

Part – B - Process for Empanelment of Valuers



1. Eligibility Criteria For Empanelment Of Valuer As Per Companies Act, 2013

The eligibility criteria along with complete details for empanelment of valuers are being detailed in Annexure – II. Further, the steps for empanelment of valuers has also been described in Standard Operating Procedure annexed here with.

2. Declaration-cum-Undertaking by applicant valuer

While applying for empanelment as a valuer, the valuer has to give a Declaration-cum-undertaking as per the Annexure –III.

3. Other Terms and Conditions for applicant valuer

In addition to the above "Declaration-cum-Undertaking by the applicant valuers, the applicant valuer has to fulfil "Other Terms and Conditions" as per Annexure IV.

4. Code Of Conduct For Valuers

All valuers empanelled with bank shall strictly adhere to the code of conduct mentioned in Annexure VI of this policy.

5. Empanelment Procedure

Empanelment of valuers is to be done centrally at Head Office level. Empanelment, annual review of performance and service quality and removal/de-panelment of valuers shall be through committee approach at Head Office.

Empanelment Committee for Empanelment of Valuers at Head Office

The Empanelment Committee shall consist of following five personnel from Head Office:

- 1) General Manager, Credit Monitoring/Department Incharge
- 2) General Manager, Credit Department (Member)
- 3) General Manager, Recovery (Member)
- 4) General Manager, Finance (Member)
- 5) General Manager, Risk Management (Member)

Quorum for meetings of the committee shall be **three** with mandatory presence of General Manager/Department Incharge, Credit Monitoring Department.

- (i) Deputy General Manager/, Credit Monitoring will be the convenor of the committee. In the absence of Deputy General Manager of Credit Monitoring Department at Head Office, the next senior-most Executive of the department shall act as Convenor of the Committee.

Final Authority for empanelment of Valuers will be MD & CEO

(Process of empanelment, De-empanelment, Review of the Valuers has been detailed in the SOP.)

6. Compliance of Standards and Procedures/Methodologies for valuation to be done under Companies Act, 2013.

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 comprehensive document on international valuation standard is available on the IVSC website at www.ivsc.org. 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.

7. Valuation of properties other than those required under Companies Act, 2013.

The prevailing IBA guidelines shall continue to be applicable for valuations which are not mandatorily required to be done under Companies Act, 2013.

8. Re-empanelment of Valuers:

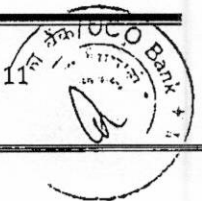
Valuers once delisted/removed from the Bank's panel shall not be re-empanelled on its panel.

9. Obligations Of The Bank

This document casts the following obligations on the Bank:

- 9.1 All appointments/empanelment of valuers shall be done in accordance with the provisions in this document and its amendments from time to time.
- 9.2 All instructions to valuer shall be given by the Bank in writing.
- 9.3 Supportive documents, wherever possible, shall be provided to the valuer before commencement of valuation work. Sufficient time shall be provided by the Bank to valuer for procurement of any other document and, cost of procurement of such documents shall be reimbursed by the Bank upon production of relative original bills by valuer.
- 9.4 A maximum of ten days' time shall normally be given to valuer to carry out valuation. Maximum time for valuation shall be mutually decided by valuer and the Bank depending upon the nature of the valuation job and circumstances, on a case to case basis.

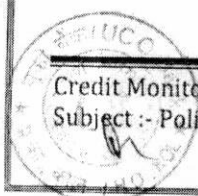
In case of outstation properties or in case of large property valuations, more time shall be given, depending on circumstances, on a case to case basis.
- 9.5 No security deposit or any other indemnity money shall be taken from valuers as security for professional services that they shall provide.
- 9.6 Where the valuation report submitted by valuer is found to be not in order by the Bank, it shall bring the same to his/its notice within 15 days of its submission for rectification and re-submission failing which, it shall be presumed that the valuation report has been accepted.
- 9.7 In case of valuations under SARFAESI Act, the provisions under the Act shall have to be followed.



