



eCircular

Department: STRESSED ASSETS RESOLUTION
GROUP:

Sl.No.: 574/2021 - 22

Circular No.: Stressed Assets Resolution

Group/POLICY/11/2021 - 22 :

Date: Thu 9 Sep 2021

The Chief General Manager
State Bank of India
ALL LHOS/CAG/CCG/SARG/CC Establishments

SARG/ARC/SSI/

Dear Sir/ Madam,

REVIEW: POLICY ON VALUATION AND EMPANELMENT OF VALUERS

Policy on Valuation and Empanelment of Valuers was last circulated vide Circular No CCO/CPD-ADV/49/2019 – 20 dt 03.07.2019.

2. The policy has since been reviewed and the revised policy, duly approved by the Appropriate Authority is enclosed.

3. Please bring the contents of the Circular to the notice of the Operating Units under your administrative control for meticulous compliance. For further clarifications, if any may be referred to SARG at Corporate Centre, Mumbai.

Yours faithfully,

For Deputy Managing Director
Stressed Assets Resolution Group
Encl: As above



(For Internal Use only)

Policy on Valuation and Empanelment of Valuers

Version 2021

Stressed Assets Resolution Group

Corporate Centre

Mumbai – 400005

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Policy Guidelines

(Part-I)

1. Purpose of Valuation and Appointment of Valuers

Valuers are engaged for

- the purpose of ascertaining the value of the property/ assets etc. offered as security
- the purpose of periodically ascertaining the value of the property that has been mortgaged, whether it is increasing or decreasing over the mortgage period
- for the purpose of realizing the value of non-performing assets (NPAs) and
- the purpose of resumption of properties in cases of default.

2. Empanelment of valuers

Following are the guidelines and process for empanelment of valuers

2.1 Criteria for Empanelment of Valuers

In order to ascertain the value of properties for any of the above purposes, Bank shall appoint external independent valuers for undertaking valuations. The empanelled valuers shall carry out valuation of different types of assets as under:

- i. Land and Building
- ii. Plant & Machinery
- iii. Securities or Financial Assets/ Stocks and Trade
- iv. Agricultural Land

2.2 Eligibility Criteria for valuers

(a) A person shall be eligible to be a empanelled as valuer if he-

Sl. No.	Criteria
(i)	is a member of any one of the authorized/ accredited Institutions viz, Institution of Valuers (IOV), Institution of Estate Managers & Appraisers (IESMA), Practicing Valuers Association (India) (PVAI), The Institute of Company Secretaries of India (ICSI), The Indian Institution of Valuers (IIV) The Institute of Cost Accountants of India (ICMAI), The Institute of Chartered Accountants of India (ICAI), Association of Certified Valuers and Analysts (ACVA), Centre For Valuation Studies, Research and Training Association (CVSRTA), Council of Engineers and Valuers, Divya Jyoti Foundation or any other association registered as RVO with IBBI
(i)	possesses the qualifications and experience as detailed in Annexure-I
(i ii)	is not a minor
(i v)	has not been declared to be of unsound mind
(v)	is not an undischarged bankrupt, or has not applied to be adjudicated as a bankrupt
(v i)	is a person resident in India in case of individual
(v ii)	has not been convicted by any competent court for an offence punishable with imprisonment or for an offence involving moral turpitude, and a period of five years has not elapsed from the date of expiry of the sentence: Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be registered
(v iii)	has not been levied a penalty under section 271J of Income-tax Act, 1961 (43 of 1961) and time limit for filing appeal before Commissioner of Income-tax (Appeals) or Income-tax Appellate Tribunal, as the case may be has expired, or such penalty has been confirmed by Income-tax Appellate Tribunal, and five years have not elapsed after levy of such penalty; and
(i x)	is a fit and proper person: Explanation— For determining whether an individual is a fit and proper person the empanelment authorities may take account of any relevant consideration, including but not limited to the following criteria- a) integrity, reputation and character b) absence of convictions and restraint orders, and c) competence and financial solvency
(x)	has a score provided by Credit Information Companies (CICs) viz. CIBIL, Experian, Equifax, CRIF, etc., acceptable to the Bank, as per Bank's guidelines and adverse reports, if any, to be clarified by the applicant valuers for the satisfaction of the Bank

(b) No Partnership entity or Company shall be eligible to be empanelled as valuer if-

(i)	it has been set up for objects other than for rendering professional or financial services, including valuation services and that in the case of a company, it is a subsidiary, joint venture or associate of another company or body corporate
(ii) (a)	it is undergoing an insolvency resolution or is an undischarged bankrupt
(iii)	all the partners or directors, as the case may be are not ineligible under sub-clauses (ii) to (x) of clause 2.2 (a) above
(iv)	Lead valuers in case of companies and all the partners in case of partnership firms undertaking valuations do not fulfil the criteria of qualification and experience
(v)	none of its partners or directors, as the case may be, fulfills the criteria of qualification and experience in the asset class for the valuation

(c) Other criteria

i) Registration with Insolvency and Bankruptcy Board of India (IBBI):

for valuation of properties/ assets pertaining to Companies, in terms of Companies (Registered Valuers and Valuation) Rules, 2017, issued as per the MCA notification dated 18.10.2017, a valuer registered as a valuer member with IBBI for relevant class of assets shall be eligible for conducting the valuation. Such valuers shall also be eligible for valuation of properties/ assets pertaining to other than Companies. As regards, all the valuation work related to the Company Assets would be undertaken only by the valuers registered with IBBI w.e.f. 1st February, 2019 as notified by the Ministry of Corporate Affairs. If a company has appointed any valuer before such date and the valuation or any part of it has not been completed before 31st January, 2019, the valuer shall complete such valuation or such part within three months thereafter. Further, to undertake the valuation of Properties/ Assets pertaining to Companies under SARFAESI Act, 2002, the valuer must be registered under Section 34AB of Wealth Tax Act, 1957.

ii) Valuer under SARFAESI Act, 2002:

for valuation of properties under SARFAESI Act, 2002 applicant has to be registered under Sec. 34AB of Wealth Tax Act, 1957.

iii) Valuers with educational qualifications of Graduation and above, who are neither registered with IBBI nor registered under section 34AB of Wealth Tax Act, 1957, shall undertake the valuation of properties/ assets for the loans upto Rs.2.00 Cr. only.

iv) Valuers with Educational Qualifications of Diploma and other than Graduation or Post Graduation in respective fields, shall be eligible for empanelment to undertake valuation of Properties/Assets for the loans upto Rs.1.00 Crore only.

However, such valuers may conduct valuation of properties/assets under Housing Loans upto Rs.2.00 Cr.

- v) Completed at least 5 (five) assignments successfully as valuer during immediately preceding 12 months.
- vi) Possess thorough knowledge of extant RBI guidelines as also instructions/ circulars issued by RBI/IBBI/IIBF/IBA or any other statutory authority from time to time in addition to the instructions/ circulars issued by SBI in this regard.

➤ **In view of the above, a valuer shall be eligible to conduct the valuation as hereunder:**

Educational Qualifications of a valuer as per Annexure-I	Type of valuer	Eligibility to conduct valuation of property/asset
Graduation & above	Valuers registered with IBBI	As per category of the valuer
Graduation & above	Valuers registered under section 34AB of Wealth Tax Act, 1957	As per category of the valuer
Graduation and above	who are neither registered with IBBI nor registered under section 34AB of Wealth Tax Act, 1957	Loan amount up-to Rs.2.00 Cr.
Diploma and other than Graduation or Post Graduation	who are neither registered with IBBI nor registered under section 34AB of Wealth Tax Act, 1957	Loan amount up-to Rs.1.00 Cr. However, such valuers may conduct valuation of properties/assets under Housing Loans up-to Rs.2.00 Cr.

2.3 Qualifications and Experience

It is necessary that a valuer possesses proper educational qualifications which make him competent to carry out the task of valuation of securities. In addition, relevant work experience is also important. Educational Qualifications and Work Experience required for persons eligible for empanelment as valuers is detailed in **Annexure –I**.

2.4 Membership of Valuers Association

Valuer shall be a member of any one of the authorized/ accredited Institutions viz ., Institution of Valuers (IOV), Institution of Estate Managers & Appraisers

(IESMA), Practicing Valuers Association (India) (PVAI), The Institute of Company Secretaries of India (ICSI), The Indian Institution of Valuers (IIV), The Institute of Cost Accountants of India (ICMAI), The Institute of Chartered Accountants of India (ICAI), Association of Certified Valuers and Analysts (ACVA), Centre For Valuation Studies, Research And Training Association (CVSRTA), Council of Engineers and Valuers, Divya Jyoti Foundation or any other association registered as RVO with IBBI and submit a certificate to this effect in the format prescribed in **Annexure-VIII**.

2.5 Minimum/ Maximum Age requirement

Age is an important criteria while empanelling valuers. The minimum age for empanelment with us shall be 25 years and maximum age limit for a valuer to remain on the panel shall be 70 years.

2.6 Evaluation Matrix

Valuers shall be evaluated as per the rating matrix in **Annexure-X** and categorisation of valuers shall be as per the score obtained.

2.7 References

Carrying out a reference check is extremely important in order to verify the competence of a valuer. Valuers need to submit at least 3 reference letters in prescribed format (**Annexure- XI**) and the committees constituted for appointment of valuers need to verify the quality of services provided by the valuer in the previous instances before empanelling the valuers on Bank's panel. The referees shall be either (i) bank managers where previously the valuer had done valuations or (ii) companies for whom the valuer had previously done valuations, other than Wilful defaulters or declared fraud companies. The reference letter shall be on the letter head of the bank/ financial company/ any other company where valuations have been done and shall be duly signed by a senior level manager/ officer.

3. Categories of Valuers

The objective of categorization of valuers is to ensure that whilst lesser value assignments are handled by relatively junior valuers, the senior valuers can handle higher order valuations. Preference should be given to valuers registered with IBBI and valuers under SARFAESI Act, 2002 (valuers registered u/s 34AB of Wealth Tax Act, 1957).

The empanelment of valuers therefore shall be in the following categories:

i) Valuers under SARFAESI Act, 2002

Category of Valuers	Score as per Scoring Matrix	Fair Market Value of Asset/ Security for assignment of Valuation Work
A	=>62	No limit
B	55-61	Up-to Rs.50.00 Cr.
C	35-54	Up-to Rs.5 .00 Cr.

Category of valuers under SARFAESI Act, 2002 shall be based on the score awarded, irrespective of the experience and to be recommended by Circles to the ECCB for approval.

ii) Valuers other than under SARFAESI Act, 2002, (including valuers registered with IBBI)

Category of Valuers	Score as per Scoring Matrix	Fair Market Value of Asset/ Security for assignment of Valuation Work
A	=>62	No limit
B	55-61	Up to Rs.50.00 Cr.
C	35-54	Up to Rs.5.00 Cr.

All category of valuers other than under SARFAESI Act, 2002 shall be based on the score awarded irrespective of the experience and Empanelment of “A Category valuers will be approved by the committee at SARG.

Valuers need to furnish any one of the following as proof of experience.

a.i.2.1. Registration Certificate under Wealth Tax Act, 1957, if applicable

a.i.2.2. Letter of empanelment by any Bank / FI

3. Letter of empanelment by any Court of India

4. Letter of appointment as valuation consultant by Government of India/ any State Government/ any Municipality/ any Municipal Corporation

5. Letter of appointment as valuer employee by Government of India/ any State Government/ any Municipality/ any Municipal Corporation
6. Letter of appointment as a valuer employee by any Limited Company (Public or Private Ltd. Co. engaged in the business of valuation for the last 5 years
7. Letter of appointment as a valuer employee by any LLP/ private limited Company engaged in the business of valuation for the last five years

The Experience of the Valuer shall be calculated from the date of his first empanelment with any Bank / Financial Institution / High Court or registration under Wealth Tax Act, 1957.

4. Valuation of properties under Home Loans

The properties under Home Loans would be valued by following categories of valuers:

Sl. No.	Type of valuer	Value of the Property/Asset	Timeline for submission of valuation report by valuers
1	Valuers registered with IBBI	No limit	Within 2 days from handing over of all necessary documents by operating units
2	Valuers under SARFAESI Act, 2002 (valuers registered u/s 34AB of Wealth Tax Act, 1957)	No limit	
3	Other than valuers above in Sl. No.1 & 2	Loan up-to Rs.2.00 Cr.	

5. Other Conditions

In addition to the above, the other conditions to be fulfilled by the valuers for empanelment are as under:

- The valuer has not been removed/ dismissed from valuation related service (previous employment) earlier.
- The valuer has not been found guilty of misconduct in professional capacity.
- The valuer is not an undischarged insolvent.
- The valuer has not been convicted of an offence connected with any

proceeding under the Income Tax Act 1961, Wealth Tax Act 1957 or Gift Tax Act 1958.

- The valuer possesses a PAN Card number/ GST number as applicable.
- The valuer has not been convicted of any offence and sentenced to a term of imprisonment.
- CIBIL Score and credit worthiness as per Bank's guidelines and adverse reports, if any, to be clarified by the applicant valuers for the satisfaction of the Bank. At the time of empanelment, the valuer shall give a declaration-cum-undertaking to this effect as prescribed in **Annexure-IV**.

6.Empanelment Procedure

- i) A detailed public notice would be hosted on Bank's Website, seeking applications from interested applicants for empanelment as Valuers shall be published in two National Newspapers once a year by LHOs. Intending valuers seeking empanelment can submit application round the year to the Bank.
- ii) All such applications should be received in the prescribed format in **Annexure-II** and documents to be obtained as prescribed in **Annexure-III**. The documents list is illustrative and not exhaustive. The Bank may call for such other evidence as may be considered necessary for verifying the eligibility or competence of the Valuer.
- iii) The application format will be made available on the Bank's website.

6.1 Scrutiny & Due Diligence

- i) The Valuers shall submit the application form along with relevant enclosures/ documents etc. to the nearest business units/ branches, etc.
- ii) These business units/ Branches on receipt of the application form from the Valuers, after preliminary scrutiny and due-diligence, shall forward the same with the recommendations, through controlling authority, to committees at respective LHOs falling under that geographical area within 15 days from the date of receipt.
- iii) In addition to the process of evaluation of the applicant for empanelment as Valuers based on the Certificates, Documents, Reference Letters etc., provided by Valuers, the business units/ Branches shall also undertake the following process:

- o Visit to be made to the office of the Valuers either by the team processing the application or by the branch nearest to the office of the Valuers, as a part of due diligence process. Visit Report duly signed by of branch/ Centre Head to be kept on record.
- o The quality of services provided by the Valuers in the previous instances needs to be verified.
- o Processing team should invariably seek opinion letter from the Banks/FIs/NBFCs issuing Experience Certificate/ Reference Letter by sending Registered Letter to the same, requesting for the information within 10 days. Conduct/ performance of Valuers as given in the opinion letter should be at least “Satisfactory”. Copy of the Letter issued and the Opinion letter should be kept on record. Business units/ Branches may contact the issuing authority, in case of non-receipt of confirmation in writing within 10 days, record the deliberations and decide appropriately.
- o Genuineness of PAN Card/Aadhaar card/GSTIN Number should be independently verified from the sites of Government of India. Post verification, all KYC documents need to be signed by Branch Head/Centre Head/Officers of the rank of AGM and above.
- o In case of R &DB, the scrutiny of the application of the valuer shall be done at the RBO/B&O and if the valuer is found to meet the eligibility criteria for empanelment, the application be forwarded to the respective Local Head Office along with the recommendations of the concerned RBO/B&O for consideration.
- o In case of CCG, CAG & SARG, the scrutiny of the application of the valuer shall be done at the branch level and if found suitable, applications should be forwarded to committees at respective LHOs falling under that geographical area through their controllers. On receipt of the application at the committees, the applications of the valuers shall undergo a final scrutiny and if found suitable it may be empanelled or recommended to ECCB for approval through SARG. On approval, RBO/B&O, CCG, CAG & SARG branches are to be advised accordingly.

6.2 Authority for Empanelment, Review and De-panelment

In each Circle, a Committee as mentioned below would be constituted that would be authorised to empanel, de-panel and review the performance of the valuers. All the business units/ branches falling in their geographical area viz. Circle, CAG, CCG, SARG, etc. would forward their recommendations to the committee at

respective LHO through their controllers. Out of the total applications received by the committees at respective LHOs, those applicants who are also eligible for empanelment as a Valuers under SARFAESI Act, 2002, shall be recommended to ECCB, through SARG, Corporate Centre, for approval in the prescribed format (**annexure- VII**). At SARG, Corporate Centre, a Committee shall be formed consisting members as following:

a) Constitution of Committee at SARG, Corporate Centre

Chairman of committee	Members	Alternate members
GM (Ops-I) or GM (Ops-II)	1. DGM (ARC)	1.DGM (OTS, AUCA & Policy)
	DGM (Operations)	2.DGM (NCLT)
	3.DGM (SAMB Mumbai-I)	3.DGM (SAMB Mumbai-II)

Quorum: Chairman, any 2 out of 3 members from sl. No.1 to 3, Secretary- AGM/CM (S&R). The committee shall do the final scrutiny of the proposals and recommend for approval to ECCB.

