

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./32/2025

27.11.2025

ORDER

This Order disposes 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). 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. 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. R Vaidyanathan which is available on the record in the Corporate Insolvency Resolution Process (CIRP) assignment of M/s Uniply Industries Limited, Corporate Debtor (CD). From the valuation report dated 12.09.2022, and further clarifications submitted by the RV vide email dated 06.05.2024, the several contraventions of the provisions of the Valuation Rules have been observed with respect to assignment of RV in the CIRP of the CD and accordingly SCN dated 06.05.2025 was issued to Mr. R Vaidyanathan.
- 1.3 Mr. R Vaidyanathan submitted reply to the SCN on 31.05.2025. The matter was referred to this Authority for disposal of the SCN where Mr. R Vaidyanathan availed the opportunity of personal hearing through virtual mode on 11.09.2025. Mr. R Vaidyanathan submitted his additional response vide email(s) dated 17.09.2025.

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 the Valuation Report:

- 2.1.1 It is 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 is 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 Licensor to Licensee for consideration of ₹ 75.00 crore over 10 years as per the point 5.3 royalty payment under Article 5 of the of that agreement. This constitutes a contractual right to receive future cash flows, making it a financial asset for the CD that should have been independently valued.

- 2.1.2 Mr. R Vaidyanathan in his reply dated 06.05.2024, it was mentioned by him as given under. *“On perusal of the paragraph ‘Scope of Work’ of the signed Appointment Letter and Engagement Letter (as well the Management Representation), it will be clear that the valuation of intangibles (including brand ‘Uniply’), is clearly not in the scope offered to me and accepted by me. Consequently, the valuation of the brand ‘Uniply’ was not made by me as it was not in the scope of the valuation assignment/exercise...”*
- 2.1.3 As a registered valuer for SFA, the valuation of intangible assets, including brands and trademarks, falls within the scope. Further, annexure A of the valuation report dated 12.09.2022 acknowledges the existence of this brand license agreement, which clearly indicates that Mr. R Vaidyanathan has sufficient knowledge about existence of the brand and its economic value.
- 2.1.4 Despite having knowledge of above facts, Mr. R Vaidyanathan has not assigned any value to the trade name 'UNIPLY' and other trademarks/licenses/intellectual properties. Further, Mr. R Vaidyanathan has completely ignored the above agreement despite it being mentioned in his engagement letter dated 20.11.2021 that the valuation of the assets of the CD under scope of work includes the current and other non-current assets.

Submission of Mr. R Vaidyanathan.

- 2.1.5 Mr. R Vaidyanathan in his response to the SCN has submitted that in relation to the scope of work as set out in the Appointment Letter and Engagement Letter, both of which contained an identical clause under the heading "Scope of Work" which contain an itemised list of clearly identified current and non-current assets that were reflected in the books of accounts of the Corporate Debtor through ledger balances and the scope of work was strictly limited to the assets specified in the file shared and did not contain any reference, express or implied, to brand, tradename, trademark, licence, intellectual property, or any other intangible assets, nor to any associated agreements. Accordingly, the engagement was finalised with a clear and limited scope and any valuation outside the bounds of the listed financial assets, such as brand or trademark valuation was never contemplated, agreed upon, or initiated by either party.
- 2.1.6 Mr. R Vaidyanathan further submitted that reference to the Trademark Licence Agreement dated 01.10.2017 was merely a verbatim reproduction of a list of agreements provided by the RP in response to a separate query regarding KKN Holdings Private Limited. Paragraph 11.5 of the Valuation Report makes it expressly clear that the documents listed were not necessarily relevant to the scope of valuation, and this was accompanied by a disclaimer to that effect.