Eligibility criteria for Empanelment of Valuer as per Companies Act, 2013**General Criteria****a. For Individual**

A person shall be eligible to be an empanelled valuer if he/she-

- (i) is a member in good standing of any one of the Valuer Associations viz. Institute of Valuers (IOV), Institute of Estate Managers & Appraisers (IESMA), Practising Valuers Association (INDIA) (PVAI), The Institute of Company Secretaries of India (ICSI), The Indian Institute 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, Royal Institution of Chartered Surveyors, India Chapter [RICS], American Society of Appraisers [ASA], USA, Appraisal Institute [AI], USA etc.
- (ii) is not a minor and is a person resident in India in case of individual.
- (iii) has not been declared to be of unsound mind.
- (iv) is not an un-discharged bankrupt or has not applied to be adjudicated as a bankrupt.
- (v) 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/she shall not be eligible to be registered.
- (vi) 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.
- (vii) is a fit and proper person: 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



b. For Partnership[/Company

No partnership entity or company, shall be eligible for empanelment 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) It is undergoing an insolvency resolution or is an un-discharged bankrupt.

(iii) All the partners or directors, as the case may be, are not ineligible under above General Criteria clause.

(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 as stated in clause 3 of this policy (Annexure - II).

(v) None of its partners or directors, as the case may be, fulfils the criteria of qualification and experience in the asset class for the valuation.

(a) Other Criteria

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

For valuation of properties/assets pertaining to companies, in term 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 asset 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 Act, 1957.

Valuation under SARFAESI Act, 2002:

- (i) For valuation of properties under SARFAESI Act, 2002, applicant has to be registered under section 34AB of Wealth Tax Act, 1957.
- (ii) Valuers with education qualification 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 up to Rs.2.00 crore only.

- (iii) Valuers with education qualification 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 up to Rs.1.00 crore only. However, such valuers may conduct valuation of properties/assets under Housing Loans up to Rs.2.00 crore.
- (iv) Completed at least 5 (five) assignments successfully as valuer during immediately preceding 12 months. Competent Authority i.e. Empanelment Committee may waive this condition on case to case basis
- (v) 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 the Bank in this regard.
- (vi) Registration with Central/State governments is desirable but not compulsory.

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

Educational qualification of a valuer	Type of valuer	Eligibility to conduct valuation of property/asset
Graduation and above	Valuers registered with IBBI	As per category** of the valuer
Graduation and 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 crore
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 crore. However, such valuers may conduct valuation of properties/assets under Housing Loans up to Rs. 2.00 crore.

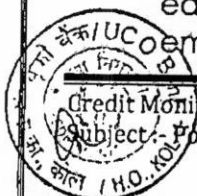
** For category of valuers please refer Table -I, page no 4 of this policy

3.1 Age

The minimum age of valuer [individual/sole-proprietor, all partners of partnership firm and all lead valuers of company] at the time of making application for empanelment with the Bank shall be 25 years. There shall be no maximum age limit prescribed for a valuer to remain on the Bank's panel.

3.2 Education qualification and Experience

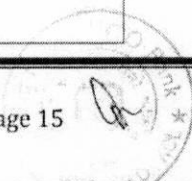
It is necessary that a valuer possesses proper educational qualifications which make him competent to carry out the task of valuation of securities. In addition, relevant work experience is also important. Persons possessing the following educational qualifications and work experience shall be eligible for empanelment as valuers:



[A] Valuation of Land and Building/Real Estate:

Presently, there is no Act regulating the profession of valuation of real estate in our country. Till the same is enacted, empanelment by the Bank shall be made as per following criteria:

Education Qualification	Experience	Additional Requirement/Remarks
Bachelor's degree in Civil Engineering / Architecture / Town Planning or equivalent.	Five years of work experience in the field of valuation of real estate after completion of the degree or equivalent.	Preference should be given to : i) Applicants who have completed certificate course in valuation of real estate recognized by AICTE ii) Retired Government / PSU officials
Diploma in Civil Engineering / Architecture.	Eight years of work experience in the field of valuation of real estate after completion of the diploma.	They must complete SIX months' course in valuation of real estate from recognized universities/the institution conducting the examination in valuation of real estate which are recognized by the Govt. of India for recruitment to superior services or posts on or before 31.03.2022 The diploma holders in Civil Engineering / Architecture are eligible for empanelment to undertake valuations with value upto Rs.5.00 crore only.
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.	Two years of work experience in the field of valuation of real estate after completing the examination. Preference should be given to retired Government/PSU Officials	
Master's Degree in valuation of real	Two years of work experience in the field	



estate awarded by a recognized University in India established under state or central act	of valuation of real estate after completing the examination. Preference should be given to retired Government/PSU Officials	
Chartered / Professional membership of the Royal Institution of Chartered Surveyors [RICS] or American Society of Appraisers [ASA] or Appraisal Institute [AI] USA/ other internationally reputed Institutional players who fulfill the criteria- obtained by passing an examination equivalent to examinations mentioned against Sl. Nos. 3 and 4 here above.	Since the process of procurement of membership with these organizations includes training as an integral component, no further work experience requirement is being prescribed. Preference should be given to retired Government/PSU Officials	