Out of the total applications received by the committees at respective LHOs, those applicants who are eligible for empanelment as an “A” category valuers under Non SARFAESI Act, 2002, shall be recommend to SARG, Corporate Centre, for approval in the prescribed format (**annexure- VII**). At SARG, Corporate Centre, a Committee shall be formed consisting members as following:

Constitution of Committee at SARG, Corporate Centre

Chairman of committee	Members	Alternate members
CGM(SARG)	1.GM (Ops I)	1.Any Sector GM
	2.GM (Ops II)	2.Any Sector GM
	3.DGM (Ops)	3.DGM (OTS/Credit)

Quorum: Chairman, any 2 out of 3 members from sl. No.1 to 3, Secretary- AGM/CM (S&R)

b) Constitution of the committee at LHOs

Chairman of the committee	Members		Secretary
	Regular	Alternate	
GM (Network- Any)	1. DGM (CCO)* 2. DGM (SME)* 3. DGM (SAMB) 4. Engineer Posted at Premises & Estate deptt. of respective LHOs	1. DGM (PBU)* 2. DGM (CCG/CAG) 3. DGM (ABU)* 4. Engineers posted at SBI Infrastructure Management Solutions Pvt. Ltd. at respective	AGM (CPM)

		Circles.	
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*Posted at respective LHOs

Quorum: Chairman, members- any 2 out of 3 members from sl. No.1 to 3, member from sl. No.4 and Secretary (AGM-CPM)

- i) DGM & CCO would be responsible for updation of List of empanelled valuers at the portal. The portal shall be updated as and when there would be addition or deletion in the list of the valuers, due to empanelment, de-panelment and periodic review of the valuers.
- ii) Once a decision to empanel or otherwise is taken, a letter of empanelment in duplicate or rejection letter shall be sent to the applicant.
- iii) The process of empanelment shall be complete when the respective LHOs receive the following
 - a) Duplicate letter of empanelment (Annexure- XII) along with Terms & Conditions (Annexure-IX) duly accepted and signed by the Valuer(s)
 - b) Declaration-cum- undertaking signed by Valuer(s) (Annexure-IV)
 - c) Model Code of Conduct for Valuers duly signed by valuer(s) (Annexure-V)
- d) Execution of Agreement between Bank and Valuer (Yet to be specified)
- iv) A centralized list of approved Valuers shall be updated in VMS and hosted on Bank Website and updated periodically.

6.3 Duration of Empanelment

- The duration of empanelment shall be for a period of three (3) years (January-December) including the year of empanelment. (e.g. if a valuer is empanelled in the month of June, 2019 his empanelment shall be valid upto December, 2022).
- However, the performance of the Valuer shall be reviewed annually by the bank. If the performance is found to be not satisfactory, the valuer can be de-panelled at the discretion of the bank.

- In respect of Valuer who has completed 3 years of empanelment and wish to continue, the entity has to approach the bank at least three months before expiry of the term of empanelment.
- For Renewal of Empanelment of the entity, Bank and the empanelled Entity shall follow the same process as applicable to the fresh empanelment.
- If any empanelled Valuer wants to discontinue as a valuer in Bank's panel, it may do so by giving one month's notice.

7. Annual Review of Performance of Valuer

- The performance of the Valuers engaged during each financial year for valuation of assets charged to the bank viz. for regular assessment of value of such securities, for resolution of NPAs, etc. shall be reviewed by respective committees at LHOs or submit their recommendation to ECCB through SARG, as applicable, annually in the 3rd quarter of the following financial year **(Annexure-VI)**.
- In case, wide variation is noticed in valuation of the security as at the time of sanction and during recovery process, and the reasons provided by the valuer involved are not acceptable, then such instances shall be recorded and appropriate action taken.

8. Vendor Management System (VMS)

The details of the valuer empanelled by the Bank, shall be uploaded in Vendor Management System (VMS) application of the Bank as per the laid down instructions vide e-circular No. CCO/CPD-ADV/87/2016 – 17 dated 14th October, 2016. The instructions in said circular should be meticulously followed for engagement, allotment of work, payment of fees, delisting/ de-panelment and review of performance of valuer, etc.

9. General Guidelines for process of engagement of valuer

- In order to ascertain the value of different types of properties, Bank shall engage the services of valuers who are empanelled with the Bank.

- In case asset(s) to be valued is outside the Centre where credit facility is being availed or had been availed, in such a scenario, services of a valuer on Bank's panel at the Centre where asset is situated is to be utilised for valuation of asset(s). (e-circular No. CCO/CPD-ADV/126/2017-18 dated 9th March, 2018)
- While engaging the services of an empanelled valuer care to be taken to verify that the valuer does not figure in the de-panelled or caution list of our Bank, IBBI and IBA.

Exceptions: However,

- (i) in remote locations or where suitable valuers capable of undertaking Valuation of the class of assets are not empanelled by the Bank or other specific reasons, services of any other valuer empanelled with a PSU Bank within their vicinity may be utilized after necessary due diligence and approval from one level higher than respective authority as per Delegation of power.
- (ii) In case(s) where value of the property/asset is Rs.50.00 Crore and above but "A" category of valuer(s) are not available at these centres, then "A" category of valuers from nearest centres may be engaged after due approval from appropriate authority.

9.1 Engagement of Valuer: Branches/operating units may engage the services of empanelled valuer. Valuers connected with the borrowers/ guarantors of the account should not be engaged for rendering services in that account to avoid conflict of interest. Accordingly, a declaration to this effect shall be obtained prior to engagement of respective entity.

- **Obtaining Quotation:** In case of loan/advances above Rs.50.00 crore to other than "P segment" and where value of asset(s) is above Rs.50.00 Crore before entrusting any assignment to the agency, competitive quotation shall be called from at least three empanelled valuers in the related asset class.
 - (i) Valuer should submit the quote clearly indicating the fees on an 'all inclusive' basis
 - (ii) Care should be taken that the entire exercise is kept transparent in the process
- **Letter of Engagement :** While entrusting assignment to the Entity, a Letter of engagement (Work Order) (**Annexure-XIII**) shall be generated from the system, i.e. LLMS/LOS only and handed over to the valuers to undertake the valuation work.

No valuers shall undertake the valuation work without the letter of engagement generated from system i.e. LLMS/LOS.

- The valuation report should be as per the Bank's format prescribed in Annexure-XIV.

10. General guidelines on valuation:

- i) The valuation should always be conducted by an empanelled independent valuer i.e., the valuer should not have a direct or indirect interest in the asset being valued.
- ii) All the necessary / relevant papers / documents should flow directly from the branch to the valuer & vice versa without routing the same through the borrower/ guarantor concerned.
- iii) The Valuation Report to be submitted by the valuers invariably contains the Fair Market Value, Book Value, Realizable Value and the Distress Sale Value of the property being valued. However, for the purpose of determining the present value of the property mortgaged/ to be mortgaged, the realizable value should be taken into consideration. Also, in the case of Plant & Machinery, Realizable value to be accepted for valuation purposes. However, this approach is not applicable to home loans and home related loan products for which the guidelines existing prior to circular no. CCO/CPD-ADV/49/2019-20 dated 03.07.2019 and NBG/RE,H&HD-HL/107/2019 - 20 Dt 31.03.2020 will prevail.
- iv) For loans above Rs.1.00 Crore wherein primary/collateral offered as security is valued above Rs.50.00 lacs, valuation reports (not older than 3 months for new connection) from 2 empaneled valuers are to be obtained and in case value of the property is below Rs.50.00 lacs, single valuation is to be obtained. However, in case of Housing loans above Rs.1.00 Crore valuation reports (not older than 3 months for new connection) from 2 empanelled valuers are to be obtained irrespective of the value of the property. Both the valuations to be conducted simultaneously and time gap between these two valuation reports shall not be more than a month.
- v) Valuation report for Asset(s)/ property(ies) to be obtained once in 3 years.
- vi) Where the number of properties offered as security exceeds 10 (ten) and are located at diverse/ various locations, a notional discount @5% is to be applied on

the Realisable value of the properties and the discounted value should be considered while arriving at the security coverage.

- vii) In case of variation of 20% or more between the fair market and realizable values as per the valuation and the guideline value provided in the State Government notification or Income Tax Gazette, justification on variation has to be furnished by the Valuer.
- viii) Wherever the value of the Asset/property is more than Rs.50.00 Crore, two valuers of Category 'A' may be appointed in order to get the valuation done. In case the difference in the valuation arrived at by both the valuers is not more than 15 percent lower of the value to be considered, but when the difference in value by both the valuer is more than 15 percent branch may decide on case to case basis and then third valuer in the 'A' category, may be appointed and valuation obtained. In such a case, the average of the lower two valuation out of three valuations made will be taken as the notional market value of the properties valued.
- ix) Property values reported in leading newspapers as well as property portals such as magicbricks.com, 99acres.com, housing.com etc., wherever available are to be referred to and quoted.
- x) Details of last two transactions in the locality are to be furnished in the valuation report, wherever available.
- xi) The values quoted by the valuers should be cross-checked by the branch official concerned by making independent enquiries, property inspection, comparison with recent sales of similar properties in the neighbourhood and enquiries from parties having good knowledge of the local property value, for ensuring that only realistic realizable values are accepted.
- xii) The operating units should also ensure that properties offered as security for credit facilities sanctioned are not purchased from the loan amount disbursed.
- xiii) Valuation of properties purchased on a recent date, viz. for a period upto one year from the date of registration of the property, the lower of Registration Value or Realisable Value shall be reckoned for arriving at the value of the property.
- xiv) The operating units should generally insist on property/ies, which are purchased before our disbursement. In other cases, operating units should ensure that the properties offered as security are not purchased out of our loans by verifying end use of funds.
- xv) Further, following modalities should also be adhered to

- As soon as the valuation reports are obtained, it should be verified and ensured that they contain all the details. Blanks and cursory reports should not be accepted. Further, all the columns in the format of valuation reports should be duly filled in with remarks and finding of the valuer and if column is not applicable then a notation to that effect should be made. A valuation report containing blanks should not be accepted.
 - As a measure of strengthening the Due Diligence of the applicable primary/ collateral securities which are Land & Building/ Land in nature/ Plant & Machinery/ Other tangible assets, valuers to include photograph of owner with the property in the background, in the report submitted to Branches.
 - For easy identification of the applicable primary/collateral securities which are Land & Building/Land in nature/Plant & Machinery/Other fixed tangible assets, valuers to mention longitude/latitude and co-ordinates of the properties in the valuation report. Screen shot (in hard copy) of Global Positioning System (GPS)/ Various Applications (Apps)/ Internet sites (eg. Google earth)/ etc. is to be included in the valuation report.
 - Valuation Report must contain specific views/ comments on the impending threat, if any, of Road Widening, Take-over of property for public service purposes, Submerging, Attracting provisos of Coastal Regulatory Zone (CRZ) etc.
 - In case of consortium/ Multiple Banking Arrangement (MBA) the valuation report format prescribed by the Bank/ IBA is to be utilized. For valuation of properties valued Rs.50.00 Crore and above, two valuations to be obtained i.e. one from valuer(s) empaneled with lead bank and 2nd valuation from the valuer(s) empaneled with the bank having the 2nd highest exposure in the consortium.
- xvi) Branches/ Offices to ensure that residual age of the immovable property should be at least 5 years more than the tenure of the loan.
- xvii) For valuation of assets/ properties pertaining to stressed assets account, Bank's guidelines issued on Resolution of Stressed Assets is to be followed.
- xviii) Value of the Intangible securities like, trade marks, patents, logos, spectrum license, etc., assets should be treated as NIL, while calculating the provision for NPA accounts. However, the branches may consider the intangible assets as security for sanction of credit facilities.

- xix) In respect of standard ongoing concern, WDV of P&M shall be reckoned for valuation purpose.

10.1 Valuation of Securities For Provisioning Purpose

In order to have clarity on provisioning for accounts after slipping into NPA, the instructions have been furnished as under(Ref Cir No:CCO/CPPD-ADV/197/2019 dt 27.03.2020.

On A/c becoming NPA	SARG instruction
Any security value taken from ABS	Valuation has to be done within 3 months of date of NPA. No value from ABS to be considered for provisioning purpose post 90 days of account becoming NPA. Subsequent valuation needs to be done within 3 years from the date of last valuation by the empaneled valuer other than the last ones. It should be diarized for follow-up on the date ending 2.5 years from last valuation. Whenever, two or more Valuation Reports are taken for arriving Reserve Price (in case of Sale to ARC/Compromise Proposals/SARFAESI action) & the lower RV of the reports to be considered for provisioning. Branches to fill in Realizable Value of Primary & Collateral security from the valid valuation report in CBS for calculation of provisions.
For all stock & receivables	<ul style="list-style-type: none"> For valuation of stocks & receivables, Stock Audit to be conducted at annual intervals by external agencies appointed as per the guidelines of the Bank for NPA with balance of Rs. 5 cr & above. If the SRA is more than one year old, the primary security is taken as 'nil' If the SRA is less than one year old ; Lower of either the value as per SRA or the Stock statement of less than 90 days, need to be taken for computation of security value.
CIRP accounts	The latest valuation (not exceeding 3 years) available with Branch may be used for the purpose of provisioning and RV based on latest valuation to be reckoned.
Liquidation cases	In cases where Liquidation Value has been disclosed, Liquidation value is to be taken as Security available to the Bank. Distress Value to be taken for other cases.

Vehicles	WDV is to be taken as security available. (except damaged /scraped) On loan anniversary dates, depreciation will be applied on straight line basis as per circular chart. (As per Circular no. CCO /CPPD-ADV/133/2013-14 Dated 18/01/2014 : Clarifications)
Under Construction/ Toll Collection not commenced/ Toll Collection is low	To be guided by RBI circular 18 March 2013, Quote from the said Circular “It was observed that infrastructure projects, especially roads/highway projects, are special in nature where asset created by bank finance cannot be pledged/mortgaged to the bank but certain rights to receive annuities /toll collection from the assets can be hypothecated to the lenders. There are provisions to compensate the project sponsor if a certain level of traffic is not achieved, as tangible securities”. The lenders may consider the debt due to them as secured to the extent assured by the project authority in terms of the Concession Agreement subject to conditions incorporated in the said circular.
Termination of project Before COD	No termination payment shall be due or payable on account of Concessionaire Event of Default. In such cases, it would, therefore, be prudent to make the security value as zero and make 100% provisions.
Termination of project POST COD	<u>On Concessionaire Default</u> Upon termination on account of a Concessionaire Default during the Operation period, the Authority shall pay to the Concessionaire, by way of Termination payment to the Concessionaire an amount equal to 90% of debt dues less insurance cover. <u>On Authority Default</u> Upon termination on account of a Authority default, authority shall pay *Debt due (as defined in the Concession agreements) and 120%-150% of the adjusted equity. Accordingly, the security value will be reckoned based on the termination amount payable. In both the cases above, the terms of the Concession Agreement would determine the valuation to be reckoned for provisioning.

Value of the Intangible securities like, trade marks, patents, logos, spectrum license, etc., assets should be treated as NIL, while calculating the provision for NPA accounts. However, the branches may consider the intangible assets as security for sanction of credit facilities.

(Part-II)

1. Compliance of Standards and Procedures/Methodologies

- i) All valuers empanelled with the Bank shall comply and abide by the standards and procedures laid down in the Policy. Valuers shall undertake compliance of the Code of Conduct at the time of empanelment.
- ii) While conducting a valuation, valuers have to comply with **Internationally Accepted Valuation Standards (IVS)** as applicable to the respective class of asset and respective method of valuation as required. The brief background of IVS is as follows:

The International Valuation Standards (IVS) are standards for undertaking valuation assignments using generally recognised concepts and principles that promote transparency and consistency in valuation practice. The International Valuation Standards Council (IVSC) is an independent, not-for-profit organization committed to advancing quality in the valuation profession and formation of IVS. Their primary objective is to build confidence and public trust in valuation by producing standards and securing their universal adoption and implementation for the valuation of assets across the world. Valuations are widely used and relied upon in financial and other markets, whether for inclusion in financial statements, for regulatory compliance or to support secured lending and transactional activity. The IVSC also promotes leading practice approaches for the conduct and competency of professional valuers.

- iii) The IVSC Standards Board is the body responsible for setting the IVS. The Board has autonomy in the development of its agenda and approval of its publications. In developing the IVS, the Board:
 - a. follows established due process in the development of any new standard, including consultation with stakeholders (valuers, users of valuation services, regulators, valuation professional organizations, etc.) and public exposure of all new standards or material alterations to existing standards,
 - b. liaises with other bodies that have a standard-setting function in the financial markets,
 - c. conducts outreach activities including round-table discussions with invited constituents and targeted discussions with specific users or user groups. The objective of the IVS is to increase the confidence and trust of users of valuation

services by establishing transparent and consistent valuation practices. A standard will do one or more of the following:

- d. identify or develop globally accepted principles and definitions,
 - e. identify and promulgate considerations for the undertaking of valuation assignments and the reporting of valuations,
 - f. identify specific matters that require consideration and methods commonly used for valuing different types of assets or liabilities. International Valuation Standards
- v) The IVS consist of mandatory requirements that must be followed in order to state that a valuation was performed in compliance with the IVS. Certain aspects of the standards do not direct or mandate any particular course of action, but provide fundamental principles and concepts that must be considered in undertaking a valuation. The IVS are arranged as follows:
- a. The IVS Framework -This serves as a preamble to the IVS. The IVS Framework consists of general principles for valuers following the IVS regarding objectivity, judgement, competence and acceptable departures from the IVS.
 - b. IVS General Standards - These set forth requirements for the conduct of all valuation assignments including establishing the terms of a valuation engagement, bases of value, valuation approaches and methods, and reporting. They are designed to be applicable to valuations of all types of assets and for any valuation purpose.
 - c. IVS Asset Standards - The Asset Standards include requirements related to specific types of assets. These requirements must be followed in conjunction with the General Standards when performing a valuation of a specific asset type. The Asset Standards include certain background information on the characteristics of each asset type that influence value and additional asset-specific requirements on common valuation approaches and methods used.
- vi) The comprehensive document on international valuation standard is available on the IVSC website at www.ivsc.org.
- vii) It is expected that every empanelled valuer are made aware of the IVS guidelines and adherence to the same is done by valuer in valuation process. A declaration to the same has been incorporated in **Annexure IV**.

viii) Valuer associations viz. Institution of Estate Managers & Appraisers (IESMA), The Indian institution of Valuers (IIV), etc., who are not members of International Valuation Standards Council (IVSC) at present shall be advised to become the member of IVSC and status in this regard to be invariably commented upon in the annual review of the valuers.

