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./44/2026 26 November 2026

ORDER

This Order disposes, afresh, the Show Cause Notice (SCN) No. RV-13012/3/2024-IBBI/401 dated 06.05.2025 issued to Mr. R Vaidyanathan (RV) under rule 17 read with rule 15 of the Companies (Registered Valuers and Valuation) Rules, 2017 (Valuation Rules), pursuant to the directions of the Appellate Authority in its Order No. IBBI/Valuation/Disc.(A)/07/2025 dated 07.01.2026 (Appellate Order). Mr. R Vaidyanathan is registered with Insolvency and Bankruptcy Board of India (IBBI) as a valuer of Securities or Financial Assets (SFA) with the Registration number IBBI/RV/03/2018/10049.

1. Background, issuance of the SCN and proceedings on remand.

1.1. Rule 17(1) of the Valuation Rules provides that, based on material available on record, 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 had taken cognizance of the valuation report dated 12.09.2022 submitted by Mr. R Vaidyanathan in the Corporate Insolvency Resolution Process (CIRP) of M/s Uniply Industries Limited, Corporate Debtor (CD), and of the clarifications submitted by him vide email dated 06.05.2024. Several contraventions of the provisions of the Valuation Rules were observed with respect to his assignment in the CIRP of the CD and accordingly the SCN dated 06.05.2025 was issued to him. The SCN alleged the following three contraventions:

a) Non-inclusion of brand name/trademarks/licenses/intellectual properties in the valuation report;
b) Issue regarding assigning zero value to the investment of the CD; and
c) Issue regarding assigning Fair Value and Liquidation value for the assets of the CD as '0/Not Determinable'.

1.3. Mr. R Vaidyanathan submitted his reply to the SCN on 31.05.2025, availed the opportunity of personal hearing through virtual mode on 11.09.2025 and submitted his additional response vide email(s) dated 17.09.2025. This Authority, vide Order No. IBBI/Valuation/Disc./32/2025 dated 27.11.2025 (Earlier Order), examined the contraventions alleged in the SCN vis-à-vis the reply and additional submissions made by Mr. R Vaidyanathan and suspended his registration for a period of three months.

1.4. Mr. R Vaidyanathan preferred an appeal against the Earlier Order under rule 17(9) of the Valuation Rules. The Appellate Authority, after hearing him on 17.12.2025 and considering his submissions dated 10.12.2025, 19.12.2025 and 22.12.2025, passed the Order dated 07.01.2026. The Appellate Authority, inter alia, observed and directed as under:

a) there was no infirmity in the procedure of issuance of the SCN and no misalignment between the findings in the Earlier Order and the contraventions alleged in the SCN; the assignment of zero and 'not determinable' to several assets gave an impression of arbitrary assignment of values without justifiable reason (para 3.1 and 3.2);

b) under regulation 27 read with regulation 35 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations), registered valuers are expected to determine the fair value and liquidation value of all the assets of the CD, including intangible assets which were not valued on the ground that intangibles were not part of the scope of work communicated by the Resolution Professional (RP) (para 3.3);

c) Mr. R Vaidyanathan, by assigning zero value, completely decimated the value of financial assets having a book value of around ₹960 crore; even cash and cash equivalents of around ₹1.06 crore were stated to be 'Not Determinable', which should have called for greater scrutiny and independent due diligence (para 3.5);

d) Mr. R Vaidyanathan failed to adhere to the International Valuation Standards (IVS), including IVS 200 (Businesses and Business Interests) and IVS 210 (Intangible Assets), which he claimed to have adopted, and failed to ensure compliance with regulation 35 read with regulation 27 of the CIRP Regulations (para 4.3);

e) the punishment of suspension for three months was grossly insufficient given the gravity of the misconduct, and the matter was remanded for fresh consideration of the contraventions alleged in the SCN, with liberty to Mr. R Vaidyanathan to submit his explanations afresh. The Authority was also requested to consider afresh the other issues not raised in the appeal (para 4.4); and

f) Mr. R Vaidyanathan would not be entitled to take any new assignment of valuation till disposal of the SCN (para 4.5).

1.5. Pursuant to the Appellate Order, Mr. R Vaidyanathan made a detailed submission dated 16.10.2026, forwarded the correspondence exchanged with the RP (along with attachments) vide emails dated 13.11.2026, and made a further submission dated 19.11.2026. This Authority has considered afresh the SCN, the valuation report dated 12.09.2022, the replies and submissions made by Mr. R Vaidyanathan at every stage before this Authority and the Appellate Authority, and the other material available on record.

