

## STANDARD PROCEDURE FOR EMPANELMENT OF VALUERS

### 1. Criteria for Empanelment of Valuers

The empanelled valuers shall carry out valuation of different types of assets as under:

- Land and Building
- Plant & Machinery
- Stocks and Trade
- Agricultural Land

Based on the guidance note of the Working Group of IBA, it is recommended that Persons possessing the following Educational Qualifications and Work Experience shall be eligible for empanelment as valuers for different types of assets.

#### a) Valuation of Land & Building / Real Estate

The educational qualifications for empanelment as valuers of Land & Building / real estate from 01.01.2016 till 31.12.2019 shall be as under:

S.No.	Educational Qualifications	Work Experience	Remarks
1	Bachelor's degree in Civil Engineering/ Architecture /Town Planning or equivalent	5 Years Work experience in the field of valuation of real estate after completion of the degree or equivalent	<p>The Applicants with these qualifications should preferably possess an additional qualification 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 established under state or central Acts.</p> <p><b>Note: The applicants empanelled on the basis of criteria laid down under Sr.no.1 shall be eligible for empanelment even after 1.1.2020</b></p>
2	Diploma in Civil Engineering /Architecture.	8 years' work experience in the field of valuation of real estate after completion of the diploma	<p>They should preferably complete the certification course in valuation of real Estate as prescribed under Sr.no.1 above.</p> <p><b>Note: The applicants empanelled on the basis of criteria laid down under Sr.no.2 shall be eligible for empanelment even after 1.1.2020</b></p>

3	Pass in examination in 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	Master's degree in Valuation of real estate awarded by a recognized University in India i.e. University established under State or Central Acts	2 years' work experience in the field of valuation of real estate after completing the examination	
5	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) & (4) 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 Diploma Holders in Civil Engineering / Architecture are eligible for empanelment to undertake valuations with value upto 1 crore only.**

From 01.01.2020, for fresh empanelment, **Preferably, only academically qualified valuers** possessing following qualifications in valuation of Land & Building / Real Estate shall be empanelled.

- (i) Post Graduate degree in valuation of real estate from a recognized university i.e. the universities established under State or Central Acts with 2 years' experience in valuation of real estate.

**b) Valuation of Plant and Machinery**

**Educational qualifications and experience for Empanelment as Valuers of plant & machinery:**

The educational qualifications for empanelment as valuers of plant & machinery from 17.11.16 to 31.12.2019 shall be as under:

S.No.	Educational Qualification	Work Experience	Remarks
1	Bachelor's degree in mechanical, electrical, chemical, production, electronics, computer engineering, industrial engineering etc.	5 years work experience in the field of valuation of plant & machinery after completion of the degree or equivalent	<p>The Applicants with these qualifications should preferably possess an additional qualification in the form of a certification examination of duration of one semester or above on or before 31.12.2019 in the subjects which are vital for valuation of plant and machinery and not covered in course curriculum of mechanical, electrical, electronics, chemical, production, computer, industrial engineering, and any other stream of Engineering as required by the Banks for conduct of valuation of Plant and Machinery and other equipments and which is conducted by recognized university established under state or central Acts.</p> <p><b>Note: The applicants empanelled on the basis of criteria laid down under Sr.no. 1 shall be eligible for empanelment even after 1.1.2020</b></p>
2	Diploma in mechanical, electrical, production, chemical, electronics, computer, industrial engineering and any other stream of Engineering as required by the Banks for conduct of valuation of Plant and Machinery and other equipments	8 years work experience in the field of valuation of plant and machinery after completion of the diploma	<p>They should preferably complete certification course in valuation of plant and machinery prescribed under Sr.no.1 above.</p> <p><b>The applicants Empanelled on the basis of criteria laid down under Sr.no.2 shall be eligible for empanelment even after 1.1.2020</b></p>
3	Master's degree in Valuation of plant & machinery awarded by a recognized University in India i.e. University established under State or Central Acts	2 years work experience in the field of valuation of plant & machinery after completing the examination	

From 1.1.2020, preferably, only academically qualified valuers possessing following qualifications in valuation of plant & machinery shall be empanelled.