- 2.1.7 Mr. R Vaidyanathan further submitted that the RP’s email dated 11.03.2022, which attached the “List of Agreements.xls”, was sent in direct response to a separate and documented series of requests made by the RV for data relating to KKN Holdings. These included emails dated 09.01.2022, 10.01.2022 and 19.01.2022 and a five-page letter dated 18.01.2022. The 11.03.2022 email was sent after the termination of the Trademark Licence Agreement on 10.03.2022 and explicitly stated that the agreements had “recently come to [the RP’s] knowledge.” The Excel file attached had separate worksheets for “UIL” and “KKN,” and no language in the email or its enclosures directed or suggested that the Trademark Licence Agreement required valuation. This reinforces the conclusion that the email was merely responding to information requests concerning KKN Holdings and not expanding the valuation scope.
- 2.1.8 Mr. R Vaidyanathan in his response to the SCN further submitted that the Trademark Licence Agreement, having been lawfully terminated on 10.03.2022, was no longer subsisting as of the valuation date i.e., 04.10.2021. As per the judgment of the Hon’ble Supreme Court in *CIT v. Woodward Governor India P. Ltd.*, (2009) 13 SCC 1, valuation must be based on prevailing economic realities and must not factor in hypothetical or speculative benefits. Therefore, an agreement that had been extinguished by the RP himself cannot be said to possess continuing economic value or warrant valuation.
- 2.1.9 Mr. R Vaidyanathan in his response to the SCN submitted that the trademark, brand, licence, or other intangible rights referred to in the SCN do not constitute “financial assets” under applicable legal and accounting frameworks. As per Ind AS 38 (Intangible Assets) and Ind AS 32 and 109 (Financial Instruments), trademarks are non-monetary, non-physical intangible assets and do not constitute contractual rights to receive cash or other financial instruments. This distinction is also reinforced under the International Valuation Standards (IVS) and ICAI RVO Valuation Standard 302. Valuing such assets requires complex modelling, risk-based analysis, and future projections—none of which formed part of the agreed methodology or scope in this case. Therefore, the RV could not have undertaken such valuation without express contractual inclusion, which was absent.
- 2.1.10 Mr. R Vaidyanathan in his response to the SCN submitted that as on the valuation date i.e., 04.10.2021, there was no enforceable or measurable economic value attributable to the Trademark Licence Agreement or any associated intangible assets. The agreement had been lawfully terminated, and no receivable or claim was subsisting under it. Thus, after conducting an independent and professional assessment, the RV concluded that no fair value could be assigned to the Trademark Licence Agreement or related intangibles. This conclusion is consistent with Regulation 2(hb) of the CIRP Regulations and the principle that “fair value” must be based on exchange value between willing, knowledgeable parties under real-world conditions, none of which were satisfied in this instance, especially with Uniply Décor being a related party and the agreement having been terminated.

Findings of the Authority

2.1.11 This Authority has perused the appointment letter dated 20.11.2021 given by the Resolution Professional to Mr. R Vaidyanathan with respect to his appointment as valuer for conducting valuation of Securities and Financial assets of the Corporate Debtor. It is observed that in the said appointment letter, the scope of work was mentioned as estimation of the Fair Value and Liquidation Value of certain financial assets as mentioned therein. The relevant excerpt of the appointment letter is as follows:

“In continuation of our discussion, please find below the terms of your appointment as Registered Valuer.

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 04.10.2021 in accordance with Regulation 35 of the Insolvent and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 Regulations as below:

<i>Asset to be Valued (Financial Assets)</i>	<i>Book Value as on 4th Oct 2021 (in INR)</i>
<i>Current assets</i>	
<i>(i) Trade receivables</i>	<i>2,72,15,15,107.00</i>
<i>(c) Other current assets</i>	<i>43,70,48,817.00</i>
<i>(ii) Cash and cash equivalents</i>	<i>1,06,15,631.00</i>
<i>Non Current Assets</i>	
<i>(i) Investments</i>	<i>1,72,79,22,555.00</i>
<i>(f) Other non-current</i>	<i>67,13,05,816.00</i>
<i>(ii) Other financial Assets</i>	<i>4,03.61,30,038.00</i>
<i>Total Book Value</i>	<i>9,60,45,37,964.00</i>

2.1.12 Therefore, it is seen that the scope of valuation of Mr. R Vaidyanathan was limited to the financial assets as mentioned in the balance sheet of the Corporate Debtor. The ‘brand’ of the CD was not mentioned in the appointment letter.