2. Preliminary submissions of Mr. R Vaidyanathan.

2.1. Mr. R Vaidyanathan has submitted that he had preferred the appeal as an "aggrieved person" under rule 17(9) of the Valuation Rules, seeking to set aside the Earlier Order, and that an appellant should not be placed in a worse position merely because he exercised his right of appeal. He placed reliance on the doctrine of *reformatio in peius*. Mr. R Vaidyanathan further

submitted that in the Earlier Order dated 27.11.2025, accepted his submissions in respect of the first two contraventions. However, with respect to the third contravention, it was observed that, in view of the unavailability of adequate documents/information and considering the effect of the limitation period, assigning a 'zero' value to the trade receivables without due justification was not appropriate. Mr. R Vaidyanathan submitted that the SCN, in respect of the first two contraventions, does not allege any violation of valuation standards, rules, regulations, bye-laws or the Code of Conduct. Further, the Earlier Order dated 27.11.2025, did not find any violation in respect of these two contraventions on merits. Accordingly, no violation of any rules, regulations, bye-laws, etc., was established in respect thereof. Thus, only the third alleged contravention survived, wherein the authority in its Earlier Order dated 27.11.2025 found him lacking in due diligence in terms of Clauses 3 and 6 of the Code of Conduct. He has further submitted that the observations in the Appellate Order relating to regulations 27 and 35 of the CIRP Regulations and compliance with the IVS were not framed as contraventions in the SCN and were recorded without his submissions being asked on those aspects. He has requested that the fresh consideration be confined to the contraventions alleged in the SCN, that the findings, reasoning and evidence considered in the Earlier Order be given due weight, that he be given an effective opportunity to respond on any ground not expressly framed in the SCN, and that the matter be disposed of expeditiously since he has been restrained from accepting new assignments since 07.01.2026.

2.2. In compliance with the directions of the Appellate Authority, this Authority has considered afresh each of the contraventions alleged in the SCN, along with the observations made in the Appellate Order, after affording Mr. R Vaidyanathan the opportunity to submit his explanations afresh, which he has availed through his submissions dated 16.10.2026 and 19.11.2026. The fresh consideration has been confined to the contraventions alleged in the SCN, and the findings and reasoning in the Earlier Order, together with the material on which they were based, have been duly taken into account.

3. Fresh examination of the contraventions alleged in the SCN.

The contraventions alleged in the SCN, the response of Mr. R Vaidyanathan and the findings of the Authority are summarised as follows:

3.1. Non-inclusion of Brand Name/trademarks/licenses/intellectual properties in the Valuation Report.

3.1.1. It was noted in the SCN that vide letter dated 20.11.2021, Mr. R Vaidyanathan was appointed as registered valuer to determine the fair value and liquidation value of the financial assets of the CD. There was a brand license agreement dated 01.10.2017 between Uniply Industries Limited (CD/Licensor) and UV Boards Limited (Licensee), granting the use of trade name 'UNIPLY' and other trademarks/licenses/intellectual properties by the Licensor to the Licensee for a consideration of ₹75.00 crore over 10 years as per point 5.3 (royalty payment) under Article 5 of that agreement. Annexure A of the valuation report dated 12.09.2022 acknowledged the existence of this agreement. Despite having knowledge of the same, Mr.

R Vaidyanathan has not assigned any value to the brand 'UNIPLY' and other trademarks/licenses/intellectual properties.

3.1.2. In the Earlier Order, this Authority had accepted the explanation of Mr. R Vaidyanathan on this allegation, after observing that the scope of valuation, as per the appointment letter dated 20.11.2021, was limited to the financial assets mentioned in the balance sheet of the CD, that the 'brand' was not mentioned in the appointment letter and that, the 'brand' being internally generated, was not recognised as an intangible asset in the balance sheet in terms of para 63 of Ind AS 38. The Appellate Authority, however, observed that under regulation 27 read with regulation 35 of the CIRP Regulations registered valuers are expected to determine the fair value and liquidation value of all the assets of the CD, including intangible assets, and that a conjoint reading of IVS 200 and IVS 210 indicates that intangible assets must be considered where relevant.

Submissions of Mr. R Vaidyanathan.

3.1.3. Mr. R Vaidyanathan reiterated his earlier submissions (recorded in paras 2.1.5 to 2.1.10 of the Earlier Order) and submitted that the issue about the scope of work in respect of the assets to be valued had been examined in para 2.1.11 to 2.1.14 of the Earlier Order dated 27.11.2025.

Mr. R Vaidyanathan has referred to the following observation mentioned in para 3.3 of the Order of the Appellate Authority with respect to the valuation of brand UNIPLY:

"....The valuation report also reflects the valuer's ignorance to the provisions of the Code and the regulations made thereunder. Under Regulation 27 read with Regulation 35 of the IBBI (CIRP) Regulations, 2016, the registered valuers are expected to determine the fair value and liquidation value of the assets of the CD which should comprise all assets of the CD including intangible assets. The valuer cannot shirk off his duty to conduct a full and complete valuation of all assets of the CD merely on the ground that intangibles were probably not part of the scope of work communicated by the Resolution Professional which in any case cannot be contrary to the statutory requirements."