- Post Graduate degree in valuation of plant & machinery from a recognised university i.e. the universities established under State or Central Acts with 2 years' experience in valuation of plant & machinery.

**c) Valuers of Agricultural land**

**Educational qualifications and experience for Empanelment as Valuers of Agricultural Land:**

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

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

There are no courses available in our country to qualify as a valuer of agricultural land. Till the courses are available the empanelment may be carried out as per criteria laid down as under:

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**

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 (16 of 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.

**d) Valuers of Agricultural Land (Plantations)**

**Educational qualifications and experience for Empanelment**

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

(i) 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

(ii) 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 (16 of 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.

**e) Valuers of Stock (inventory), Shares**

In the case of these assets, criteria laid down as under shall be adopted:

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) of Wealth Tax Rules, 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 practicing as a 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.

**f) Valuers of Mines and Quarries:**

In the case of valuation of Mines and Quarries, the valuer shall be a Graduate in Mining of a recognized University.

However in exceptional circumstances and non availability of above mentioned category of qualified persons, valuers with other qualification/service certificate, membership of professional and reputed institutions in valuation may be considered. It shall be ensured that such valuers have prior experience in valuing the type of assets being valued by them. The valuer shall have thorough knowledge of the industry concerned and also type of assets to be valued.

**1.1** Evidence of previous experience needs to be provided to the Bank while empanelling valuers under all the above types of assets. 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.

**2. Disqualifying Factors:** The following relevant disqualifying factors are required to be looked into while empanelling the valuers.

- a) Not dismissed or removed from Govt. Service.
- b) Not convicted of an offence connected with any proceeding under the Income tax, wealth tax or Gift tax acts.
- c) No Penalty has been imposed on him under the sections of above Acts.
- d) The valuer is not an un-discharged insolvent.
- e) Not convicted of any offence and sentenced to a term of imprisonment.
- f) Not found guilty of misconduct in his professional capacity.
- g) Valuer should not have been blacklisted earlier.

**3. Educational Qualifications and Previous Work 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.

**4. Minimum Age Requirement**

Age is an important criterion while empanelling valuers. The minimum age for empanelment shall be 25 years and there is no maximum age limit for a valuer to remain on the panel.

## 5. Membership of Professional Bodies

It is important that a valuer actively participates in professional activities in various professional bodies. It shall be necessary that every valuer empanelled by Banks in India be a member in good standing of any one of the valuer associations.

## 6. 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.

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

Sl. No.	Category of Valuers	Work Experience in Undertaking Valuation	Value of property for assignment of Valuation Work
1	A	More than 10 years	No limit
2	B	More than 5 years and less than 10 years	Upto ₹ 50 crore
3	C	Upto 5 years	Upto ₹ 5 crore

Valuers need to furnish proof of experience. Any one of the following may be accepted as proof of experience:

1. Letter of empanelment by any Bank / FI
2. Letter of empanelment by any Court of India
3. Registration Certificate under Wealth Tax Act, 1957
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 engaged in the business of valuation
7. Letter of appointment as a valuation consultant by any Limited Company.
8. Letter of appointment as a valuer employee by any partnership / proprietorship / 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.

## 7. Registration with Government

Registration with the Central / State governments is desirable but not compulsory. However, it may be noted that for undertaking valuations under the SARFAESI Act, valuation has to be obtained from Registered Valuer under the Wealth Tax Act (Sections 34 AA to 34 AE). While assigning / outsourcing valuation work to valuers, it is necessary that banks take the provisions of the SARFAESI Act into account and comply accordingly.

## 8. 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 and banks need to verify the quality of services provided by the valuer in the previous instances before empanelling the valuers on their 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.

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.

## 9. Other Conditions

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

- (1) The valuer is a citizen of India;
- (2) The valuer has not been removed / dismissed from valuation related service (previous employment) earlier;
- (3) The valuer has not been convicted of any offence and sentenced to a term of imprisonment;
- (4) The valuer has not been found guilty of misconduct in professional capacity;
- (5) The valuer is not an un-discharged insolvent;
- (6) 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;
- (7) The valuer possesses a PAN Card number / Service Tax number as applicable (Service Tax No. is a must for Category "A" Valuer).

At the time of empanelment, the valuer shall give an undertaking to this effect.

