

बीसीसी:बीआर:114:694

दिनांक: 14.10.2022

भारत में स्थित सभी शाखाओं / कार्यालयों के लिए परिपत्र

जोखिम प्रबंधन विभाग, बड़ौदा कॉर्पोरेट सेंटर, मुंबई द्वारा जारी

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विषय : ऋण खातों में प्रतिभूति (प्राथमिक/संपार्श्विक) के रूप में स्वीकार की जाने वाली सम्पत्तियों का मूल्यांकन करने हेतु दिशा-निर्देश.

व्यापक अर्थ में मूल्यांकन का अभिप्राय किसी ऐसी चीज के मूल्य का आकलन करना है जो भूमि जैसी मूर्त संपत्ति हो सकती है या साख जैसी अमूर्त चीज हो सकती है. बैंक का संबंध संपत्ति (जिसे प्रतिभूति के रूप में स्वीकार किया गया है) के उस मूल्य से है जो संपत्ति की बिक्री करने पर क्रेता से प्राप्त की जा सकती है. इसके अतिरिक्त ऋण निर्णय और प्रावधान संबंधी मानदंडों में संपत्तियों या प्रतिभूतियों के मूल्य भी महत्वपूर्ण हैं. अतः संपत्ति के बारे में मूल्यांकनकर्ता द्वारा मूल्यांकन रिपोर्ट में दिए गए निष्कर्ष को बैंक द्वारा सावधानीपूर्वक जांच किया जाना आवश्यक है.

संपत्तियों के मूल्य के महत्व को ध्यान में रखते हुए, बैंक ने वैश्विक ऋण जोखिम प्रबंधन नीति, अनुदेश कोश और विभिन्न परिपत्रों के माध्यम से संपत्तियों (प्रतिभूतियों के रूप में लिए जाने वाले) के मूल्यांकन से संबंधित दिशा-निर्देश परिचालित किए हैं. विभिन्न प्रकार के अग्रिमों से संबंधित दिशा-निर्देशों में भिन्नता है. अतः अलग-अलग सेगमेंटों के दिशा-निर्देशों को पुनर्गठित करने की आवश्यकता महसूस की गई और तदनुसार, दिनांक 04.10.2022 को ऋण नीति समिति की बैठक में संपत्तियों (प्रतिभूतियों के रूप में स्वीकार की जाने वाली) के मूल्यांकन के संबंध में एक नोट प्रस्तुत किया गया और समिति ने कार्यसूची संख्या ए-9 के माध्यम से इस परिपत्र के अनुलग्नक-I में यथा उल्लिखित दिशा-निर्देशों को अनुमोदित किया है.

ये दिशा-निर्देश सभी सेगमेंटों के अग्रिमों के लिए लागू होंगे. संपत्तियों के मूल्यांकन के संबंध में विभिन्न वर्टिकलों द्वारा विभिन्न परिपत्रों, अनुदेश कोश/परिचालन मैनुअल के माध्यम से परिचालित अन्य सभी मौजूदा दिशा-निर्देश वापस लिया माना जाएगा. इस संबंध में यदि कोई स्पष्टीकरण हो तो उसे केवल अंचल प्रमुख/वर्टिकल प्रमुख के माध्यम से जोखिम प्रबंधन विभाग को भेजा जाना चाहिए.

भवदीय,

(अनंतरामन एस)

मुख्य जोखिम अधिकारी

संलग्न:

अनुलग्नक I - संपत्तियों का मूल्यांकन करने हेतु विस्तृत दिशा-निर्देश

अनुलग्नक II - मूल्यांकन रिपोर्टों के मानक प्रारूप

अनुलग्नक III - प्रत्येक मूल्यांकन रिपोर्ट के साथ मूल्यांकनकर्ताओं से घोषणा.

अनुलग्नक IV - मूल्यांकनकर्ताओं के लिए आदर्श आचार संहिता

BCC: BR: 114: 694

Date: 14.10.2022

CIRCULAR TO ALL THE BRANCHES/ OFFICES IN INDIA

ISSUED BY RISK MANAGEMENT DEPARTMENT

Baroda Corporate Centre, Mumbai

riskmgmt.bcc@bankofbaroda.com

Re: Guidelines for carrying out valuation of the properties to be considered as a security (Primary/Collateral) in advance accounts

Valuation in a broad sense means assessing the worth of something which may be tangible assets like land or something intangible like goodwill. The Bank is concerned with value of the property (which is considered as security) that can be expected from a buyer if the property is put to sale. Further value of the properties or securities are also significantly important in credit decision and provisioning norms. Hence, conclusion drawn by the valuer in Valuation Report about the property needs a careful examination by the Bank.

Looking to the significance of value of properties, the Bank has circulated guidelines related to valuation of properties (to be considered as securities) through Global Credit Exposure Management Policy, Book of Instructions and various circulars. There has been differences in the guidelines for various types of advances. Therefore a need was felt to realign the guidelines for different segments and accordingly a note on valuation of the properties (to be considered as securities) was placed before the Credit Policy Committee in its meeting dated 04.10.2022 and the committee vide Agenda no. A-9 has approved the guidelines as mentioned in the Annex I of this circular.

These guidelines will be applicable for advances across all segments. All other extent guidelines with regard to valuation of properties, circulated through various circulars, Book of Instructions/ operating manuals by different verticals stands withdrawn. Clarifications if any, should be routed to Risk Management Department through the Zonal Head/ Vertical Head only.

Yours faithfully,



(S. Anantharaman)

Chief Risk Officer

Enclosed:

Annex I - Detailed guidelines for carrying out valuation of the properties

Annex II - The standard format of Valuation Reports

Annex III - Declaration from valuers along with every Valuation Report.