Note: Applicants empanelled on the basis of criteria of additional qualification prescribed here above shall be eligible for empanelment even after 31.03.2022 provided they have not been de-listed / de-panelled / removed for unsatisfactory performance and/or for negligence and/or for professional misconduct and/or for any fraudulent activity and/or for any other reason whatsoever, at the discretion of the Bank.

[B] Valuation of Plant and Machinery

Presently, there is no Act regulating the profession of valuation of plant and machinery in our country. Till the same is enacted, empanelment by the Bank shall be made as per following criteria:

Education Qualification	Experience	Additional Requirement/Remarks
Bachelor's degree in Mechanical, Electrical, Production, Industrial, Computer, Mining, Chemical, Electronics and any other stream of	Five years of work experience in the field of valuation of plant and machinery after completion of the degree or equivalent.	Preference should be given to : i) Applicants have competed certificate course in valuation of plant and machinery

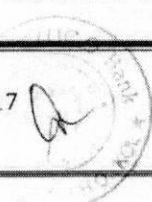
engineering as required by the bank for conduct of valuation of plant and machinery and other equipments		recognized by AICTE ii) Retired Government / PSU officials
Diploma in Mechanical, Electrical, Production, Industrial, Computer, Mining, Chemical, Electronics and any other stream of engineering as required by the bank for conduct of valuation of plant and machinery and other equipments.	Eight years of work experience in the field of valuation of plant and machinery post completion of the diploma.	Preference should be given to : i) Applicants who have competed certificate course in valuation of plant and machinery recognized by AICTE ii) Retired Government / PSU officials
Master's Degree in valuation of plant and machinery awarded by a recognized University established under State or Central Acts in India.	Two years' work experience in the field of valuation of plant and machinery post completion of the examination. Preference should be given to retired Government/PSU Officials	

Note:

Applicants empanelled on the basis of criteria of additional qualification prescribed here above shall be eligible for empanelment provided they have not been de-listed/ de-panelled / removed for unsatisfactory performance and/or for negligence and/or for professional misconduct and/or for any fraudulent activity and/or for any other reason whatsoever, at the discretion of the Bank.

[C] Valuation of Agricultural Land

1. Valuer of Agricultural Land ought to have knowledge of following principles of valuation:
 - (i) Cost, price, value and worth,
 - (ii) Value – types, elements, ingredients, characteristics
 - (iii) Annuities – capitalisation – rate of capitalisation – redemption of capital,
 - (iv) Three approaches to value viz., Income, Market and Cost,
 - (v) Laws applicable to agricultural land.
2. Presently, there is no Act to regulate the profession of valuation of



agricultural land. Also, there are no study courses being offered in our country to qualify as valuer of agricultural land. Till the same are offered, the Bank shall empanel valuers as per criteria under rules of Wealth Tax Act 1957 as follows:

2.1 Other than Plantations [Under Wealth Tax Rule 8A(3)]:

Education Qualification	Experience
The applicant must be a graduate in agricultural science of a recognized university	<p>i. The applicant must have worked as a farm valuer for a period of not less than five years;</p> <p>and</p> <p>ii. The applicant 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.</p>

2.2 Plantations [Under Wealth Tax Rule 8A(4)]:

The applicant must be a graduate in agricultural science of a recognized university	<p>(i) He must have, for a period of not less than FIVE years, owned, or acted as manager of a coffee, tea, rubber or, cardamom plantation, as the case may be, having an area under plantation of not less than four hectares in the case of cardamom plantation or forty hectares in the case of any other plantation;</p> <p>or</p> <p>(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, out of which, not less than three years must have been in areas wherein coffee, tea, rubber or cardamom, as the case may be, is extensively grown.</p>
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[D] Valuation of Stock/Inventory, Shares:

1. Criteria laid down under the Wealth Tax Rule 8A(7) is to be adopted in case of valuation of stock/inventory and shares.
2. Under 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) should possess the following qualifications:

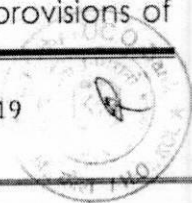
Education Qualification	Experience
He must be a member of the Institute of Chartered Accountants of India (ICAI) or the Institute of Cost and Works Accountants of India (ICWAI) or the Institute of Company Secretary of India (ICSI).	He must have practised as chartered accountant or a cost and works accountants or a company secretary for a period not less than ten years and his <u>gross receipts from such practice should not be less than fifty thousand rupees in any three of the five preceding years.</u>

NOTE :

1. In case of empanelment of partnership firms and companies for undertaking valuations, the qualification and experience shall apply to all partners and key personnel/ directors respectively of the partnership firm and company unless otherwise specified.
2. Experience of valuer shall be calculated from the date of his/its first empanelment with any Bank/Financial Institution/High Court or registration under Wealth Tax Act 1957.
3. Valuers should have thorough knowledge of the industry concerned and also the type of assets to be valued.
4. Valuers should constantly update their knowledge base by actively participating in various continuing education programmes including seminars, conferences, workshops, training programmes, capacity building programmes, etc.

[E] Valuation of properties those require under Companies Act, 2013

1. The Ministry of Corporate Affairs (MCA) has notified the provisions governing valuation by registered valuers [section 247 of the Companies Act, 2013 (the act)] and the Companies (Registered Valuers and Valuation) Rules , 2017 (the Rules). In addition, to administer and perform functions under the said rules, the MCA by way of notification on 23rd October, 2017, has specified the Insolvency and Bankruptcy Board of India (IBBI) as the responsible authority.
2. Section 247 of the Act requires that where a valuation is to be made of any property, stocks, shares, debentures, securities or goodwill or any assets or net worth of a company or its liabilities under the provisions of



the Act, the same shall be valued by a person having the requisite qualifications, experience, registered as a valuer and member of a registered valuers organisation, in the manner prescribed in the Rules.

3. The valuation of assets in respect of the companies where Corporate Insolvency Resolution Process(CIRP) has been invoked with NCLT under IBC 2016 are to be undertaken by the valuers registered with Insolvency and Bankruptcy Board Of India(IBBI)/organizations recognized by IBBI. The scope and fees payable to such valuers shall be fixed by the IRP/RP with approval of Committee of Creditors (CoC).

[F]. The prevailing IBA guidelines shall continue to be applicable for valuation which are not mandatorily required to be done under Companies Act, 2013.

3.3 Proof of Work Experience:

Applicant valuer shall necessarily furnish any one of the following as proof of his/its work experience:

1. Letter of empanelment by any Bank/Financial Institution.
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 Govt of India/any State Govt/any Municipality/any Municipal Corporation.
5. Letter of appointment as valuer employee by Govt of India / any State Govt / any Municipality / any Municipal Corporation.
6. Letter of appointment as valuer employee by any Limited Company engaged in the business of valuation.
7. Letter of appointment as valuation consultant by any LLP Company.
8. Letter of appointment as valuer employee by any partnership/ proprietorship/ private limited company engaged in the business of valuation for the last five years.
9. The experience of the valuer shall be calculated from the date of his/her first empanelment with any Bank/Financial Institution/ High Court or registration under Wealth Tax Act, 1957.

3.4 References:

1. Carrying out a reference check is extremely important in order to verify the competence of a valuer. Applicant valuer should provide evidence of previous work experience to the Bank. Reference checks on applicant valuer shall be carried out by the Bank before empanelling on its panel to verify the competence, performance and service quality of applicant valuer.
2. For the purpose, applicant valuer shall necessarily submit atleast three reference letters/ empanelment letter from banks / financial institutions /DRT / courts / Govt Departments / any other public sector undertaking where the valuers had done valuations previously or companies for whom the valuer had done valuations previously, obtained on letter head and duly signed by a senior level official at zonal/head office and bearing rubber stamp of the

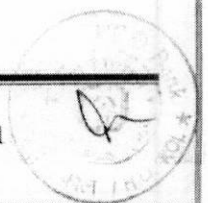
issuing office.

The condition may be waived by the competent Authority i.e. Committee of General Managers on case to case basis.

3.5 Retired Staff Members:

A retired staff member who is otherwise eligible for empanelment may also be considered for empanelment by the Bank subject to following restrictions:

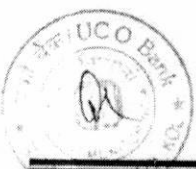
1. No punishment/penalty arising out of disciplinary proceedings has been imposed upon him/her either during the service career or subsequent to his/her superannuation.
2. No disciplinary /criminal /judicial proceedings are contemplated/ pending subsequent to his/her superannuation from the Bank's service.
3. A staff member who has voluntarily retired from the Bank's service under any voluntary scheme or has taken voluntary retirement or resigned from the Bank's service shall not be considered for empanelment.