## 10.Empanelment procedure:

The Valuers may be empanelled under any one of the following two types:

- (1) Valuers for undertaking valuations '**Other than** under SARFAESI Act'
- (2) Valuers for undertaking valuation '**Under SARFAESI Act**'. In addition to fulfilling all other eligible criteria, Valuers who are registered under Section 34 AA to 34 AE of Wealth Tax Act shall only be empanelled under this category.

**The Valuers empanelled 'Under SARFAESI Act' may be entrusted with valuation of assets falling under the category 'other than Under SARFAESI Act' also but not vice-versa**

The following guidelines with regard to the empanelment procedure shall be adhered to for the both type of Valuers:

Bank shall have a year round system of receiving applications from intending valuers seeking empanelment.

All applications from the valuers for empanelment shall be received by the branches/ROs in the prescribed **Format A-1 & Format A-2** and kept in a list.

- The application format and Annexure are made available on the website for easy download.
- The application shall undergo a final scrutiny and if found suitable the Regions shall prepare a panel of the valuers who would be empanelled as and when required.
- As and when needed, the number of valuers required shall be empanelled; once empanelled, the valuer shall remain on the panel for 5 years unless and until she/he is removed or dismissed.
- All applications need to be accompanied by relevant documents to substantiate the educational qualifications and experience, etc.

**10.1 Authority / Procedure for Empanelment**

The Authority for empanelment of both the type of Valuers is as under:

Particulars	Valuers ‘Other than under SARFAESI Act’	Valuers under SARFAESI Act
Authority for empanelment	RLCAC-I at Regional Office	CO: NPAM &LD shall place the list of Valuers recommended for empanelment to the Board of Directors for Approval.
Procedure for empanelment	<p>On receiving the applications for empanelment, ROs shall screen the application as to their eligibility and genuineness and if eligible may empanel them as valuers under the category ‘<b>Other than under SARFAESI Act</b>’ ONLY.</p> <p>ROs shall ensure that the names of the applicant is not appearing in the caution list of Third Party Entities (TPEs) circulated by the IBA. The caution list of TPEs updated from time to time shall be obtained from CO: Retail Credit Department.</p> <p>The names of valuers empanelled under this category shall be informed to CO:NPAM &amp;LD immediately as per <b>Annexure-2</b></p>	<p>RLCAC I at the RO level shall forward the applications with their recommendations to CO: NPA Management &amp; Legal Dept. for empanelment. On receiving the applications for empanelment along with recommendations from RLCAC-I, the NPA Management &amp; Legal Department at Corporate Office shall place before CLCAC III for screening. Empanelment shall be got approved by the Board of Directors.</p>



**10.2. Duration of empanelment:**

The duration of empanelment shall be 5 years. The services of the existing empanelled valuers may be continued till the expiry of their term.

**10.3 Authority / Procedure for renewal of services after expiry of the term:**

Particulars	For both the type of i.e., Valuers ‘Other than under SARFAESI Act’ & Valuers “under SARFAESI Act”
Authority for renewal	RLCAC-I at Regional Offices
Procedure for Renewal	On expiry of the term of service of the empanelled valuer, ROs shall obtain a renewal request from the valuer. Renewal of the services of the valuers on the Bank’s list is subject to fulfilling the eligibility criteria in terms of the revised policy guidelines and submission of required documentary proof. However, the quality of service provided/performance of the valuers shall be reviewed by the committee formed at RO level in terms of para 19 mentioned below at annual intervals. If the performance is not satisfactory, the valuer can be removed from the panel at the discretion of the Bank. If found satisfactory the services can be renewed for a further period of five years. List of valuers whose services have been renewed shall be furnished to CO: NPAM&LD in <b>Annexure-2</b> immediately.

**11. Compliance of Standards and Procedures**

All valuers empanelled with the bank shall comply and abide by the laid down standards and procedures and code of conduct specified in **Annexure-1**.

**12. Independence and Objectivity**

All valuers empanelled by the 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 in the department / division dealing with valuation work directly.

**13. Obligations of the Bank with regard to empanelment of Valuers:**

- All appointments / empanelment of valuers shall be done in accordance with the provisions / guidelines / modifications stipulated from time to time.
- All instructions to the valuer are to be given by the bank in writing.
- 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.