Annex IV - Model code of conduct for the valuers

DETAILED GUIDELINES ON VALUATION OF IMMOVABLE PROPERTIES INCLUDING CONSTRUCTED PROPERTIES AS WELL AS OPEN LAND:

A. DILLIGENCE TO BE TAKEN CARE BY OPERATING UNITS:

1. The property being accepted as security should be valued by any of the empanelled valuers who are on the approved list of the Bank at the time of considering the facility and he should not have a direct or indirect interest in the business, its promoters or the asset being valued.
2. All the necessary / relevant papers / documents should flow directly from the branch to the valuer & vice versa without routing the same through the borrower / guarantor concerned.
3. Description of the property should be carefully taken to ensure that full and correct description of the property is given such as, Revenue Survey Number, Plot Number, House/ Tenement Number Location or Number of Road/Street, Area, Village, Taluka, District, etc., giving the particulars of the boundaries. A Valuation Report containing blanks should not be accepted.
4. Valuation of immovable property mortgaged to the bank should be done once in every three years except in cases of Housing loans, where the facility is classified under standard category.
5. To ensure compliance of timelines, the process for the same to be initiated immediately after completion of two and half year's i.e. after 30 months from the date of last valuation. Branches/operating units should keep the track of due date of valuation and subsequent valuation should not be entrusted to the same consultant/ valuer who had valued it earlier.
6. The Valuation Report should contain the value of the property as per present government/ circle rate along with Market Value, Realizable Value and Distress Value. Realizable value of asset should be considered as security value for all type of credit facilities including Retail Advances.
7. In case of properties acquired within last -3- years, amount of Registered Value or the Realizable Value whichever is lower should be taken as the value of property and for the purpose of calculation of FACR/Security Coverage Ratio / Loan to Value Ratio.
8. If the present Realizable Value is higher than the Registered Value (Registered within last 3 years) and there are valid reasons for considering present Realizable Value as value of property, for any reason, deviation approval to be obtained as detailed below:

Sanctioning authorities	Authority for Deviation approval
Up to the power of RMCC	RMCC
DNCC & Above	Respective sanctioning authorities

9. In other cases, i.e. execution of the property is prior to 3 years, Realizable Value as per the fresh Valuation Report from the Bank's approved Valuer to be accepted to the satisfaction of the branch officials, for calculation of the loan limit.
10. Second Valuation Report from other empanelled valuers approved by the Bank shall be obtained (for all type of proposals C&IC, MSME, Retail and Rural & Agri) in case the Realizable Value of the first Valuation Report exceeds the threshold mentioned below:

3 X

Type of Properties	Value of the properties	
	For properties situated at Metro Cities including Bangalore, Hyderabad, Ahmedabad & Chandigarh Tri-city	For properties situated at Other centres
Residential Properties	Above Rs.5 Cr	Above Rs.2 Cr
Commercial Properties	Above Rs.5 Cr	Above Rs.2 Cr
Industrial Properties	Above Rs.10 Cr	Above Rs.5 Cr
Agriculture Land	Above Rs.2 Cr	Above Rs.1 Cr

Lower of realizable value of both first and second Valuation Report will be considered as value of the security.

11. Valuation norms in case of Consortium Finance:

- Valuation Report/s by empanelled valuer/s of Lead Bank or as accepted by the Lead Bank in consortium account may be accepted by our Bank. Value of the property shall be considered as accepted by the Lead Bank.
- Valuation Report from two such empanelled valuers to be obtained in case value of the security is more than Rs.50.00 crores or any lower limit as decided by consortium member banks.
- Second valuation would be obtained by member bank having second largest exposure from consortium.
- However, if second valuation is not obtained by the member bank having second largest exposure, second Valuation Report obtained by any other member bank/our Bank may be taken & accepted.
- Lower of the first and second Valuation Report (Market/ Realizable as decided by Lead Bank) shall be considered as value of security. If Consortium is led by our Bank then Realizable Value shall be considered to arrive at value of security.

12. The guidelines related to residual age of the properties shall be as follows:

➤ For Retail Advances:

- a) Wherever property (building/house) is mortgaged as security, the age of constructed property should not be more than 25 Years.

b) Authority for accepting property (building/house) of age beyond 25 years:

In case, the loan is considered up to the period of the residual life as mentioned in the Valuation Report by the valuer, sanctioning authority can consider the same up to that period without any deviation. However structural soundness of the building to be ascertained by obtaining certificate indicating the structural soundness as well as residual life of the building from the empaneled valuer along with Valuation Report.

- #### ➤ Guidelines for Loans other than Retail Advances -
- The residual age of the constructed property should be at least 5 years more than the tenure of the loan. However in case the age of properties (except industrial properties) is beyond 25 years, structural soundness of the building to be ascertained by obtaining certificate indicating the structural soundness as well as residual life of the building from the empaneled valuer along with Valuation Report.

13. Valuation of agricultural land should be done as follows :

- **For aggregate exposure up to Rs. 10.00 Lakhs:** Branch Officers after thorough scrutiny through personal inspection and giving due weightage to type of land / irrigated or non-irrigated can assess the value of agricultural land on any of the following:
 - a. Comparison with recent sales of similar properties in the neighborhood on the basis of recorded sale value of similar land
 - b. Enquiries from parties having good knowledge of local land values
 - c. Valuation as per records of Registrar of Assurances.
 - d. Where no relevant data are available, the value may be estimated by multiplying the land revenues (as per revenue authorities) by 500 times
- **For aggregate exposure above Rs. 10.00 Lakhs:** Bank's empanelled valuer to provide valuation of agriculture land (as per the format attached herewith as per Annex II-c). However, the concerned Branch has to verify and satisfy upon the details of valuation with reference to prevailing market rates of similar properties in the locality in the Inspection/visit report.