2.1.13 Further, 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”

2.1.14 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 assigning zero value to the investment of the CD.

2.2.1. It is mentioned at Para 11.5 of List of Agreements, in Mr. R Vaidyanathan’s valuation report dated 12.09.2022 during CIRP, as under:

“The Resolution Professional has provided to me a list (these are agreements involving UNIPLY and KKN - Please refer to Annexure – A and B) of agreements and had asked me to choose any of them, in the context of valuation, which would be made available for me (in connection with the valuation engagement).

These agreements are necessarily not related directly or otherwise to the scope of the valuation exercise, but of legal or technical in nature. As a valuer, I am expected not to conduct any due diligence / audit or validation in terms of business contracts, but merely express my opinion of the fair and liquidation value of the assets (to be valued) in scope.”

2.2.2. Further, Mr. R Vaidyanathan in his reply dated 06.05.2024, submitted as under:

“...A list of available agreements that were shared with me by the RP were all necessarily not related directly or otherwise to the scope of the valuation exercise assigned to me and accepted by me.”

2.2.3. The share purchase agreement dated 28.02.2018 for purchase of 4,00,000 equity shares of Artmatrix Technology Sdn Bhd for ₹ 6500/- per share by the CD was specifically mentioned in the list of agreements shared by the RP (Annexure A of valuation report) with Mr. R Vaidyanathan. However, Mr. R Vaidyanathan has not undertaken valuation of the same, leading to the undervaluation of the CD.

Submission of Mr. R Vaidyanathan.

2.2.4. Mr. R. Vaidyanathan in his response to the SCN submitted that the valuation was conducted strictly within the defined scope of work as per the appointment and engagement letters dated 20.11.2021, limited to specific financial assets of the Corporate Debtor as reflected in the unaudited balance sheet dated 31.12.2020. Mr. R. Vaidyanathan further submitted that the investment in Artmatrix Technology Sdn Bhd did not fall within the scope of ‘Investments’ required to be valued.

2.2.5. He further submitted that the Share Purchase Agreement dated 28.02.2018, executed for the acquisition of 4,00,000 equity shares at INR 6,500 per share in Artmatrix Technology

SdnBhd, stood terminated on 08.11.2018. This was evidenced from ‘S.No. 18’ of the worksheet titled ‘UIL’ forming part of the document “List of Agreements.xls”—transmitted by the RP via email dated 11.03.2022 contains the following unambiguous entry:

“Termination of share purchase agreement dated 28 February 2018 for acquiring 4,00,000 equity shares of Artmatrix Technology SdnBhd, Malaysia. KKN to repay the advance money of Rs. 260 crores.”

2.2.6. Mr. R. Vaidyanathan further submitted that Para 1 of the Termination Agreement dated 8th November 2018 is reproduced as below:

“1. TERMINATION & RELEASE OF ADVANCE MONEY PAID

The Parties hereby agree that as of the Termination Date, the said Agreement shall stand terminated and thereafter it shall have no future force or effect. Also, the Parties will not be liable for any ongoing obligations except for the surviving obligations under the said Agreement i.e., the Party to the Second Part to repay the advance money of Rs. 260.00 Crores (Rupees Two Hundred Sixty Cores) received from the Party of the First Part on or before 31st March 2019. There is no liability on the Second Part to pay any interest on the advance money to be refunded.”

2.2.7. Accordingly, as per Mr. R. Vaidyanathan, the Share Purchase Agreement had ceased to be operative prior to the valuation dated of 04.10.2021 and that the amount advanced pursuant to the agreement was to be treated not as an investment, but as a recoverable advance from KKN Holdings.