- In case of valuations under SARFAESI Act, provisions under the Act have to be followed.
- Where ever the value of the property is more than Rs 10 crore, Valuation shall be obtained from two independent valuers in Category A or B. In case the difference in the valuation arrived at by both the valuers is not more than 15 percent, the average value may be considered. In case the difference is more than 15 percent, then, a third valuation shall be obtained from a senior valuer, in the A category.

*\* where ever there are two valuations done and in case of discrepancy, third valuation is required to be done, then, the securities shall be valued at average of the least two valuations (of the three valuations).*

#### **14. 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.

#### **15. Procedure for Annual Performance Review:**

The Regional Office concerned shall review the performance of the valuers every year as at 31st December. The review report shall be placed before RLCAC I at respective ROs which is called as **Annual Valuation Review Committee (AVRV)**. A representative from any Recognized Institutions of valuers/engineers/chartered accountants etc., may also be invited to the deliberations of the committee. It will review the performance of the valuers in respect of the following points:

- Credibility
- Professionalism/ professional competence
- Integrity and fairness
- Quality of service
- Adherence to guidelines, rules and regulation
- Disqualifying factors if any stated under para 2

and recommend to CO: NPA Management & Legal Dept or CO:RMD/GAD as the case may be, for continuity or removal of the valuer from the panel.

#### **16. Obtaining Indemnity Bond from the approved valuers:**

With an intention to protect from any loss/damage that Bank may sustain due to erroneous/ over valuation of the assets by the valuers, an Indemnity Bond shall be obtained (**Format B**). All Regional Offices are required to obtain the indemnity bond from the valuers empanelled without fail.

The valuer to be empanelled should also be intimated the following in writing:

**“Your opinion/ certification would be an input for our decision making. Therefore, we would like to state that in the event of your opinion/certification turns out to be untrue and factually incorrect causing loss to the bank, we may seek such clarifications as may be required to investigate the matter and fix the responsibility. In the event, if it is established that there was gross negligence on your part or you had colluded with our customer in causing pecuniary damage / loss to the Bank, we may recommend your name for including in the caution list being maintained by the Indian Banks’ Association for circulation amongst member banks. The Association has been mandated by the RBI to do so”.**

**Apart from the above, complaint of professional misconduct would be lodged with Institution of Engineers etc.**

**17. Terms of engagement for empanelment of valuers:**

Empanelled valuers shall be engaged by the branches/ROs on the following terms:

- Commencement of Work – the valuer shall commence the valuation work after a letter of appointment is issued to the valuer by the bank
- Duties of the Valuer – the valuer shall perform his duties as described in the above paras
- Assistance by Bank officials – the valuer shall be provided support as described above.
- Confidentiality and Non Disclosure – the valuer shall maintain confidentiality of the work being undertaken and shall not disclose information to any other person other than the person who has issued the appointment letter to the valuer
- The valuer shall ensure that the employees of his organization also follow the policy of confidentiality and non disclosure.
- The valuer shall complete the assignment within the stipulated time period as agreed to in the Appointment Letter. In case the valuer takes up the assignment but does not deliver the valuation report in a reasonable amount of time even after three reminders, the bank shall take necessary steps to recommend the case for adjudication by the conflict resolution committee and in the meanwhile, appoint another valuer to undertake the assignment.
- In case the valuer takes up the assignment but is not in a position to deliver due to any genuine reason, hardship or contingency, the valuer shall inform the bank of the same and some extension of time may be given to the valuer to complete the assignment.
- The valuer shall not sub-contract the work to any other valuer but shall carry out the work himself.
- All communications between the bank and the valuer shall be in writing/e-mail.
- The letter of empanelment shall clearly state the duration of empanelment and that renewal/extension is subject to fulfillment of Bank's policy guidelines as amended from time to time.
- The letter of empanelment shall state:
  - i. under which category of Valuers, the valuer has been empanelled i.e, 'A', 'B' or 'C'
  - ii. under which type of valuer he is empanelled i.e, whether under SARFAESI Act / Other than under SARFAESI Act
  - iii. for which type of Assets he is empanelled viz., Land & Buildings, Plant and Machineries etc.,
- The letter of empanelment shall also contain code of conduct for the valuers mentioned as annexure-1 and acknowledgement obtained.