14. If any increase in existing exposure / additional limit / facility is considered by extending the charge over the property, fresh valuation normally would be taken, before taking additional exposure. However, if the date of latest Valuation Report obtained for the property proposed to be mortgaged is within last 3 years and the sanctioning authority is satisfied about the valuation of the property as per the Valuation Report, fresh valuation may not be insisted upon by the sanctioning authority subject to adherence of margin norms, wherever applicable.
15. The Branch will carry out periodical inspections as per extant guidelines. If any adverse developments are noticed during the inspection of the property, re-valuation of the same should be carried out by the empanelled valuer other than the previous valuer.
16. In case of tenanted properties, the terms on which the tenants have the possession should be analysed properly before accepting the property as security. In such cases guidelines regarding treatment and precaution to be taken while considering tenanted property as security should be scrupulously followed as per Bank's guidelines.

B. GUIDELINES RELATED TO LOCATION AND ACCESS TO THE PROPERTIES

1. For easy identification of the properties, valuers to mention details of Boundaries (East, West, North & South) and availability of approach road at the property in the Valuation Report. Screen shot (in hard copy) of Geo tagging, Global Positioning System (GPS)/Various Applications (Apps)/Internet sites (i.e. Google earth)/ etc. is to be included in the Valuation Report.
2. Valuation Report should also contain sketch of map to approach the property along with photograph of the property/locality for easy identification and approach to the property for future reference.
3. Boundaries of the properties to be verified by the branch officials with the title deeds/Title Clearance Reports while carrying out inspection of the property and to ensure that property is freely accessible and not landlocked.

4. As a measure of strengthening the Due Diligence of the applicable primary/collateral securities, valuers to include photograph of owner/representative with the property in the background, in the report submitted to Branches.
5. Valuation Report must contain specific views / comments on the impending threat, if any, of Road Widening, Take-over of property for public service purposes, Sub-merging, Attracting provisions of Coastal Regulatory Zone (CRZ) etc.

C. RESPONSIBILITIES OF THE VALUERS OTHER THAN AS MENTIONED ABOVE:

1. The Valuation Report should be prepared in the Bank's prescribed format only (as per annex-II) covering all information required. It should contain the value of the property as per present circle rate along with Market Value, Realizable Value and Distress Value.
2. Details of conversion of the property from agriculture to non-agriculture i.e. Residential/ commercial/ industrial etc. (if applicable) to be incorporated in the Valuation Report.
3. In case of the constructed properties, approved map from competent Government authority is to be annexed with and commented upon in Valuation Report along with validity of map approval and status of construction within validity period.
4. In case of Leasehold properties residual lease period should be specifically mentioned in the Valuation Report.
5. In case of constructed properties Completion certificate/Occupation certificate issued by Municipal Authorities to be obtained and commented upon.
6. Latest copies of Property Tax/House Tax receipts/ Electricity Bills etc. are to be obtained as proof of possession/residence.
7. Enquiries should be made regarding the persons occupying the property and if they are not the owners, the terms on which they have possession should be reported in the Valuation Report.
8. Comments on classification of area i.e. High / Middle / Lower and Metro/ Urban / Semi Urban / Rural. Whether the property is coming under Corporation limit / Municipality / Village Panchayat, the same needs to be commented upon from marketability angle.
9. Reference of at least two latest deals/transactions done within 1 year with respect to adjacent properties in the areas will have to be mentioned. Valuation Reports without those details should be returned to the valuer for resubmission. In case of new projects where previous references are not available, details may be provided based on enquiries from the developer/seller and rates as per revenue authorities. In case reference of latest deals/ transactions, enquiries from the developer/seller and rates as per revenue authorities (as the case may be) are not available, the reason should be satisfied upon and documented in the valuation report.
10. While valuing a land & building for the purpose of an advance, the points to be taken into consideration are:
 - Nature of title, (freehold or leasehold)
 - Owned/tenanted
 - Its location
 - Value of the site
 - Area of the land and area of the building
 - The nature of construction
 - Cost of construction
 - The age of the building and its present strength
 - The rental yield in case of commercial properties

D. GUIDELINES FOR VALUATION OF MOVABLE ASSETS (PLANT & MACHINERIES)

1. **New machineries:** In the case of new machinery, initial valuation of the machinery should be based on the purchase price mentioned in Quotations/ proforma invoice submitted by borrower. Thereafter the value shall be derived as per Written Down Value (WDV) certified as per the audited balance sheet of the borrower.
2. **Used/second hand machineries:** In the case of used/ second hand machinery, Sanctioning authority to satisfy upon the valuation and other important aspects such as residual economic life, efficiency etc. through the Valuation Report. Residual life should be at least 5 years and the repayment period shall be fixed within the residual life. Value of the used/second hand plant and machinery/assets should be based on minimum of the following:
 - Cost of acquisition,
 - Valuation done by Bank's Technical officers at the time of TEV study or,
 - Valuation done by Bank's approved valuers/ chartered engineers.
3. **Bank finance to NBFCs against second hand assets financed by them:**
 - Sanctioning authority to satisfy on the valuation and other important aspects such as residual economic life, efficiency etc through Valuation Report by Bank's approved valuers/ chartered engineers.
 - Residual life should be at least 5 years and the repayment period shall be fixed within the residual life.
 - Finance shall not be given for purchase of used machinery/assets, which are more than 3 years old. However, in case of Finance for purchase of block assets of the unit put on sale/auction by SFCs/FIs, the second hand domestic machinery/assets may be more than 3 years old provided the residual life is at least 5 years and the repayment period is fixed within the residual life.

The standard format of Valuation Reports (for Land & building, Flats, Agriculture land & Plant & Machineries) are given as Annex- II.