2.2.8. Mr. R. Vaidyanathan further submitted that the Corporate Debtor’s FY 2019–20 Annual Report, specifically Note 6 at Page 100, which lists the relevant investments of INR 172.79 Crores as comprising the investment portfolio of the Corporate Debtor in Uniply Decor Ltd. (associate) and Vector Projects India Pvt. Ltd. (subsidiary).

Note 6 Non-Current Investment								
								(In Rupees)
Name of the Body Corporate	Subsidiary/Associate JV/Controlled Entity/Others	Face Value (Rs.)	No. of Shares as at 31-Mar-20	No. of Shares as at 31-Mar-19	Quoted/Unquoted	Fully/Partly Paid	Amount as at 31-Mar-20	Amount as at 31-Mar-19
Investment in Equity Shares-Instruments at Cost								
Vector Projects India Private Limited	Subsidiary	10	5,000,000	5,000,000	Unquoted	Fully Paid	572,500,000	572,500,000

Uniply Decor Limited (Formerly known as UV Boards Limited)	Associate	2	46,558,249	46,558,249	Quoted	Fully Paid	1,155,422,555	1,155,422,555
Investments in Artmatrix SDN BHD	Others				Unquoted	Fully Paid		975,000,000
Shalivahan Wind Energy Limited	Others	10	29,200	29,200	Unquoted	Fully Paid		292,000
Grand Total							1,727,922,555	2,703,214,555
Note:								
1. Aggregate value of Quoted Investment							1,155,422,555	1,155,422,555
2. Market Value of Quoted Investments							127,104,020	1,003,330,266

2.2.9. The investment in Artmatrix Technology Sdn Bhd was neither included nor contemplated within the assets identified for valuation, as it had already been extinguished by virtue of the termination of the Share Purchase Agreement dated 28th February 2018. No instructions were issued, either in the original appointment or through any subsequent clarification or addendum, directing the Respondent to undertake valuation of the Artmatrix investment. Accordingly, its exclusion from the valuation exercise was in accordance with the agreed mandate and consistent with professional standards governing registered valuers

2.2.10. Mr. R. Vaidyanathan submitted that the valuation exercise was based on documents and representations provided by the RP, and no subsequent instruction or evidence directed him to include the Artmatrix investment. Mr. R. Vaidyanathan also submitted that the valuation report, submitted on 12.09.2022, disclosed the existence and termination of the SPA and highlighted the exposure to KKN Holdings transparently, thus fulfilling his obligations under Clause 3 and Clause 6 of the Code of Conduct for Registered Valuers.

Findings of the Authority.

2.2.11. This Authority notes from the perusal of the materials available on record that the Share Purchase Agreement for purchase of 4,00,000 equity shares of Artmatrix Technology Sdn Bhd @ ₹ 6500/- per share was entered by CD with KKN Holdings on 28.02.2018. However, this agreement was later terminated vide agreement dated 08.11.2018. This also finds support from the details of Investments in shares given in balance sheet wherein investment in shares of Artmatrix has been shown as Rs. 97,50,00,000/- as on 31.03.2019 but has been shown as Nil as on 31.03.2020.

2.2.12. Since, as per the latest balance sheet given the shares of Artmatrix are not the asset of the CD, the Authority accepts the submission of Mr. R Vaidyanathan regarding not valuing the

investment of CD in shares of Artmatrix.

2.3 **Issue regarding assigning Fair Value and Liquidation value for the assets of the CD as '0/not determinable':**

2.3.1 Under Para 2.4 of the valuation report, Mr. R Vaidyanathan has mentioned as under:

“The price and terms and conditions, on which the identified current and non-current assets from a willing seller (corporate debtor) and a willing buyer (say, prospective resolution applicant(s)) is outside the scope of this valuation exercise. The exact or agreed price is to be dependent upon the negotiation between the seller (corporate debtor which includes the Committee of Creditors and/or Resolution Professional) and buyer (say, prospective resolution applicant(s)) depends upon various factors including the knowledge, negotiating ability and motivation of the buyer and seller (of the identified current and non-current assets for which an estimate of fair and liquidation value is provided) and so on.”

