

CIRCULAR NO.938

Sub: Empanelment of valuers registered under
Sec.34-AB of Wealth Tax Act of 1957.
Ref: Circular KSFC/HO/Pers/205 dated 29-07-2011.

Presently, the secured assets of the Corporation are being valued by the Technical Officers of the Corporation before the assets are brought for sale. However, recently the SARFAESI Act has been amended and the definition of the "approved valuer" has been changed which defines approved valuer is a person registered as "valuer" under Sec. 34-AB of Wealth Tax Act of 1957 and approved by the Board or Directors or Board of Trustees of the secured creditors.

In view of the above, it is now mandatory to have secured properties valued by the valuers registered under Sec. 34-AB of the Wealth Tax Act 1957 and approved by the Board of Directors for bringing the secured assets for sale under SARFAESI Act.

In this regard, a note was placed before the Meeting of the Board of Directors held on 11-07-2011 seeking approval for empanelling the approved valuers who are already empanelled in the Nationalised Banks. The Board of Directors after deliberations, approved for empanelling 35 approved valuers and the details were enclosed in the Circular referred above.

The Board further desired that the valuation report given by the approved valuers shall only be a guiding factor and the Corporation reserves the right to accept or reject the valuation. Therefore, the Corporation to adopt the system of valuation done by internal valuers (internal officers) as well as approved valuers as per the requirement of the provisions under SARFAESI Act and in case where there is difference between internal valuers and valuation done by the approved valuers, the higher value shall be taken. In case there is major difference i.e., more than 10% between internal valuation and valuation done by approved valuers, such cases be referred to Managing Director for decision in determining the valuation.

Further, M/s. TECSOK is empanelled to carryout the valuation of bigger cases of the value of more than Rs.200.00 lakhs under Sec. 29 of SFCs Act and OL cases. The rates / fee structure approved to be paid to external valuers (excluding TECSOK) shall be determined as under:-

{Rs. in amount}

Amount of value determined for sale {Rs. in lakhs}	Where Land, Bldg and equipment involved	Where land and building only involved	Where equipment only involved	Where only land involved
0-5	2000.00	1500.00	1500.00	1250.00
5-10	2500.00	1750.00	1750.00	1500.00
10-20	3500.00	2500.00	2500.00	2000.00
20-40	5000.00	3500.00	3500.00	2500.00
40-80	7000.00	5000.00	5000.00	3500.00
80-150	9500.00	7000.00	7000.00	5000.00
150-300	12500.00	9000.00	9000.00	7000.00
Above 300	16000.00	12000.00	12000.00	9000.00

Apart from the above, Service Tax as applicable be paid after furnishing the valuation of assets. In case the value of assets is sought for a repetition in the gap of 6 months to 1 year by the same valuer, in such cases only 50% of the above fees shall be paid subject to minimum of Rs.1000/-. There shall be no payment of incidental and conveyance charges apart from the fees if the properties / assets are situated within BBMP limits and other City Corporation and Municipal Limits of all District Headquarters.

In the event, the assets are located outside Bangalore BBMP Limits, a lumpsum of payment of Rs.500/- be made towards incidental / conveyance expenses. In respect of cases where the properties are situated outside City Corporation and Municipal limits, a payment of Rs.300/- shall be paid as incidental and conveyance charges.

The concerned BMs and HODs of Recovery Departments are instructed to follow the above guidelines meticulously and get the properties valued by external valuers, already empanelled as per the list and also obtain valuation from the internal valuers and determine the value before bringing the secured assets for sale either u/s 29 or under SARFAESI Act.

All other terms & conditions in bringing the secured assets for sale remains unaltered. The contents of this circular may be brought to the notice of all the concerned in the HO / BOs.

Sd/-

MANAGING DIRECTOR

All the BOs/ZOs and IA Cells
All the Department Heads / Principal Officers in Head Office
All the General Managers

Executive Directors } For information

Library / Notice Board.