**Annexure-1**

**CODE OF CONDUCT**

All valuers empanelled with bank shall strictly adhere to this code of conduct:

- 1) To express an opinion only when it is founded on adequate knowledge and honest conviction
- 2) To refrain from misrepresenting qualifications or work experience
- 3) To treat all information procured during the course of the business as confidential
- 4) To observe integrity and fair play in the practice of the profession
- 5) To refrain from undertaking to review the work of another valuer of the same client except under written orders from the bank or housing finance institution and with knowledge of the concerned valuer
- 6) To give unbiased valuation report conforming to standards and conforming to the objective opinion of the property and not to attempt merely to accommodate the interests of the client
- 7) To steer clear of situations where interests and duty clash
- 8) To conduct oneself in such a manner which will not prejudice the professional status or reputation of the profession
- 9) To follow this code as amended or revised from time to time

**Format A-1**

**Application for empanelment of valuers with Banks**

To

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

Affix passport size color photo and sign across

Date: .....

Dear Madam/Sir,

I am a valuer of immovable properties (land and buildings/ plant and machinery/agricultural lands/mines and quarries)/current asset and desire to apply to your organization for empanelment.

My particulars are given below:

Name:.....

Sex:..... Date of Birth:..... Age:.....

Address:.....

.....  
.....

Tel No:..... Mobile:.....

E-Mail:..... Fax:.....

**Educational/Professional Qualifications:**

Sl. No	University/Institute/Examining Body	Qualification	Date of Award

Number of years of experience in the field of valuation:.....

*(Attach evidence in the form of reference letters/copies of valuation reports/any other evidence)*

Name and address of previous employer (if applicable):

.....  
.....

Details of previous empanelment, if any, with dates/duration:

.....  
.....

Membership of Professional Valuer Association (name and membership number):

.....  
.....

Registration with CBDT under Wealth Tax Act (Regn. No. and date):

.....  
.....

Permanent Account Number ( PAN ) of Income Tax Department:.....

References:

- 1).....
- 2).....
- 3).....

- If the firm is partnership concern – Name of the Partners and a Brief profile with their Qualification & experience
- Registration number as allotted by ICAI/ other professional bodies
- Service Tax Registration Number
- Details of major assignment handled so far ( Furnish Nature of Assignment, Nature of Assets, & Amount)
- Whether any allied firms / partners are already empanelled for any other type of audits for the Bank / FI. If so, furnish details
- Whether Applicant was delisted from any Bank’s Panel on any earlier occasion. If so furnish details.

The above information about me is true to the best of my knowledge and if found incorrect, I will be fully responsible for the consequences.

**Enclosed:** Attested photocopies of all certificates/documents of proof

Signature:.....

Name:.....

**Format A-2**

**(undertaking to be submitted by the valuers for empanelment)**

**UNDERTAKING**

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

- I am a citizen of India
- I have not been removed/dismissed from service/employment earlier
- I have not been convicted of any offence and sentenced to a term of imprisonment
- I have not been found guilty of misconduct in professional capacity
- I am not an undischarged insolvent
- 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
- My PAN Card number/Service Tax number as applicable is .....
- I undertake to keep you informed of any events or happenings which would make me ineligible for empanelment as a valuer
- I have not concealed or suppressed any material information, facts and records and I have made a complete and full disclosure
- I/We understand that my/our opinion/ certification would be an input for the purpose of decision making by the Bank. Therefore, I/we would like to state that in the event of my/our opinion/certification turns out to be untrue and factually incorrect causing loss to the bank, the Bank may seek such clarifications as may be required to investigate the matter and fix the responsibility. In the event, it is established that there was gross negligence on my/our part or I/we had colluded with your customer in causing pecuniary damage / loss to the Bank, the Bank may recommend my/our name for including in the caution list being maintained by the Indian Banks' Association for circulation amongst member banks. I/we understand that The Indian Banks' Association has been mandated by the RBI to do so.

Dated: .....

Signature.....

Name.....

Address.....

.....

