



काशी गोमती संयुत ग्रामीण बैंक

POLICY ON VALUATION OF PROPERTIES AND EMPANELMENT OF VALUERS (Excluding valuation of Fixed Assets owned by the Bank)

1. Guidelines for Empanelment of Valuers

1.1. Criteria

1.1.1. In order to ascertain the value of properties, external independent valuer/s are appointed by the Bank for undertaking the valuations. The empanelled valuers shall carry out valuation of different types of assets as under:

- Land and Building
- Plant & Machinery
- Agricultural Land
- Any other class of Asset

1.1.2. The proposed valuer should be empanelled in the list of valuers of atleast one Nationalized bank.

1.1.3. A satisfactory report in favour of the proposed valuer must be obtained from that nationalized bank in which the valuer is empanelled.

1.2. Educational Qualifications and Previous Work Experience

1.2.1. The valuer should possess proper educational qualifications to make him / her competent to carry out the task of valuation of securities. In addition, relevant work experience is also important. Hence, persons possessing the following Educational Qualifications and Work Experience shall be eligible for empanelment as valuers:

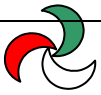
1.2.1.1. Valuation of Land & Building / Real Estate:

1.2.1.1.1. There is no Act to regulate profession of valuation of real estate in our country. However, 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:

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

1.2.1.1.2. The educational qualifications for empanelment as valuers of Land & Building / Real Estate till 31.12.2019 shall be as under:

S.N.	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	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



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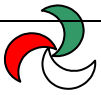
S.N.	Educational Qualifications	Work Experience	Remarks
			from recognized university established under state or central acts. Note: The applicants empanelled on the basis of criteria laid down under Sr.no.1 shall be eligible for empanelment even after 01.01.2020.
2	Diploma in Civil Engineering / Architecture.	8 years' work experience in the field of valuation of real estate after completion of the diploma	They should preferably complete course in valuation of real estate as prescribed under Sr.no.1 above. Note: The applicants empanelled on the basis of criteria laid down under Sr.no.2 shall be eligible for empanelment even after 01.01.2020.
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 of India i.e. University established under State or Central Act	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) of 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 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.

1.2.1.2. Valuation of Plant and Machinery:

1.2.1.2.1. There is no Act to regulate profession of valuation of plant & machinery in our country. However, from 01.01.2020, 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.

1.2.1.2.2. The educational qualifications for empanelment as valuers of Plant & Machinery till 31.12.2019 shall be as under:



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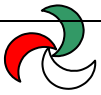
S.N.	Educational Qualifications	Work Experience	Remarks
1	Bachelor's degree in mechanical, electrical, chemical, production, electronic, computer, industrial engineering and any other stream of engineering as required by the Banks for conduct of valuation of Plant & Machinery and other equipments	5 years 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 & machinery and not covered in course curriculum of mechanical, electrical, electronics, chemical, production, computer, industrial engineering, and any stream of Engineering as required by the Banks for conduct of valuation of Plant & Machinery and other equipments and which is conducted by recognized university established under state or central acts.</p> <p>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.</p>
2	Diploma in mechanical, electrical, production, Chemical, electronic, computer, industrial engineering and any other stream of engineering as required by the Banks for conduct of valuation of Plant & 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 course in valuation of plant & machinery as prescribed under Sr.no.1 above.</p> <p>Note:The applicants empanelled on the basis of criteria laid down under Sr.no.2 shall be eligible for empanelment even after 01.01.2020.</p>
3	Master's degree in Valuation of plant & machinery awarded by a recognized University in India i.e. University established under State or Central Act	2 years work experience in the field of valuation of plant & machinery after completing the examination	-

1.2.1.3. Valuers of Agricultural land

1.2.1.3.1. There is no Act to regulate profession of valuation of agricultural land.

1.2.1.3.2. As there are no courses available in our country, at present to qualify as a valuer of agricultural land, the 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



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- e. Three approaches to value viz. Income, Market and cost
- f. Laws applicable to agricultural land

1.2.1.3.3. Till the courses are available the empanelment may be carried out as per criteria laid down under the Wealth Tax Rule 8A (3):

- a. A Valuer of agricultural lands (Other than plantations referred to in sub-rule (4) shall have the following qualifications, namely :-
 - i. He/she 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;

or

- ii. He/she 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.

- b. Present practice for Agriculture Land Valuation, which is based on current Circle Rate, obtained through competent revenue authorities, will continue in our Bank

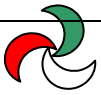
1.2.1.4. Valuers of Agricultural Land (Plantations) under Wealth Tax Rule 8A(4)

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

- a. He/she must have, for a period of not less than five years, owned, or acted as manager of a coffee, tea, rubber, cardamom plantation or, as the case may be, 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
- b. He/she 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, cardamom or, as the case may be is extensively grown.

1.2.1.5. Valuers of Stock (Inventory), Shares

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



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- a. A Valuer of stocks, shares, debentures, securities, shares in partnership firms and of business assets, including goodwill but excluding those referred to in sub-rules (2) to (6) and (8) to (11), shall have the following qualifications, namely,
 - i. He/she 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/she must have been practicing as chartered accountant or a cost and works accountants or a company secretary for a period of not less than ten years and his gross receipts from such practice should not be less than fifty thousand rupees in any three of the five preceding years.

