allegation.

**2.2 Issue regarding Valuation of Investment made by CD in Artmatrix Technology SDB BHD:**

2.2.1 The investment in M/s. Artmatrix Technology Sdn. Bhd had been shown at an inferred book value of ₹172.79 crore and listed as an investment in the books of the CD. However, Mr. Viswanathan Rajagopalan has assigned zero value for this investment while conducting the valuation during the CIRP. Further, while conducting valuation for the same CD during liquidation process, Mr. Viswanathan Rajagopalan has valued the same investment at ₹ 7.84 crore.

2.2.2 Mr. Viswanathan Rajagopalan in his clarification to the authority vide email dated 07.05.2024, has submitted as under:

*“During the Liquidation stage, there is an offer for the 40% investments in Artmatrix Technology SDB BHD’s Shares for RM 4.41 million (Rs. 7,83,65,700) from KKN Uniply. Based on this Offer, a value of Rs. 7,83,65,700 for the 40% shares held in Artmatrix.”*

2.2.3 This crucial information was not considered by Mr. Viswanathan Rajagopalan while valuing the asset during CIRP. Considering the time-value of money, the value of the said asset would have been much higher during CIRP than what has been assigned by Mr. Viswanathan Rajagopalan during liquidation process, leading to zero valuation of the assets during CIRP.

### **Submissions of Mr. Viswanathan Rajagopalan.**

- 2.2.4 Mr. Viswanathan Rajagopalan, in his response to the SCN, submitted that during the CIRP stage, the title to the investment in equity shares of Artmatrix Technology SDN BHD was not held by the Corporate Debtor, Uniply Industries Limited. Mr. Viswanathan Rajagopalan, made reference to the Annual Report for FY 2019-20, which clearly reflected (a) reversal of the investment under Note 6 (Non-Current Investments); (b) reversal of the related party transaction in Note 36; and (c) a specific disclosure under Note 42 stating that the equity shares of Artmatrix SDN BHD continued to be held under a Unique Identification Number (UIN) issued by RBI in the name of Vector Projects India Pvt. Ltd., and not in the name of Uniply Industries Limited. The agreement with KKN Holdings Pvt. Ltd. for purchase of 4,00,000 shares had not been completed, and the advised deferment of transfer till 31.12.2021 further confirmed that legal title had not passed to the Corporate Debtor.
- 2.2.5 Mr. Viswanathan Rajagopalan further submitted that during the CIRP valuation completed on 20.10.2022, the said investment was excluded from the valuation exercise due to lack of legal title and substantiated non-inclusion in the asset details provided. Subsequent to the CIRP valuation, a fresh valuation of Artmatrix SDN BHD was undertaken on 06.02.2023 by a reputed global accounting firm, Baker Tilly, wherein the net amount receivable by the Uniply Group was determined to be RM 4.41 million (equivalent to INR 7.84 crore as on 17.07.2023). Accordingly, this value was considered in the valuation conducted during the Liquidation stage, as documented in the Valuation Report dated 17.07.2023.
- 2.2.6 Mr. Viswanathan Rajagopalan, in his response to the SCN, submitted that the Asset details available at the time of liquidation were also as of 31.12.2020, and hence the INR 7.84 crore valuation figure, based on the Baker Tilly report and subsequent email correspondence, was adopted. Mr. Viswanathan Rajagopalan reiterated that the shares were never legally transferred to Uniply Industries Limited at the time of CIRP valuation, which is consistent with the disclosures in the Annual Reports and subsequent communications.

### **Findings of the Authority.**

- 2.2.7 The Authority notes that Mr. Viswanathan Rajagopalan in his valuation report dated 20.10.2022 has not dealt with the investment of CD in M/s. Artmatrix Technology Sdn. Bhd. He has simply attributed Nil value to the Investments of the CD without providing any breakup or explanation of such investments as follows:

<b>Financial Assets</b>	<b>Book Value</b>	<b>Fair Value</b>	<b>Liq. Value</b>	<b>Reasoning of Valuer</b>
Investments	1,72,79,22,555	-	-	Value of Investments in Uniply Décor & Vector

2.2.8 Furthermore, it is observed that Mr. Viswanathan Rajagopalan has now in his reply dated 16.05.2025 to the Authority stated that the agreement of CD with KKN Holdings Pvt. Ltd. for purchase of 4,00,000 shares had not been completed and that's why he had attributed Nil value in his valuation report dated 20.10.2022 submitted during the CIRP period. However, in his valuation report dated 17.07.2023 he had considered the valuation of Artmatrix SDN BHD undertaken on 06.02.2023 by the firm, Baker Tilly. It is observed that even at the time of liquidation, shares were not actually transferred to the CD. However, the same were valued by him at Rs. 7.84 crores in his valuation report dated 17.07.2023. Hence, the reasons assigned by him for not valuing the shares at the time of CIRP that the share transfer was not completed is not correct as if this was the reason, he should not have valued the shares even at the time of liquidation.