2. VALUATION APPROACHES AND METHODS

- The three approaches described and defined below are the main approaches used in valuation as per IVS. They are all based on the economic principles of price equilibrium, anticipation of benefits or substitution. Consideration must be given to the relevant and most appropriate valuation approaches. The principal valuation approaches are:

1. Market Approach,

2. Income Approach, and

3. Cost Approach

- Each of these valuation approaches includes different, detailed methods of application.
- The goal in selecting valuation approaches and methods for an asset is to find the most appropriate method under the particular circumstances. No one method is suitable in every possible situation. The selection process should consider, at a minimum:
 - a) the appropriate basis(es) of value and premise(s) of value, determined by the terms and purpose of the valuation assignment,
 - b) the respective strengths and weaknesses of the possible valuation approaches and methods,
 - c) the appropriateness of each method in view of the nature of the asset, and the approaches or methods used by participants in the relevant market, and
 - d) Reliable information.
- Valuers should consider the use of multiple approaches and method and more than one valuation approach or method should be considered and may be used to arrive at an indication of value, particularly when there are insufficient factual or observable inputs for a single method to produce a reliable conclusion. Where more than one approach and method is used, or even multiple methods within a single approach, the conclusion of value based on those multiple approaches and/or methods should be reasonable and process of analysing and reconciling the

differing values into a single conclusion, without averaging, should be described by the valuer in the report.

2.1 Market Approach

- This approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.
- The market approach should be applied and afforded significant weight under the following circumstances:
 - a) the subject asset has recently been sold in a transaction appropriate for consideration under the basis of value,
 - b) the subject asset or substantially similar assets are actively publicly traded, and/or
 - c) there are frequent and/or recent observable transactions in substantially similar assets.
- The additional circumstances where the market approach may be applied and afforded significant weight:
 - a) Transactions involving the subject asset or substantially similar assets are not recent enough considering the levels of volatility and activity in the market.
 - b) The asset or substantially similar assets are publicly traded, but not actively.
 - c) Information on market transactions is available, but the comparable assets have significant differences to the subject asset, potentially requiring subjective adjustments.
 - d) Information on recent transactions is not reliable (hearsay, missing information, synergistic purchaser, not arm's-length, distressed sale, etc).
 - e) The critical element affecting the value of the asset is the price it would achieve in the market rather than the cost of reproduction or its income producing ability.
- Even in circumstances where the market approach is not used, the use of market based inputs should be maximized in the application of other approaches (such as, market-based valuation metrics such as effective yields and rates of return).
- When comparable market information does not relate to the exact or substantially the same asset, the valuer must perform a comparative analysis of qualitative similarities and differences between the comparable assets and subject asset. It will often be necessary to make adjustments based on this comparative analysis. Those adjustment must be reasonable and valuers must document the reasons for the adjustments and how they were quantified.

- This approach uses market multiples derived from a set of comparable, each with different multiples. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors.

2.1.1 Market Approach Methods

- The method used under this approach is Comparable Transactions Method. This method is also known as the guideline transactions method. It utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value.
- The comparable transaction method can use a variety of different comparable evidence, also known as units of comparison, which form the basis of the comparison. For example, a few of the many common units of comparison used for real property interests include price per square foot (or per square metre), rent per square foot (or per square metre) and capitalization rates. A few of the many common units of comparison used in business valuation include EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) multiples, earnings multiples, revenue multiples and book value multiples. A few of the many common units of comparison used in financial instrument valuation include metrics such as yields and interest rate spreads.
- The units of comparison used by participants can differ between asset classes and across industries and geographies.
- The key steps in the comparable transactions method are:
 - a) identify the units of comparison that are used by participants in the relevant market,
 - b) identify the relevant comparable transactions and calculate the key valuation metrics for those transactions,
 - c) perform a consistent comparative analysis of qualitative and quantitative similarities and differences between the comparable assets and the subject asset,
 - d) make necessary adjustments, if any, to the valuation metrics to reflect differences between the subject asset and the comparable assets,
 - e) apply the adjusted valuation metrics to the subject asset, and
 - f) if multiple valuation metrics were used, reconcile the indications of value.
- A valuer should choose comparable transactions within the following context:
 - a) evidence of several transactions is generally preferable to a single transaction or event,

- b) evidence from transactions of very similar assets (ideally identical) provides a better indication of value than assets where the transaction prices require significant adjustments,
 - c) transactions that happen closer to the valuation date are more representative of the market at that date than older/dated transactions, particularly in volatile markets,
 - d) for most bases of value, the transactions should be “arm’s length” between unrelated parties,
 - e) sufficient information on the transaction should be available to allow the valuer to develop a reasonable understanding of the comparable asset and assess the valuation metrics/comparable evidence,
 - f) information on the comparable transactions should be from a reliable and trusted source, and
 - g) actual transactions provide better valuation evidence than intended transactions.
- A valuer should analyze and make adjustments for any material differences between the comparable transactions and the subject asset. Examples of common differences that could warrant adjustments may include, but are not limited to:
 - a) material characteristics (age, size, specifications, etc.),
 - b) relevant restrictions on either the subject asset or the comparable assets,
 - c) geographical location (location of the asset and/or location of where the asset is likely to be transacted/used) and the related economic and regulatory environments,
 - d) profitability or profit-making capability of the assets,
 - e) historical and expected growth,
 - f) yields/coupon rates,
 - g) types of collateral,
 - h) unusual terms in the comparable transactions,
 - i) differences related to marketability and control characteristics of the comparable and the subject asset, and
 - j) ownership characteristics (such as legal form of ownership, amount percentage held).
 - This method utilises information on publicly-traded comparable that are the same or similar to the subject asset to arrive at an indication of value.
 - Difference between Comparable transaction method and guideline publicly-traded comparable method:
 - a) the valuation metrics/comparable evidence are available as of the valuation date,

- b) detailed information on the comparables are readily available in public filings, and
- c) the information contained in public filings is prepared under well understood accounting standards.
- The method should be used only when the subject asset is sufficiently similar to the publicly-traded comparables to allow for meaningful comparison.
- The key steps in the guideline publicly-traded comparable method are to:
 - a) identify the valuation metrics/comparable evidence that are used by participants in the relevant market,
 - b) identify the relevant guideline publicly-traded comparable and calculate the key valuation metrics for those transactions,
 - c) perform a consistent comparative analysis of qualitative and quantitative similarities and differences between the publicly-traded comparable and the subject asset,
 - d) make necessary adjustments, if any, to the valuation metrics to reflect differences between the subject asset and the publicly-traded comparable,
 - e) apply the adjusted valuation metrics to the subject asset, and
 - f) if multiple valuation metrics were used, weight the indications of value.
- A valuer should choose publicly-traded comparables within the following context:
 - a) consideration of multiple publicly-traded comparables is preferred to the use of a single comparable,
 - b) evidence from similar publicly-traded comparables (for example, with similar market segment, geographic area, size in revenue and/or assets, growth rates, profit margins, leverage, liquidity and diversification) provides a better indication of value than comparables that require significant adjustments, and
 - c) securities that are actively traded provide more meaningful evidence than thinly traded securities.
- A valuer should analyze and make adjustments for any material differences between the guideline publicly-traded comparables and the subject asset. Examples of common differences that could warrant adjustments may include, but are not limited to:
 - a) material characteristics (age, size, specifications, etc.),
 - b) relevant discounts and premiums,
 - c) relevant restrictions on either the subject asset or the comparable assets,

- d) geographical location of the underlying company and the related economic and regulatory environments,
- e) profitability or profit-making capability of the assets,
- f) historical and expected growth,
- g) differences related to marketability and control characteristics of the comparable and the subject asset, and
- h) type of ownership.

2.1.2 Other Market Approach Considerations

The following are the non-exhaustive list of certain special considerations that may form part

of a market approach valuation:

- i) Anecdotal or “rule-of-thumb” valuation benchmarks are sometimes considered to be a market approach.
- ii) adjust for differences between the subject asset and the guideline transactions or publicly-traded securities.
- iii) Some of the most common adjustments made in the market approach are known as discounts and premiums.

2.2 Income Approach

- Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.
- The income approach should be applied and afforded significant weight under the following circumstances:
 - a. the income-producing ability of the asset is the critical element affecting value
 - b. value from a participant perspective, and/or reasonable projections of the amount and timing of future income are available for the subject asset, but there are few, if any, relevant market comparables.
- Additional circumstances where the income approach may be applied and afforded significant weight:
 - a) the income-producing ability of the subject asset is only one of several factors affecting value from a participant perspective,
 - b) there is significant uncertainty regarding the amount and timing of future income-related to the subject asset,

- c) there is a lack of access to information related to the subject asset (for example, a minority owner may have access to historical financial statements but not forecasts/budgets), and/or
- d) the subject asset has not yet begun generating income, but is projected to do so.

2.2.1 Income Approach Methods

- Methods under the income approach are effectively based on the discounting future amounts of cash flow to present value.

2.2.1.1 Discounted Cash Flow (DCF) Method

Under the DCF method, the forecasted cash flow is discounted back to the valuation date, resulting in a present value of the asset.

i. The key steps in the DCF method are:

- a) choose the most appropriate type of cash flow for the nature of the subject asset and the assignment (i.e., pre-tax or post-tax, total cash flows or cash flows to equity, real or nominal, etc.),
- b) determine the most appropriate explicit period, if any, over which the cash flow will be forecast,
- c) prepare cash flow forecasts for that period,
- d) determine whether a terminal value is appropriate for the subject asset at the end of the explicit forecast period (if any) and then determine the appropriate terminal value for the nature of the asset,
- e) determine the appropriate discount rate, and
- f) apply the discount rate to the forecasted future cash flow, including the terminal value, if any.

ii. Type of Cash Flow:

- a) Cash flow to whole asset or partial interest
- b) The cash flow can be pre-tax or post-tax
- c) Nominal versus real
- d) Currency

iii. Explicit Forecast Period: Valuers should consider the following factors when selecting the explicit forecast period:

- a) the life of the asset,
- b) a reasonable period for which reliable data is available on which to base the projections,

- c) the minimum explicit forecast period which should be sufficient for an asset to achieve a stabilised level of growth and profits, after which a terminal value can be used,
 - d) in the valuation of cyclical assets, the explicit forecast period should generally include an entire cycle, when possible, and
 - e) for finite-lived assets such as most financial instruments, the cash flows will typically be forecast over the full life of the asset.
- iv. Cash Flow Forecasts: the projected cash flow will reflect one of the following:
- a) contractual or promised cash flow,
 - b) the single most likely set of cash flow,
 - c) the probability-weighted expected cash flow, or
 - d) multiple scenarios of possible future cash flow.
- v. Terminal Value: The terminal value should consider:
- (a) whether the asset is deteriorating/finite-lived in nature or indefinite-lived, as this will influence the method used to calculate a terminal value,
 - (b) whether there is future growth potential for the asset beyond the explicit forecast period,
 - (c) whether there is a pre-determined fixed capital amount expected to be received at the end of the explicit forecast period,
 - (d) the expected risk level of the asset at the time the terminal value is calculated,
 - (e) for cyclical assets, the terminal value should consider the cyclical nature of the asset and should not be performed in a way that assumes “peak” or “trough” levels of cash flows in perpetuity, and
 - (f) the tax attributes inherent in the asset at the end of the explicit forecast period (if any) and whether those tax attributes would be expected to continue into perpetuity.
- vi. Valuers may apply any reasonable method for calculating a terminal value. The three most commonly used methods for calculating a terminal value are:
- (a) Gordon growth model/constant growth model (appropriate only for indefinite-lived assets),
 - (b) market approach/exit value (appropriate for both deteriorating/finite-lived assets and indefinite-lived assets), and
 - (c) salvage value/disposal cost (appropriate only for deteriorating/finite-lived assets).
- vii. Discount Rate:
- (a) the capital asset pricing model (CAPM),

- (b) the weighted average cost of capital (WACC),
 - (c) the observed or inferred rates/yields,
 - (d) the internal rate of return (IRR),
 - (e) the weighted average return on assets (WARA), and
 - (f) the build-up method (generally used only in the absence of market inputs).
- viii. In developing a discount rate, a valuer should consider:
- (a) the risk associated with the projections made in the cash flow used,
 - (b) the type of asset being valued. For example, discount rates used in valuing debt would be different to those used when valuing real property or a business,
 - (c) the rates implicit in transactions in the market,
 - (d) the geographic location of the asset and/or the location of the markets in which it would trade,
 - (e) the life/term of the asset and the consistency of inputs. For example, the risk-free rate considered would differ for an asset with a three-year life versus a 30-year life,
 - (f) the type of cash flow being used, and
 - (g) the bases of value being applied. For most bases of value, the discount rate should be developed from the perspective of a participant.

3.1 Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

- a) The cost approach should be applied and afforded significant weight under the following circumstances:
- participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
 - the asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
 - the basis of value being used is fundamentally based on replacement cost, such as replacement value.

b) Additional circumstances where the cost approach may be applied and afforded significant weight:

- participants might consider recreating an asset of similar utility, but there are potential legal or regulatory hurdles or significant time involved in recreating the asset,
- when the cost approach is being used as a reasonableness check to other approaches (for example, using the cost approach to confirm whether a business valued as a going-concern might be more valuable on a liquidation basis), and/or
- the asset was recently created, such that there is a high degree of reliability in the assumptions used in the cost approach.

3.1.1 Cost Approach Methods

Three cost approach methods:

- i) replacement cost method:** a method that indicates value by calculating the cost of a similar /asset offering equivalent utility,
- ii) reproduction cost method:** a method under the cost that indicates value by calculating the cost to recreating a replica of an asset, and
- iv) summation method:** a method that calculates the value of an asset by the addition of the separate values of its component parts.

-COST CONSIDERATIONS

- The cost approach should capture all the costs that would be incurred by a typical participant. The costs are majorly divided into direct and indirect.
- An asset acquired from a third party would presumably reflect their costs associated with creating the asset as well as some form of profit margin to provide a return on their investment.
- The actual costs incurred in creating the subject asset (or a comparable reference asset) may be available and provide a relevant indicator of the cost of the asset. But a few adjustments must be made so that the cost fluctuations between the date on which the cost was incurred and the valuation date and any exceptional costs or savings that are reflected in the cost data, but would not arise again, can be reflected.

-DEPRECIATION/OBSOLESCENCE

Depreciation adjustments are normally considered for Physical, Functional and Economic Obsolescence. It should consider physical and economic life of the asset.

PHYSICAL OBSOLESCENCE can be measured in two ways:

1. Curable: Cost to cure/fix the obsolescence.
2. Incurable: Adjustment for physical obsolescence is equivalent to the proportion of the expected total life consumed.

-FUNCTIONAL OBSOLESCENCE

- Excess capital costs: caused by changes in design, material, technology, resulting in the availability of modern equivalent assets with lower capital costs than the subject asset,
- Excess operating costs: caused by improvements in design or excess capacity resulting in availability of modern equivalent assets with lower capital costs than the subject asset.

-ECONOMIC OBSOLESCENCE

Economic obsolescence arises when external factors affect an individual asset or all the assets employed in the business and should be deducted after physical deterioration and functional obsolescence.

(Part-III) (Miscellaneous)

1. Distribution of work amongst Empanelled Valuers

The branches/operating units shall assign the task to the empanelled Valuers on rotation basis, to enable equal distribution of work to the empanelled service providers and thereby avoid concentration / monopolistic situation arising out of engaging a few valuers.

2. Complaint Redressal Mechanism by the Borrower /Guarantor

All issues of grievance/ complaint by Borrower / Guarantor alleging unlawful/ unfair actions by Valuers shall be examined and appropriately addressed by the branch in consultation with Controllers.

Branch/Operating units shall not allot matters to Valuers against whom a grievance/ complaint is received, till such grievance/ complaint is finally disposed off to the satisfaction of the Borrower/Complainant.

However, where Branch /Operating units is convinced, with appropriate proof, that the allegations / complaints are frivolous / vexatious, it may continue with the

process through the Valuer and put on record with justification the reasons of disagreement with the complaints of the borrower and its decision of continuance of the services of Valuer.

As Bank, as principal, is responsible for the actions of the Valuer, branches/operating units should ensure that Valuer should be made aware and strictly adhere to the extant guidelines and instructions on valuation norms.