Declaration-cum-Undertaking by applicant valuer

In addition to the above eligibility criteria, the following are the *Declaration-cum-Undertaking* to be fulfilled by applicant valuer:

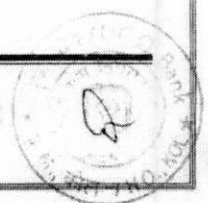
1. The valuer [individual/sole-proprietor / all partners / all directors] is a citizen of India / the entity is a body corporate registered in India.
2. The Valuer [individual/sole-proprietor / all partners / all directors] is not a defaulter with any of the Bank/ lending institution
3. The valuer has a clean track record in as much as –
 - (i) The valuer has not been removed / dismissed from valuation related service / previous employment earlier.
 - (ii) The valuer has not been found guilty of misconduct in professional capacity.
 - (iii) The valuer has not been convicted of any offence and sentenced to a term of imprisonment.
 - (iv) The valuer has not been convicted of an offence connected with any proceeding under the Income Tax Act 1961 and/or Wealth Tax Act 1957 and/or Gift Tax Act 1958 and/or Service Tax Act.
 - (v) The valuer has not been declared to be unsound mind.
 - (vi) The valuer is not an un-discharged insolvent.
 - (vii) The valuer is not an un-discharged bankrupt or has not applied to be adjudicated as a bankrupt.
 - (viii) The valuer has not 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 not elapsed after levy of such penalty.
 - (ix) The valuer has no complaints registered against him/it with CBI and/or SFIO and/or police and/or court of law and/or has not been blacklisted by any bank / FI / IBA.
 - (x) The valuer has not been depanelled/delisted by any other bank and in case any such depanelment by other banks during the service of empanelment with the Bank, the valuer shall inform the Bank within three days of such depanelment.
 - (xi) The valuer shall keep the Bank informed immediately of any happenings or events that would make the valuer ineligible for impanelment as a valuer.



4. The valuation furnished by valuer shall be true and impartial.
5. The valuer / the firm and all the partners of the firm and, the company and all the directors of the company shall each possess PAN Card.
6. The valuer possesses required Goods and Services Tax Registration Number [mandatory in case of Category A valuers].
7. All directors of the company shall each have DIN allotted to them.
8. The valuer shall comply with the guidelines, standards and procedures, and abide by the code of conduct prescribed and as amended by the Bank from time to time.
9. The valuer shall act with independence, integrity and objectivity; shall undertake all valuation works entrusted to him/it by the Bank with an independent mind and shall not come under any influence of anybody.
10. The valuer shall not be related to any of the personnel in the department/ division in the Bank dealing with valuation work directly.
11. The valuer shall not undertake valuation of any properties that may be assigned to him/it by the Bank from time to time in which he/the firm/the company/any of the partners/any of the directors/any of his/its employees have direct or indirect interest in the properties.

Also, the valuer shall give a declaration of his having no such interest in the properties entrusted for valuation to him/it by the Bank from time to time by incorporating the same in his/its Valuation Reports thereon.

1. The valuer shall complete the assignment of valuation and submit duly signed [by lead valuers in case of Company] Valuation Report on properties that shall be assigned to him/it by the Bank from time to time within the timeframe stipulated by the bank/mutually agreed upon.
2. The valuer shall personally inspect the property on a particular date and such inspection shall not be sub contracted to any other valuer.
3. The valuer shall submit valuation report in the format as prescribed by the Bank.
4. The valuer has read the Handbook on Policy, Standard and Procedure for Real Estate Valuation, 2011 of 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.
5. The valuer has 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.
6. The valuer shall not conceal or suppress any material information and facts prejudicial to the interest of the Bank and shall make a complete and full disclosure at the time of application for empanelment, and should disclose immediately to the Bank any such developments that may take place during the tenure of his/its empanelment with the Bank.



