

1. Criteria for empanelment of valuer

The empanelled valuer shall carry out valuation of different type of assets as under:-

- (i) Land and Building
- (ii) Plant & Machinery
- (iii) Stocks and Trade
- (iv) Agricultural Land

A) Educational Qualification & previous work experience:-

I] Valuation of Land & Building/Real Estate:-

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

- (a) 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) Examination in valuation of real estate conducted by any institution which is recognized by the Govt. of India for recruitment to superior services or posts with 2 years' experience in valuation of 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:

Sr. 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	(a) For applicants below the age of 60: The applicants with these qualifications who have not attained the age of 60 years as on 01.01.2016 will also have to pass an examination for a duration of one semester in the subjects which are vital for valuation of real estate and not covered in course curriculum of civil engineering, architecture and town planning from recognised universities/the institution conducting the examination in valuation of real estate which are recognised by the Govt. of India for recruitment to superior services or posts on or before 31.12.2019.

			<p>(b) For applicants attained the age of 60 and above</p> <p>The applicants with these qualifications who have attained the age of 60 years and above as on 01.01.2016 will also have to undergo two week training in the subjects which are vital for valuation of real estate and not covered in course curriculum of civil engineering, architecture and town planning 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 31.12.2019.</p> <p>Note: The applicants empanelled on the basis of criteria laid down under sr.no.1(a&b) above shall be eligible for empanelment even after 1.1.2020</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 must complete six months course in valuation of real estate 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 1.1.2020</p>
3	Pass in examination in valuation of real estate recognised 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	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) or American Society of Appraisers (ASA) or Appraisal Institute (AI), USA 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.
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The Diploma Holders in Civil Engineering / Architecture are eligible for empanelment to undertake valuations with value upto Rs.1 crore only.

II] Valuation of Plant & Machineries:-

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

(a) 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.

(b) Examination in valuation of plant & machinery conducted by any institution which is recognized by the Govt. of India for recruitment to superior services or posts with 2 years' experience in valuation of plant & machinery

The educational qualifications for empanelment as valuers of plant & machinery from 1.1.16 to 31.12.2019 shall be as under:

Sr. No.	Educational Qualification	Work Experience	Remarks
1	Bachelor's degree in mechanical, electrical, chemical, production, computer Engineering etc.	5 years work experience in the field of valuation of plant & machinery after completion of the degree or equivalent	(a) For applicants below the age of 60: Graduate in mechanical, electrical, production, industrial, computer, mining, chemical, textile, electronics etc. engineering, from a recognised university with 5 years' experience in valuation of plant & machinery. The applicants with these qualifications who have not attained the age of 60 years as on 1.1.2016 will have to pass an examination for a duration of one semester in the subjects which are vital for valuation of plant & machinery and not covered in course curriculum of above examinations from recognised universities or the institution conducting the examination in valuation of plant & machinery which are recognised by the Govt. of India for recruitment to superior services or posts on or before 31.12.2019

			<p>(b) For applicants attained the age of 60 and above</p> <p>Graduate in mechanical, electrical, production, industrial, computer, mining, chemical, textile, electronics etc. engineering, from a recognised university with 5 years' experience in valuation of plant & machinery. The applicants with these qualifications who have attained the age of 60 years as on 1.1.2016 will have to undergo two week training (topics to be covered in such a programme is enclosed) in the subjects which are vital for valuation of plant & machinery and not covered in course curriculum of above examinations from recognised universities or the institution conducting the examination in valuation of plant & machinery which are recognised by the Govt. of India for recruitment to superior services or posts on or before 31.12.2019.</p> <p>Note: The applicants empanelled on the basis of criteria laid down under 1(a) and (b) shall be eligible for empanelment even after 1.1.2020</p>
2	Diploma in mechanical, electrical, production, chemical etc engineering.	8 years work experience in the field of valuation of plant and machinery after completion of the diploma	<p>They must complete six months course in valuation of plant and machinery prescribed under Sr.no.1 above.</p> <p>The applicants empanelled on the basis of criteria laid down under sr.no.2 shall be eligible for empanelment even after 1.1.2020</p>
3	Master's degree in Valuation of plant & machinery awarded by a recognized University in India	2 years work experience in the field of valuation of plant & machinery after completing the examination	

III. Valuers of Agricultural land

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

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

There are no courses available in our country to qualify as a valuer 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

Till the courses are available the empanelment may be carried out as per criteria laid down under the Wealth Tax Rule 8A (3) and same is reproduced below:

Rule 8A (3) A Valuer of agricultural lands (Other than plantations referred to in sub-rule (4) shall have the following qualifications, namely :-

- i. he must be a graduate in agricultural science of a recognized 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.

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

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.

V. Valuers of Stock (inventory),Shares

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

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

- i. he must be a member of the Institute of Chartered Accountants of India or the Institute of Cost and Works Accountants of India [or the Institute of Company Secretary of India]; and
- ii. he must have been a practice as chartered accountant or a cost and works accountants or a company secretary for a period of not less than ten years and his gross receipts from such practice should not be less than fifty thousand rupees in any three of the five preceding years.

Evidence of previous experience needs to be provided to the Banks / FIs. 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.

B) Minimum age requirement :-

Minimum age shall be 25 years and there is no maximum age limit.

C) 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/FIs in India be a member in good standing of any one of the under mentioned associations namely:

Institution of Valuers (IOV)

Institution of Surveyors (Valuation Branch) (IOS)

Institution of Government Approved Valuers (IGAV)

Practicing Valuers Association of India (PVAI)

The Indian Institution of Valuers (IIV)

Institution of Estate Managers and Appraisers (I.Esma)

Centre for Valuation Studies, Research and Training (CVSRT)

Royal Institution of Chartered Surveyors, India Chapter (RICS)

American Society of Appraisers (ASA), USA

Appraisal Institute (AI), USA

D) Categories of Valuers

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 crores
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

E) 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.

F) 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.

G) Other Conditions

In addition to the above, at the time of empanelment, the valuer shall give an undertaking, code of conduct and Application for Empanelment of Valuer as per enclosed format.