**Format B**

**Format of Indemnity to be obtained from Valuers**

**THIS DEED OF INDEMNITY** is made on this the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

between Sri/Smt./M/s. \_\_\_\_\_ (full name and complete address of the indemnifier - valuer) hereinafter called "the Valuer" of the one part and Syndicate Bank, a Bank functioning under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 with its Head Office situated at Manipal in Udupi District, Karnataka, hereinafter called "the Bank". The terms 'The Valuer' and 'The Bank' shall mean and include their heirs, representatives, the Executors, Administrators and Assigns.

WHEREAS the Bank has agreed to include/included Sri./Smt./M/s. \_\_\_\_\_ (full name and complete address) in its panel of approved valuers for the purpose of utilising the services of the valuer to assess the quality and/or quantity of the assets (both moveable and immovable) of the existing and proposed borrowers, co-obligants, guarantors, etc. and to fix the correct and real valuation of the said assets.

WHEREAS the Bank 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, etc. and that the bank would be taking its decision regarding fixation of upset price for disposal of the assets in accordance with the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act 2002, 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 etc., in a most reasonable and conservative way and without inflating the real valuation.

WHEREAS the valuer has further agreed that in case any or some of his reports are found to be wrong, inflated, obliging, etc. and that the Bank has found on a subsequent date that the valuer was black listed earlier by any agencies including RBI/IBA and as a consequence thereof, the Bank is made to /likely to suffer/incur any loss/damages in its credit decision, the valuer has consented to indemnify the Bank the loss/damages, etc., besides his removal from the approved panel.

**NOW** the Deed is executed and witness as follows:

1. That in pursuance of the above agreement, the valuer hereby agrees and consents with the Bank that he/she/they will, at all times, indemnify and keep harmless the Bank against all losses, costs, damages and expenses and other outgoings which the Bank may meet, incur, suffer or sustain by reason of the approved valuer's wrong, inflated, obliging valuation of the assets offered as security to the Bank and/or caused due to his/her/their voluntary/involuntary act, omission, criminal breach of trust, neglect or default, which is found out/noticed at a later point of time.
2. That the valuer agrees that his/her/their liability cannot be quantified at present and 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.
3. That the valuer agrees that he is not black listed / disqualified as per section 34AB of wealth tax earlier and would keep the Bank informed about the disqualifications if any.

IN WITNESS WHEREOF, the valuer signs on the day, month and year stated above written dated \_\_\_\_\_ in the presence of \_\_\_\_\_

WITNESS :  
SIGNATURE :  
NAME :

VALUER



**VALUATION REPORT FORMAT -1****Formats of valuation reporting (to be used for assets of value more than 5 crore)**

S. No.	Chapter	Content
I	<b>Introduction</b>	<ol style="list-style-type: none"> <li>1. Name of Valuer</li> <li>2. Date of Valuation</li> <li>3. Purpose of Valuation</li> <li>4. Name of Owner/s</li> <li>5. Name of Bank as applicable</li> <li>6. Name of Developer of the Property (in case of developer built properties)</li> </ol>
II	<b>Physical characteristics of the asset</b>	<ol style="list-style-type: none"> <li>1. Location of the asset</li> <li>2. Municipal Ward No.</li> <li>3. Postal address</li> <li>4. Area of the plot/land ( supported by a plan )</li> <li>5. Layout plan of the layout in which the asset is located</li> <li>6. Details of Roads abutting the asset</li> <li>7. Demarcation of the asset under valuation on a neighborhoods layout map</li> <li>8. Description of Adjoining properties</li> <li>9. Survey no. if any</li> <li>10. Details of the building/buildings and other improvements in terms of area, height, no. of floors, plinth area floor wise, year of construction, year of making alterations/additional constructions with details, full details of specifications to be appended along with building plans and elevations</li> <li>11. Any other aspect</li> </ol>
III	<b>Town planning parameters (if applicable)</b>	<ol style="list-style-type: none"> <li>1. Master plan provisions related to the property in terms of land use</li> <li>2. Planning area/zone</li> <li>3. Development controls</li> <li>4. Zoning regulations</li> <li>5. FAR/FSI permitted and consumed</li> <li>6. Ground coverage</li> <li>7. Transferability of development rights if any, building bye-law provisions as applicable to the property viz. setbacks, height restrictions, etc.</li> <li>8. Comment on surrounding land uses and adjoining properties in terms of usage</li> <li>9. Comment on unauthorized constructions if any</li> <li>10. Comment on demolition proceedings if any</li> <li>11. Comment on compounding /regularisation proceedings</li> <li>12. Comment on whether OC has been issued or not</li> </ol> <p>Any other aspect</p>
IV	<b>Legal aspects</b>	<p>Description of legal aspects to include:</p> <ol style="list-style-type: none"> <li>1. Ownership documents,</li> <li>2. Names of Owner/s</li> <li>3. Title verification,</li> <li>4. Details of leases if any,</li> <li>5. Ordinary status of freehold or leasehold including restrictions on transfer,</li> <li>6. Agreements of easements if any,</li> <li>7. Notification for acquisition if any,</li> <li>8. Notification for road widening if any,</li> <li>9. Heritage restrictions if any, All legal documents, receipts related to electricity, water tax, property tax and any other building taxes to be</li> </ol>