3.1.4. In this regard, he has submitted that the observations in the Appellate Order relating to regulations 27 and 35 of the CIRP Regulations were not framed as contraventions in the SCN and were therefore beyond the scope of the SCN. He has further submitted that there were three registered valuers who were assigned the valuation of different assets of the CD. First for 'Land & Building", Second for "Plant & Machinery" and third for "Securities & Financial Assets". He was given the valuation of "Securities & Financial Assets". Even for the valuation of the assets under the head "Securities & Financial Assets", the same was not mentioned in a general manner. Rather specific list of items which corresponded to the line items in the Balance Sheet along with the corresponding book value were referred for valuation. Hence, it is very clear from the reference made that he was asked to value specific items which were only a small part of all the items in the Balance Sheet while the other valuers were also asked to value other items in the balance sheet. In this scenario, if anyone

can be set to have a whole picture about the items to be valued is the IP who knows which items have been referred for valuation by which valuer. So, if a valuation of a particular item was missing, it was the duty of the IP to point out the same and only then can it be said that he did not value that item. Since all the items which were referred for valuation were valued by him and no discrepancy and query was ever made till the time.

3.1.5. Mr. R Vaidyanathan submitted that he was never asked by the IP about the valuation of the brand UNIPLY. However, on perusal of the DC order dated 04.03.2025, in the matter of Lingumgunta Venkata Shyam Sundar, he became aware that the IP had mailed the other two valuers valuing "Securities & Financial Assets" assets class about the valuation of the brand UNIPLY. It is pertinent to note the query was raised by the IP only when SCN was issued to the IP, Mr. Lingumgunta Venkata Shyam Sundar by the Board on 10.04.2024 and even at that time the IP did not ask him but asked the other two valuers the following *"Pursuant to the valuation report received, we request you to confirm whether any value is ascertained for the brand UNIPLY. If so, we request you to share the same with us"* without giving the reference to the SCN issued to the IP. It is clear, therefore, that even at the later stage no query whatsoever, was made from him by the IP in respect of the brand.

3.1.6. Mr. R Vaidyanathan also submitted that the conduct in question related to the valuation exercise, at a time when only specified assets had been referred to him, and that he had valued all those assets. He contended that this issue had been examined in detail by this Authority in the Earlier Order, which correctly recorded the relevant facts, whereas the Appellate Authority had introduced a new finding that he had failed to value all the assets of the CD, including intangible assets. He submitted that he could not be faulted for not valuing an asset that was not included in the specific list of assets referred to him by the RP.

3.1.7. Mr. R Vaidyanathan submitted that the duty of a valuer is defined by the scope of work, and under IVS 101 (Scope of Work) the engagement is fixed by the asset to be valued, the purpose, the basis of value, the valuation date and the nature and limits of the work. The appointment letter dated 20.11.2021 did not refer to "Securities and Financial Assets" in a general manner. It is reiterated that the IP had listed specific line items with their book values, namely trade receivables, other current assets, cash and cash equivalents, investments, other non-current assets and other financial assets, under Regulation 35 of the CIRP Regulations. This Authority in its earlier order recorded this in paras 2.1.11 and 2.1.12 of its order dated 27.11.2025, noting that the scope was limited to the financial assets in the balance sheet and that the "brand" of the CD was not mentioned in the appointment letter. Every item referred to him was valued, and the Appellate Authority has not identified a single referred item that was left unvalued.

3.1.8. Mr. R Vaidyanathan submitted that the RP was at all times empowered and, in a position, to amend or expand the scope of work initially agreed upon under the Engagement Letter dated 20th November 2021, including the addition of any requirement for the valuation of trademarks, tradename, licence, brand, intellectual property or any intangibles. The Engagement Letter dated 20th November 2021, executed between the Interim Resolution Professional and Mr. R Vaidyanathan, expressly provides for the possibility of amendment

or modification of the agreed scope of work. However, no such modification was made to the scope of work by the RP.

3.1.9. Mr. R Vaidyanathan has further submitted that the definition of 'fair value' in regulation 2(1)(hb) of the CIRP Regulations, as it stood on the valuation date and the report date, did not contain any reference to all assets including tangible and intangible assets. The Explanation clarifying that the estimated realizable value is to be computed after taking into account all the assets of the CD, including tangible and intangible assets along with their underlying synergies, was inserted only with effect from 25.02.2026. Therefore, his engagement must be assessed under the framework applicable on the valuation date.