3. Criteria for De-panelment and Procedure for De-panelment/De-listing

- a) The competent authority may de-list / de-panel a valuer on account of misconduct, for the instances mentioned below;
 - i) Under/ Over valuation of assets
 - ii) Not complying to the Banks' instructions or contrary to specific instructions;
 - iii) Giving any false or misleading information to the bank at the time of empanelment or obtaining empanelment by fraudulent means;
 - iv) Action to the detriment of the interest of the Bank;
 - v) Compiling the valuation report with malafide intentions;
 - vi) Committing an act amounting to professional misconduct;
 - vii) Indulging in fraudulent activities including raising of fake bills;
 - viii) Delay in submission of reports beyond the time agreed upon;
 - ix) Convicted of an offence connected with any proceedings under the Income Tax Act, 1961, Wealth Tax Act, 1957 or Gift Tax Act, 1958.
 - x) Threatening, intimidating or abusing any of the employees, officers/ or Representatives/ constituents of the Bank;
 - xi) Deficiency in Service;
 - xii) Blacklisted by any Bank or any complaint has been filed against the valuer/ firm before CBI/ Serious Fraud Investigation Office (SFIO)/ or any other Courts.
- The above instances are only illustrative and not exhaustive and the competent authority may amend / modify any of the above conditions or may add one or more such instance that may be considered as a reason for de-panelment of the valuer.

xiii. The entire process of de-panelment should be completed in 3 (three) months.

b) Procedure for De-panelment

On noticing of any trigger based on the above criteria as also irregularity in discharge of its duty or performance being found unsatisfactory on review, the name of the entity shall be reported by the branches/ operating units to the Controllers/ Respective Committees at LHOs immediately.

- i) The Branches/ operating units shall issue a show cause notice to the entity.

- ii) The response received from the entity shall be scrutinized by respective Branches/ operating units and if found satisfactory, the same may be put up to the concerned Controlling Authorities and on approval, the process of de-panelment may be dropped.
- iii) In case the explanation/representation submitted by the entity is not acceptable to the Bank, an opportunity may also be given, for a hearing “in person” or through audio/video conference available at the nearest Branch/Office (in case the entity is not in a position to present himself) before the Controlling office/ Respective Committees at LHOs.
- iv) If not found satisfactory, the proposal for de-panelment of entity may be submitted to Respective Committees at LHOs or SARG (as applicable) along with the recommendations of the RBO/ B&O/ Respective Committees at LHOs and for final de-panelment of entity, the delegated authority shall be Respective Committees at LHOs/ SARG (as applicable).
- v) Pending final decision on de-panelment, name of such entity shall be hosted in the “Caution List” on VMS, so that no new assignments are given to agencies under “Caution List”.
- vi) After obtaining approval of the delegated authority, name of the entity shall be delisted and subsequently deleted from the list of empanelled entity available on Bank’s Site and added to the separate list of de-panelled agencies.
- vii) The concerned Committees at LHOs or SARG, as applicable, has to delete the name from the empanelled list.
- viii) A letter to this effect shall be issued to the entity and all the other existing assignments, if any, would stand cancelled / terminated.
- ix) The matter of de-panelment shall be intimated to the IBBI, IBA and such other authority/body as may be considered necessary/appropriate.

c) Procedure for De-panelment where the entity is involved in fraud/gross negligence:

In addition to the above guidelines for reporting the names of Professionals/ Third Party Entities (TPEs) involved in frauds to Indian Banks Association (IBA) have to be followed as per circular No.CPP/SKM/Cir/133 dated the 19th Dec, 2015 and circular No.CPP/SKM/Cir/11 dated the 3rd May, 2014. In case of such valuers who are also registered with IBBI the details of such valuer should be reported by Credit Policy and Procedures Department (CPPD) to IBBI for an appropriate action including cancellation or suspension of Certificate of Registration of valuer. The list of blacklisted valuers should also be shared with the institutions with which the valuers have been registered or which have provided certification to them.

d) Entity on Caution list of IBA

- i) IBA provides names of the agencies in the caution list based on communications received from member banks. On receipt of intimation from IBA, the addition to the caution list of such agencies are immediately hosted on the Banks site for reference to all the branches/ operating units.
- ii) The above mentioned procedure for de- empanelment should also be followed for such agencies. The depanelment process has to be initiated by Branches /operating units.
- iii) If the services of such agencies are found to be satisfactory and not to be depanelled i.e branches/ operating units desires to continue to engage their services in spite of them being included in IBA caution list, the same may be continued only with specific approval of Delegated Authority.

4. Cancellation or Suspension of Certificate of Registration of valuers or Recognition of Registered Valuers Organisation by IBBI and Temporary Surrender of Registration Certificate

- IBBI may cancel or suspend the registration of a valuer or recognition of Registered Valuers Organisation for violation of the provisions of the Act, any other law allowing him to perform valuation, rules or any condition of registration or recognition, as the case may be in the manner specified by the IBBI.
- A complaint may be filed against a valuer registered with IBBI or against Registered Valuer Organisation (RVO) before IBBI in person or by post or courier alongwith a non-refundable fees of Rupees one thousand in favour of the IBBI and the IBBI shall examine the complaint and take such necessary action as it deems fit. Provided that in case of a complaint against a valuer registered with IBBI, who is a partner of a Partnership entity or director of the Company, IBBI may refer the complaint to the relevant RVO and the RVO shall handle the complaint in accordance with its bye laws.
- List of Valuer(s) and registered valuers organisation(s) under the above categories with IBBI may be obtained from IBBI site. The branches/ operating units shall route their complaint against any empanelled valuers to CPPD through their Controllers/LHOs.

5. Procedure for Re-empanelment

Valuers once removed from the panel of the bank (i.e De-panelled) may be re-empanelled. The Re-empanelment is to be on very selective basis and after a minimum cooling period of two (2) years from the date of De-panelment. The same

process as that of empanelment is to be followed for Re-empanelment of valuers with specific justification for such Re-empanelment. If approved by delegated authority for empanelment, names of such valuers removed from De-empaneled list (post re-empanelment) may be reported to the IBBI/ IBA, requesting IBBI/ IBA to arrange for the names to be deleted from its caution list.

6. Compliance of Standards and Procedures

All valuers empanelled by the Bank shall comply and abide by the standards and procedures laid down in this document and code of conduct specified in this document (**Annexure-V**).

7. Independence and Objectivity

All valuers empanelled by Bank shall act with independence, integrity and objectivity. They shall undertake all valuation works with an independent mind and shall not come under any influence of anybody. The empanelled valuer shall also not be related to any of the personnel in the bank /FI in the department/division dealing with valuation work directly.

8.Obligations of the Bank

This document casts the following obligations on the part of the Bank.

- All appointments/ empanelment of valuers shall be done in accordance with the provisions of this document and its amendments from time to time.
- All instructions to the valuer are to be given by the Bank in writing. Supportive documents, wherever possible, shall be provided to the valuer before the valuation work begins. Any other document will have to be procured by the valuer and sufficient time for the same will be provided and cost of procurement of such documents shall be reimbursed by the Bank.
- A maximum of 10 days' time shall normally be given to the valuer to carry out the valuation. Maximum time for valuation will be mutually decided by the Valuer and Bank depending upon the nature of the valuation job and circumstances on a case to case basis. In case of outstation properties or in case of large property valuations, more time shall be given, depending on the circumstances, on a case to case basis.
- No security deposits or any other indemnity money should be taken from the valuers as security for the professional services that they provide.
- Professional fees / payments to the valuers shall be paid within 45 days of the submission of the valuation.
- In case the valuation report submitted by the valuer is not in order, Branch Manager/ Relationship Manager may bring the same to the notice of the valuer within 15 days of submission for rectification and resubmission. In case no such

communication is received, it shall be presumed that the valuation report has been accepted.

- All procedures as outlined in this document have to be meticulously followed by operating functionaries.
- In case of valuations under SARFAESI Act, provisions under the Act have to be followed.

9. Continuing Education

All valuers shall constantly update their knowledge base by actively participating in various continuing education programmes including seminars, conferences, workshops, training programmes, capacity building programmes, etc.

10. Review of Policy

The Policy shall be reviewed annually or as and when considered necessary.

(PART-IV)

Annexure-I

I. Valuation of Land & Building / Real Estate

The educational qualifications for empanelment as valuers of Land & Building / Real Estate shall be as under:

Sl. No.	Graduate level	Post Graduate level	Experience in specific discipline
1	Graduate in Civil Engineering, Architecture or town planning of a recognised University established under State or Central Act or equivalent whether in India or Abroad	---	<p>5 years work experience in the field of valuation of land & building/ real estate after completion of the degree or equivalent.</p> <p>The Applicants with these qualifications should preferably possess an additional qualification (i) in the form of a certification examination on or before 31.12.2019 of duration of one semester or above in the subjects which are vital for valuation of real estate and not covered in course curriculum of civil engineering, architecture and town planning and which is conducted by recognized university/ Institution conducting the examination in valuation of Real Estate which are recognized by Govt. of India.</p> <p>In case of non-completion of course by 31.12.2019, empanelment shall stand cancelled automatically.</p> <p>Or</p> <p>(ii) valuer is registered with IBBI</p> <p>Or</p> <p><u>(iii) valuer is registered under section 34AB of Wealth Tax Act, 1957</u></p> <p>Note: The applicants empanelled on the basis of criteria laid down under Sr.no.1 shall be eligible for empanelment even after 01.01.2020.</p>
2	Diploma in Civil Engineering/ Architecture.	--	<p>8 years' work experience in the field of valuation of real estate after completion of the diploma</p> <p>They should preferably complete</p>

			<p>the certification course in valuation of real estate as prescribed under Sr.no. 1 above.</p> <p>Note: The applicants empanelled on the basis of criteria laid down under Sr.no.2 shall be eligible for empanelment even after 01.01.2020</p>
3	Pass in examination in Indian Banks' Association valuation of real estate recognized by the Govt. of India for recruitment to superior services or posts conducted by any institution	--	2 years' work experience in the field of valuation of real estate after completing the examination
4	Graduate in Civil Engineering, Architecture or town planning of a recognised University established under State or Central Act or equivalent whether in India or Abroad	Post Graduate in Civil Engineering, Architecture or town planning of a recognised University established under State or Central Act or equivalent whether in India or Abroad	Three years of experience in the discipline after completing Post Graduation
5	Graduate from a recognized university established under State or Central Act or equivalent whether in India or Abroad in a discipline specified by IBA or IBBI and amended from time to time	Post Graduate in valuation of Land and building or Real Estate(a two-year full time post-graduate course) from a recognized university established under State or Central Act or equivalent whether in India or Abroad	Five years of experience in the discipline after completing Post Graduation
6	Chartered/ Professional membership of the Royal Institution of Chartered Surveyors (RICS)/American Society of Appraisers (ASA)/Appraisal Institute (AI),USA/ other Internationally reputed institutional players who fulfill the criteria -obtained by passing an examination equivalent to examinations mentioned under sr.no. (3) & (5) above.		Since the process of procurement of membership with these organizations includes training as an integral component, no further experience requirement is being prescribed

* The eligibility qualification means qualification obtained from a recognised Indian University established under State or Central Act or equivalent whether in India or Abroad

** “equivalent” shall mean professional and technical qualifications which are recognised by the Ministry of Human Resources and Development as equivalent to professional and technical degree

- Valuers with educational qualifications of Graduation and above, who are neither registered with IBBI nor registered under section 34AB of Wealth Tax Act, 1957, shall undertake the valuation of properties/ assets for loans upto Rs.2.00 Crore only.
- Diploma holders in Civil Engineering/Architecture will be eligible for empanelment to undertake valuation of Properties/ Assets for loans upto Rs.1.00 Crore only. However, such valuers may conduct valuation of properties/assets under Housing for Loans upto Rs.2.00 Crore.

However, from 01.01.2020 for fresh empanelment, preferably, only academically qualified valuers with Post Graduate degree in valuation of land & building/ real estate from a recognised university (as established under State or Central Acts) with 3 years' experience in valuation of real estate shall be considered.

II. Valuation of Plant and Machinery

The educational qualifications for empanelment as valuers of plant & machinery shall be as under:

Sl. No.	Graduate level	Post Graduate level	Experience in specific discipline
1	Graduate in Mechanical, Electrical, Chemical, Production, Computer, Industrial Engineering and any other stream of Engineering as required by the Bank for conduct of valuation of Plant and Machinery and other equipment of a recognized university established under State or Central Act or equivalent whether in India or Abroad	---	<p>Five years of experience in the field of valuation of plant & machinery after completing Graduation or equivalent</p> <p>The Applicants with these qualifications should preferably possess an additional qualification in the form of</p> <p>(i) a certification examination on or before 31.12.2019 of duration of one semester or above in the subjects which are vital for valuation of plant & machinery and not covered in course curriculum of Mechanical, Electrical, Chemical, Production, Computer, Industrial Engineering and any other stream of Engineering as required by the Bank for conduct of valuation of Plant and Machinery and other equipment from recognized university/ Institution conducting the examination which are recognized by Govt. of India.</p> <p>In case of non-completion of course by 31.12.2019, empanelment shall stand cancelled automatically.</p> <p>Or</p> <p>(ii) valuer is registered with IBBI</p>

			<p>Or</p> <p>(iii) valuer is registered under section 34AB of Wealth Tax Act, 1957</p> <p>Note: The applicants empanelled on the basis of criteria laid down under Sr.no.1 shall be eligible for empanelment even after 01.01.2020</p>
2	Diploma in mechanical, electrical, production, chemical, electronics, computer, industrial engineering and any other stream of Engineering as required by the Banks awarded by a recognized institute by State/central government for conduct of valuation of Plant and Machinery and other equipments		<p>8 years work experience in the field of valuation of plant and machinery after completion of the diploma</p> <p>They should preferably complete certification course in valuation of plant and machinery prescribed under Sr.no.1 above.</p> <p>The applicants empanelled on the basis of criteria laid down under Sr.no.2 shall be eligible for empanelment even after 01.01.2020</p>
3	Graduate in Mechanical, Electrical, Chemical, Production, Computer, Industrial Engineering and any other stream of Engineering as required by the Bank for conduct of valuation of Plant and Machinery and other equipment of a recognized university established under State or Central Act or equivalent whether in India or Abroad	Post Graduate in Mechanical, Electrical, Chemical, Production, Computer, Industrial Engineering and any other stream of Engineering as required by the Bank for conduct of valuation of Plant and Machinery and other equipment of a recognized university or equivalent whether in India or Abroad	Three years of experience in the discipline after completing Post Graduation
4	Graduate in valuation of Plant & machinery from a recognised university established under State or Central Act or equivalent whether in India or Abroad	Post Graduate in valuation of plant & machinery(a two-year full time post-graduate course) from a recognized university established under State or Central Act or equivalent whether in India or Abroad	Three years of experience in the discipline after completing Post Graduation

* The eligibility qualification means qualification obtained from a recognised Indian University established under State or Central Act or equivalent whether in India or Abroad

** "equivalent" shall mean professional and technical qualifications which are recognised by the Ministry of Human Resources and Development as equivalent to professional and

technical degree

- Valuers with educational qualifications of Graduation and above, who are neither registered with IBBI nor registered under section 34AB of Wealth Tax Act, 1957, shall undertake the valuation of properties/ assets for loans upto Rs.2.00 Cr. only.
- Diploma holders in mechanical, electrical, production, chemical, electronics, computer, industrial engineering and any other stream of Engineering will be eligible for empanelment to undertake valuation of Properties/ Assets for loans upto Rs.1.00 Crore only. However, such valuers may conduct valuation of properties/assets under Housing Loans for loans upto Rs.2.00 Crore.

However, from 01.01.2020 for fresh empanelment, preferably, only academically qualified valuers with Post Graduate degree in valuation of plant & machinery from a recognised university with 3 years' experience in valuation of Plant & Machinery is required.

III. (a) Securities or Financial Assets/ Stocks and Trade

The educational qualifications for empanelment as valuers of Securities or Financial Assets (Including Enterprise Valuation) shall be as under:

Qualifications	Experience
(i) Member of Institute of Chartered Accountants of India, Member of Institute of Company Secretaries of India, Member of the Institute of Cost Accountants of India, Master of Business Administration or Post Graduate Diploma in Business Management (specialization in finance). (ii) Post Graduate in Finance	Three years

- Valuers with educational qualifications of Graduation and above, who are neither registered with IBBI nor registered under section 34AB of Wealth Tax Act, 1957, shall undertake the valuation of properties/ assets for loans upto Rs.2.00 Crore only.

(b) Valuers of Stock (inventory), Shares (Under SARFAESI Act, 2002)

In the case of these assets criteria laid down under the Wealth Tax Rule 8A (7) may be adopted.

Rule 8A (7) a Valuer of stocks, shares, debentures, securities, shares in partnership firms and of business assets, including goodwill but excluding those referred to in sub-rules (2) to (6) and (8) to (11), shall have the following qualifications, namely,

- (i) he must be a member of the Institute of Chartered Accountants of India or the Institute of Cost and Works Accountants of India [or the Institute of Company Secretary of India]; and
- (ii) he must have been in practice as chartered accountant or a cost and works accountants or a company secretary for a period of not less than ten years and his gross receipts from such practice should not be less than fifty thousand rupees in any three of the five preceding years.
- (iii) Evidence of previous experience needs to be provided to the Bank. In case of companies / partnership firms undertaking valuations, the qualification and experience shall apply to the lead valuers of the company / all partners of the partnership firm.

