PART-II: EMPANELMENT OF VALUER

1. Purpose of Appointment of Valuers:

Valuers are engaged for the purpose of:

1.1. ascertaining the value of the property/ assets etc. offered as security.

1.2. periodically ascertaining the value of the property that has been mortgaged, whether it is increasing or decreasing over the mortgage period.

1.3. realizing the value of non-performing assets (NPAs) and

1.4. securitization of assets in cases of default.

2. Empanelment of valuers:

Following are the guidelines and processes for empanelment of valuers:

2.1. Criteria for Empanelment of Valuers:

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

2.1.1. Immovable Properties (Land and Building)

2.1.2. Moveable Assets (Plant & Machinery)

2.1.3. Securities or Financial Assets/ Stocks and Trade

2.1.4. Agricultural Land and Plantations

2.1.5. Jewellery

2.1.6. Works of Art

2.2. Eligibility Criteria for valuers:

2.2.1. A person shall be eligible to be empanelled as valuer if he/she:

Sl. No.	Criteria
(i)	possesses the qualifications and experience as detailed in Annexure-A
(ii)	is not a minor, minimum 25 years of age. (However, there is no maximum age limit for a valuer to remain on panel)
(iii)	has not been declared to be of unsound mind
(iv)	is not an undischarged bankrupt, or has not applied to be adjudicated as a bankrupt
(v)	is a person resident in India Explanation - For the purposes of this criterion 'person resident in India' shall have the same meaning as defined in clause (v) of section 2 of the

	Foreign Exchange Management Act, 1999 (42 of 1999) as far as it is applicable to an individual (a) has not been convicted by any competent court for an offence punishable with imprisonment for a term exceeding six months or for an offence involving moral turpitude, and a period of five years has not elapsed from the date of expiry of the sentence: Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be registered (b) 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
(vi)	is a fit and proper person: Explanation - For determining whether an individual is a fit and proper person the empanelment authorities may take account of any relevant consideration, including but not limited to the following criteria- (a) integrity, reputation and character (b) absence of convictions and restraint orders, and (c) competence and financial solvency
(vii)	has a satisfactory credit background as per **at least one** credit information report provided by any of the Credit Information Companies (CICs) viz. CIBIL, Experian, Equifax, CRIF, etc., acceptable to the Bank, as per Bank's guidelines and adverse reports, if any, to be clarified by the applicant valuers for the satisfaction of the Bank.
(viii)	is a valuer member of a registered valuers organisation Explanation - For the purposes of this criterion, "a valuer member" is a member registered valuers organisation who possesses the requisite educational qualifications and experience for being registered as a valuer

2.3. Partnership entity or Company shall not be eligible for empanelment as valuer in the following ~~scenario~~ conditions at Sl. No. (i) to (viii):

(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 undischarged bankrupt
(iii)	all the partners or directors, as the case may be, are not eligible under sub-clauses (ii) to (viii) of clause 2.2 (a) above
(iv)	Lead valuers in case of companies and all the partners in case of partnership firms undertaking valuations do not fulfil the criteria of qualification and experience
(v)	none of its partners or directors fulfills the criteria of qualification and experience in the asset class for the valuation
(vi)	Three or all the partners or directors, whichever is lower, of the partnership entity or company, as the case may be, are not registered valuers.
(vii)	none of its partners or directors, as the case may be, is a registered valuer for the asset class, for the valuation of which it seeks to be a registered valuer.
(viii)	It is not a member of Registered Valuers Organization. (R.V.O.) Provided that it shall not be a member of more than one such registered valuers organisation at a given point of time: Provided further that the partnership entity or company, already registered as valuers, on the date of commencement of the Companies (Registered Valuers and Valuation) Amendment Rules, 2022, shall comply within six months of such commencement with the conditions specified under this clause.”

2.4. Other criteria:

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

2.4.1.1. For valuation of properties/ assets pertaining to Companies, in terms of Companies (Registered Valuers and Valuation) Rules, 2017, issued as per the MCA notification dated 18.10.2017, a valuer registered as a valuer member with IBBI for relevant class of assets shall be eligible for conducting the valuation. Such valuers shall also be eligible for valuation of properties/ assets pertaining to other than Companies. As regards, all the valuation work related to the Company Assets would be undertaken only by the valuers registered with IBBI

2.4.1.2. Further, to undertake the valuation of Properties/ Assets of the Companies under SARFAESI Act, 2002, the valuer must be registered under Section 34AB of Wealth Tax Act, 1957.Preference to be given to valuer who is also registered as IBBI registered valuer.

2.4.1.3. For cases referred to NCLT under IBC, IRP/RP shall appoint valuers for valuation of assets of the corporate debtor by engaging valuers who are registered with 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).

2.4.2. Registration under Wealth Tax Act:

2.4.2.1. When the Bank classifies the loan account as 'NPA', ascertaining and establishing the 'value of assets is critical for the entire process for recovery, especially when the Bank proceeds with its monetization action under SARFAESI Act, 2002. Therefore, in such cases, the valuer undertaking and ascertaining the valuation of assets must be registered under Sec. 34AB of Wealth Tax Act, 1957.

2.4.2.2. As per Section 34 AC (2) of Wealth Tax Act, if a partnership firm is to be registered as a valuer, all its partners must be registered under Wealth Tax Act. Hence, only such partnership firm where all partners are registered under Wealth Tax Act shall be eligible to conduct valuation under SARFAESI Act 2002.

2.4.2.3. Further, no company or other body corporate can be registered as a valuer under Wealth Tax Act as per Section 34 AC (2) of the Act. Since LLP is a body corporate, it cannot be registered as a valuer under Wealth Tax Act as per Section 34 AC (2) of the Act. Hence, a company, LLP or other body corporate cannot conduct valuation under SARFAESI Act 2002.

2.4.3. Valuers with educational qualifications of Graduation and above, who are neither registered with IBBI nor registered under Section 34AB of Wealth Tax Act, 1957, shall undertake the valuation of property/ assets for the loans up to ₹2.00 Cr. only.

2.4.4. Valuers with Educational Qualifications of Diploma and other than Graduation or Post Graduation in respective fields, shall be eligible for empanelment to undertake valuation of Properties/Assets for the loans up to ₹1.00 Crore only. However, such valuers may conduct valuation of properties/assets under Housing Loans up to ₹2.00 Cr.

2.4.5. Completed at least 5 (five) assignments successfully as valuer during immediately preceding 12 months.

2.4.6. Possess thorough knowledge of extant RBI guidelines as also instructions/ circulars issued by RBI/IBBI/IIBF/IBA or any other statutory authority from time to time in addition to the instructions/ circulars issued by SBI in this regard.

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

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

2.5. Qualifications and Experience:

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

2.6. Membership of Valuers Association:

Valuer shall be a member of any one of the authorized/ accredited Institutions viz ., Institution of Valuers (IOV), Institution of Estate Managers & Appraisers (IESMA), Practicing Valuers Association (India) (PVAI), The Institute of Company Secretaries of India (ICSI), The Indian Institution of Valuers (IIV), The Institute of Cost Accountants of India (ICMAI), The Institute of Chartered Accountants of India (ICAI), Association of Certified Valuers and Analysts (ACVA), Centre For Valuation Studies, Research And Training Association (CVSRTA), Council of Engineers and Valuers, Divya Jyoti Foundation or any other association registered as RVO with IBBI and submit a certificate to this effect in the format prescribed in **Annexure-J.**