3.1.10. Mr. R Vaidyanathan has further referred to the following observation mentioned in para 4.3 of the Order of the Appellate Authority with respect to applicability of valuation standards:

"It is pertinent to note that the International Valuation Standards under IVS 210 Intangible Assets recognises 'intangible asset' as "non-monetary asset that manifests itself by its economic properties. It does not have physical substance but grants rights and/or economic benefits to its owner". Further, IVS 200 Businesses and Business Interests stipulate that valuation of business includes "the sum of the recorded and unrecorded net tangible and identifiable intangible assets of the business"". Therefore, conjoint reading of IVS 200 and IVS 210 clarifies that intangible assets may derive value independently or in combination with other assets and must be considered where relevant. Consequently, this Appellate Authority finds that Mr. R. Vaidyanathan failed to adhere to the International Valuation Standards (IVS), despite his explicit assertion in his valuation report that such standards were adopted and followed by him. In the present case, the material available on record, Mr. R Vaidyanathan miserably failed to carry out his assigned duty....."

3.1.11. In this regard, he reiterated that the RP had engaged three registered valuers, one each for 'Land and Building', 'Plant and Machinery' and 'Securities or Financial Assets', and that he had been engaged only for the last category. He submitted that each asset class is governed by its own applicable standards: 'Land and Building' by IVS 400 (Real Property Interests) and, where applicable, IVS 410 (Development Property), and 'Plant and Machinery' by IVS 300 (Plant and Equipment). He contended that he was not required to apply these standards and value these assets as they did not relate to the assets which had been referred to him for valuation. Similarly, he was not required to apply IVS 200 (which applies to valuation of business and business interests) and IVS 210 (which applies to intangible assets), as neither he had been engaged to value the CD as a going concern nor were intangible assets referred to him for valuation.

3.1.12. Mr. R Vaidyanathan further submitted that the statement in the valuation report that IVS had been adopted meant that the standards applicable to the assets within the scope of work had been followed; it did not mean that every asset covered by these standards was to be valued by him merely because he followed IVS. He contended that compliance had to be assessed with reference to the standards relevant to this engagement, namely IVS 101, 102, 103, 104, 105 and 500. He therefore submitted that the Appellate Authority's observation that, despite

claiming to follow IVS, he had failed to value the brand, an intangible asset governed by IVS 210, was misconceived, as he could not be expected to value assets that had not been referred to him.

Findings of the Authority.

3.1.13. This Authority has perused the appointment letter dated 20.11.2021 issued by the RP to Mr. R Vaidyanathan. The scope of work mentioned therein was with regard to the estimation of the fair value and liquidation value of specified financial assets of the CD, as under:

> "a) Scope of Work: Provide a Valuation Report articulating the estimation of the Fair Value and the Liquidation Value of the following Financial Assets of the Corporate Debtor as on 4.10.2021 in accordance with Regulation 35 of the Insolvent and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 Regulations as below:"

Asset to be Valued (Financial Assets)	Book Value as on 4th Oct 2021 (in INR)
Current assets	
(i) Trade receivables	2,72,15,15,107.00
(c) Other current assets	43,70,48,817.00
(ii) Cash and cash equivalents	1,06,15,631.00
Non Current Assets	
(i) Investments	1,72,79,22,555.00
(f) Other non-current assets	67,13,05,816.00
(ii) Other financial Assets	4,03,61,30,038.00
Total Book Value	9,60,45,37,964.00

3.1.14. This Authority notes that the scope of valuation of Mr. R Vaidyanathan was confined to specified financial assets, identified by line items and book values as appearing in the balance sheet of the CD. The 'brand' of the CD did not find mention in the appointment letter. The 'brand' of the CD in the present case is internally generated, has not been acquired through any business combination and is, therefore, not reflected in the balance sheet of the CD, in terms of para 63 of Ind AS 38, which provides that "Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance shall not be recognized as intangible assets".

3.1.15. This Authority again after detailed perusal of the scope of work, notes that the engagement letter provided a mechanism for amending the scope of work, which was never invoked by the RP to include the brand or any other intangible asset. This Authority notes that submission of the RV that the RP, having appointed separate valuers for different asset classes, was in the best position to identify any asset of the CD which had not been referred for valuation, and the record does not show that the RP ever raised any query with Mr. R Vaidyanathan regarding the brand. The reference to the trademark licence agreement in Annexure A of the valuation report was a reproduction of the list of agreements furnished by the RP, accompanied by a disclosure in para 11.5 of the report that the agreements were not necessarily related to the scope of the valuation.

3.1.16. This Authority also finds merit in the submission of Mr. R Vaidyanathan that the statement in the valuation report that IVS had been adopted meant that the standards applicable to the assets within the scope of work had been followed; it did not mean that every asset covered by these standards was to be valued by him merely because he followed IVS.

3.1.17. In view of the above, this Authority finds that the 'brand' did not find place in the item-wise list of financial assets referred for valuation by the RP to Mr. R Vaidyanathan, and he cannot be faulted for not valuing an asset that was not referred to him. Accordingly, this Authority accepts the explanation of Mr. R Vaidyanathan on this allegation.