7. For any negligence, lapses, professional misconduct and/or unfair practices resorted to by valuer whether with the Bank and/or other banks and/or other institutions, his/its empanelment with the Bank will stand cancelled without referring to Grievances Redressal/Conflict Resolution Committee of the Bank. The names of such delinquent valuers shall be reported to IBA for placement on IBA's Caution List of Third Party Entities [TPEs] and also to other professional bodies/institutions.
8. The valuers shall bind themselves irrevocably to strict adherence to the Model Code of Conduct and as amended by the Bank from time to time.
9. The valuers shall bind themselves irrevocably to strict adherence to the "Terms and Conditions" to be annexed to the appointment letter issued to the valuers.
10. The valuers shall submit a declaration in prescribed format by the Bank in Annexure- 6 along with the valuation report.
11. The valuer shall not induct/appoint/employ any person as its partner/director/employee who is a retired staff member of Bank –
 - (i) against whom any punishment/penalty arising out of disciplinary proceedings has been imposed upon him/her during the service career or subsequent to his/her superannuation and/or
 - (ii) any disciplinary / criminal / judiciary proceedings are pending subsequent to his/her superannuation from the Bank's service and/or
 - (iii) who has voluntarily retired from the Bank's service under any voluntary retirement scheme or has taken voluntary retirement or resigned from the Bank's service.
12. The valuer/firm/company shall also declare that he/ none of its partners/directors and none of his/its employees is such retired staff member(s) of the Bank.
13. The valuer/firm/company shall keep the Bank informed immediately as and when any retired staff member of the Bank clear of disqualifications as above is taken in as his/its partner/director/ employee.

Note:

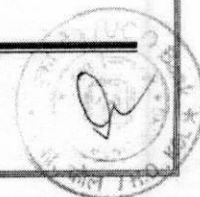
- a) The above conditions apply to the individual, proprietor in case of sole-proprietary concern, all individual partners and firm in case of partnership firm, all directors and company in case of company.
- b) Applicant valuer shall submit to the Bank declaration-cum-undertaking to the above effect duly executed on non-judicial stamp paper of requisite value [individual/sole-proprietor / all partners of the firm / all lead valuers of the company in both representative and personal capacity] at the time of his/its empanelment.



Internationally Accepted Valuation Standards (IVS)

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 IVSC also promotes leading practice approaches for the conduct and competency of professional valuers.
- 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:
 - follows established due process in the development of any new standard, including consultation with stakeholders (valuers, users of valuation services, regulators, valuation professional organisations, etc) and public exposure of all new standards or material alterations to existing standards,
 - liaises with other bodies that have a standard-setting function in the financial markets,
 - 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:
 - identify or develop globally accepted principles and definitions,
 - identify and promulgate considerations for the undertaking of valuation assignments and the reporting of valuations,
 - identify specific matters that require consideration and methods commonly used for valuing different types of assets or liabilities. International Valuation Standards.
 - 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:
 - 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.
 - 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.
 - 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.
- The comprehensive document on international valuation standard is available on the IVSC website at www.ivsc.org.
- 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.



Other Terms and Conditions for applicant valuer

In addition to the above "Declaration-cum-Undertaking by the applicant valuers, the following are the "Other Terms and Conditions" to be fulfilled by applicant valuer:

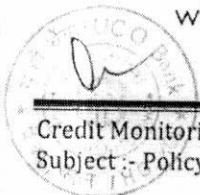
1. Bank, in its sole discretion, may require the Valuer to determine the fair market value of one or more properties. Bank shall have the sole discretion to allot any one or more number of property or properties to the Valuer for the purpose of valuation. The Valuer shall not insist on allotment of any 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 the Bank.
2. 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 the 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 analyses and understand how he reached his valuation.
3. Valuers shall comply with International Valuation Standard (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.
4. 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 and its surroundings.
 - (g) Such other matters concerning valuation as Bank may require.

5. 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 interest in the property.
6. The Valuer shall personally visit the property site and a certificate to the effect shall be included in the valuation report.
7. Valuation must be based on prevailing market rates and any departure from the same should be mentioned with reasons in the valuation report.
8. The Valuer shall carry out all such investigations and gather all such information as is necessary and/or appropriate for the purposes of the valuation report.
9. Valuation report of property in the same area by different Valuers should be comparative and not widely differ.
10. 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, defects in 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.
11. 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.
12. 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 expiry 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.
13. 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.

14. Format for the Valuation Report shall be as per Bank's format for valuation prescribed.
15. The Bank may, at its sole discretion, depanel/delist/blacklist a Valuer in the following cases:
 - (a) If the Valuer fails to deliver any or all 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 up to the Standard, quality and level as desired by Bank or
 - (d) for any reason 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 or
 - (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.
16. Bank shall have the right to adopt any or all 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.



17. 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
- (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.