		<p>verified and copies as applicable to be enclosed with the report,</p> <p>10. Comment on transferability of the property ownership,</p> <p>11. Comment on existing mortgages/charges/encumbrances on the property if any</p> <p>12. Comment on whether the owners of the property have issued any guarantee ( personal or corporate ) as the case may be</p> <p>13. Building plan sanction, illegal constructions if any done without plan sanction/violations.</p> <p>14. Any other aspect</p>
V	<b>Economic aspects</b>	<p>1. Reasonable letting value</p> <p>2. Details of monthly rents being received if any including status of tenancy rights</p> <p>3. Taxes and other outgoings</p> <p>4. Property insurance</p> <p>5. Monthly maintenance charges</p> <p>6. Security charges, etc.</p> <p>7. Any other aspect</p>
VI	<b>Socio-cultural aspects</b>	Descriptive account of the location of the asset in terms of the social structure of the area, population, social stratification, regional origin, age groups, economic levels, location of slums/squatter settlements nearby, etc.
VII	<b>Functional and utilitarian aspects</b>	<p>Description of the functionality and utility of the asset in terms of:</p> <p>1. Space allocation,</p> <p>2. Storage spaces,</p> <p>3. Utility of spaces provided within the building,</p> <p>4. Any other aspect</p>
VIII	<b>Infrastructure availability</b>	<p>a) Description of aqua infrastructure availability in terms of</p> <p>1. Water supply,</p> <p>2. Sewerage/sanitation,</p> <p>3. Storm water drainage,</p> <p>b) Description of other physical infrastructure facilities viz.</p> <p>1. Solid waste management</p> <p>2. Electricity</p> <p>3. Roads and public transportation connectivity</p> <p>4. Availability of other public utilities nearby</p> <p>c) Social infrastructure in terms of</p> <p>1. Schools</p> <p>2. Medical facilities</p> <p>3. Recreation facilities in terms of parks and open spaces</p>
IX	<b>Marketability</b>	<p>Analysis of the market for the property in terms of</p> <p>1. Locational attributes</p> <p>2. Scarcity</p> <p>3. Demand and supply of the kind of subject property</p> <p>4. Comparable sale prices in the locality.</p>
X	<b>Engineering and technology aspects</b>	<p>Description of engineering and technology aspects to include</p> <p>1. Type of construction,</p> <p>2. Materials and technology used,</p> <p>3. Specifications,</p> <p>4. Maintenance issues,</p> <p>5. Age of the building</p> <p>6. Total life of the building,</p> <p>7. Extent of deterioration,</p> <p>8. Structural safety</p> <p>9. Protection against natural disasters viz. earthquakes,</p> <p>10. Visible damage in the building if any,</p> <p>11. Common facilities viz. lift, water pump, lights, security systems, etc.,</p>

