

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

[Authority delegated by the Central Government *vide* notification no. S.O. 3401(E) dated 23.10.2017 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.(A)/04/2023

29th September, 2023

ORDER

This Order disposes the appeal preferred by Mr. Venkata Krishna Srinivasa Raju Penmetsa against the order dated 05.06.2023 passed by Insolvency and Bankruptcy Board of India (IBBI). The IBBI has been delegated powers by the Central Government to perform the functions of the Authority under the Valuation Rules. Mr. Venkata Krishna Srinivasa Raju Penmetsa is registered with IBBI as a valuer in the asset class of Land and Building (L&B), with the registration number IBBI/RV/04/2020/13012 on 31.03.2020.

1. Brief Background

- 1.1. The IBBI, in accordance with rule 15 read with rule 17 of the Companies (Registered Valuers and Valuation Rules), 2017 (Valuation Rules), had cancelled the registration of Mr. Venkata Krishna Srinivasa Raju Penmetsa *vide* its order dated 05.06.2023 (RV Order). The said order disposed of the Show Cause Notice (SCN) No. COMP-11012/82/2022-IBBI/293/8857, dated 24.01.2023, issued to Mr. Penmetsa.
- 1.2. In terms of rule 17(9) of the Valuation Rules, Mr. Penmetsa preferred an appeal on 05.07.2023 against the RV Order dated 05.06.2023. He availed the opportunity of personal hearing before the appellate authority on 23.08.2023.

2. IBBI Order dated 05.06.2023

- 2.1. The IBBI issued SCN dated 24.01.2023 to Mr. Penmetsa which contained allegations that he never brought before Authority the fact that he was named as an accused in prosecution complaint filed by Enforcement Directorate (ED) against M/s PBR Poultry Tech & other, and Hon'ble MSJ cum Special PMLA Court, Vishakhapatnam has taken cognizance of the prosecution complaint and also issued summons to him. The above complaint filed by ED is based on the FIR No. RC16(A)/2015 registered by the CBI, ACB, Visakhapatnam on 22.12.2015 against M/s PBR Poultry Tech. After due investigation, CBI had filed chargesheet dated 17.06.2016 before Hon'ble Principal Special Judge of CBI Cases Visakhapatnam against some accused including Mr. Penmetsa under section 120-B r/w 420, 468, 471, 477-A of Indian Penal Code, 1860 and section 1392) r/w 13(d) of Prevention of Corruption Act. This according to SCN was contravention of the rule 3(1)(k), rule 7 (a), (b) and (g) Valuation Rules and clauses 2 and 3 of the Model Code of Conduct for Registered Valuers stipulates under Annexure – I of the Valuation Rules and making him a person not “fit and proper” to continue as a registered valuer and has led to breach of his conditions of registration.

2.2. The IBBI *vide* its order dated 05.06.2023, examined the contraventions made in the SCN and the written and oral submissions presented on behalf of Mr. Penmetsa. The RV Order cancelled the registration of Mr. Penmetsa observing that there is suppression of facts which has direct bearing on the registration process and akin to manipulating the decision making based on false information.

3. Appeal by the RV

3.1. Mr. Penmetsa in his appeal submitted that the order was pronounced without basis of any document that he has knowledge about the pendency of alleged cases against him. He submitted that he is unable to obtain any record from concerned court where the matter is pending as the same has not reached trial stage and he could not be able to get copies as those filed transferred are not organized by the Hon'ble Court.

3.2. He submitted that he was not aware of the pendency of FIR No. RC16(A)/2015 by the CBI, ACB Visakhapatnam dated 22.12.2015 wherein he was arrayed as accused and subsequent chargesheet filed on 19.12.2016 which he came to know after receiving SCN. He submitted that non-mentioning of the above pendency of the case in the application was due to lack of knowledge but not wanton.

4. Summary Findings and Order

4.1. It is observed that Mr. Penmetsa during the personal hearing on 23.08.2023 attended through virtual mode requested to submit additional documents by 11.09.2023 regarding his alleged discharge given by ED. However, no communication has been received from him till date. It is noted that Mr. Penmetsa has submitted in his reply to SCN dated 31.05.2023 that he has received call from the investigation agency in 2015. The said fact was suppressed from the Board in his application for registered valuer. In view of the foregoing, the Authority does not find any reason to interfere with the order of IBBI dated 05.06.2023. Accordingly, the appeal is hereby disposed of.

Sd/-
(Ravi Mital)
Chairperson, IBBI

Dated: 29th September, 2023
Place: New Delhi