Further, in para 2.5 under “Quality and Adequacy of Information”, it was also mentioned by Mr. R Vaidyanathan as under:

“Reasonable estimation of Fair and Liquidation Value is largely dependent on the availability and adequacy of information, both pertaining to the assets being valued as well as the information/data available in the public domain.”

2.3.2 It was further stated in Mr. R Vaidyanathan’s report that:

“it should be noted that the availability of some information say, the investments made by UNIPLY in UNIPLY DÉCOR LIMITED (‘Décor’) (associate) and VECOTR PROJECTS INDIA PRIVATE LIMITED (subsidiary) (‘Vector’ or ‘VPIPL’), are, as on 31st Mar 2021 and 31st Mar 2020 respectively, where the valuation date is 4th Oct 2021, means a significant lapse of time”

2.3.3 It is noted in the SCN that the above statements mentioned in the RV’s valuation report acknowledge that he as the valuer has been provided with certain information/overview or data and records made available to him in connection with the valuation engagement of the CD. Further, in existence of the total current and non-current assets (financial assets), including trade receivables for the CD, which is shown as ₹ 960.45 crore, Mr. R Vaidyanathan has assigned 0/Not determinable value as the Fair and Liquidation Value for the CD. Such an undervaluation of the assets is in contravention of clauses 3 and 6 of the Code of Conduct of the Companies (Registered Valuers and Valuation) Rules, 2017.

2.3.4 Despite the existence of a trademark license agreement for a consideration of Rs.75 crore over 10 years, investment of the CD to the tune of 4,00,000 shares in M/s. Artmatrix technology, and total current and non-current assets shown as Rs. 960.45 crore, still Mr. R Vaidyanathan has assigned ‘0/Not determinable value’, to the CD. Accordingly, it is alleged in the SCN that Mr. R Vaidyanathan 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 state 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. R Vaidyanathan.

- 2.3.5 Mr. R Vaidyanathan in his response to the Show Cause Notice submitted that the valuation scope, as defined in the engagement and appointment letters dated 20.11.2021, was confined to identified current and non-current financial assets of the Corporate Debtor as recorded on the insolvency commencement date, i.e., 04.10.2021. He employed all three recognized valuation approaches—Market, Income, and Cost, while articulating the rationale behind the method selection for each asset class in the valuation report dated 12.09.2022.
- 2.3.6 Mr. R Vaidyanathan further submitted that significant constraints arose due to non-availability of critical data and lack of cooperation from the Resolution Professional. Despite repeated requests made through formal emails on 09.01.2022, 10.01.2022, 18.01.2022 and 19.01.2022, vital information including bank confirmations, aging schedules, physical verification of cash, and post-CIRP collections were not provided. The RP, through his representation dated 15.06.2022, expressly acknowledged that none of the requested data was available. Consequently, the RV exercised professional judgment and, in accordance with IVS 105 and IBBI’s Guidelines on Limitations and Disclaimers, disclosed these constraints transparently in the valuation report.
- 2.3.7 With respect to the usage of terms such as ‘Zero’ and ‘Not Determinable’, Mr. R Vaidyanathan submitted that these were based on reasoned professional judgment. Assets were marked as 'Zero' where there was no realistic prospect of recovery, such as equity investments in insolvent entities like Uniply Décor and Vector Projects, while ‘Not Determinable’ was used where insufficient information precluded a reliable estimate, as in the case of trade receivables from KKN Holdings Private Limited. The RV submitted that the use of these terms was consistent with valuation standards and ethical obligations, and any attempt to assign arbitrary values would have amounted to misrepresentation, in violation of Clause 3 of the Code of Conduct.
- 2.3.8 Mr. R Vaidyanathan in his response to the Show Cause Notice further submitted that wherever feasible, efforts were made to verify data using publicly available sources, including audited financial statements, MCA and IBBI websites, and disclosures in annual reports. A detailed asset-wise summary, as set out in Paragraphs 12 and 14 of the valuation report, shows the diligence and structured methodology. Despite the absence of cooperation from the RP, independent analysis was undertaken based on historical and public records, without making speculative assumptions.
- 2.3.9 Mr. R Vaidyanathan also placed reliance on precedent of IBBI in the matter of Mr. Nitin Ashok Garg [IBBI/Valuation/Disc./24/2025 dated 21st February 2025], where the Authority