		12. System of air-conditioning, 13. Provision for fire fighting, Copies of plans and elevations of the building to be included.
XI	<b>Environmental factors</b>	1. Use of environment friendly building materials, Green building techniques if any, 2. Provision for rain water harvesting, 3. Use of solar heating and lighting systems, etc., Presence of environmental pollution in the vicinity of the property in terms of industries, heavy traffic, etc.
XII	<b>Architectural and aesthetic quality</b>	Descriptive account on whether the building is modern, old fashioned, etc., plain looking or with decorative elements, heritage value if applicable, presence of landscape elements, etc.
XIII	<b>Valuation</b>	Here, the procedure adopted for arriving at the valuation has to be highlighted. The valuer may consider various approaches of valuation and state explicitly the reasons for adoption of a particular approach and the basis on which the final valuation judgment is arrived at. A detailed analysis and descriptive account of the approaches, assumptions made, basis adopted, supporting data (in terms of comparable sales), reconciliation of various factors, departures, final valuation arrived at has to be presented here.  <b>(BOTH MARKET VALUE OF THE PROPERTY AND REALISABLE VALUE OF THE PROPERTY IN CASE OF DISTRESS SALE SHALL BE MENTIONED)</b>
XIV	<b>Declaration</b>	I hereby declare that : a) The information provided is true and correct to the best of my knowledge and belief. b) The analysis and conclusions are limited by the reported assumptions and conditions. c) I have no direct or indirect interest in the asset valued. d) I/my authorized representative by the name of .....who is also a 'valuer', has inspected the subject property on ..... e) I am a 'valuer' as per the existing provisions in Category ..... and fulfill the education, experience and other criteria laid out therein.  <b>Name and address of the Valuer</b> ..... ..... ..... <b>Name of Valuer Association of which I am a bonafide member in good standing</b> ..... <b>Membership Number</b> ..... <b>Signature of the Valuer</b> ..... <b>Date</b> ..... <b>Tel.No.</b> ..... <b>Mobile no.</b> ..... <b>E-Mail</b> .....

<b>Enclosures:</b>	<ul style="list-style-type: none"> <li>■ Layout plan of the area in which the asset is located</li> <li>■ Building plan</li> <li>■ Floor plan</li> <li>■ Photographs of the property being valued</li> <li>■ Any other relevant documents/extracts</li> </ul>
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**VALUATION REPORT FORMAT -2**  
**Formats of valuation reporting (to be used for assets of up to 5 crore)**

<b>1</b>	<b>Customer Details</b>									
	Name						Appl. No.			
	Case Type									
<b>2</b>	<b>Asset Details</b>									
	Address									
	Nearby Landmark									
<b>3</b>	<b>Document Details</b>									
	Layout Plan	Yes/no	Name of Approving Auth.				Approval No.			
	Building Plan	Yes/no					Approval No.			
	Construction Permission	Yes/no					Approval No.			
	Legal Documents	Yes/no	List of Documents							
<b>4</b>	<b>Physical Details</b>									
	Adjoining Properties	East		West		North		South		
	Matching of Boundaries	<i>Yes / no</i>		Plot demarcated	<i>Yes/no</i>	Approved Landuse		Type of Property	<i>Plotted/Flat</i>	
	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 – <i>RCC framed / Stone / BB masonry</i>	
<b>5</b>	<b>Tenure / Occupancy Details</b>									
	Status of Tenure	<i>Owned / Rented</i>	No. of years of occupancy				Relationship of tenant to owner			
<b>6</b>	<b>Stage of construction</b>									
	Stage of construction	Under construction / completed				If under construction, extent of completion				
<b>7</b>	<b>Violations if any observed</b>									
	Nature and extent of violations									
<b>8</b>	<b>Area Details of the Property</b>									
	Site area		Plinth area		Carpet area		Saleable area		Remarks	
<b>9</b>	<b>Valuation (BOTH MARKET VALUE AND REALISABLE VALUE IN CASE OF DISTRESS SALE SHALL BE MENTIONED)</b>									
	( mention the Valuation as per Government Approved Rates also )									
<b>10</b>	<b>Assumptions / Remarks</b>									
<b>11</b>	<b>Declaration</b>									
	1) The property was inspected by the undersigned on..... 2) The undersigned does not have any direct/indirect interest in the above property. 3) The information furnished herein is true and correct to the best of our knowledge.									
<b>12</b>	<b>Name, address &amp; signature of Valuer</b>				<b>Signature of the Valuer</b>			Date of valuation		
<b>13</b>	<b>List of Documents enclosed</b>									
<b>14</b>	<b>List of Photos enclosed</b>									

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