3.2. **Issue regarding assigning zero value to the investment of the CD.**

3.2.1. It was alleged in the SCN that the share purchase agreement dated 28.02.2018 for purchase of 4,00,000 equity shares of Artmatrix Technology Sdn Bhd at ₹6,500 per share by the CD was specifically mentioned in the list of agreements shared by the RP (Annexure A of the valuation report), but Mr. R Vaidyanathan did not undertake its valuation, leading to undervaluation of the CD.

Submissions of Mr. R Vaidyanathan.

3.2.2. Mr. R Vaidyanathan reiterated his earlier submissions (recorded in paras 2.2.4 to 2.2.10 of the Earlier Order) that the share purchase agreement stood terminated vide agreement dated 08.11.2018, under which KKN Holdings Private Limited was to repay the advance money of ₹260 crore; that Note 6 of the annual report of the CD for FY 2019-20 lists the investments of ₹172.79 crore as comprising only the investments in Uniply Décor Limited and Vector Projects India Private Limited; and that the investment in Artmatrix was neither included nor contemplated within the assets identified for valuation. He has requested that the findings of the Earlier Order on this issue be considered.

Findings of the Authority.

3.2.3. This Authority notes from the material available on record that the share purchase agreement for purchase of 4,00,000 equity shares of Artmatrix Technology Sdn Bhd at ₹6,500 per share was entered into by the CD with KKN Holdings Private Limited on 28.02.2018 and was terminated vide agreement dated 08.11.2018. This also finds support from the details of investments given in the balance sheet of the CD, wherein the investment in shares of Artmatrix has been shown as ₹97,50,00,000 as on 31.03.2019 but as nil as on 31.03.2020. Since, as per the latest balance sheet, the shares of Artmatrix were not an asset of the CD, this Authority accepts the submission of Mr. R Vaidyanathan regarding not valuing the investment of the CD in the shares of Artmatrix.

3.3. **Issue regarding assigning Fair Value and Liquidation Value for the assets of the CD as '0/Not Determinable'.**

3.3.1. It was noted in the SCN that the statements in the valuation report acknowledge that Mr. R Vaidyanathan had been provided with certain information, data and records in connection with the valuation engagement. Despite the existence of total current and non-current

(financial) assets of ₹960.45 crore, including trade receivables, he assigned '0/Not Determinable' as the fair value and liquidation value. It was alleged that such undervaluation of the assets is in contravention of clauses 3 and 6 of the Code of Conduct, which read 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."

3.3.2. In the Earlier Order, this Authority had held that, in light of the unavailability of adequate documents/information and considering the effect of the limitation period, the assignment of 'zero' value to the trade receivables without due justification was not appropriate. The Appellate Authority, in addition, observed that Mr. R Vaidyanathan completely decimated the value of financial assets having a book value of around ₹960 crore; that even cash and cash equivalents of around ₹1.06 crore were stated to be 'Not Determinable', which called for greater scrutiny and independent due diligence; and that the report did not adhere to the reporting requirements of IVS 103.

Submissions of Mr. R Vaidyanathan.

3.3.3. Mr. R Vaidyanathan reiterated his earlier submissions (recorded in paras 2.3.5 to 2.3.9 of the Earlier Order and paras 2.3 and 2.4 of the Appellate Order) and submitted that the issue of assigning 'Not Determinable' to the Cash and Cash Equivalents and other assets had been examined in para 2.3.12 and 2.3.13 of the Earlier Order dated 27.11.2025.

3.3.4. Mr. R Vaidyanathan has referred to the following observation mentioned in para 3.5 of the Order of the Appellate Authority with respect to assigning value as zero or Not Determinable:

"It is observed that Mr. R. Vaidyanathan in his estimation of financial assets of the CD completely decimated its value by assigning zero value which otherwise had a book value of around Rs.960 crores. Even the value of cash and cash equivalents which had a book value of around Rs. 1.06 crores have been stated to be 'Not Determinable' citing reasons of lack of availability of information. It should have called for greater scrutiny and independent due diligence by any valuer. Mr. R. Vaidyanathan cannot shrug off his duty and responsibility of due diligence by giving a plain statement that the information related to such assets were not available. This conduct of valuer falls short of the reasonable expectation from a professional whose expertise and skills are most required in challenging circumstances. It may be noted that during the insolvency resolution process, the CD is already in stressed condition, the management of which is taken by an independent Resolution Professional, and therefore it would require greater professional expertise and higher level of due diligence by a valuer to efficiently carry on his duties. This Appellate Authority finds that in the present case, Mr. R. Vaidyanathan has grossly fallen short of his expected professional duties."