IV. (a) Valuers of Agricultural land (other than Plantations)

Valuer of agricultural land ought to have knowledge of following principles of valuation:

- II.1. Cost, price, value and worth
- II.2. Various types of value
- II.3. Value elements – ingredients – characteristics
- II.4. Annuities – capitalization – rate of capitalization – redemption of capital
- II.5. Three approaches to value viz. Income, Market and cost
- II.6. Laws applicable to agricultural land

- (i) He must be a graduate in agricultural science of a recognised university and must have worked as a farm valuer for a period of not less than five years; and, or

(ii) He must be a person formerly employed in a post under Government as Collector, Deputy Collector, Settlement Officer, Land Valuation Officer, Superintendent of Land Records, Agricultural Officer, Registrar under the Registration Act, 1908, or any other officer of equivalent rank performing similar functions and must have retired or resigned from such employment after having rendered service in any one or more of the posts aforesaid for an aggregate period of not less than five years.

(b) Valuers of Agricultural Land (Plantations)

A valuer of coffee plantation, tea plantation, rubber plantation, cardamom plantation or as the case may be, shall have the following qualifications, namely:-

1. He must have, for a period of not less than five years, owned, or acted as manager of a coffee, tea, rubber or, as the case may be, cardamom plantation having an area under plantation of not less than four hectares in the case of a cardamom plantation or forty hectares in the case of any other plantation; or

2. He must be a person formerly employed in a post under Government as a Collector, Deputy Collector, Settlement Officer, Land Valuation Officer, Superintendent of Land Records, Agricultural Officer, Registrar under the Registration Act, 1908, or any other officer of equivalent rank performing similar functions and must have retired or resigned from such employment after having rendered service in any one or more of the posts aforesaid for an aggregate period of not less than five years, out of which not less than three years must have been in areas, wherein coffee, tea, rubber or, as the case may be, cardamom is extensively grown.

(Annexure-II)

Application for Empanelment as a Valuer

To

.....
.....
.....

.....

Subject: Application for empanelment as a valuer

IBBI Registration No.(if applicable);

Registered under Sec 34AB of Wealth Tax Act 1957, if yes, Wealth Tax Registration No:

Sir/ Madam,

I, being an individual/ proprietor/ partner/ director (strike off whichever is not applicable), hereby apply for empanelment as a valuer for the following class(es) of assets :-

- (a) _____
- (b) _____
- (c) _____
- (d) _____

The details are as under:

A. DETAILS OF THE FIRM/ PARTNERSHIP ENTITY/ COMPANY (if applicable)

1. Name:
2. Registration Number/ LLP Number/CIN Number:
3. PAN No.:
4. GST No.
5. Address for Correspondence or registered office:
6. Permanent Address:
7. E-Mail Address
8. Telephone No.:

Others:

B. PERSONAL DETAILS OF INDIVIDUAL/ PROPRIETOR/ EACH PARTNER/DIRECTOR

Title (Mr/Mrs/Ms):

1. Name:
2. Father's Name:
3. Mother's Name:
4. Date of Birth:
5. Registration with CBDT under Wealth Tax Act, 1957 – YES / No.
If yes, (Registration No. & Date, of Individual/ all the Partners (in case of Partnership Firm)

6. PAN No.:
7. AADHAAR No.:
8. Passport No.:
9. GST No.
10. Address for Correspondence:
11. Permanent Address:
12. E-Mail Address:
13. Mobile No.

14. Others

C. EDUCATIONAL, PROFESSIONAL AND VALUATION EXAMINATION QUALIFICATIONS

1. Educational Qualifications

[Please provide educational qualifications from Bachelor's degree onwards for Individual/ proprietor/ each partner/director]

Educational Qualification	Year of Passing	Marks (percent.)	Grade/ Class	University/ College	Remarks, if any

2. Professional Qualifications for Individual/ proprietor/ each partner/director

Professional Qualification	Institute/ Professional Body/ registered valuers organisation	Membership No.	Date of enrolment	Remarks, if any

3 (a) Details of valuation examination passed (for Individual/ proprietor/ all partners/directors who are registered valuers with RVO)

Date of examination	Asset class, if any	Marks secured	Percentage

3 (b) Valuation Qualifications (for Individual/ proprietor/ all partners/directors who are

registered valuers with RVO)

Valuation specific qualification/course	Recognised Registered Valuers Organisation		Asset class	Membership No. in Registered Valuers Organisation	Remarks, if any.
	Name	Recognition No			

D. WORK EXPERIENCE (if applicable)

1. Are you presently in practice / employment? (Yes or No)
2. Number of years in practice or of work experience in the relevant profession or in valuation (attach evidence in the form of reference letters/copies of valuation reports/any other evidence):
3. If in practice, address for professional correspondence:
4. Number of years in employment (in years and months):
5. Experience Details

Sl. No.	From Date	To Date	Employment / Practice	If employed, Name of Employer and Designation	If in practice, experience in the relevant profession/ valuation	Area of work

E. REGISTERED VALUERS ORGANISATION/ MEMBERSHIP OF PROFESSIONAL BODIES

1. Please give details of the registered valuers organisation/ Professional bodies of which you are a member. Please state your membership number.

F. ADDITIONAL INFORMATION

1. Have you ever /or any of your partners/directors ever been convicted for an offence? (Yes or No). If yes, please give details.
2. Are any criminal proceedings pending against you /or your partners/directors? (Yes or No) If yes, please give details.
3. Are you or any of your/ your partners/directors undischarged bankrupt, or have applied to be adjudged as a bankrupt? (Yes or No)
If yes, please give details.
4. Please provide any additional information that may be relevant for your application.

G. ATTACHMENTS

1. Copy of Certificate of Registration with IBBI
2. Copy of Certificate of Registration under Sec 34AB of Wealth Tax Act, 1957 (if applicable)
 3. Copy of proof of membership with a registered valuers organization.
 4. Copy of membership with Professional bodies
 5. Reference Letter(s) as prescribed in Annexure-XI
 6. KYC documents for Individual/ Firm/ Partnership Firm/ Company and its proprietor/ partners/directors.
 7. Copies of documents in support of educational qualifications, professional qualifications and valuation qualifications of Individual/ proprietor/ partners/directors.
 8. Copies of documents demonstrating practice or work experience for relevant period, if applicable
 9. Copies of certificate of employment by the relevant employer(s), specifying the period of such employment, if applicable.
10. Financial statements/ Income Tax Returns for the last three years.
11. Passport-size photograph(s) of Individual/ proprietor/ partners/directors.

H. AFFIRMATIONS

1. Copies of documents, as listed in section G of this application form have been attached/ uploaded. The documents attached/ uploaded are
I undertake to furnish any additional information as and when called for.
2. I am not disqualified from being registered as a valuer under the Companies (Registered Valuers and Valuation) Rules, 2017, (Please strike off if not applicable).
3. This application and the information furnished by me along with this application is true and complete. If found false, misleading or incorrect I will be fully responsible for the consequences.

Place :
Date:

Signature & Name of applicant

List of documents to be obtained

Sl. No.	Name of documents
1	Copy of Certificate of Registration with IBBI (if applicable)
2	Copy of Certificate of Registration under Sec 34AB of Wealth Tax Act, 1957 (if applicable)
3	Copy of proof of membership with a registered valuers organization. (if applicable)
4	Copy of membership with Professional bodies
5	Reference Letter(s) as prescribed in Annexure-XI
6	KYC documents for Individual/ Firm/ Partnership Firm/ Company and its proprietor/ partners/directors.
7	Copies of documents in support of educational qualifications, professional qualifications and valuation qualifications of Individual/ proprietor/ partners/directors.
8	Copies of documents demonstrating practice or work experience for relevant period, if applicable
9	Copies of certificate of employment by the relevant employer(s), specifying the period of such employment, if applicable.
10	Financial statements/ Income Tax Returns for the last three years.
11	Passport-size photograph(s) of Individual/ proprietor/ partners/directors.

The above list is illustrative and not exhaustive. The Bank may call for such other evidence as may be considered necessary for verifying the eligibility or competence of the Valuer.

Format of undertaking to be submitted by Individuals/ proprietor/ partners/ directors

DECLARATION- CUM- UNDERTAKING

I,son/ daughter
of..... do hereby solemnly affirm and state that

- a. I am a citizen of India
- b. I will not undertake valuation of any assets in which I have a direct or indirect interest or becomes so interested at any time during a period of three years prior to my appointment as valuer or three years after the valuation of assets was conducted by me
- c. The information furnished in my valuation report dated DD-MM-YYYY is true and correct to the best of my knowledge and belief and I have made an impartial and true valuation of the property.
- d. I have personally inspected the property on DD-MM-YYYY The work is not sub-contracted to any other valuer and carried out by myself.
- e. Valuation report is submitted in the format as prescribed by the Bank.
- f. I have not been depanelled/ delisted by any other bank and in case any such depanelment by other banks during my empanelment with you, I will inform you within 3 days of such depanelment.
- f. I have not been removed/dismissed from service/employment earlier
- g. I have not been convicted of any offence and sentenced to a term of imprisonment
- h. I have not been found guilty of misconduct in professional capacity
- i. I have not been declared to be unsound mind
- j. I am not an undischarged bankrupt, or has not applied to be adjudicated as a bankrupt;
- k. I am not an undischarged insolvent
- l. I have not been levied a penalty under section 271J of Income-tax Act, 1961 (43 of 1961) and time limit for filing appeal before Commissioner of Income-tax (Appeals) or Income-tax Appellate Tribunal, as the case may be has expired, or such penalty has been confirmed by Income-tax Appellate Tribunal, and five years have not elapsed after levy of such penalty
- m. I have not been convicted of an offence connected with any proceeding under the Income Tax Act 1961, Wealth Tax Act 1957 or Gift Tax Act 1958 and

- n. My PAN Card number/Service Tax number as applicable is
- o. I undertake to keep you informed of any events or happenings which would make me ineligible for empanelment as a valuer
- p. I have not concealed or suppressed any material information, facts and records and I have made a complete and full disclosure
- q. I have read the Handbook on Policy, Standards and procedure for Real Estate Valuation, 2011 of the IBA and this report is in conformity to the “Standards” enshrined for valuation in the Part-B of the above handbook to the best of my ability
- r. I have read the International Valuation Standards (IVS) and the report submitted to the Bank for the respective asset class is in conformity to the “Standards” as enshrined for valuation in the IVS in “General Standards” and “Asset Standards” as applicable
- s. I abide by the Model Code of Conduct for empanelment of valuer in the Bank. (Annexure V-A signed copy of same to be taken and kept along with this declaration)
- t. I am registered under Section 34 AB of the Wealth Tax Act, 1957. (Strike off, if not applicable)
- u. I am valuer registered with Insolvency & Bankruptcy Board of India (IBBI) (Strike off, if not applicable)
- v. My CIBIL Score and credit worthiness is as per Bank’s guidelines.
- w. I am the proprietor / partner / authorized official of the firm / company, who is competent to sign this valuation report.
- x. I will undertake the valuation work on receipt of Letter of Engagement generated from the system (i.e. LLMS/LOS) only.
- y. Further, I hereby provide the following information.

SI No.	Particulars	Valuer comment
1	background information of the asset being valued;	
2	purpose of valuation and appointing authority	
3	identity of the valuer and any other experts involved in the valuation;	
4	disclosure of valuer interest or conflict, if any;	
5	date of appointment, valuation date and date of report;	
6	inspections and/or investigations undertaken;	
7	nature and sources of the information used or relied upon;	

8	procedures adopted in carrying out the valuation and valuation standards followed;	
9	restrictions on use of the report, if any;	
10	major factors that were taken into account during the valuation;	
11	major factors that were not taken into account during the valuation;	
12	Caveats, limitations and disclaimers to the extent they explain or elucidate the limitations faced by valuer, which shall not be for the purpose of limiting his responsibility for the valuation report.	

Date:

Place:

Signature
(Name of the Approved
Valuer and Seal of the
Firm / Company)

MODEL CODE OF CONDUCT FOR VALUERS

Integrity and Fairness

1. A valuer shall, in the conduct of his/its business, follow high standards of integrity and fairness in all his/its dealings with his/its clients and other valuers.
2. A valuer shall maintain integrity by being honest, straightforward, and forthright in all professional relationships.
3. A valuer shall endeavour to ensure that he/it provides true and adequate information and shall not misrepresent any facts or situations.
4. A valuer shall refrain from being involved in any action that would bring disrepute to the profession.
5. A valuer shall keep public interest foremost while delivering his services.

Professional Competence and Due Care

6. A valuer shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
7. A valuer shall carry out professional services in accordance with the relevant technical and professional standards that may be specified from time to time
8. A valuer shall continuously maintain professional knowledge and skill to provide competent professional service based on up-to-date developments in practice, prevailing regulations/guidelines and techniques.
9. In the preparation of a valuation report, the valuer shall not disclaim liability for his/its expertise or deny his/its duty of care, except to the extent that the assumptions are based on statements of fact provided by the company or its auditors or consultants or information available in public domain and not generated by the valuer.
10. A valuer shall not carry out any instruction of the client insofar as they are incompatible with the requirements of integrity, objectivity and independence.
11. A valuer shall clearly state to his client the services that he would be competent to provide and the services for which he would be relying on other valuers or professionals or for which the client can have a separate arrangement with other valuers.

Independence and Disclosure of Interest

12. A valuer shall act with objectivity in his/its professional dealings by ensuring that his/its decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the valuation assignment or not.
13. A valuer shall not take up an assignment if he/it or any of his/its relatives or associates is not independent in terms of association to the company.
14. A valuer shall maintain complete independence in his/its professional relationships and shall conduct the valuation independent of external influences.
15. A valuer shall wherever necessary disclose to the clients, possible sources of conflicts of duties and interests, while providing unbiased services.
16. A valuer shall not deal in securities of any subject company after any time when he/it first becomes aware of the possibility of his/its association with the valuation, and in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 or till the time the valuation report becomes public, whichever is earlier.
17. A valuer shall not indulge in “mandate snatching” or offering “convenience valuations” in order to cater to a company or client’s needs.
18. As an independent valuer, the valuer shall not charge success fee.
19. In any fairness opinion or independent expert opinion submitted by a valuer, if there has been a prior engagement in an unconnected transaction, the valuer shall declare the association with the company during the last five years.

Confidentiality

20. A valuer shall not use or divulge to other clients or any other party any confidential information about the subject company, which has come to his/its knowledge without proper and specific authority or unless there is a legal or professional right or duty to disclose.

Information Management

21. A valuer shall ensure that he/ it maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of his/its decisions and actions.
22. A valuer shall appear, co-operate and be available for inspections and investigations carried out by the authority, any person authorised by the authority, the registered valuers organisation with which he/it is registered or any other statutory regulatory body.

23. A valuer shall provide all information and records as may be required by the authority, the Tribunal, Appellate Tribunal, the registered valuers organisation with which he/it is registered, or any other statutory regulatory body.
24. A valuer while respecting the confidentiality of information acquired during the course of performing professional services, shall maintain proper working papers for a period of three years or such longer period as required in its contract for a specific valuation, for production before a regulatory authority or for a peer review. In the event of a pending case before the Tribunal or Appellate Tribunal, the record shall be maintained till the disposal of the case.

Gifts and hospitality.

25. A valuer or his/its relative shall not accept gifts or hospitality which undermines or affects his independence as a valuer.

Explanation.— For the purposes of this code the term ‘relative’ shall have the same meaning as defined in clause (77) of Section 2 of the Companies Act, 2013 (18 of 2013).

26. A valuer shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person with a view to obtain or retain work for himself/ itself, or to obtain or retain an advantage in the conduct of profession for himself/ itself.

Remuneration and Costs.

27. A valuer shall provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken, and is not inconsistent with the applicable rules.
28. A valuer shall not accept any fees or charges other than those which are disclosed in a written contract with the person to whom he would be rendering service.

Occupation, employability and restrictions.

29. A valuer shall refrain from accepting too many assignments, if he/it is unlikely to be able to devote adequate time to each of his/ its assignments.
30. A valuer shall not conduct business which in the opinion of the authority or the registered valuer organisation discredits the profession.

Miscellaneous

31. A valuer shall refrain from undertaking to review the work of another valuer of the same client except under written orders from the bank or housing finance institutions and with knowledge of the concerned valuer.
32. A valuer shall follow this code as amended or revised from time to time

Signature of the valuer.....

Name of the Valuer

Address of the valuer

.....

Date:

Place:.....

