

REF NO:- DC/IOVRVF/2023-24/ 1650

**[AUTHORITY DELEGATED BY THE MINISTRY OF CORPORATE AFFAIRS  
UNDER CLAUSE X, SUB CLAUSE-24(2) OF THE PART-II OF ANNEXURE III OF  
THE COMPANIES (REGISTERED VALUERS AND VALUATION) RULES, 2017]**

**ORDER**

This order disposes of the Show Cause Notice (SCN) dated **03.09.2021** issued to Lakshmi Nagresh Elluru who is a member of the IOV Registered Valuer Foundation (IOV RVF), Registered Valuer Organization and registered with the Insolvency and Bankruptcy Board of India (IBBI), as valuer in asset class Plant and Machinery with the registration no. IBBI/RV/02/2019/12229

**1. Background**

1.1 It has come to the notice of the Monitoring Committee of IOV Registered Valuer Foundation (“**IOV RVF**”) that Lakshmi Nagresh Elluru (“**Respondent**”) is/was falling under the category of ‘non-Compliant’ as he has failed to adhere Compliances procedure/framework laid down by IBBI (“**Authority**”) and IOV Registered Valuer Foundation. In this regard, matter was referred by Monitoring Committee to the Disciplinary Committee of IOV Registered Values Foundation and based on the findings of the committee, Show Cause Notice (“**SCN**”) dated **03.09.2021** was issued wherein it was mentioned that you are falling under the category of “**Non-Compliant**” and compliances mentioned below were/are pending: -

- **Payment of Annual Membership Fee** for the Financial Year 2019-20, 2020-21 and 2021-22;
- **Submission of M3 Form for the year** of April 2019 to March 2020 and April 2020 to March 2021;
- **Submission of M4 Form for the period** April 2019 to September 2019, October 2019 to March 2020, April 2020 to September 2020 and October 2020 to March 2021;
- **CEP Points** for the Financial Year April 2019 to March 2020 and April 2020 to March 2021;

1.2 Respondent was given ample opportunities to put forth her defense/reply and along with a personal hearing keeping in mind the principles of Natural Justice.

**2. Submission on behalf of Registered Valuer**

Respondent in his reply dated 16.09.2021 stated as under:-

*“ I was given registration as Valuer of Plant and Machinery- u/s 34 AB of Wealth Tax Act of 1957 by Government of India on 8/2/19 then I applied empallenment for valuer for different banks. Banks rejected my application stating that I don't have three years standing in Registered valuers professional body as I registered as Fellow in IOVRVF on 25/2/19. I approached my colleagues, seniors and RP's to assign the professional work and none of them helped to continue my profession and not done any valuation. Since then I didn't get any valuation and depressed of the profession and thought to continue after attaining three years standing in the professional body. Hence I was not gained CEP points, not submitted M3 Form, M4 Form and not paid the annual membership fee. Already I spent more than one lakh rupees for IOVRVF membership, 50 hours mandatory education programe classes (Fee, Transportation and boarding and lodging expences)*

*for writing IBBI exams and attending the 49th Indian Valuers Congress '18 held on 28- 30 December 2018. Without any earnings it has become burden for me to run my family, so I didn't attend paid programs conducted for gaining CEP points, M3 Form, M4 Form and annual membership fee."*

### 3. Analysis and Findings

- 3.1 As per Rule 11 of Annexure III of Companies (Registered Valuers and Valuation) Rules, 2017 ("**Rules**"), an organization may require the members to pay a fixed sum of money as its annual membership fee. As per Rule 16 of Annexure III of Rules, a member shall submit information about ongoing and concluded engagements as a registered valuer, in the manner and format specified by the Organization, at least twice a year stating inter alia, the date of assignment, date of completion and reference number of valuation assignment and valuation report. Further, IOV-RVF also provides procedural framework comprising of collection of the information, record(s) and document(s) both from the Valuer Member(s) and from independent sources to monitor the performance of Valuer Member(s) in form of Annual Data i.e. M-3 E-Form and Activity Data i.e. M-4 E-Form. It would not be improper to mention here that IBBI time and again has laid emphasis on Educational Course and Continuing Professional Education as per Rules 12(2)(e) of the Rules. The above-mentioned compliances are necessary in order to renew Certificate of Membership and Practice.
- 3.3. In the present case, it is observed that the Respondent was given ample opportunities to come forward and submit the response to the Show Cause Notice. However, Respondent did not submit satisfactory response to the SCN.
- 3.4. At this stage, it is important to note that the Respondent was served with Reminder dated 28.01.2023, wherein Respondent was given an opportunity to complete pending compliances or to file an application for temporary surrender before RVO in accordance with the provision of Clause 24 sub- clause 2 (b) and (d) of Para X of Part II (Model Bye-Laws of a Registered Valuers Organization) of Annexure III of the Companies (Registered Valuers and Valuation) Rules 2017. Pursuant thereto, Respondent vide March 16, 2023, submitted a request for temporary surrender of his membership. The application was duly accepted and is pending consideration with RVO as respondent failed to comply with Rule 27 of the Company (Registered Valuers and Valuation) Rules, 2017, i.e. "Any Fee that is due to the Organisation from a member surrendering his membership shall be cleared prior to his name being struck from the register of the Organization". Till date, neither respondent has paid the Annual Membership Fees and submitted M3 & M4 Data, nor he completed CEP Training.
- 3.6. Based on the findings of the material on records, it has been observed from the conduct of the Respondent that he does not have any plausible explanation for pendency of the compliances from his/her end.

### 4. Decision

Based on the above finding, the Disciplinary Committee in exercise of power conferred under Clause 24 sub clause 2 (b) (d) and (e) of the Para X of Part II (Model Bye-Laws of a Registered Valuers Organization) of Annexure III of the Companies (Registered Valuers and Valuation) Rules, 2017, hereby: -

- a) suspend the membership of Respondent till the time he completes his/her pending compliances;
- b) impose a penalty of 12% p.a. on Annual Membership Fee which is due from 01.04.2019 till the date he clears his dues;
- c) Refer the matter to the Authority for appropriate action

**5. Show Cause Notice, accordingly, is disposed of.**

**6. Appeal**

In case the Respondent is aggrieved by the order passed by the Disciplinary Committee, he may prefer an appeal before the Appellate Authority within thirty days from the receipt of the copy of such order.

**Given under seal of the Disciplinary Committee of IOV-RVF, this the day of April 12, 2023**



**Shri Pichaiya Subramaniam**  
Member



**Shri Sunil Kumar Khosla**  
Chairman



**Shri Anand Raju**  
Member



**Shri Ramesh Kumar Meena.**  
Member-IBBI Representative



**CS Deepali Jain**  
Disciplinary Officer

**Place:-** Delhi

**Date:-** 27.04.2023

**CC :-**

1. Insolvency and Bankruptcy Board of India
2. Registered Valuer
3. IOV-RVF- Members Record