A declaration should be necessarily obtained from valuers with every Valuation Report as per the format – (Annex- III)

A signed copy of the model code of conduct should be obtained from the valuer at the time of empanelment as given in Annex- IV.

Annexure-II-a
(Name & address of the Valuer)

TO,
NAME OF THE BANK
BRANCH:

VALUATION REPORT (IN RESPECT OF LAND / SITE AND BUILDING)
(To be filled in by the Approved Valuer)

I. GENERAL			
1.	Purpose for which the valuation is made		:
2.	a)	Date of inspection	:
	b)	Date on which the valuation is made	:
3.	List of documents produced for perusal		
	i)		:
	ii)		:
	iii)		:
4.	Name of the owner(s) and his / their address (es) with Phone no. (details of share of each owner in case of joint ownership)		:
5.	Brief description of the property (Including leasehold/ freehold etc)		:
5a	Total Lease period & remaining period (if leasehold)		:
6.	Location of property		
	a)	Plot No. / Survey No.	:
	b)	Door No.	:
	c)	T. S. No. / Village	:
	d)	Ward / Taluka	:
	e)	Mandal / District	:
7.	Postal address of the property		:
8.	City / Town		:
	Residential Area		:
	Commercial Area		:
	Industrial Area		:
9.	Classification of the area		:
	i)	High / Middle / Poor	:
	ii)	Urban / Semi Urban / Rural	:
10	Coming under Corporation limit / Village Panchayat / Municipality		:
11	Whether covered under any State / Central Govt. enactments (e.g. Urban Land Ceiling Act) or notified under agency area / scheduled area / cantonment area		:
12	In case it is an agricultural land, any conversion to house site plots is contemplated		:
13	Dimensions/ Boundaries of the property		A
			As per the Deed
			B
			Actuals
	North	:	
	South	:	
	East	:	

	West	:	
13.2	Latitude, Longitude and Coordinates of the site	:	
14	Extent of the site	:	
15	Extent of the site considered for valuation (least of 13 A & 13B)	:	
16	Whether occupied by the owner / tenant? If occupied by tenant, since how long? Rent received per month.	:	
II.	CHARACTERISTICS OF THE SITE	:	
1.	Classification of locality	:	
2.	Development of surrounding areas	:	
3.	Possibility of frequent flooding / sub-merging	:	
4.	Feasibility to the Civic amenities like school, hospital, bus stop, market etc.	:	
5.	Level of land with topographical conditions	:	
6.	Shape of land	:	
7.	Type of use to which it can be put	:	
8.	Any usage restriction	:	
9.	Is plot in town planning approved layout?	:	
10.	Corner plot or intermittent plot?	:	
11.	Road facilities	:	
12.	Type of road available at present	:	
13.	Width of road – is it below 20 ft. or more than 20 ft.	:	
14.	Is it a land – locked land?	:	
15.	Water potentiality	:	
16.	Underground sewerage system	:	
17.	Is power supply available at the site?	:	
18.	Advantage of the site	:	
	1.	:	
	2.	:	
19.	Special remarks, if any, like threat of acquisition of land for public service purposes, road widening or applicability of CRZ provisions etc. (Distance from sea-coast / tidal level must be incorporated)	:	
	1.	:	
	2.	:	
Part – A (Valuation of land)		:	
1.	Size of plot	:	
	North & South	:	
	East & West	:	
2.	Total extent of the plot	:	
3.	Prevailing market rate (Along with details /reference of atleast two latest deals/transactions with respect to adjacent properties in the areas)	:	
4.	Guideline rate obtained from the Registrar's	:	

	Office (an evidence thereof to be enclosed)		
5.	Assessed / adopted rate of valuation	:	
6.	Estimated value of land	:	
Part – B (Valuation of Building)			:
1.	Technical details of the building	:	
a)	Type of Building (Residential /Commercial / Industrial)	:	
b)	Type of construction (Load bearing / RCC / Steel Framed)	:	
c)	Year of construction	:	
d)	Number of floors and height of each floor including basement, if any	:	
e)	Plinth area floor-wise	:	
f)	Condition of the building	:	
	i) Exterior – Excellent, Good, Normal, Poor	:	
	ii) Inferior - Excellent, Good, Normal, Poor	:	
g)	Date of issue and validity of layout of approved map / plan	:	
h)	Approved map / plan issuing authority	:	
i)	Whether genuineness or authenticity of approved map /plan is verified	:	YES / NO
j)	Any other comments on authenticity of approved plan and construction as per the approved plan	:	

Specifications of construction (floor-wise) in respect of

S. No.	Description	Ground floor	Other floors
1.	Foundation		
2.	Basement		
3.	Superstructure		
4.	Joinery / Doors & Windows (please furnish details about size of frames, shutters, glazing, fitting etc. and specify the species of timber)		
5.	RCC works		
6.	Plastering		
7.	Flooring, Skirting, dadoing		
8.	Special finish as marble, granite, wooden paneling, grills, etc		
9.	Roofing including weather proof course		
10.	Drainage		
11.	Compound wall		
	Height		
	Length		
	Type of construction		
12.	Electrical installation		
	Type of wiring		
	Class of fittings (superior / ordinary / poor)		
	Number of light points		
	Fan points		

	Spare plug points		
	Any other item		
13.	Plumbing installation		
	a) No. of water closets and their type		
	b) No. of wash basins		
	c) No. of urinals		
	d) No. of bath tubs		
	e) Water meter, taps, etc.		
	f) Any other fixtures		

Details of valuation

Particulars of item	Plinth area	Roof height	Age of building	Estimated replacement rate of construction Rs.	Replacement cost Rs.	Depreciation Rs.	Net value after depreciation Rs.
Ground floor							
First floor							
Other floor, if any							
Total							

Part C- (Extra Items)
(Amount in Rs.)