Annual Review of Valuers Empaneled in the Bank

1. DETAILS OF THE FIRM/ PARTNERSHIP ENTITY/ COMPANY (IF APPLICABLE)

- a. Name:
- b. Registration Number/ LLP Number/CIN Number:
- c. PAN No.:
- d. GST No.
- e. Address for Correspondence or registered office:
- f. Permanent Address:
- g. E-Mail Address
- h. Telephone No.:
- i. Others:

2. PERSONAL DETAILS OF INDIVIDUAL/ PROPRIETOR/ EACH PARTNER/DIRECTOR

- (i) Title (Mr/Mrs/Ms):
- (ii) Name:
- (iii) Father's Name:
- (iv) Mother's Name:
- (v) Date of Birth:
- (vi) Registration with CBDT under Wealth Tax Act, 1957 – YES / No.
If yes, (Registration No. & Date, of Individual/ all the Partners (in case of Partnership Firm)
- (vii) PAN No.:
- (viii) AADHAAR No.:
- (ix) Passport No.:
- (x) GST No.
- (xi) Address for Correspondence:
- (xii) Permanent Address:
- (xiii) E-mail address
- (xiv) Mobile No.
- (xv) Others

3. EDUCATIONAL, PROFESSIONAL AND VALUATION EXAMINATION

QUALIFICATIONS

[Please provide educational qualifications from Bachelor's degree onwards for Individual/ proprietor/ each partner/director]

Educationa l Qualificatio n	Year of Passin g	Marks (percent.)	Grade/ Class	University/ College	Remarks, if any

4. Professional Qualifications for Individual/ proprietor/ each partner/director

Professional Qualification	Institute/ Professional Body/ registered valuers organisation	Membership No.	Date of enrolment	Remarks, if any

5. (a) Details of valuation examination passed (for Individual/ proprietor/ all partners/directors who are registered valuers with RVO)

Date of examination	Asset class, if any	Marks secured	Percentage

6. Valuation Qualifications (for Individual/ proprietor/ all partners/directors who are registered valuers with RVO)

Valuation specific qualification/cours e	Recognised Registered Valuers Organisation		Asset class	Membership No. in Registered Valuers Organisation	Remarks, if any.
	Nam e	Recognitio n No			

7. Registration No. with IBBI:
8. Membership with Professional Bodies and Membership No.
9. Work Experience:
10. Upgradation of knowledge by undertaking professional courses since last review or empanelment:
11. Registration with Govt. agencies:
12. Date of empaneled in the Bank:
13. Registration of valuer under VMS (Y/N):
14. Whether valuer was delisted from any Bank's Panel on earlier occasion, If so furnish details:
15. Major assignment handled so far (Furnish Nature of Assignment, Nature of Assets, & Amount):
16. Experience with Bank so far and remarks, if any:

(Chairman of the Committee)

(Committee Member-1)

(Committee Member-2)

(Committee Member-3)

Date:

Place:

Sr. No.	Name of the Valuer	Constitution of valuer (please mention name of the Individual/ Proprietor /Directors/ Partners etc.)	Address & Contact no. And e-mail	Location	Asset Class (Please mention Land & Building, Plant & Machinery, Securities or Financial Assets, etc. as per registration under Wealth Tax Act, 1957)	Educational Qualifications	*Registration No. under section 34AB of Wealth Tax Act, 1957	Registration with IBBI, if yes, Registration No.	Experience in Valuation (Please mention experience in years)	Score under evaluation Matrix (Annexure -X)	Category of valuer & eligibility to conduct valuation (please choose and fill amount as applicable)						
											A	B	C				
											Eligible Valuation amount	Eligible Valuation amount	Eligible Valuation amount				
											Fair market value of asset/sec urity	Fair market value of asset/sec urity	Loan amount upto 2.00 Crore if graduate and above but neither registered with IBBI nor registered under Wealth Tax Act 1957	Loan amount upto 1.00 Crore if Diploma and other than graduation and post graduation and above but neither registered with IBBI nor registered under Wealth Tax Act 1957	Fair market value of asset/sec urity	Loan amount upto 2.00 Crore if graduate and above but neither registered with IBBI nor registered under Wealth Tax Act 1957	Loan amount upto 1.00 Crore if Diploma and other than graduation and post graduation and above but neither registered with IBBI nor registered under Wealth Tax Act 1957

(I) RECOMMENDATIONS FOR EMPANELMENT OF VALUERS UNDER SARFAESI ACT, 2002

Annexure-VII

Recommendations:

The above mentioned Valuer(s) is/are recommended to be empanelled in the Bank in the respective asset class(es) and all the related documents submitted with this regard have been verified and due diligence has been completed as per the circular No..... dated on Valuation Policy and Empanelment of valuers.

Member-1

Member-2

Member-3

Secretary of
the Committee

Chairman of the
Committee

Place:

Date:

*In case of Partnership Firms Registration No. as allotted under wealth Tax Act, 1957 and PAN of each Partners are to be furnished

*Complete details of the valuers to be provided along with recommendations in excel format.

Certificate of Membership

This is to certify that Mr./Ms.....
..... Proprietor/ Partner/ Director of
M/s..... Registered
Office
at.....
... is registered valuer member with this Association. His/ her Membership No. is
.....

2. It is also certified that he/ She holds a good standing/reputation in the Association and there are no complaints, disciplinary actions pending or in progress against the above valuer member.

Authorised Signatory

Date:

Place:

*Certificate to be issued on a letter head

(Annexure- IX)

**TERMS AND CONDITIONS TO BE ANNEXED TO THE APPOINTMENT LETTER
FOR VALUERS**

- i. Bank, in its sole discretion, may require the Valuer to determine the fair market value of one or more properties. Bank shall have the sole discretion to allot any one or more number of property or properties to the Valuer for the purpose of valuation. The Valuer shall not insist on allotment of any specific property or increase in the number of properties to be allotted to such Valuer and shall not initiate or attempt any negotiations in this regard with Bank.
- ii. The Valuer shall determine the fair market value of property allotted for valuation, as on the date of the valuation, and submit the valuation report in this regard to Bank. The valuation report shall certify the documentary and physical existence of the property and shall include all matters germane to the valuation and must provide a full explanation of the Valuer's reasoning and his analyses of the value, so that Bank will be able to follow the Valuer's analyses and understand how he reached his valuation.
- i.i. Valuers shall comply with International Valuation Standards (IVS) and valuation report submitted to the Bank for the respective asset class is in conformity to the "Standards" as enshrined for valuation in the IVS in "General Standards" and "Asset Standards" as applicable.
- iii. Valuer shall ensure that the valuation report invariably includes:
 - (a) Fair Market Value, Realizable Value, Book Value and Distress Sale Value of the property as on the date of the valuation and difference in the values should be explained
 - (b) the manner in which the Valuer has arrived at and determined the Valuation
 - (c) all factors which the Valuer has taken into account as having the effect of increasing or decreasing the value of the property
 - (d) any factors which may prejudicially affect the market price or easy marketability of the property
 - (e) any factors which may in future prejudicially affect the market price or easy marketability of the property (if such factors can be reasonably perceived as of the date of the valuation)
 - (f) a rough sketch of the property with nearby landmarks useful for identifying the property, in case of immovable properties and the photographs identifying boundaries of the property and its surroundings.
 - (g) Such other matters concerning valuation as Bank may require.
- iv. The Valuer shall provide full details of the basis of valuation in the report and is required to clearly specify whether the property is in actual possession of the applicant / borrower and whether anyone else has any interest in the property.
- v. The Valuer shall personally visit the property and a certificate to that effect shall be included in the valuation report.
- vi. Valuation must be based on prevailing market rates and any departure from the same should be mentioned with reasons in the valuation report.
- vii. The Valuer will carry out all such investigations, and gather all such information, as is necessary and / or appropriate for the purposes of the valuation report.
- viii. Valuation report of property in the same area by different valuers should compare and not widely differ.
- ix. The Valuer shall modify or furnish supplements to any valuation report furnished , without additional cost to the Bank in event of any material omissions, inaccuracies, or defects in the valuation report being discovered after delivery and acceptance of the valuation report by the Bank or the Valuer receiving or becoming aware of relevant additional information that were in existence prior to the date of such report

or any other change in circumstances including change in applicable principles of law requiring the modification or supplementing of such report.

x. The Valuer and Valuer's employees, agents, or representatives shall not use, directly or indirectly, any Confidential Information provided by the Bank for the benefit of any person other than the Bank, or disclose such Confidential Information, in whole or in part, to any person. The Valuer shall be responsible for the safe keeping of all such information, documents, records and items provided to Valuer which may come into the Valuer's power or possession and shall ensure that they are not misplaced, stolen, misappropriated, modified, deleted, tampered with or destroyed.

xi. The Valuer shall ensure that such information, documents, records, items and copies and abstracts thereof do not come into the possession of any person except Bank and such of the Valuer's Personnel as may be necessary for the purpose of valuation. The Valuer shall be liable and responsible for any and all unauthorized use and/or copying of the same after it is delivered to or while in the power or possession of the Valuer or Valuer's Personnel. Promptly upon the expiration or termination of period of empanelment, or upon the request of the Bank, the Valuer shall return to the Bank all such documents, records, tangible items, valuation reports and specific materials.

xii. The Valuer shall indemnify and keep fully and effectively indemnified the Bank against all costs, claims, damages, demands, expenses and liabilities of whatsoever nature which may be caused to or suffered by or made or taken against Bank (including, without limitation, any claims or proceedings by any customers against Bank) directly or indirectly arising out of any improper, incorrect or negligent performance, work, service, act or omission by the Valuer or any of Valuer's Personnel or fraud or other wrongful act by the Valuer or by any of Valuer's Personnel or for any act of the Valuer which results in Bank obtaining incorrect or incomplete information from the Valuer or any of Valuer's Personnel. In this connection, a Letter of Indemnity as per **Annexure-XV** is to be executed by him.

xiii. The Valuer agrees to indemnify and keep indemnified the Bank against any loss or damage to any of Bank's information, documents, property, records, or other items while in the Valuer's use or possession.

xiv. Valuation methodology used for the valuation of the respective asset class shall be in conformity to the "Standards" as enshrined for valuation in the International Valuation Standards (IVS) in "General Standards" and "Asset Standards" as applicable.

xv. Format for the Valuation Report shall be as per Bank's format for valuation prescribed in Annexure- XIV.

xvi. The Bank may, at its sole discretion, depanel/delist/blacklist a valuer:-

(a) if the Valuer fails to deliver any or all the obligations within the time period specified for valuation, or any extension thereof granted by the Bank or

(b) if the Valuer fails to perform any other material obligation(s) under the terms of empanelment and does not rectify, if capable of rectification, the same within 10 days of receipt of notice of default from the Bank or

(c) if Bank is of the opinion that the services rendered by the Valuer are not upto the standard, quality and level as desired by Bank or

(d) for any reasons which the Bank, at its sole discretion consider a fit and proper ground for termination of the empanelment.

(e) if the Valuer becoming bankrupt, or insolvent or passing any resolution for winding up or becoming incompetent to contract, or any other such or similar reason whatsoever

(f) if any acts of commission or omission on the part of Valuer or Valuer's Personnel, in the reasonable opinion of the Bank, tantamount to fraud.

xvii. Bank shall have the right to adopt any or all of the following course/s of action unless the said happening, in the reasonable opinion of the Bank, is not attributable to any act, omission or commission of the Valuer or Valuer's Personnel:

(a) depanel and/or remove the name of the Valuer from the list of Valuers on the panel of the Bank

(b) blacklist the Valuer and display the name of the Valuer in the list of blacklisted Valuers

(c) share the information of such depanelment or removal or blacklisting with Indian Banks Association or Insolvency and Bankruptcy Board of India (IBBI) or both_

(d) bring such depanelment or removal or blacklisting to the notice of Institute of Chartered Engineers or any other similar professional body or association in which such valuer is a member

xviii. In the event of the depanelment/ delisting, Valuer shall:

(a) be liable and responsible to return to the Bank all records, documents, data and information including Confidential Information pertaining to or relating to the Bank or services in its possession and

(b) refrain from holding itself in any way as the Valuer of Bank and

(c) provide a final account of fees and other payment, if any, due to the Valuer

Signature of the valuer.....

Name of the Valuer

Address of the valuer

.....

Dated:

Place:.....

(Annexure-X)

Evaluation Matrix for Empanelment of Valuers

Sl. No	Criteria	Score Matrix		Maximum Score	Score obtained
		Particulars			
1	Experience in valuation of relevant class(s) of Asset(s) as per Annexure-I	More than 10 years	100%	15	
		More than 5 years but upto 10 years			
		More than 3 years but upto 5 years			
		Below 3 years			
2	Educational Qualifications as specified in Annexure-I	Master's Degree and above in relevant field of valuation	100%	15	
		Bachelor's degree in relevant field of valuation			
		Diploma or any other qualification in relevant field of valuation			
		Qualifications other than above			
3	Registration with Insolvency and Bankruptcy Board of India (IBBI) or Membership with Registered Valuer Organisation (RVO)	Registered valuer with IBBI	200%	20	
		Membership with Registered Valuer Organisation (RVO)			
		Not registered with IBBI Nor registered with RVO			
4	Registered under Section 34AB of Wealth Tax Act, 2002	Registered under the Wealth Tax Act	150%	15	
		Not registered under the wealth Tax Act			
5	Present Empanelment/ Appointment with PSBs/ Govt. Organisations/ Companies (Ltd. Co. engaged in business of valuation/LLP/Pvt. Ltd. Co. engaged in business of valuation for last 5 years)	Present Empanelment/ appointment with 5 and above PSBs/ Govt. Organisations excluding Companies	100%	10	
		Present Empanelment/ Appointment with 1 to 4 PSBs/ Govt. Organisations/ including Companies			
		Presently No Empanelment/ Appointment with PSBs/ Govt. Organisations/ Companies			
6	Reference Letter from PSBs/ Govt. Organisations/ Companies where previously valuer had done valuations	5 and above reference letters from PSBs/ Govt. Organisations excluding Companies	100%	5	
		8 and above reference letters from PSBs/ Govt. Organisations/ including Companies			
		Upto 2 reference letters from PSBs/ Govt. Organisations/ including Companies			
7	Number of relevant Valuation assignments undertaken and successfully completed in last 24 months	40 assignments and above with minimum 18 Non-Retail assignments	100%	10	
		20-39 assignments with minimum 12 Non-Retail assignments			
		10-19 assignments with minimum 6 Non-Retail assignments			
		Below 10 assignments			
8	Amount of valuation executed during last 12	12 or more number of cases with Market Value above Rs.100 crore each			

	months	12 or more number of cases with Market Value above Rs.50.00 lacs each	100%	10	
		Any no. of assignment of Market Value below Rs.50.00 lacs			
		Total		100	

*Relevant Asset class = Land & Building/ Real Estate, Plant & Machinery, Securities or Financial Assets/ Stocks and Trade, Agriculture Land
 **Non-Retail = Corporate

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➤ **Categorisation of valuer on the basis of score in Evaluation Matrix**

Category- A Score 62 and above

Category- B Score 55 to 61

Category- C Score 35 to 54

• **Categories of valuers**

The empanelment of valuers shall be in the following categories:

iii) **Valuers under SARFAESI Act, 2002**

Category of Valuers	Score as per Scoring Matrix	Fair Market Value of Asset/ Security for assignment of Valuation Work
A	=>62	No limit
B	55-61	Upto Rs.50.00 Cr.
C	35-54	Upto Rs.5.00 Cr.

iv) **Valuers other than under SARFAESI Act, 2002, (including valuers registered with IBBI)**

Category of Valuers	Score as per Scoring Matrix	Fair Market Value of Asset/ Security for assignment of Valuation Work
A	=>62	No limit
B	55-61	Upto Rs.50.00 Cr.
C	35-54	Upto Rs.5.00 Cr.

(Annexure-XI)

(To be issued on a letter Head)

To Whomsoever It May Concern

This reference letter is issued to certify that Mr./Ms..... is an Individual /

Proprietor / Partner / Director of M/s

 valuer/ Proprietorship Firm / Partnership Firm / Company, its registered office at

..... is empanelled/ was empanelled with this office as a valuer for a period from to for conducting the valuation in the following Asset Class(es): (please choose applicable field by ticking it)

1. Land & Building
2. Plant & Machinery
3. Securities or Financial Assets/ Stocks and Trade
4. Agriculture Land

2. The above valuer entity had approximately conducted following number of valuations with us during the period of empanelment:

Period of valuation conducted	Approximate nos. of Valuation conducted		Approximate amount of valuation		
	Overall I nos. of valuations (A)	Nos. of Non-retail valuations Out of (A)	Overall amount of valuation	Amount of individual Non-retail valuation	
				Nos. of valuation with Market Value Above Rs.100 crore	Nos. of valuation with Market Value of Rs.50 lacs to below Rs.100 crore
From the date of empanelment or since last 24 months whichever is earlier					
Since last 12 months					

*Non-retail = Corporate Loans

3. The valuation entity is capable, honest and professional and has completed its assignments successfully and satisfactorily during the period of empanelment.

Authorised Signatory

Date:

Place:

Annexure-XII

(To be issued on a Letter Head)

LETTER OF EMPANELMENT AS A VALUER

Mr./ Ms./ M/s

.....(Empanelled Valuer)

.....
.....

Dear Sir(s) / Madam,

LETTER OF EMPANELMENT AS A VALUER

With reference to your application dated for empanelment as a valuer with this organisation, in asset class(es) (Please specify: Land & Building/Plant and Machinery/Securities or Financial Assets/Stocks and Trade/ Agricultural Assets), we are pleased to inform that the appropriate authority has accepted your application and empanelled you as a valuer in the assets class as following:

- (i) (Please specify either Land & Building/ Plant and Machinery/ Securities or Financial Assets/Stocks and Trade/ Agricultural Assets)

2. In this context, please return duplicate copy of this letter alongwith enclosed documents duly signed by you in all the pages as token of your acceptance.