2.2.9 This Authority notes that the valuation report does not portray any due diligence ought to be done by Mr. Viswanathan Rajagopalan while preparing his valuation report at the time of CIRP. The valuation report is based on incomplete disclosure of material information in the valuation report. Also, even now in his submissions on the allegations mentioned in the SCN, the justification provided by the RV for not valuing the shares of Artmatrix is not acceptable.

### **2.3 Issue regarding assigning Fair Value and Liquidation value for the assets of the CD as 'Nil' during the CIRP of the CD.**

2.3.1 It was observed from Mr. Viswanathan Rajagopalan's valuation report dated 20.10.2022 during CIRP that the total current and non-current assets (financial assets) including the other trade receivables is valued at ₹ 963.77 crore (Annexure A of CIRP valuation report). Further, from para 6 of Mr. Viswanathan Rajagopalan's CIRP valuation report dated 20.10.2022, it was noticed that Mr. Viswanathan Rajagopalan had the following information available to him at the time of valuation:

- i. Signed financial statements for the year ended 31 March 2020 & 31 March 2019
- ii. Financials of the Company for the period 01 April 2020 to 31 December 2020
- iii. Details of the financial assets of the company as on 31 December 2020 and
- iv. other relevant information.

2.3.2 Despite having access to the said information during the CIRP for the CD, Mr. Viswanathan Rajagopalan has assigned 'Nil' value for the Fair and Liquidation Value for the CD. In the valuation conducted by Mr. Viswanathan Rajagopalan during liquidation process, he has assigned value of ₹ Rs. 7.84 crore to the trade receivables of the CD. Accordingly, it is alleged in the SCN that Mr. Viswanathan Rajagopalan has undervalued the assets of the CD during CIRP to the tune of ₹ 955.93 crore (₹ 963.77 crore- ₹ 7.84 crore).

2.3.3 To summarize, Mr. Viswanathan Rajagopalan has assigned 'Nil' value to the CD during the CIRP period despite having the knowledge about:

- i.a trademark license agreement between M/s. Uniply Industries Limited and UV

- Boards Limited for a consideration of ₹ 75 Crore over 10 years,
- ii. an investment of the CD in M/s. Artmatrix technology with a book value of ₹172.79 crore, and
  - iii. The total current and non-current assets being shown as ₹ 960.45 crore.

2.3.4 It is alleged in the SCN that this is in violation of clauses 3 and 6 of the Code of Conduct as specified in the Annexure I of the Companies (Registered Valuers and Valuation) Rules, 2017 (Code of Conduct), which states as under:

*“3. A valuer shall endeavor to ensure that he/it provides true and adequate information and shall not misrepresent any facts or situations. ....*

*6. A valuer shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.”*

#### **Submission of Mr. Viswanathan Rajagopalan.**

2.3.5 Mr. Viswanathan Rajagopalan, in his response to the Show Cause Notice, submitted that the fair value and liquidation value of the assets of the Corporate Debtor were assessed as ‘NIL’ during the CIRP stage solely due to the non-availability of updated and verified asset information as on the valuation date of 22.10.2022. The asset details available for valuation were limited to those as on 31.12.2020, and no confirmation of updated financials or asset balances was received from the Corporate Debtor or the Statutory Auditor thereafter. This limitation was clearly documented in the Valuation Report dated 22.10.2022 through Note 13 on Page 8 and Appendix-A on Page 11 and reiterated in the Valuation Report dated 17.07.2023 during the Liquidation stage.

2.3.6 Mr. Viswanathan Rajagopalan further submitted that the transactions with the related party, KKN Holdings Pvt. Ltd., had been classified as PUEF (preferential, undervalued, extortionate, and fraudulent) and were pending adjudication before the Hon’ble NCLT, Chennai Bench. Moreover, all tangible assets of the Corporate Debtor, excluding the investment in Artmatrix Technology SDN BHD, were auctioned for ₹1 crore, but the auction remained unsuccessful. In the absence of asset confirmations post-31.12.2020, the valuation of assets was prudently considered as NIL, in line with professional valuation standards and disclosures.

2.3.7 Mr. Viswanathan Rajagopalan further submitted that the financials used were the only ones available and confirmed, and that the only asset recognized during liquidation i.e, investment in Artmatrix was valued based on an independent report by a global accounting firm and confirmation from the Liquidator. No undisclosed or hidden conflict existed; all related-party transactions and constraints were transparently disclosed.

#### **Findings of the Authority.**

2.3.8 This Authority after perusing the valuation report dated of Mr. Viswanathan Rajagopalan notes that the RV has mentioned the following in the Annexure of his Valuation Report with respect to the financial assets of the CD:

<b>Financial Assets</b>	<b>Book Value</b>	<b>Fair Value</b>	<b>Liq. Value</b>	<b>Reasoning of Valuer</b>
<i>Property Plant and Equipment</i>	2,64,96,132	-	-	<i>Details not available as on Valuation Date</i>
<i>Investments</i>	1,72,79,22,555	-	-	<i>Value of Investments in Uniply Décor &amp; Vector</i>
<i>Other Financial Assets</i>	4,03,61,30,048	-	-	<i>Financial Statements of KNN Holdings / Investment Companies is not available</i>
<i>Deferred Tax Assets (Net)</i>	67,04,000	-	-	<i>Not Realisable</i>
<i>Other Non Current Assets</i>	67,13,05,816	-	-	<i>Details as on Valuation Date Not Available</i>
<i>(A) Total Non Current Assets</i>	6,45,85,58,541	-	-	
<i>Inventories</i>	-	-	-	<i>No operations for around 3 Years. Realisable value is taken as NIL</i>
<i>Trade Receivables</i>	2,72,15,15,107	-	-	<i>Details as on Valuation Date Not Available</i>
<i>Cash and Cash Equivalents</i>	1,06,15,531	-	-	<i>As on Valuation Date is NIL</i>
<i>Bank Balances other than the above</i>	-	-	-	-
<i>Other Financial Assets</i>	37,22,98,186	-	-	-
<i>Other Current Assets</i>	43,70,43,817	-	-	<i>Details as on Valuation Date Not Available</i>
<i>(B) Total Current Assets</i>	3,16,91,79,555	-	-	
<b>(C) TOTAL FINANCIAL ASSETS (A) + (B)</b>	9,63,77,38,096	NIL	NIL	

2.3.9 Further in his said valuation report dated 20.10.2022 the RV has provided Nil value to Financial Assets as follows:

**“13. Calculation and Recommendation:**

*The valuation of Financial Assets of the Company under CIRP through analysis of each Financial Asset as on the Valuation Date*

**Recommended Value of Financial Assets as on Valuation Date**

	<i>Amount (Rs.)</i>
<i>Recommended Value of the Financial Assets As on the Valuation Date</i>	-

*The value of the Financial Assets of the Company as recommended through this valuation report as on the Valuation date is Rs NIL*

*Note:*

*The value of the Non-Current Assets and Current Assets of the Company is available only as on 31 /12/2020*

*The Financials of the Entities in which the Company has made investments are not available as on the Valuation Date. Hence the value of the investments is taken as NIL.”*

- 2.3.10 As observed from above, Mr. Viswanathan Rajagopalan has not accorded any fair value as well as liquidation value to various assets in the entries of balance sheet and has simply mentioned as Nil value to the financial assets of the CD. For this, he has provided a very short reasoning which in no manner justify nil value provided by him. For example, with respect to ‘Property Plant and Equipment’ the reasoning provided is only that details not available as on valuation date with no explanation as to what effort he has made to get the information. Similarly, for ‘Trade Receivables’ simple reasoning is provided that ‘Details as on Valuation Date Not Available’ with no breakup of such trade receivables and the details regarding such specific trade receivables.
- 2.3.11 This Authority reiterates that there was lack of due-diligence on part of Mr. Viswanathan Rajagopalan as reflected from his valuation report. There is no explanation or proper examination of the available information regarding assets of the CD by the valuer. Mr. Viswanathan Rajagopalan had access to various crucial documents at his disposal, pertaining to the assets of the CD, viz., the details of agreements entered into by the CD, the annual reports of past 3 years which consisted financials of the CD, Notes of accounts of CD, details of PUFEE applications filed by the Resolution Professional, information of debtor companies of CD in the public domain and with MCA, etc. This Authority believes that it was incumbent on Mr. Viswanathan Rajagopalan to consider and evaluate all these documents and information in his valuation report. Absence of such efforts and due diligence is writ large on the face of valuation report. Such valuation reports do not inspire confidence in the valuation process.
- 2.3.12 Accordingly, this Authority observes that Mr. Viswanathan Rajagopalan has failed to prepare a comprehensive and complete valuation report with little or no explanation/justification provided for valuation of the assets.

### **3. Order.**

- 3.1 It is incumbent upon the valuer to conduct a comprehensive investigation into the assets, utilizing all accessible sources, including public records, and not limit the inquiry to the data furnished by the Insolvency Professional. The current valuation process is marked by a deficient application of due diligence, evident in the failure to verify data, conduct critical document examination, and consult public records. As a result, the RV lacked due diligence in determining the asset valuation and in presenting the material disclosures necessary to support the reasons for the valuation reached.
- 3.2 In view of the foregoing, after considering the allegations made in the SCN, the detailed reply provided by Mr. Viswanathan Rajagopalan and the materials available on record, the

Authority, in exercise of powers conferred vide notification of Central Government no. GSR 1316(E) dated 18.10.2017 under Section 458 of the Companies Act, 2013 and in pursuance of rule 15 and rule 17 of the Valuation Rules hereby suspends the registration of Mr. Viswanathan Rajagopalan for a period of six months.

- 3.3 In accordance with provisions of Rule 17(8) of the Valuation Rules, this Order shall come into force after 30 days from the date of issue of this order.
- 3.4 A copy of this order shall be forwarded to PVAI Valuation Professional Organisation where the RV is enrolled as a member.
- 3.5 Accordingly, the show cause notice is disposed of.

Dated: 27.11.2025  
Place: New Delhi

Sd/-  
(Sandip Garg)  
Whole Time Member  
Insolvency and Bankruptcy Board of India