3.3.5. In this regard, he has submitted that the expressions 'Zero' and 'Not Determinable' were used with careful and reasoned professional judgment, having regard to the principle of true and fair disclosure. 'Zero' was used where there was no prospect of realisation and 'Not Determinable' where the information and evidence available were insufficient for a reliable estimate. Each asset category was examined having regard to its nature, the information available and the limitations on verification, and the values were not assigned mechanically. Further, he submitted that the distinction is material. For example, assigning a zero or positive value to an asset such as physical cash could convey an affirmative conclusion regarding its existence, value or realisability. Such a conclusion ought to be supported by adequate evidence. His professional concern was to avoid conveying a degree of certainty that could not be substantiated by the information or evidence available.

3.3.6. Mr. R Vaidyanathan further submitted that the valuation conclusions were not arrived at by mechanically assigning values of 'Zero' or 'Not Determinable' to the financial assets of the Corporate Debtor. Each asset category was examined having regard to its nature, the information available, the records obtained, the enquiries undertaken and the limitations affecting independent verification. The book values reflected in the books of account were duly considered but were not treated as conclusive evidence of fair value or liquidation value.

3.3.7. Mr. R Vaidyanathan submitted that he had made repeated and specific efforts to obtain the requisite information and supporting documents from the Resolution Professional for the purpose of carrying out the valuation exercise. In this regard, he had addressed emails and formal communications dated 9 January 2022, 10 January 2022, 18 January 2022 and 19 January 2022, seeking, inter alia, evidence of physical cash, bank statements and bank confirmations, receivable ageing schedules, account statements, details of collections, disputes, outstanding claims and the tenability and recoverability of the relevant balances. These requests were directed towards obtaining the underlying information necessary for an independent and reasoned assessment of the assets.

3.3.8. Mr. R Vaidyanathan further submitted that he had sent a specific email dated 19.01.2022 to the RP seeking information regarding the cash balances. In response, the RP provided a representation dated 15.06.2022 clarifying the status of current assets, including cash and cash equivalents, as recorded in section 2.2 of the information furnished (pages 2 and 3). The relevant extract of the email is reproduced below:

> *"Dear Sir,*
>
> *Context: Understanding the Cash on hand as on CIRP date*
>
> *As per the scope of work, the cash on hand with the corporate debtor (UNIPLY) is INR 1.04 Crores. Having such a large cash balance (physical, I presume) is not a usual business practice.*
>
> *A reading of its previous audited financials gives a glimpse of its cash balances as below: policINR 10,282,303 (FY 2019-20), INR 10,000 (FY 2018- 19), INR 7,459 (FY 2017-18) and INR 5,77,997 (FY 2016-17). Incidentally, FY 2019-20 is the last time, the corporate debtor accounts were audited (as per information in the public*

domain). As per FY 2019-20 audit balance sheet, the cash balance is INR 1.03 Crores.

Enabling me to understand the cash balance as on the CIRP date, is it possible for you to share with me:

a) Corporate debtor policy reg 'Cash Balances' , internal control associated with securing physical cash, records / evidence of confirmation of actual cash balance as on the CIRP date (say, the daily cash book verified as per the company policies)

b) Does the Corporate Debtor account for 'Cheques on Hand' as Cash? Are there any components as per the Corporate Debtor policy of having to account any other component (other than physical cash) as cash on hand?

c) Audit Working papers from their auditor of how Statutory Auditor have audited or verified the cash on hand as on 31st Mar 2021? Any MR relied upon by the Statutory auditor in this regard? Kindly requesting you to check with the Statutory Auditor in this regard and share the communications outcome

d) Current cash balance as on say, today or 31st Dec 2021 or any date after CIRP, which has been verified by either the RP or IRP?

e) Any communications (whether replied or not) by the IRP or RP or any other person involved in the CIRP (say, IPE), reg the cash balance with the company? And if there was any response to such emails/questions? Pl share the copy of communication in the reg, if any"

3.3.9. Mr. R Vaidyanathan further submitted that he had attempted to obtain the auditors' working papers to understand the internal controls and procedures for verification of the assets. However, the relevant working papers relating to the last audited financial statements were not made available, and the RP did not respond to his email dated 24.02.2022. The relevant extract of the email dated 24.02.2022 is reproduced below:

"Dear Sir,

Thanks for the information shared pertaining to FY 2018-19.. However, do we have any further information on FY 2019-20, which is the latest audited numbers? Specifically,

a) Cash Balance of INR 10,589,272 as on 31.03.2020

Would it possible to obtain the working papers from the audit file of the auditors on how Cash balance was verified. In particular, a confirmation that they had verified the physical cash"

3.3.10. Mr. R Vaidyanathan submitted that, despite the aforesaid requests and follow-ups, the requisite information and supporting documents were not made available. He obtained a written representation from the RP dated 15.06.2022, which constituted a consolidated summary of the information and documents requested, discussed and made available during the assignment. The representation recorded the non-availability of several material particulars, including evidence of physical cash, relevant bank records, collections subsequent to commencement of the insolvency proceedings, receivable ageing schedules,

and information concerning the validity and tenability of claims and outstanding balances. The relevant extracts of the RP's representation dated 15.06.2022, as recorded in section 2.2 of the information furnished (pages 2 and 3), are reproduced below:

> *"(a) the CD was not able to produce bank statements for any of the bank balances (YES Bank, SBI, State Bank of India, HDFC Bank) as on the CIRP commencement date, nor for any later date; and*
> *(b) as regards cash of Rs. 1,04,22,303, no physical cash had been produced by the CD before the RP for verification or custody during the CIRP process."*

3.3.11. Mr. R Vaidyanathan further relied on the ICAI RVO Valuation Standards, which support a valuer's reliance on written representations from the RP, as set out below:

> "*A written representation obtained from the management or those charged with governance becomes part of the evidence obtained by the valuer which forms a basis for his valuation report*."

3.3.12. Mr. R Vaidyanathan submitted that, notwithstanding these constraints, he did not confine himself merely to seeking information from the RP. Wherever feasible, he undertook independent examination and corroborative analysis using the available audited financial statements, historical financial information and publicly available records. This included examination of historical cash and bank balances, tracing trade receivables to the last available audited financial statements, checking the status of customers and investee companies through publicly available MCA and IBBI records, examining the relevant notes to the audited financial statements and considering the available information concerning the underlying investments and receivables.

3.3.13. Mr. R Vaidyanathan further submitted that the book value of an asset, as reflected in the books of account of the CD, cannot by itself be regarded as conclusive evidence of the existence, validity, recoverability or realisable value of that asset as on the valuation date. Book values are accounting balances, and their reliability for valuation purposes must be examined having regard to the underlying records, the nature of the asset, the period for which the balance has remained outstanding, subsequent movements, recoveries, supporting documentation and other relevant circumstances. He submitted that this was particularly significant in the present case, where several balances had been carried forward from earlier financial periods without corresponding movements or supporting evidence being made available for independent verification. For instance, the cash balance of approximately ₹1.03 crore reflected in the audited financial statements for FY 2019–20 was significantly higher than the cash balances reported in the preceding financial years.

3.3.14. Mr. R Vaidyanathan further submitted that these circumstances warranted scrutiny of the underlying balances rather than their automatic acceptance at their recorded book values. Mr. R Vaidyanathan submitted that adopting the book values without examining their underlying substance, existence and recoverability would itself have resulted in an unsupported valuation. Accordingly, the book values were considered as an important

starting point for the valuation exercise, but could not, in the absence of adequate corroborative evidence, be treated as determinative of the fair value or liquidation value of the respective assets.

3.3.15. Mr. R Vaidyanathan submitted that the conclusions recorded in the valuation report were based on the evidence and records made available to him, the independent examination and verification undertaken wherever feasible, and the professional assessment that could reasonably be carried out in the circumstances prevailing as at the relevant valuation date. The expressions 'Zero' and 'Not Determinable' were used to reflect the distinct evidentiary and valuation circumstances of the respective assets, and not as a substitute for undertaking the valuation exercise.

Findings of the Authority.

3.3.16. This Authority has perused the valuation report, which sets out in detail, asset-wise, the valuation process adopted, the information sought, the information received and the reasons for the values assigned (as summarised in para 2.3.10 of the Earlier Order). It is noted that Mr. R Vaidyanathan sought specific information from the RP through emails dated 09.01.2022, 10.01.2022, 18.01.2022, 19.01.2022, 31.01.2022 and 24.02.2022, and that the RP, in his written representation dated 15.06.2022, recorded that the CD had not produced bank statements for any of the bank accounts as on or after the insolvency commencement date, that no physical cash had been produced before him during the CIRP, and that no further information in terms of ageing, invoices or confirmation of balances was available.

3.3.17. As regards cash and cash equivalents, this Authority finds merit in the submission of Mr. R Vaidyanathan. He in his email dated 19.01.2022 raised flags about the handling large cash balances which is not a usual business practices, made specific enquiries in this regard, and obtained the RP's representation that no physical cash had been produced. In these circumstances, assigning a positive value would have implied the existence of cash that could not be verified, while assigning zero would have implied a confirmed nil balance. The use of 'Not Determinable', with the reasons disclosed in the report, cannot be said to be a failure of due diligence or a misrepresentation. The same reasoning applies to the bank balances.

3.3.18. This Authority also accepts the submission of Mr. R Vaidyanathan that the book value of an asset, by itself, is not conclusive of its realisable value, and that the aggregate book value of ₹960.45 crore cannot be the measure of undervaluation in the absence of information establishing the existence and recoverability of the underlying assets. In respect of other current assets, other non-current assets and other financial assets, the report records the information sought, the information not received and the reasons for the conclusion, and the explanation of Mr. R Vaidyanathan on these assets is accepted. Further, the valuation report discloses the scope, approaches, methods, inputs, assumptions, limitations and principal reasons for the conclusions reached and, read with the contemporaneous correspondence, this Authority accepts his submission regarding compliance with the reporting requirements.