1.2.2. Proof of Experience:

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

- a. Letter of empanelment by any Bank / FI
- b. Letter of empanelment by any Court of India
- c. Registration Certificate under Wealth Tax Act, 1957
- d. Letter of appointment as valuation consultant by Government of India / any State Government / any Municipality / any Municipal Corporation
- e. Letter of appointment as valuer employee by Government of India / any State Government / any Municipality / any Municipal Corporation
- f. Letter of appointment as a valuer employee by any Limited Company engaged in the business of valuation
- g. Letter of appointment as a valuation consultant by any Limited Company.
- h. 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

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

1.3. Minimum Age Requirement

1.3.1. The minimum age for empanelments shall be 25 years and there is no maximum age limit for a valuer to remain on the panel.

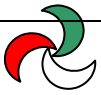
1.4. Membership of Professional Bodies:

1.4.1. It is important that a valuer actively participates in professional activities in various professional bodies.

1.4.2. It shall be necessary that every valuer empanelled by the Bank be a member in good standing of any one of the valuer associations.

1.5. Categories of Valuers

1.5.1. Categorization of valuers is made to ensure that lesser value assignments are handled by relatively junior valuers and senior valuers handle higher



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order valuations. Hence, 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 upto 10 years	Upto Rs.50 crores
3.	C	Upto 5 years	Upto Rs.5 crores

1.6. Registration with Government

1.6.1. Registration with the Central / State Governments is desirable but not compulsory. However, 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).

1.6.2. While assigning / outsourcing valuation work to valuers, it is necessary that provisions of SARFAESI Act are to be taken into account and compliance is made accordingly.

1.7. References

1.7.1. Carrying out a reference check is extremely important in order to verify the competence of a valuer.

1.7.2. Valuer need to submit at least 3 reference letters and quality of services provided by the valuer in the previous instances is to be verified before empanelling the valuer on the panel.

1.7.3. The referees shall be either (i) bank manager/s where previously the valuer had done valuations or (ii) companies for whom the valuer had previously done valuations.

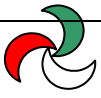
1.7.4. The reference letter shall be on the letter head of the Bank / Financial Company / any other company where valuations have been done and shall be duly signed by a Branch Head or Senior level Manager / Officer.

1.8. Compliance of Standards and Procedures

1.8.1. All valuers empanelled with the Bank shall comply and abide by the standards and procedures laid down in the policy. Code of Conduct for the valuer is enclosed as per Annexure-III and valuers shall undertake compliance of the same at the time of empanelment. The format of Undertaking is enclosed as per Annexure-IV.

Encl. :

1. Annexure-III : Code of Conduct
2. Annexure-IV : Undertaking to be submitted by the valuers for empanelment
3. Annexure-V : Application for Empanelment of valuers
4. Annexure-VII : Letter of Indemnity by Engineers / Valuers
5. Annexure-IX : Guidelines for Payment of Professional Fees



Code of Conduct

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

To express an opinion only when it is founded on adequate knowledge and honest conviction

To refrain from misrepresenting qualifications or work experience

To treat all information procured during the course of the business as confidential

To observe integrity and fair play in the practice of the profession

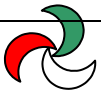
To refrain from undertaking to review the work of another valuer of the same client except under written orders from the bank and with knowledge of the concerned valuer

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

To steer clear of situations where interests and duty clash

To conduct oneself in such a manner which will not prejudice the professional status or reputation of the profession

To follow this code as amended or revised from time to time



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 act with independence, integrity and objectivity and undertake all valuation works with an independent mind and shall not come under any influence of anybody.

I am not related to any of the personnel in the Bank in the department/division dealing with valuation work directly.

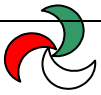
Dated:

Signature.....

Name.....

Address.....

.....



Application for Empanelment of valuers

To

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

Date:

Dear Madam/Sir,

I am a valuer of immoveable properties (land and buildings/ plant and machinery/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 :

S. 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:

.....



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.....
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-G

LETTER OF INDEMNITY BY ENGINEERS / VALUERS

To,

KASHI GOMTI SAMYUT GRAMIN BANK

_____.

Dear Sirs,

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

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

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

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

Yours Faithfully,

Signature

(Name and Official Seal of the Approved Valuer

Place:

Date:



GUIDELINES FOR PAYMENT OF PROFESSIONAL FEES

The maximum professional fees payable for valuation of an asset will be as under:

- on the first Rs.50,000/- of asset as valued - **Rs. 350/-**
- on the next Rs.1.00 lac of asset as valued - **1/4% of the value**
- on the balance value of asset as valued - **1/8% of the value**

Note:

The total fees should not exceed 40,000/- for property valued above Rs. 1.00 crore and upto Rs.5.00 crore and Rs.50,000 /- for property valued above Rs.5.00 crore.

Further, where two or more assets in a particular account are required to be valued at one time, then all such Assets shall be deemed to constitute a single asset for the purpose of calculating the fees of the valuer.

For outstation traveling and diem, actual tickets up to AC- II tier and Rs.300.00 per day respectively may be considered for reimbursement.

The above fee structure is subject to negotiation at the time of giving each assignment as the same is to be recovered from the borrowers. Special care needs to be taken while negotiating fees for revaluation of the assets already mortgaged to the Bank.