- (i) **Letter of Indemnity by Engineers/ Valuers (Annexure-XV)**
(ii) **Terms and Conditions (Annexure-IX)**

3. Please execute the Agreement with the Bank within days, so that your services can be availed by our branches/operating units.

Yours faithfully,

Authorised Signatory

Date:

Place:

ANNEXURE –XIII

LETTER OF ENGAGEMENT TO VALUER
(To be generated from system i.e. LLMS/LOS)

Mr/Ms/M/s (Empanelled Valuer)

.....
.....

Dear Sir(s) / Madam,

LETTER OF ENGAGEMENT

With reference to your empanelment with this organisation, as a valuer in asset class(es).....
(Land & Building/Plant and Machinery/Securities or Financial Assets/Stocks and Trade/ Agricultural Assets), the undersigned on behalf of State Bank of India, Branch/Office, do hereby, engage your service as valuer to assess the value of the property / plant & machinery / security, the particular of which are given below, for the purpose of All the relevant supportive documents, in relation to ownership and identification of the assets, will be / are being provided by the Bank on acceptance of / along with this letter. Other documents, if any, required to undertake the assignment, have to be procured by you.

2. The professional fees (as agreed / negotiated within the Bank's prescribed fee structure) shall be paid by the **Bank / Borrower** within 45 days of the submission of the valuation report and its acceptance by the Bank.

3. Please submit a copy of the empanelment letter issued to you by the Bank along with the Copy of Agreement with the Bank and accepted Terms and Conditions.

4. Particulars of the assets to be valued :

Sl. No .	Name of the Owner &/ or Leasehold by	Details of the Assets to be valued			Details of Title deeds or ownership documents (Please specify Sale Deed No. etc.)
		Plant & Machinery	Land Building &	Other assets (please specify)	

		Sr. No.	Items	Make	Survey No : Extent : Location details : Boundaries : <table border="1"> <tr><td>North</td><td></td></tr> <tr><td>South</td><td></td></tr> <tr><td>East</td><td></td></tr> <tr><td>West</td><td></td></tr> </table>	North		South		East		West			Sale Deed No :
		North													
		South													
		East													
		West													
			Registered at / Place of registration :												
			Date of Registration :												

5.—You will indemnify and keep the Bank fully and effectively indemnified against all costs, claims, damages, demands, expenses and liabilities of whatsoever nature which may be caused to or suffered by or made or taken against Bank (including, without limitation, any claims or proceedings by any customer against Bank) directly or indirectly arising out of any improper, incorrect or negligent performance, work, service, act or omission by you or any of your Personnel or fraud or other wrongful act by you or by any of your Personnel or for any act of the yours which results in Bank being provided with incorrect or incomplete information from you or any of your Personnel.

6. You will also indemnify and keep the Bank indemnified against any loss or damage to any of Bank's information, documents, property, records, or other items while in your use or possession.

7. In addition to the above the Bank reserves the right to adopt any or all of the following course/s of action unless the loss / claim, is not attributable to any act, omission or commission of the Valuer or Valuer's Personnel :

- (a) depanel and/or remove the name of the Valuer from the list of Valuers on the panel of the Bank
- (b) blacklist the Valuer and display the name of the Valuer in the list of blacklisted Valuers
- (c) share the information of such depanelment or removal or blacklisting with Indian Banks Association or Insolvency and Bankruptcy Board of India (IBBI) or both_
- (d) bring such depanelment or removal or blacklisting to the notice of Institute of Chartered Engineers or any other similar professional body or association in which such valuer is a member.
- (e) Any other measure for recovery of the amount of actual loss caused, which the Bank deems fit.
- (f) Any actions others than the aforesaid, which the Bank deems fit.

8. Please ensure that valuation methodology used by you for the valuation of respective asset class, is in conformity to the “Standards” as enshrined for valuation in the International Valuation Standards (IVS) in “General Standards” and “Asset Standards” as applicable.

9. Please ensure that the format for valuation report is as per Bank’s prescribed formats (Copy enclosed).

10. You are required to submit the report in the format prescribed by the Bank within days from acceptance of this letter and ensure that the Valuation Report is submitted to branch only in a “Sealed Cover Envelope”.

Yours faithfully,

Acknowledged

For & on behalf of State Bank of India

[Signature with seal]
valuer]

[Signature of

Place:

Place :

Date:

Date:

Copy to: (owner of the assets with request to co-operate with the valuer appointed by the Bank).

For & on behalf of State Bank of India

[Signature with seal]

Place:

Date:

Annexure-XIV

Format-A

FORMAT OF VALUATION REPORT

(to be used for all properties of value upto Rs.5 crores)

:

Name & Address of Branch :

Name of Customer (s)/ Borrowal unit :

1	Customer Details	
	Name	
	Apl no	
2	Property Details	

	Address							
	Nearby Landmark/Google Map Independent access to the property							
3	Document Details			Name of Approving Auth				
	Layout Plan		Yes/No			Approval No		
	Building Plan		Yes/No			Approval No		
	Construction Permission		Yes/No			Approval No		
	Legal Documents		Yes/No	List of Documents				
4	Physical Details							
	Adjoining Properties	East		West		North		South
	Matching of Boundaries		Yes/No	Plot demarcated	Yes/No	Approved land use		Type of Property
	No of rooms	Living/ Dining		Bed Rooms		Toilets		Kitchen
	Total No of Floors		Floor on which the property is located		Approx age of the Property		Residual age of the Property	Type of structure –RCC framed / stone/B B masonry
5	Tenure / Occupancy Details							
	Status of Tenure		Owned/Rented		No of years of Occupancy		Relationship of tenant or owner	
6	Stage of Construction							

(for which valuation report is sought)

	Stage of Construction		Under Construction / Completed		If under construction ,extent of completion			
7	Violations if any observed							
	Nature and extent of violations							
8	Area Details of the property							
	Site Area		Plinth area		Carpet area		Saleable area	Remarks

9	Valuation		
	i. Mention the value as per Government Approved Rates also ii. In case of variation of 20% or more in the valuation proposed by the valuer and the Guideline value provided in the State Govt. notification or Income Tax Gazette justification on variation has to be given. Summary of Valuation i. Guideline Value a. Land: b. Building: ii. Fair Market Value iii. Realizable Value iv. Forced/ Distress Sale value.		
10	Assumption s/Remarks	i. Qualifications in TIR/Mitigation suggested, if any ii. Property is SARFAESI compliant:: Y/N iii. Whether property belongs to social infrastructure like hospital, school, old age home etc. iv. Whether entire piece of land on which the unit is set up / property is situated has been mortgaged or to be mortgaged. v. Details of last two transactions in the locality/area to be provided, if available. vi. Any other aspect which has relevance on the value or marketability of the property	
11	Declaration	i. The property was inspected by the undersigned on..... ii. The undersigned does not have any direct/indirect interest in the above property iii. The information furnished herein is true and correct to the best of our knowledge. iv. I have submitted Valuation report directly to the Bank	
12	Name address & signature of valuer with Wealth Tax Registration No.	Signature of the valuer	Date of Valuation:
13	Enclosures		
a)	Layout plan sketch of the area in which the property is located with latitude and longitude		
b)	Building Plan		
c)	Floor Plan		
d)	Photograph of the property (including geo-stamping with date) and owner (in case of housing loans, if borrower is available) including a "Selfie" of		

	the Valuer at the site	
e)	Certified copy of the approved / sanctioned plan wherever applicable from the concerned office	
f)	Google Map location of the property	
g)	Price trend of the Property in the locality/city from property search sites viz Magickbricks.com, 99Acres.com, Makaan.com etc	
h)	Any other relevant documents/ extracts	

As a result of my appraisal and analysis, it is my considered opinion that the present fair market value of the above property in the prevailing condition with aforesaid specifications is Rs. _____ (Rupees _____ only). The Realisable value of the above property is Rs. _____ (Rupees _____ only). The book value of the above property as of _____ is Rs. _____ (Rupees _____ only). and the distress value Rs. _____ (Rupees _____ only).

Signature
(Name and Official seal of the
Approved Valuer)

Place:
Date:

The undersigned has inspected the property detailed in the Valuation Report dated _____ on _____. We are satisfied that the fair and reasonable market value of the property is Rs. _____ (Rupees _____ only).
Signature

(Name of the Branch Manager with Official
seal)

Encl:

1. Declaration-cum-undertaking from the valuer (Annexure-IV)
2. Model code of conduct for valuer (Annexure V)

Format-A/1
FORMAT OF VALUATION REPORT
(to be used for all properties of value above Rs.5 crores)

Name & Address of Branch :
 Name of Customer (s)/ Borrowal
 unit:

(for which valuation report is sought)

1. Introduction		
a)	Name of the Property Owner(with address & phone nos.)	
b)	Purpose of Valuation	
c)	Date of Inspection of Property	
d)	Date of Valuation Report	
e)	Name of the Developer of Property (in case of developer built properties)	
2. Physical Characteristics of the Property		
a)	Location of the Property i. Nearby landmark ii. Postal Address of the Property iii. Area of the plot/land (supported by a plan) iv. Type of Land: Solid, Rocky, Marsh land, reclaimed land, Water-logged, Land locked. v. Independent access/approach to the property etc. vi. Google Map Location of the Property with a neighborhood layout map vii. Details of roads abutting the property viii. Description of adjoining property ix. Plot No. Survey No. x. Ward/Village/Taluka xi. Sub-Registry/Block xii. District xiii. Any other aspect	
b)	Plinth Area, Carpet Area, and saleable are to be mentioned separately and clarified	
c)	Boundaries of the Plot East West North South	As per Sale Deed/TIR Actual
3. Town Planning parameters		

a)	<ul style="list-style-type: none"> i. Master Plan provisions related to property in terms of land use ii. FAR- Floor Area Rise/FSI- Floor Space Index permitted & consumed iii. Ground coverage iv. Comment on whether OC- Occupancy Certificate has been issued or not v. Comment on unauthorized constructions if any vi. Transferability of developmental rights if any, Building by-laws provision as applicable to the property viz. setbacks, height restriction etc. vii. Planning area/zone viii. Developmental controls ix. Zoning regulations x. Comment on the surrounding land uses and adjoining properties in terms of uses xi. Comment on demolition proceedings if any xii. Comment on compounding/regularization proceedings xiii. Any other Aspect 	
4. Document Details and Legal Aspects of Property		
a)	Ownership Documents <ul style="list-style-type: none"> i. Sale Deed, Gift Deed, Lease Deed ii. TIR of the Property 	
b)	Name of the Owner/s	
c)	Ordinary status of freehold or leasehold including restrictions on transfer	
d)	Agreement of easement if any	
e)	Notification of acquisition if any	
f)	Notification of road widening if any	
g)	Heritage restriction, if any	
h)	Comment on transferability of the property ownership	
i)	Comment on existing mortgages/charges/encumbrances on the property, if any	
j)	Comment on whether the owners of the property have issued any guarantee (personal or corporate) as the case may be	
k)	Building plan sanction: Authority approving the plan - Name of the office of the Authority - Any violation from the approved Building Plan -	
l)	Whether Property is Agricultural Land if yes, any conversion is contemplated	

m)	Whether the property is SARFAESI compliant	
n)	a. All legal documents, receipts related to electricity, Water tax, Municipal tax and other building taxes to be verified and copies as applicable to be enclosed with the report. b. Observation on Dispute or Dues if any in payment of bills/taxes to be reported.	
o)	Whether entire piece of land on which the unit is set up / property is situated has been mortgaged or to be mortgaged.	
p)	Qualification in TIR/mitigation suggested if any.	
q)	Any other aspect	
5. Economic Aspects of the Property		
a)	i. Reasonable letting value ii. If property is occupied by tenant <ul style="list-style-type: none"> - Number of tenants - Since how long (tenant- wise) - Status of tenancy right 	
	<ul style="list-style-type: none"> - Rent received per month (tenant-wise) with a comparison of existing market rent iii. Taxes and other outings iv. Property Insurance v. Monthly maintenance charges vi. Security charges vii. Any other aspect 	
6. Socio-cultural Aspects of the Property		
a)	Descriptive account of the location of the property in terms of social structure of the area, population, social stratification, regional origin, economic level, location of slums, squatter settlements nearby, etc.	
b)	Whether property belongs to social infrastructure like hospital, school, old age homes etc.	
7. Functional and Utilitarian Aspects of the Property		
a)	Description of the functionality and utility of the property in terms of: <ul style="list-style-type: none"> i. Space allocation ii. Storage Spaces iii. Utility spaces provided within the building iv. Car Parking facility v. Balconies, etc. 	
b)	Any other aspect	
8. Infrastructure Availability		

a)	Description of aqua infrastructure availability in terms of i. Water supply ii. Sewerage/sanitation System Underground or Open iii. Storm water drainage	
b)	Description of other physical infrastructure facilities viz. i. Solid waste management ii. Electricity iii. Road and public transport connectivity iv. Availability of other public utilities nearby	
c)	Social infrastructure in terms of i. School ii. Medical facilities iii. Recreational facility in terms of parks and open space	

9. Marketability of the Property

a)	Marketability of the property in terms of i. Locational attributes ii. Scarcity iii. Demand and supply of the kind of subject property iv. Comparable sale prices in the locality	
b)	Any other aspect which has relevance on the value or marketability of the property	

10. Engineering and Technology Aspects of the Property

a)	Type of construction	
b)	Material & technology used	
c)	Specifications,	
d)	Maintenance issues	
e)	Age of the building	
f)	Total life of the building	
g)	Extent of deterioration,	
h)	Structural safety	
i)	Protection against natural disaster viz. earthquakes,	
j)	Visible damage in the building	

k)	System of air-conditioning	
l)	Provision of firefighting	
m)	Copies of the plan and elevation of the building to be included	

11. Environmental Factors

a)	Use of environment friendly building materials, Green Building techniques if any	
b)	Provision of rain water harvesting	

c)	Use of solar heating and lightening systems, etc.,	
d)	Presence of environmental pollution in the vicinity of the property in terms of industry, heavy traffic etc.	
12. Architectural and aesthetic quality of the Property		
a)	Descriptive account on whether the building is modern, old fashioned, plain looking or decorative, heritage value, presence of landscape elements etc.	
13. Valuation		
a)	Methodology of valuation – Procedures adopted for arriving at the valuation. Valuers may consider various approaches and state explicitly the reason for adopting particular approach and assumptions made, basis adopted with supporting data, comparable sales, and reconciliation of various factors on which final value judgment is arrived at.	
b)	Prevailing Market Rate/Price trend of the Property in the locality/city from property search sites viz magickbricks.com, 99acres.com, makaan.com etc. if available	
c)	Guideline Rate obtained from Registrar's office/State Govt. Gazette/ Income Tax Notification	
d)	Summary of Valuation i. Guideline Value Land: Building: ii. Fair Market Value iii. Realizable Value iv. Forced/ Distress Sale value.	
e)	i. In case of variation of 20% or more in the valuation proposed by the valuer and the Guideline value provided in the State Govt. notification or Income Tax Gazette justification on variation has to be given. ii. Details of last two transactions in the locality/area to be provided, if available.	
14. Declaration		

<p>I hereby declare that:</p> <p>i. The information provided is true and correct to the best of my knowledge and belief. ii. The analysis and conclusions are limited by the reported assumptions and conditions. iii. I have read the Handbook on Policy, Standard and Procedures for Real Estate Valuation by Banks and HFIs in India, 2011, issued by IBA and NHB, fully understood the provisions of the same and followed the provisions of the same to the best of my ability and this report is in conformity to the Standards of Reporting enshrined in the above Handbook.</p> <p>iv. I have no direct or indirect interest in the above property valued.</p> <p>v. I/ my authorized representative by the name of who is also a 'valuer', has inspected the subject property on..... vi. I am a registered Valuer under Section 34AB of Wealth Tax Act, 1957, Category- for valuing property up to</p> <p>vii. I am/am not an approved Valuer under SARFAESI ACT-2002 and am approved by the Bank.</p> <p>viii. I have not been depanelled or removed from any Bank/Financial Institution/Government Organization at any point of time in the past.</p> <p>ix. I have submitted the Valuation Report (s) directly to the Bank.</p> <p>Name and address of the Valuer</p> <p>Name of Valuer association of which I am a bonafide member in good standing.....</p> <p>Wealth Tax Registration No.....</p> <p>Signature of the Valuer.....</p> <p>Date</p> <p>Tel No.....</p> <p>Mobile No.....</p> <p>Email.....</p>		
15. Enclosures		
a)	Layout plan sketch of the area in which the property is located with latitude and longitude	
b)	Building Plan	
c)	Floor Plan	
d)	Photograph of the property (including geo-stamping with date) and owner (in case of housing loans, if borrower is available) including a "Selfie" of the Valuer at the site	
e)	Certified copy of the approved / sanctioned plan wherever applicable from the concerned office	
f)	Google Map location of the property	
g)	Price trend of the Property in the locality/city from property search sites viz Magickbricks.com, 99Acres.com, Makan.com etc	
h)	Any other relevant documents/ extracts	

As a result of my appraisal and analysis, it is my considered opinion that the present fair market value of the above property in the prevailing condition with aforesaid specifications is Rs. _____ (Rupees _____ only). The Realisable value of the above property is Rs. _____ (Rupees _____ only). The book value of the above property as of _____ is Rs. _____ (Rupees _____ only). and the distress value Rs. _____ (Rupees _____ only).