3.3.19. However, this Authority notes that the position with respect to trade receivables (other than those from KKN) is different. It is noted from the valuation report that the RV did not have adequate documents/information for valuation of the trade receivables, as captured in the report itself ("Adequacy of Information - NOT ADEQUATE"). In such a scenario of inadequate documents/information, according 'zero' value to the receivables is not appropriate. With respect to cash and cash equivalents, other non-current assets and non-current other financial assets, and even the trade receivable from KKN, in the absence of necessary documents/information Mr. R Vaidyanathan reported the value as 'Not Determinable'. It is not clear as to why, with respect to the other trade receivables, he accorded 'zero' value when the same situation of unavailability of adequate documents/information persisted. Mr. R Vaidyanathan has himself submitted that a value of 'Zero' conveys an affirmative conclusion which ought to be supported by adequate evidence; no such evidence of irrecoverability has been brought on record in respect of these trade receivables.

3.3.20. Further, the valuation report states that the dues are not less than 26/27 months old. Thus, by his own admission, the CD still had the right to recover the dues as the limitation period of three years had not expired on the valuation date. It is also noted that the last audited financial statements of the CD for FY 2019-20, relied upon by Mr. R Vaidyanathan, describe the trade receivables as 'considered good'. While this Authority agrees that legal enforceability is not by itself determinative of economic value, the absence of collections during the CIRP and the non-availability of records do not, by themselves, establish that the receivables had no realisable value. The fact that no recovery was made up to the liquidation commencement date is an event subsequent to the valuation date and does not justify the conclusion reached as on 04.10.2021.

3.3.21. This Authority notes that in light of unavailability of adequate documents/information and considering the effect of the limitation period, assigning of 'zero' value to the trade receivables (other than those from KKN), without due justification, is not appropriate and is in contravention of clause 6 of the Code of Conduct.

4. Order.

4.1. The valuation report is based on the professional opinion of the valuer backed by his expertise and skills. Based on the valuation report, various critical decisions are taken during the CIRP and liquidation process, such as approving a resolution plan for the CD or fixing the base price for auction of the assets of the CD. A valuation report is inherently subjective in nature, and its reliability decreases with increase in subjectivity. Therefore, it is necessary for a valuer to exercise a high degree of due diligence while preparing the valuation report.

4.2. On fresh consideration of the contraventions alleged in the SCN, this Authority has accepted the explanation of Mr. R Vaidyanathan on the allegations relating to non-inclusion of brand name/trademarks/licenses/intellectual properties and non-valuation of the investment in Artmatrix Technology Sdn Bhd, as well as on the assignment of 'Not Determinable' values to cash and cash equivalents and the other assets. However, the assignment of 'zero' value

to trade receivables of about ₹161.90 crore, without due justification, has been found to be in contravention of clause 6 of the Code of Conduct. This Authority has also taken note of the observation of the Appellate Authority regarding the adequacy of the punishment, the significance of the trade receivables in the assets of the CD, the fact that Mr. R Vaidyanathan has been restrained from accepting new valuation assignments since 07.01.2026 in terms of para 4.5 of the Appellate Order, and that there is no allegation of mala fide or personal gain against him.

4.3. In view of the foregoing, after considering the allegations made in the SCN, the replies and submissions of Mr. R Vaidyanathan, the Appellate Order and the material 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, considers that the suspension of registration of Mr. R Vaidyanathan (Registration No. IBBI/RV/03/2018/10049) for a period of three months as given in the earlier order was justified.

4.4. Further, this authority notes that an appeal was filed by Mr. R Vaidyanathan on 10.12.2025 against this earlier order dated 27.11.2025 wherein no interim relief was granted to him. Thereafter, the Appellate Authority in its Order dated 07.01.2026 directed for disposal of the SCN afresh and also restrained Mr. R Vaidyanathan from taking any fresh assignment till disposal of the SCN afresh. Now the SCN is being disposed of afresh in this order wherein suspension for a period of three months as given in the Earlier order is being considered justified. However, since this order is being made after a period of almost one year from the date of the earlier order, during which period he has suffered the consequences of suspension of his registration; the punishment already undergone by him is being considered sufficient and no further punishment is being imposed on him.

4.5. In terms of para 4.4, this Order shall come into force immediately.

4.6. A copy of this Order shall be forwarded to ICSI Registered Valuers Organisation, where Mr. R Vaidyanathan is enrolled as a member.

4.7. Accordingly, the show cause notice is disposed of.

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

Date: 26 November 2026
Place: New Delhi