1.	Portico	:	
2.	Ornamental front door	:	
3.	Sit out/ Verandah with steelgrills	:	
4.	Overhead water tank	:	
5.	Extra steel/ collapsible gates	:	
	Total	:	

Part D- (Amenities)
(Amount in Rs.)

1.	Wardrobes	:	
2.	Glazed tiles	:	
3.	Extra sinks and bath tub	:	
4.	Marble / ceramic tiles flooring	:	
5.	Interior decorations	:	
6.	Architectural elevation works	:	
7.	Paneling works	:	
8.	Aluminum works	:	
9.	Aluminum hand rails	:	
10.	False ceiling	:	
	Total	:	

Part E- (Miscellaneous)
(Amount in Rs.)

1.	Separate toilet room	:	
2.	Separate lumber room	:	
3.	Separate water tank/ sump	:	
4.	Trees, gardening	:	
	Total	:	

Part F- (Services)
(Amount in Rs.)

1.	Water supply arrangements	:	
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2.	Drainage arrangements	:	
3.	Compound wall	:	
4.	C. B. deposits, fittings etc.	:	
5.	Pavement	:	
	Total	:	

Total abstract of the entire property

Part- A	Land	:	Rs.
Part- B	Building	:	Rs.
Part- C	Extra Items	:	Rs.
Part- D	Amenities	:	Rs.
Part- E	Miscellaneous	:	Rs.
Part- F	Services	:	Rs.
	Total	:	Rs.
	Say	:	Rs.

Fair Market Value	
Realizable Value	
Distress Value	
Value as per circle rate	

(Valuation: Here the approved valuer should discuss in detail his approach to valuation of property and indicate how the value has been arrived at, supported by necessary calculations. Also, such aspects as: i) Salability ii) Likely rental values in future in iii) Any likely income it may generate, may be discussed).

- Photograph of owner/representative with property in background to be enclosed.
- Screen shot of longitude/latitude and co-ordinates of property using GPS/Various Apps/Internet sites
- Any other important information about the property in question.

As a result of my appraisal and analysis, it is my considered opinion that the present fair market value of the above property in the prevailing condition with aforesaid specifications is Rs. _____ (Rupees _____ only). The realizable value of the above property as of _____ is Rs. _____ (Rupees _____ only) and the distress value is Rs. _____ (Rupees _____ only).

Place:

Date:

Signature

(Name and Official seal of the Approved Valuer)

Enclsd: 1. Declaration from the valuer

The undersigned has inspected the property detailed in the Valuation report dated _____ on _____. We are satisfied that the fair and reasonable market value of the property is Rs. _____ (Rupees _____ only).

Signature

(Name of Branch Official with seal)

Date:

Annexure-II-b
(Name & address of the Valuer)

TO,
NAME OF THE BANK
BRANCH:

VALUATION REPORT (IN RESPECT OF FLATS)
(To be filled in by the Approved Valuer)

I. GENERAL			
1.	Purpose for which the valuation is made		:
2.	a)	Date of inspection	:
	b)	Date on which the valuation is made	:
3.	List of documents produced for perusal		:
	i)		:
	ii)		:
	iii)		:
4.	Name of the owner(s) and his / their address (es) with Phone no. (details of share of each owner in case of joint ownership)		:
5.	Brief description of the property (Including leasehold/ freehold etc)		:
5a	Total Lease period & remaining period (if leasehold)		:
6.	Location of property		:
	a)	Plot No. / Survey No.	:
	b)	Door No.	:
	c)	T. S. No. / Village	:
	d)	Ward / Taluka	:
	e)	Mandal / District	:
	f)	Date of issue and validity of layout of approved map / plan	:
	g)	Approved map / plan issuing authority	:
	h)	Whether genuineness or authenticity of approved map / plan is verified	:
	i)	Any other comments on authenticity of approved plan and construction as per the approved plan	:
7.	Postal address of the property		:
8.	City / Town		:
	Residential Area		:
	Commercial Area		:
	Industrial Area		:
9.	Classification of the area		:
	i)	High / Middle / Poor	:
	ii)	Urban / Semi Urban / Rural	:
10.	Coming under Corporation limit / Village Panchayat / Municipality		:
11.	Whether covered under any State / Central Govt. enactments (e.g. Urban Land Ceiling Act) or notified under agency area / scheduled area / cantonment area		:
13.	Dimensions/ Boundaries of the property		A
			B
	North		As per the Deed
			Actuals

	South	:		
	East	:		
	West	:		
13.2	Latitude, Longitude and Coordinates of the site	:		
14.	Extent of the site	:		
15.	Extent of the site considered for valuation (least of 13 A & 13 B)	:		
16.	Whether occupied by the owner / tenant? If occupied by tenant, since how long? Rent received per month.	:		
II.	APARTMENT BUILDING	:		
1.	Nature of the Apartment	:		
2.	Location	:		
	T.S.No.	:		
	Block No.	:		
	Ward No.	:		
	Village/ Municipality / Corporation	:		
	Door No., Street or Road (Pin Code)	:		
3.	Description of the locality Residential / Commercial / Mixed	:		
4.	Year of Construction	:		
5.	Number of Floors	:		
6.	Type of Structure	:		
7.	Number of Dwelling units in the building	:		
8.	Quality of Construction	:		
9.	Appearance of the Building	:		
10.	Maintenance of the Building	:		
11.	Facilities Available	:		
	Lift	:		
	Protected Water Supply	:		
	Underground Sewerage	:		
	Car Parking - Open/ Covered	:		
	Is Compound wall existing?	:		
	Is pavement laid around the Building	:		
III	FLAT	:		
1.	The floor on which the flat is situated	:		
2.	Door No. of the flat	:		
3.	Specifications of the flat	:		
	Roof	:		
	Flooring	:		
	Doors	:		
	Windows	:		
	Fittings	:		
	Finishing	:		
4.	House Tax	:		
	Assessment No.	:		
	Tax paid in the name of	:		
	Tax amount	:		
5.	Electricity Service Connection no.	:		
	Meter Card is in the name of	:		
6.	How is the maintenance of the flat?	:		