Signature
(Name and Official seal of the
Approved Valuer)

Place:

Date:

The undersigned has inspected the property detailed in the Valuation Report dated _____ on _____. We are satisfied that the fair and reasonable market value of the property is Rs. _____ (Rupees _____ only).
Signature

(Name of the Branch Manager with Official
seal)

Encl:

1. Declaration-cum-undertaking from the valuer (Annexure-IV)
2. Model code of conduct for valuer (Annexure V)

Format-B

(Name & address of Valuer)

STATE BANK OF INDIA

BRANCH:

VALUATION REPORT (IN RESPECT OF AGRICULTURAL LANDS)
(To be filled in by the Approved Valuer)

I.	GENERAL			
1.	Purpose for which the valuation is made			
2.	a)	Date of inspection	:	
	b)	Date on which the valuation is made	:	
3.	List of documents produced for perusal			
	i)		:	
	ii)		:	
4.	Name of the owner(s) and his / their address (es) with Phone no. (details of share of each owner in case of joint ownership)		:	
5.	Brief description of the property		:	
6.	Location of property			
	a)	Plot No. / Survey No.	:	
	b)	Door No.	:	
	c)	T. S. No. / Village	:	
	d)	Ward / Taluka	:	
	e)	Mandal / District	:	
7.	Postal address of the property			
8.	Coming under Corporation limit / Village Panchayat / Municipality		:	
9.	Whether covered under any State / Central Govt. enactments (e.g. Urban Land Ceiling Act) or notified under agency area / scheduled area / cantonment area		:	
10.	Is any conversion to house site plots contemplated?		:	
11.	Boundaries of the property		:	
	North		:	
	South		:	
	East		:	
	West		:	
12.	Dimensions of the site		:	
			A	B
			As per the Deed	Actuals
	North		:	
	South		:	
	East		:	
	West		:	
13	Extent of the site		:	
13.a	Latitude, Longitude and Coordinates of the site		:	

14	Extent of the site considered for valuation (least of 12 A & 12 B)	:	
15	Whether occupied by the owner / lessee? If cultivated by lessee, since how long and type of tenancy agreement?	:	
16	Income received (per year)	:	Rs.
II.	CHARACTERISTICS OF THE SITE	:	
1.	Whether the land under consideration is suitable for cultivation	:	
2.	Irrigation facilities – canal / well / bore / rain-fed	:	
3.	Possibility of frequent flooding / submerging	:	
4.	Level of land with topographical conditions.	:	
5.	Shape of land	:	
6.	Is it a Land – locked land?	:	
7.	Whether any cottages / buildings exist in the Land?	:	
8.	Whether fencing and gates are arranged?	:	
9.	General conditions of the land	:	
10.	Quality of soil of the sand	:	
11.	Whether the land is situated on a Main / National Highway Road? If not, distance from the Main / Highway Road.	:	
12.	Types of crops grown	:	
13.	Water supply & electricity facilities.	:	
14.	Advantage of the site	:	
	1.	:	
	2.	:	
15.	Disadvantages of the land	:	
	1.	:	
	2.	:	
16.	Special remarks, if any, like threat of acquisition of land for public service purposes, road widening or applicability of CRZ provisions etc. (Distance from sea-coast / tidal level must be incorporated)	:	

III. VALUATION OF AGRICULTURAL LAND			
1.	Size of land	:	
	North & South	:	
	East & West	:	
2.	Total extent of the land	:	
3.	Prevailing market rate (per acre) (Along with details /reference of atleast two latest	:	Rs.

	deals/transactions with respect to adjacent properties in the areas)		
4.	Guideline rate obtained from the Registrar's Office / Mandal Revenue office (an evidence thereof to be enclosed)	:	
5.	Assessed / adopted rate of valuation	:	Rs.
6.	Estimated value of land	:	Rs.
(Valuation: Here, the approved valuer should discuss in detail his approach (Market Approach, Income Approach and Cost Approach) to valuation of property and indicate how the value has been arrived at, supported by necessary calculations. Also, such aspects as i) Salability ii) likely rental values in future and iii) any likely income it may generate may be discussed).			

Photograph of owner/representative with property in background to be enclosed.
Photograph of owner/representative along with the valuer with property in background to be enclosed.
Screen shot of longitude/latitude and co-ordinates of property using GPS/Various Apps/Internet sites

As a result of my appraisal and analysis, it is my considered opinion that the present fair market value of the above property in the prevailing condition with aforesaid specifications is Rs. ----- (Rupees ----- only). The Realisable value of the above property is Rs. ----- (Rupees ----- only) The book value of the above property as of ----- is Rs. ----- (Rupees ----- only) and the distress value Rs. ----- (Rupees ----- only)

Signature
(Name and Official Seal of the
Approved Valuer)

The undersigned has inspected the property detailed in the Valuation Report dated ----- on ----- . We are satisfied that the fair and reasonable market value of the property is Rs. ----- (Rupees ----- only)

Signature
(Name of the Branch Manager with Office
Seal)
Date:

Encl:

1. Declaration-cum-undertaking from the valuer (Annexure-IV)
2. Model code of conduct for valuer (Annexure V)

Format – C

(Name & Address of Valuer)
VALUATION REPORT
 (IN RESPECT OF PLANT & MACHINERY)
 NAME OF ACCOUNT _____,
 _____ BRANCH
(To be filled in by the Approved Valuer)

	GENERAL	
1.	Location of factory/ works/ premises	
2.	Purpose for which the valuation is made	
3.	Date of inspection	
4.	Basis of valuation/ assumptions made	
	a) Indigenous machines	
	b) Imported machines	
5.	Details of the charges created on the assets	

S r. No	Description of Machinery	Name of Manufacturer/ Supplier	Sr. No. of Machine/ Model No./ Identification Mark)	Year of Make	Condition of the Machine/ Maintenance (New/ Old/ Reconditioned)	Quantity	Technical specification of machine viz 1. Tag No. 2. Capacity 3. RPM etc	Residual life of the machine	Purchase Value	Fair market value	W DV as on 31.03	Disposal Value	Likely replacement cost
1.	Main Plant &												

	Machinery												
2.	Utilities & Services (including pipe fittings & insulations etc)												
3.	Fixtures, Tools & other instruments												
4.	Other Miscellaneous Fixed Assets												

Remarks, if any:

Photograph of owner/representative along with the valuer with property in background to be enclosed.

Undertakings:

1. This is to certify that the fair market value of the assets (Plant & Machinery) of manufacturing unit of M/s. Address as per our detailed appraisal and analysis is amounting to Rs (In words and figures). This should be considered as true and fair.

2. The information given in this report is correct & true and I have no direct or indirect interest in the assets valued.

3. I have personally inspected the unit on (Date)

4. All the above machines are installed at the unit and found to be in working / running condition. I have exercised due diligence in furnishing the above information.

Date:

Place:

Signature
(Name and Official seal of the approved Valuer)

Encl:

1. Declaration-cum-undertaking from the valuer (Annexure-IV)
2. Model code of conduct for valuer (Annexure V)

Annexure-XV

LETTER OF INDEMNITY BY ENGINEERS / VALUERS

To,

State Bank of India,

_____.

Dear Sir(s),

In consideration of State Bank of India (herein after called the "Bank" which expression shall include its successors and assignees) empanelling me / us on their panel of approved Engineers and Valuers for the purpose of assessing the market value of the properties proposed to be taken as securities for the credit limits granted or to be granted by the Bank to its various borrowers, I/ We jointly and severally, extend this letter of indemnity.

Whereas by the letter of empanelment dated _____, the bank has empanelled me / us on their panel of approved Engineers & Valuers for the purpose of assessing the market value of the properties proposed to be taken as securities for the credit limits granted / to be granted by the Bank, I/ We jointly and severally agree as follows:-

I / We shall duly and faithfully perform and discharge all the duties in the works entrusted by the Bank and in relation to the purposes of empanelment, fairly without any favour and discrimination and I / we hereby undertake and agree to indemnify you, your successors and assigns at all times and from time to time from and against all loss, damage and all actions, suits, proceedings, expenses, costs, charges and demands arising out of any act, lapses, defaults, negligence, errors, mistakes committed by me/ us in performance of my / our professional obligations and I / we also hereby undertake and agree to pay to you on demand sums of money, costs, charges and expenses incurred in respect thereof and also to pay you interest on all such moneys at your ruling rate.

I / We further specifically agree that this indemnity shall continue to remain in force and I /We shall continue to be liable there under for all losses, damages, costs, charges and expenses arising out of any act, lapses, defaults, negligence, errors, mistakes committed by me/ us in performance of my / our professional obligations and shall be binding on me / us and our legal and personal representatives, successors and assigns.

Yours Faithfully,

**Signature(Name and Official
Seal of the Approved Valuer)**

Place:

Date:

Annexure-XVI

AGREEMENT

THIS AGREEMENT made and entered this ____ day of _____,
20__.

BETWEEN

Mr./ Ms. _____aged _____years (PAN No:
) ,

(hereinafter referred to as the "Valuer" which term shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his / their respective heirs, legal representatives, administrators, executors of their estate and/or assigns) of the OTHER PART.

[IF A PARTNERSHIP FIRM]

Mr. _____aged about _____years and Mr.
_____aged about _____years and
Mr. _____aged about _____years all of
_____ Indian inhabitants all carrying on their business in
partnership in the firm name and style of
_____and having their business address at
_____and
through its authorized signatory Mr.
_____ (hereinafter referred to as the "Valuer"

which term shall, unless repugnant to the context or meaning thereof, be deemed to mean and include the survivors or survivor of them or the last surviving Partner or his/her/their respective heirs, legal representatives, administrators, executors of his/her/their estate and/or assigns) of the OTHER PART;

[IF COMPANY]:

_____ Limited, a public / private limited
Company, incorporated under the Companies Act, 1956/2013, having its

registered _____ office _____ at _____

_____, and through its authorized signatory Mr. _____ as per Board Resolution dated _____ (hereinafter referred to as the "Valuer" which term shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the OTHER PART.

[IF LIMITED LIABILITY PARTNERSHIP]:

_____ Limited Liability Partnership, incorporated under the Limited Liability Partnership Act 2008, having its registered office at _____

_____ and through its authorized signatory Mr. _____ (hereinafter referred to as the "Valuer" which term shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the OTHER PART.

AND

STATE BANK OF INDIA a body constituted by the Act of Parliament under State Bank Of India Act, 1955 and having its Central Office at Corporate Centre, Madam Cama Road, Nariman Point, Mumbai-400021 through its _____ (hereinafter referred to as "**SBI**" which expression unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) of the **OTHER PART**

The SBI and the Valuer are sometimes individually referred to as a "Party and collectively as "Parties" throughout this Agreement, and the words Party and Parties shall be construed accordingly.

WHEREAS the SBI has agreed to include/ included the Valuer in its panel of approved valuers for the purpose of utilizing the services of the valuer to assess the quality and/or quantity of the assets/ securities (both moveable and immovable) furnished/ to be furnished by the borrowers, co-obligates, guarantors, etc. and to fix the correct and real valuation of the said assets.

WHEREAS the SBI has made it Very clear and the valuer has also understood that the Bank would be taking its credit decision on granting/ sanctioning loan facilities to the borrowers, co-obligal.es, guarantors, etc. and also that the bank would be taking its decision regarding fixation of upset price for disposal of the assets on the basis of the valuation report to be submitted by the Valuer.

WHEREAS the valuer has agreed that he/she/ they would assess and value the assets of the borrowers, co-obligates, guarantors, etc., in a most reasonable, scientific and conservative way and without inflating/ deflating the real valuation.

Now, THEREFORE THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. That the Valuer agree and undertake that he/ she/ they/ it is/ are having all the qualifications for empanelment and he/ she/ they shall ensure all due care and diligence while conducting all the works and duties entrusted by the SBI in relation to the purposes of empanelment. It is further agreed by the Valuer that all the work and services undertaken by him/her/ it shall be performed and discharged fairly and duly, without any favour or discrimination.
2. That the Valuer undertake that he/she/ they/ it shall not undertake valuation of any assets in which he/ she/ they have any direct or indirect interest or become so interested at any time during a period of three years prior to empanelment as a valuer in SBI, or within three years after the valuation.
3. That the valuer agree and confirm he/ she/ they/ it was/ were not black listed/disqualified by RBI/ IBA and/or any Bank, other authorities earlier, and further agree to keep the SBI informed forthwith of any events or happenings which would make him/her/ them ineligible for empanelment or about any other disqualifications, if any.
4. That the Valuer agree and undertake to abide by the Model Code of Conduct for empanelment of valuers in SBI. As token of acceptance of the same the Valuer has signed a copy of the said Model Code of Conduct, and it

is agreed that the terms and conditions of the same is treated as part and parcel of this agreement.

5. That the Valuer also undertake that he/ she/ it is/ are fully aware of the latest Handbook on Policy, Standards and Procedure for Real Estate Valuation of the IBA and the reports to be furnished to the SBI shall be fully in conformity with the standards enshrined for valuation in the same.

6. That the Valuer also undertake he/ she/ they/ is/ are fully aware of the International Valuation Standards (IVS) and confirm that all the reports to be submitted by him/her/ them shall be in strict conformity to the standards stipulated in the same.

7. That the Valuer undertakes that for the services provided by it/ him/her/ them, he/ she/ they/ it agree to abide by the Valuation fee or any other payments as may be prescribed/ modified by the SBI, from time to time, with the approval of the competent authority. The fee schedule prevalent as prescribed by the SBI as on date of allotment of the work shall be binding on the valuer and no claim for any other payment may be made by the valuer other than the fee already prescribed by the SBI.

8. That the Valuer agrees and undertakes to receive and hold all the Information supplied to him/her/ them in confidence, and to protect and safeguard the same against unauthorized use, publication or disclosure. That the Valuer further undertakes that he/she/ they shall not use any of the information supplied to him/her/ it by SBI except for the purpose for which it is disclosed and shall not, directly or indirectly, allowed to be used in any way, to reveal, report, publish, disclose, transfer any of such information. However, the Valuer may disclose the Information to such of its staff, agents, advisers, etc., who have a need to know such information for the proper performance of their duties, but the Valuer shall ensure that such information are not misused by such staff/ agent, etc.

9. This Agreement shall come into force with effect from the date it is executed and shall be valid up to office closing hours on _____. The

Bank may at its sole discretion extend and keep the agreement alive and in force for such period(s) which the Bank considers necessary in respect of all or any of the accounts entrusted to the Valuer. In case of such extension, the terms and conditions as stipulated in this Agreement shall be applicable for such extended time.

10. That the SBI reserves the right to remove the Valuer from its panel and to terminate this agreement with immediate effect, if his/her/ their performance is considered by the Bank inadequate / unsatisfactory, or in case of any of the following circumstances:

I) The Valuer commits material breach of (i) terms and conditions of this agreement or (ii) Representations and warranties in this agreement.

II) If the Valuer commits breach of any law, statutory guidelines including guidelines issued by RBI or any other authority or actions/ inactions on the part of the valuer or his employees, agents, authorized representative amount to offence(s) under any provisions of law or expose the Bank to financial or reputational loss.

III) If the Valuer enters into or is found by the SBI to be in a situation of conflict of interest which in the reasonable opinion of the Bank warrants immediate removal from the panel.

11. On removal from the panel by the SBI the Valuer shall cease to perform any work / job / function under this arrangement. Upon removal from the panel the Valuer shall hand over all the documents supplied to him/her/ them by the SBI along with all the relative documents.

12. It is further agreed by the Valuer that notwithstanding the removal of the Valuer from the panel of SBI, the liability of the valuer shall survive such removal/termination. **(It is further agreed by the Valuer that notwithstanding the removal of the Valuer from the panel of SBI, the obligations of the Valuer as set out in para 8 of this Agreement shall survive such removal/termination.**

13. That in pursuance of this agreement, the valuer hereby agrees and consents with the SBI that he/she/they will, at all times, indemnify and keep

harmless the Bank against all losses, costs, damages, expenses and all actions, suits, proceedings, expenses, costs, charges and demands and other outgoings which the Bank may meet, incur, suffer or sustain by reason of the any act, lapses, defaults, negligence, errors or mistakes committed by him/her/ them or in relation to the submission of any wrong, inflated, obliging valuation report of the assets offered as security to the Bank, whether caused due to his/her/their voluntary/ involuntary act, omission, criminal breach of trust, neglect or default, which is found out/ noticed at any time, even at a later point of time. The valuer further undertakes and agree to pay the SBI on demand-sums of money, costs, charges and expenses incurred in respect thereof and also to-pay interest¹ on all such moneys at the ruling rate.

14. That the valuer agrees that if his/her/their/ its liability as referred to above cannot be quantified immediately the quantum arrived at and demanded by the Bank at a later point of time shall be final and conclusive, and the valuer further agrees that he/ she/ they will not dispute the same.

15. That the Parties agree and undertake that this Agreement and any matters relating to the aspects agreed under this Agreement shall be governed by and construed in accordance with the Indian laws. The Parties further agree and submit to the non-exclusive jurisdiction of the Courts where this agreement is executed.

IN WITNESS WHEREOF, the Parties hereto have executed these presents the day, month and year as written below.

For and on behalf of **STATE BANK OF INDIA**:

Name	
Designation	
Signature	

For _____ and _____ on _____ behalf
of.....
(Valuer)

Name	
Designation	
Place	
Signature	