exonerated the valuer under similar circumstances, having found that the assignment was carried out diligently despite lack of cooperation and documentation.

Findings of the Authority.

2.3.10 This Authority after perusing the valuation report of Mr. R. Vaidyanathan notes that the RV has valued the financial assets of the CD in the following manner:

Component	Book value 31.3.20	Fair Value	Liq. Value	Main reasoning given by valuer in valuation report/ reply
Cash and Cash Equivalents	1,06,15,631	Not Deter- minable	Not Deter- minable	Non receipt of bank statements indicating the exact balances as on the insolvency commencement date is observed as 'NOT ADEQUATE'. On consideration of above observations and facts, the fair and liquidation value of Bank Balances is NOT DETERMINABLE . Any articulation of zero value [for bank balances) necessarily means an affirmative statement and confirmation of zero bank balance, as per its statements. It is not unlikely that some positive balances in the banks would have existed with the company, but no evidence provided for its validation / verification means the value is not determinable.
YES Bank A/c N0:059481400002438	199			
SBI A/C N0:31560648384	1,410			
YES BANK - 059481400001938	2,963			
State Bank Of India (36145727398)	7,603			
HDFC Bank Ltd -A/c 50200029088378	22,018			
UIL FINAL DIVIDEND A/C 2017 18-YB 000166400000976	1,59,135			
Cash	1,04,22,303			
Trade Receivables	2,72,15,15,107			About 8 months have elapsed since ICD and no money has been collected from these debtors nor any confirmation of balances provided, nor are there any transactions (new or changes) on these accounts. Further, to the fact that these are the outstandings as per the last audited report [31st Mar 2020], debt is due for not less than 26/27 months . Hence, Fair value is taken at zero. The liquidation value, which is defined as ' estimated realizable value ' is also taken at zero , as no money has been realized from ICD, reflecting a proportion that collections wasn't possible nor these dues have certain legal challenges.
Cars 24 Service Pvt Ltd	36,498 31-03-2022	0	0	
MRJ Trading Pvt Ltd -Drs	94,164 31-03-2022	0	0	
SADBHAV ENGINEERING LTD	1,51,83,636 31-03-2022	0	0	
Sri Siddharth Infratech & Services (I) Pvt. Ltd.	1,06,83,38,941 31-03-2022	0	0	
Sri Kubera Constructions	4,32,67,000 31-03-2020	0	0	
A2Z Infra Engineering Ltd	49,21,07,390 31-03-2022	0	0	