7.	Sale Deed executed in the name of	:	
8.	What is the undivided area of land as per SaleDeed?	:	
9.	What is the plinth area of the flat?	:	
10.	What is the floor space index (app.)	:	
11.	What is the Carpet Area of the flat?	:	
12.	Is it Posh/ I class / Medium / Ordinary?	:	
13.	Is it being used for Residential or Commercial purpose?	:	
14.	Is it Owner-occupied or let out?	:	
15.	If rented, what is the monthly rent?	:	
IV	MARKETABILITY	:	
1.	How is the marketability?	:	
2.	What are the factors favoring for an extra Potential Value?	:	
3.	Any negative factors are observed which affect the market value in general?	:	
V	Rate	:	
1.	After analyzing the comparable sale instances, what is the composite rate for a similar flat with same specifications in the adjoining locality? - (Along with details /reference of at least two latest deals/ transactions with respect to adjacent properties in the areas)	:	
2.	Assuming it is a new construction, what is the adopted basic composite rate of the flat under valuation after comparing with the specifications and other factors with the flat under comparison (give details).	:	
3.	Break - up for the rate	:	
	i) Building + Services	:	
	ii) Land + Others	:	
4.	Guideline rate obtained from the Registrar's office (an evidence thereof to be enclosed)	:	
5.	Registered Value (if available)	:	
VI	COMPOSITE RATE ADOPTED AFTER DEPRECIATION	:	
a.	Depreciated building rate	:	
	Replacement cost of flat with Services(v (3)i)	:	Rs.
	Age of the building	:	
	Life of the building estimated	:	
	Depreciation percentage assuming the salvage value as 10%	:	
	Depreciated Ratio of the building	:	Rs.
b.	Total composite rate arrived for valuation	:	
	Depreciated building rate VI (a)	:	Rs.
	Rate for Land & other V (3)ii	:	Rs.
	Total Composite Rate	:	Rs.

Details of valuation

Sr. No.	Description	Qty.	Rate per unit Rs.	Estimated Value Rs.
1.	Present value of the flat (incl.car parking, if provided)			
2.	Wardrobes			
3.	Showcases			

4.	Kitchen Arrangements			
5.	Superfine Finish			
6.	Interior Decorations			
7.	Electricity deposits / electrical fittings, etc.,			
8.	Extra collapsible gates / grillworks etc.,			
9.	Potential value, if any			
10.	Others			
11 *	As per current stage of work completion the value of the flat (if flat is under construction)			
12	After 100% completion final value of flat			
	Total			

Value of Flat

Fair Market Value	
Realizable Value	
Distress Value	
Value as per Circle rate	
Insurance Value	

***Future value of a flat /apartment under development may be considered in the case of Home Loan only.**

(Valuation: Here, the approved valuer should discuss in details his approach to valuation of property and indicate how the value has been arrived at, supported by necessary calculation. Also, such aspects as impending threat of acquisition by government for road widening / public service purposes, sub merging & applicability of CRZ provisions (Distance from sea-coast / tidal level must be incorporated) and their effect on i) salability ii) likely rental value in future and iii) any likely income it may generate may be discussed).

- Photograph of owner/representative with property in background to be enclosed.
- Screen shot of longitude/latitude and co-ordinates of property using GPS/Various Apps/Internet sites
- Any other important information about the property in question.

As a result of my appraisal and analysis, it is my considered opinion that the present fair market value of the above property in the prevailing condition with aforesaid specifications is Rs. _____ (Rupees _____ only). The realizable value of the above property as of _____ is Rs. _____ (Rupees _____ only) and the distress value Rs. _____ (Rupees _____ only).

Place:

Date:

Signature

(Name and Official seal of the Approved Valuer)

Enclsd: 1. Declaration from the valuer

The undersigned has inspected the property detailed in the Valuation report dated _____ on _____. We are satisfied that the fair and reasonable market value of the property is Rs. _____ (Rupees _____ only).

Signature

Date:

(Name of Branch Official with seal)

Annexure-II-c
(Name & address of the Valuer)

TO,
NAME OF THE BANK
BRANCH:

VALUATION REPORT (IN RESPECT OF AGRICULTURE LAND)
(To be filled in by the Approved Valuer)

I. GENERAL			
1.	Purpose for which the valuation is made		:
2.	a)	Date of inspection	:
	b)	Date on which the valuation is made	:
3.	List of documents produced for perusal		:
	i)		:
	ii)		:
	iii)		:
4.	Name of the owner(s) and his / their address (es) with Phone no. (details of share of each owner in case of joint ownership)		:
5.	Brief description of the property (Including leasehold/ freehold etc.)		:
5a	Total Lease period & remaining period (If leasehold)		:
6.	Location of property		:
	a)	Plot No. / Survey No.	:
	b)	Door No.	:
	c)	T. S. No. / Village	:
	d)	Ward / Taluka	:
	e)	Mandal / District	:
7.	Postal address of the property		:
8.	Coming under Corporation limit / Village Panchayat / Municipality		:
9.	Whether covered under any State / Central Govt. enactments (e.g. Urban Land Ceiling Act) or notified under agency area / scheduled area / cantonment area		:
10.	In case it is an agricultural land, any conversion to house site plots is contemplated		:
11.	Dimensions/ Boundaries of the property		:
			A As per the Deed
			B Actuals
	North	:	
	South	:	
	East	:	
	West	:	
11.2	Latitude, Longitude and Coordinates of the site		:
12	Extent of the site		:
13.	Extent of the site considered for valuation (least of 11 A & 11B)		:
14.	Whether occupied by the owner / lessee? If cultivated by lessee, since how long and type of		:

	tenancy agreement?	:	
15.	Income received (per year)	:	
II.	CHARACTERISTICS OF THE SITE	:	
1.	Whether the land under consideration issuitable for cultivation	:	
2.	Irrigation facilities – canal / well / bore /rain-fed	:	
3.	Possibility of frequent flooding / sub-merging	:	
4.	Level of land with topographical conditions.	:	
5.	Shape of land	:	
6.	Is it a Land – locked land?	:	
7.	Whether any cottages / buildings exist in the Land?	:	
8.	Whether fencing and gates are arranged?	:	
9.	General conditions of the land	:	
10.	Quality of soil of the sand	:	
11.	Whether the land is situated on a Main / National Highway Road? If not, distancefrom the Main / Highway Road.	:	
12.	Types of crops grown	:	
13.	Water supply & electricity facilities.	:	
14.	Advantage of the site	:	
	1.	:	
	2.	:	
15.	Disadvantages of the land	:	
	1.	:	
	2.	:	
16.	Special remarks, if any, like threat of acquisition of land for public servicepurposes, road widening or applicability of CRZ provisions etc. (Distance from sea-coast / tidal level must be incorporated)	:	
III	(Valuation of land)	:	
1.	Size of plot	:	
	North & South	:	
	East & West	:	
2.	Total extent of the plot	:	
3.	Prevailing market rate (Along with details /reference of atleast two latestdeals/transactions with respect to adjacent properties in the areas)	:	
4.	Guideline rate obtained from the Registrar's Office (an evidence thereof to be enclosed)	:	
5.	Assessed / adopted rate of valuation	:	
6.	Estimated value of land	:	

(Valuation: Here, the approved valuer should discuss in detail his approach to valuation of property and indicate how the value has been arrived at, supported bynecessary calculations. Also, such aspects as i) Salability ii) likely rental values in future and iii) any likely income it may generate may be discussed).

Fair Market Value	
Realizable Value	
Distress Value	
Value as per circle rate	

- Photograph of owner/representative with property in background to be enclosed.
- Screen shot of longitude/latitude and co-ordinates of property using GPS/Various Apps/Internet sites
- Any other important information about the property in question.

As a result of my appraisal and analysis, it is my considered opinion that the present fair market value of the above property in the prevailing condition with aforesaid specifications is Rs. _____ (Rupees _____ only). The realizable value of the above property as of _____ is Rs. _____ (Rupees _____ only) and the distress value Rs. _____ (Rupees _____ only).

Place:

Date:

Signature

(Name and Official seal of the Approved Valuer)

Enclsd: 1. Declaration from the valuer

The undersigned has inspected the property detailed in the Valuation report dated _____ on _____. We are satisfied that the fair and reasonable market value of the property is Rs. _____ (Rupees _____ only).

Signature

(Name of Branch Official with seal)

Date:

[Handwritten signature]

TO,
NAME OF THE BANK
BRANCH:
NAME OF ACCOUNT:

VALUATION REPORT (IN RESPECT OF PLANT & MACHINERY)
(To be filled in by the Approved Valuer)

I.	GENERAL		
1.	Location	:	
2.	Purpose for which the valuation is made		
3.	Date of inspection		
4.	Basis of valuation/ assumptions made		
	a) Indigenous machines		
	b) Imported machines		
5.	Details of the charges created on the assets		

Description of Machinery	Name of Manufacturer/ Supplier	Sr. No. of Machine/ Model No./ Identification Mark)	Year of Make	Condition of the Machine/ Maintenance (New/ Old/ Reconditioned)	Quantity	Technical specification of machine viz. Tag No. Capacity RPM etc	Residual life of the machine	Purchase Value	Fair market value	WDV as On 31.03....	Distress Value	Likely Replacement cost
Main Plant & Machinery												
Utilities & Services (including pipe fittings & insulations etc)												
Fixtures, Tools & other instruments												
Other Miscellaneous Fixed Assets												

Fair Market Value	
Realizable Value	
Distress Value	
Written Down Value	

Remarks, if any:

- Photograph of owner/representative with property in background to be enclosed.
- Screen shot of longitude/latitude and co-ordinates of property using GPS/Various Apps/Internet sites
- Any other important information about the property in question.

Undertakings:

1. This is to certify that the fair market value of the assets (Plant & Machinery) of manufacturing unit of M/s. Address as per our detailed appraisal and analysis is amounting to Rs (In words and figures). This should be considered as true and fair.
2. The information given in this report is correct & true and I have no direct or indirect interest in the assets valued.
3. I have personally inspected the unit on (Date)
4. All the above machines are installed at the unit and found to be in working / running condition. I have exercised due diligence in furnishing the above information.

Enclsd: 1. Declaration from the valuer

Date:

Place:

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DECLARATION FROM VALUERS

I hereby declare that-

- The information furnished in my Valuation Report dated _____ is true and correct to the best of my knowledge and belief and I have made an impartial and true valuation of the property.
- I have no direct or indirect interest in the property valued;
- I have personally inspected the property on _____. The work is not sub-contracted to any other valuer and carried out by myself.
- I have not been convicted of any offence and sentenced to a term of Imprisonment;
- I have not been found guilty of misconduct in my professional capacity.
- I have read the Handbook on Policy, Standards and procedure for Real Estate Valuation, 2011 of the 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.
- I have 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.
- I abide by the Model Code of Conduct for empanelment of valuer in the Bank. (Annexure III- A signed copy of same to be taken and kept along with this declaration)
- I am registered under Section 34 AB of the Wealth Tax Act, 1957.
- I am the proprietor / partner / authorized official of the firm / company, who is competent to sign this Valuation Report.
- Further, I hereby provide the following information

Sl No.	Particulars	Valuer comment
1	Background information of the asset being valued;	
2	Purpose of valuation and appointing authority	
3	identity of the valuer and any other experts involved in the valuation;	
4	disclosure of valuer interest or conflict, if any;	
5	date of appointment, valuation date and date of report;	
6	inspections and/or investigations undertaken;	
7	Nature and sources of the information used or relied upon;	
8	procedures adopted in carrying out the valuation and valuation standards followed;	
9	restrictions on use of the report, if any;	
10	major factors that were taken into account during the valuation;	
11	major factors that were taken into account during the valuation;	
12	Caveats, limitations and disclaimers to the extent they explain or elucidate the limitations faced by valuer, which shall not be for the purpose of limiting his responsibility for the Valuation Report.	

Place:

Signature

Date:

(Name of the Approved Valuer and Seal of the Firm / Company)

MODEL CODE OF CONDUCT FOR VALUERS

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

Integrity and Fairness

1. A valuer shall, in the conduct of his/its business, follow high standards of integrity and fairness in all his/its dealings with his/its clients and other valuers.
2. A valuer shall maintain integrity by being honest, straightforward, and forthright in all professional relationships.
3. A valuer shall endeavour to ensure that he/it provides true and adequate information and shall not misrepresent any facts or situations.
4. A valuer shall refrain from being involved in any action that would bring disreputeto the profession.
5. A valuer shall keep public interest foremost while delivering his services.

Professional Competence and Due Care

6. A valuer shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
7. A valuer shall carry out professional services in accordance with the relevant technical and professional standards that may be specified from time to time
8. A valuer shall continuously maintain professional knowledge and skill to provide competent professional service based on up-to-date developments in practice, prevailing regulations/guidelines and techniques.
9. In the preparation of a Valuation Report, the valuer shall not disclaim liability for his/its expertise or deny his/its duty of care, except to the extent that the assumptions are based on statements of fact provided by the company or its auditors or consultants or information available in public domain and not generated by the valuer.
10. A valuer shall not carry out any instruction of the client insofar as they are incompatible with the requirements of integrity, objectivity and independence.
11. A valuer shall clearly state to his client the services that he would be competent to provide and the services for which he would be relying on other valuers or professionals or for which the client can have a separate arrangement with other valuers.

Independence and Disclosure of Interest

12. A valuer shall act with objectivity in his/its professional dealings by ensuring that his/its decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the valuation assignment or not.
13. A valuer shall not take up an assignment if he/it or any of his/its relatives or associates is not independent in terms of association to the company.



14. A valuer shall maintain complete independence in his/its professional relationships and shall conduct the valuation independent of external influences.
15. A valuer shall wherever necessary disclose to the clients, possible sources of conflicts of duties and interests, while providing unbiased services.
16. A valuer shall not deal in securities of any subject company after any time when he/it first becomes aware of the possibility of his/its association with the valuation, and in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 or till the time the Valuation Report becomes public, whichever is earlier.
17. A valuer shall not indulge in "mandate snatching" or offering "convenience valuations" in order to cater to a company or client's needs.
18. As an independent valuer, the valuer shall not charge success fee (Success fees may be defined as a compensation / incentive paid to any third party for successful closure of transaction. In this case, approval of credit proposals).
19. In any fairness opinion or independent expert opinion submitted by a valuer, if there has been a prior engagement in an unconnected transaction, the valuer shall declare the association with the company during the last five years.

Confidentiality

20. A valuer shall not use or divulge to other clients or any other party any confidential information about the subject company, which has come to his/its knowledge without proper and specific authority or unless there is a legal or professional right or duty to disclose.

Information Management

21. A valuer shall ensure that he/ it maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of his/its decisions and actions.
22. A valuer shall appear, co-operate and be available for inspections and investigations carried out by the authority, any person authorized by the authority, the registered valuers organization with which he/it is registered or any other statutory regulatory body.
23. A valuer shall provide all information and records as may be required by the authority, the Tribunal, Appellate Tribunal, the registered valuers organization with which he/it is registered, or any other statutory regulatory body.
24. A valuer while respecting the confidentiality of information acquired during the course of performing professional services, shall maintain proper working papers for a period of three years or such longer period as required in its contract for a specific valuation, for production before a regulatory authority or for a peer review. In the event of a pending case before the Tribunal or Appellate Tribunal, the record shall be maintained till the disposal of the case.

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Gifts and hospitality:

25. A valuer or his/its relative shall not accept gifts or hospitality which undermines or affects his independence as a valuer.

Explanation.— For the purposes of this code the term 'relative' shall have the same meaning as defined in clause (77) of Section 2 of the Companies Act, 2013 (18 of 2013).

26. A valuer shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person with a view to obtain or retain work for himself/ itself, or to obtain or retain an advantage in the conduct of profession for himself/ itself.

Remuneration and Costs.

27. A valuer shall provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken, and is not inconsistent with the applicable rules.
28. A valuer shall not accept any fees or charges other than those which are disclosed in a written contract with the person to whom he would be rendering service.

Occupation, employability and restrictions.

29. A valuer shall refrain from accepting too many assignments, if he/it is unlikely to be able to devote adequate time to each of his/ its assignments.
30. A valuer shall not conduct business which in the opinion of the authority or the registered valuer organization discredits the profession.

Place:

Date:

Signature

(Name of the Approved Valuer and Seal of the Firm / Company)

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