KKN HOLDINGS PVT LTD - DRS	1,10,24,87,478 31-03-2018	Not Determinable	0	The outstanding of KKN Holdings are taken as not determinable because it is from a group company, which has come out of CIRP process. The RP had preferred a claim of INR 643 Crores as an operational creditor.
Other Current Assets	50,30,05,537			The transactions reflect a credit balance, which indicates that the corporate debtor needs to make payments, rather than collect the same. Hence, valuation of the same is not attempted. The Resolution Professional has informed that the above balances are not material in nature, Hence, in the absence of any further information, no fair and liquidation value is determinable.
IGST Payable A/c	6,07,76,755	Not Valued		
Input CGST@9%(Reverse Credit) Payable	21,17,437	Not Valued		
Input SGST @ 9% (Reverse Credit) Payable	20,49,937	Not Valued		
GST Payable A/c	7,27,629	Not Valued		
Input IGST@18%(Reverse Credit) Payable	75,203	Not Valued		
Central Depository Services (India) Limited	70,200	Not Valued		
Input SGST @ 2.5% (Reverse Credit) Payable	65,557	Not Valued		
Input CGST@2.5% (Reverse Credit) Payable	65,557	Not Valued		
Input IGST@5% (Reverse Credit) Payable	7,182	Not Valued		
Input IGST@18% (Reverse Credit) Payable (Uniply)	1,263	Not Valued		
Non-Current Assets				
(i) Investments	172,79,22,555			
Vector Projects India Private Limited (subsidiary)	57,25,00,000 31-03-2020	0	0	Shree Engineers has preferred a filling under the Code against VPIPL, which has been posted for the next hearing on 13 th Sep 2022. In the absence of information about its financial performances, etc pertaining to Vector Projects to a date either on ICD or near it, it is not possible to conclusive determine its value. Hence, information is considered NOT ADEQUATE. Hence, on consideration of above observations and facts, the fair and liquidation value of investments in Vector

				Projects by the corporate debtor is taken at zero and zero respectively.
Uniply Decor Limited (Formerly known as UV Boards Limited) (associate)	1,15,54,22,555 31-03-2021	0	0	UDL has been admitted into CIRP process as on 11 th Mar 2022, Sec 53 of IBC Code provides last priority for Equity Shareholders in 'Distribution of Assets'. Hence, given the fact the holding company (UNIPLY) is in CIRP, Subsidiary (Vector Projects) is battling IBC proceedings implying larger challenges in the group, I have taken the fair and liquidation value of UNIPLY in Décor at zero
Other Non-current assets				Valuation of Other current assets involves whether there exists a legally tenable claim which is recoverable in nature. A detailed understanding of each of the component is important in understanding the nature of transactions and thus determination of its fair and liquidation value. Non receipt of the information as per above (12.3.3] indicating the challenges in understanding the legality of the claim, whether it is barred by limitation, and so on, it is observed that the information to conduct the valuation as 'NOT ADEQUATE. Hence, on consideration of above observations and facts, the fair and liquidation value of other current asset of non-current assets of the corporate debtor is taken as NOT DETERMINABLE.
TCS Received - 2017-18	10673	Not Determinable	Not Determinable	
Income Tax 2007-08	330380			
Refund Due AsstYr 2009-10	964763			
Advance for Purchase of Guesthouse	12,00,00,000			
Advance for Purchase of Land	5,00,00,000			
/Advance for Purchase of Vector House	50,00,00,000			
Non-Current Other Financial Assets				
KKN Holdings Private Limited	4,03,31,55,158	Not Determinable	Not Determinable	KKN Holdings P Ltd is a promotor group company which had filed its last annual return for the FY 2017-18. A sum of INR 4,661,767,741 is referenced as 'Other Advances' in Note 7 of 'Other Financial Assets', as per FY 2019-20 audit report. Valuation of Other Financials assets involves whether there exists a legally tenable claim which is recoverable in nature. A detailed understanding of each of the component is important in
Deposit Rent - Maria Fernandes	1,07,700			
Interest Receivable	1,17,499			
Salary Advance - (HO)	1,30,000			
FSD (Further Security Deposit) (Bowrampet)	4,32,528			
FSD (Further Security Deposit) (Mallapur)	21,87,153			

				understanding the nature of transactions and thus determination of its fair and liquidation value Due to Inadequate information, the valuation is Not Determinable
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2.3.11 This Authority notes that the RV in his valuation report has in detail provided the process of valuation adopted by him. The relevant excerpts from the valuation report is as follows:

“Valuation Process Adopted.

The unaudited Balance Sheet provided to me is not reflecting any change in outstanding when compared to the balances as on insolvency commencement date.

Any valuation of trade receivables typically involves the following:

- a. Identifying whether the claim is genuine i.e., goods or services have been delivered as per the contract or engagement terms with the customer*
- b. No dispute has been raised by the customer or all pending disputes on the quality of goods or services has been satisfactorily addressed*
- c. Understanding the payment pattern of the customer and also the payment terms*
- d. Any money has been realized from the commencing of insolvency proceedings*
- e. Continuation of business relationship say, after the commencement of insolvency proceedings*
- f. Any credit or any amount in the nature of credit has been accepted by both (supplier and customer)*
- g. Aging of customer debts (as on insolvency commencement date)*
- h. Analysis of customer account statement, say for the last 3 years to understand how the business relationship has been conducted*
- i. Audit working papers in terms of customer outstanding balances confirmation, especially if it pertains to a date nearer to the insolvency commencement date and*
- j. Correspondences or steps taken to realise the outstanding by the RP/IRP”*

2.3.12 It is further noted that the RV did not have the adequate document/information for valuation of the financial assets. The same is captured in his valuation report as under:

Adequacy of Information - NOT ADEQUATE

*Non receipt of the information as per above (12.3.1.3) indicating the challenges In understanding the legality of the claim, whether it is barred by limitation, payment track record, and so on, it is observed that the information to conduct the valuation as '**NOT ADEQUATE**'.*

2.3.13 This Authority notes that in such a scenario of having inadequate document/information, according ‘zero’ value to the receivables is not appropriate. It is observed that with respect to certain other assets viz., Cash and Cash Equivalents, Other Non-current assets, and Non-Current Other Financial Assets, in absence of necessary documents/ information, the RV has mentioned the value of such assets as ‘Not Determinable’. It is not clear as to why with respect to the ‘Trade Receivables’, the RV has accorded ‘zero’ valuation when the situation of unavailability of adequate documents/information persists here also.

2.3.14 This Authority further notes the explanation provided in the valuation report with regard to the valuation of 'Trade Receivables' which is as follows:

“Estimation of Fair and Liquidation Value - Trade Receivables

About 8 months has been elapsed since commencement of insolvency proceedings and no money has been collected from these debtors nor any confirmation of balances provided nor there are any transactions [new or changes) on these accounts. Further, to the fact that these are the outstanding as per the last audited report [31st Mar 2020], debt is due for not less than 26/27 months. Hence, Fair value is taken at zero. The liquidation value, which is defined as ‘estimated realizable value’ is also taken at zero, as no money has been realized from the date of on insolvency commencement, reflecting a proportion that collections wasn’t possible nor these dues have certain legal challenges.”

2.3.15 It is noted that with respect to 'Trade Receivables', the RV has mentioned that these dues are not less than 26/27 months old. So, by his own admission also, the CD still has the right to recover the dues as the limitation period of three years has not expired.

2.3.16 In such a scenario, in light of unavailability of adequate document/information and considering the effect of limitation period, the assigning of 'zero' value to the trade receivables, without any due justification, is not appropriate.

2.3.17 Further, the RV has sought to rely on this Authority's decision in the matter of Nitin Ashok Garg, wherein the said valuer was exonerated by the Authority on the ground that there no lack of due-diligence on his part while conducting valuation. This Authority notes that the Order dated 21.02.2025 in the case of Mr. Nitin Ashok Garg was passed in the peculiar facts and circumstances of the case wherein there was no recovery under current / non - current assets for previous 2 years, since CIRP i.e. 03.04.2018 and receivables were more than three years old at the liquidation commencement date i.e. 22.04.2019. Therefore, the reliance by Mr. R. Vaidyanathan on the Authority's Order dated 21.02.2025 in the matter of Nitin Ashok Garg is misplaced.

3. Order.

3.1. 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 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. The reliability of the valuation report decreases with increase in subjectivity. Therefore, it is necessary for a valuer to exercise high degree of due diligence while preparing the valuation report.

3.2. In view of the foregoing, after considering the allegations made in the SCN, the detailed reply provided by Mr. R Vaidyanathan 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. R Vaidyanathan for a period of three 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 ICSI Registered Valuers 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