

POLICY ON VALUATION OF ASSETS

INDEX

Contents of Policy (Part-I)

CHAPTER 1	POLICY ON VALUATION OF ASSETS– POLICY OVERVIEW	3
CHAPTER 2	– VALUATION OF ASSETS	4
	Purpose of Valuation	4
	General Policy for Valuation	4
	Valuation in cases of Consortium Banking Arrangement.....	6
	Periodicity for Valuation in NPA accounts	7
	Valuation of Plant & Machinery	7
	Valuation in Agricultural Land.....	8
CHAPTER 3	- CATEGORY OF VALUERS.....	9
CHAPTER 4	- EMPANELMENT AND DIS-EMPANELMENT OF VALUERS	11
	Empanelment	11
	Purpose of Valuation and Appointment of Valuers	11
	Empanelment of valuers.....	12
	Criteria for Empanelment of Valuers	12
	Eligibility Criteria for valuers	12
	Qualifications and Experience	15
	Membership of Valuers Association.....	15
	Minimum/ Maximum Age requirement.....	15
	References	15

Credit Department

Duration of Empanelment.....	16
Criteria for Dis-empanelment/ De-listing.....	16
Re-Empanelment	17
CHAPTER 5 – REQUISITE QUALIFICATION AND EXPERIENCE.....	18
Valuation of Land & Building / Real Estate	18
Valuation of Plant and Machinery	21
Valuers of Agricultural land.....	22
Educational qualifications and experience for Empanelment as Valuers of Agricultural Land ..	22
Valuers of Agricultural Land (Plantations) under Wealth Tax Rule 8A (4)	23
Valuers of Shares and other Securities	23
CHAPTER 6 - MISCELLANEOUS	24
Appendix	25
A. Glossary of Terms.....	25
B. List of references including related policies, RBI circulars, etc.	26

**CHAPTER 1 POLICY ON VALUATION OF ASSETS– POLICY
OVERVIEW**

The **policy** for valuation of securities have been formulated to ensure realizable value of the securities being mortgaged/charged with the Bank.

The empanelment, depanelment and re-empanelment procedure, criteria with respect to different type and class of securities, eligibility for empanelment of valuer, duration of empanelment, categorization, documentation, have been elaborated in detail in the policy.

The procedure for dealing with valuation of properties as required under Companies Act 2013 has been described.

The Policy on Valuation of Assets shall be valid till further review.

CHAPTER 2 – VALUATION OF ASSETS

2.1 Purpose of Valuation

To ascertain the amount to be given as a loan.

To periodically ascertain the value of the property that has been mortgaged, whether it is increasing or decreasing over the mortgage period

For the purpose of realizing the value of Non-Performing Assets (NPA) and

For the purpose of resumption of properties in cases of default.

2.2 General Policy for Valuation

It is to be ensured that the properties taken as primary/collateral security are valued at realizable prices all the time.

Bank shall solely rely upon the valuation reports of Bank's approved valuers irrespective of the credit limit and value of the mortgaged property.

The valuation shall always be got done by an empaneled independent valuer i.e., the valuer shall not have a direct or indirect interest in the asset being valued.

All the necessary / relevant papers / documents shall flow directly from the branch to the valuer & vice versa without routing the same through the borrower / guarantor concerned.

Where the realizable value of immovable property to be mortgaged/ charged is above Rs.5 crore, branches shall get valuation of such IPs done from minimum two valuers of category A or B (as deliberated in (Chapter 3) on the Bank's approved panel.

If the difference in valuation obtained by two valuers as mentioned above **is up to 25%**, the average realizable value may be taken. If the difference in two valuations is more than **25%**, 3rd valuation may be got done from a valuer in category A and the average of the lower two valuation reports shall be taken.

In case the IPs are recently purchased then the purchase price as per sale deed and not the realizable value shall be reckoned as value of the property. The period for recent purchase be taken as 12 months from the date of sale deed. However, if the guideline value (value as per Circle Rates) has been revised after the date of sale deed and it is higher than the purchase value then value of the property shall be reckoned in terms of the guideline value

even if the sale deed is recent i.e. not one year old. **Further, where valuation is reckoned on the basis of purchase price as per sale deed, Valuer's visit report shall be obtained at pre-sanction stage.**

In case additional construction has been made during the 1st year, cost of additional construction given by chartered engineer/valuer may be added to the consideration mentioned in the sale deed.

If the duration between the date of allotment and date of conveyance deed / sale deed (executed by the development agencies/private builder) is more than 1-year, fresh valuation shall be obtained.

If property is gifted / transferred to close relative & value of consideration is not mentioned in the gift / transfer deed, valuation shall be accepted as assessed by the empaneled valuers.

With respect to valuation of land in all proposals including Real Estate, if the land is acquired / purchased beyond one-year, realizable value or 85% of the market value whichever is lower assessed by the Bank's approved valuer shall be taken as value of the land.

For borrowal accounts having aggregate limit of Rs.1 crore & above (above Rs **2.00 Crores in case of agricultural loans**), valuation of immovable properties charged/mortgaged to the Bank is to be got done from approved valuer once in three years. As regards borrowal accounts having aggregate limit of below Rs.1 crore (**up to Rs 2.00 crores in case of agricultural loans**), valuation of immovable properties/ **agricultural land** charged/mortgaged to the Bank be got done from approved valuer once in five years.

Wherever the Branch Head feels that realizable value of IPs is significantly lower than the one on bank's record in accounts, he may get the property re- valued from the bank's approved valuer provided the valuation is more than one year old.

Revaluation of immovable property under Home Loan irrespective of limits is not required in case of standard accounts. However, For NPA Accounts, the revaluation is to be got done as per extant policy. Further, if the borrower approaches for top-up facility or any other credit facility (Other than Home Loan), Valuation /Revaluation will be obtained as per extant policy.

However, if the Home Loan is sanctioned for construction of house, valuation of the property may be done after obtaining completion certificate from competent authority viz municipal corporation, development authorities, etc. and in case of individual construction, Bank's empaneled valuer certifying that construction is as per the approved plan.

Valuation of IPs mortgaged in Educational Loan to be conducted as per existing policy during moratorium period. Further, revaluation may be discontinued once the repayment starts, till the status of account is standard. However, if the mortgage of IP is extended to other credit facility /borrower approaches for other credit facility against security of same IP, the IP shall be revalued as per existing policy.

If, at the time of revaluation, negative variance of the individual property is 20% or more from the earlier valuation, the matter shall be referred to sanctioning authority to take appropriate safeguards.

Since, concession in rate of interest (ROI) on the basis of collateral securities is available in various credit facilities, it has been observed that properties are re-valued before the prescribed time to allow concession in ROI and also to sanction additional credit facility against tangible collateral security on the basis of fresh valuation. The purpose of allowing concession in ROI linked with collateral security is to encourage collateral based lending. Frequent valuation of properties for allowing concession in ROI and sanction of additional credit facility is not a fair practice.

As soon as the valuation reports are obtained, it shall be verified and ensured that they contain all the details. Blank and cursory reports shall not be accepted. Further, all the columns in the format of valuation reports shall be duly filled in with remarks and finding of the valuer and if column is not applicable then a notation to that effect shall be made. A valuation report containing blanks shall not be accepted.

Subsequent valuation shall be assigned to the empaneled valuer other than the valuer who has conducted the previous valuation.

Branches/Offices to ensure that residual age of the immovable property shall be at least 5 years more than the tenure of loan.

2.3 Valuation in cases of Consortium Banking Arrangement

Valuation of properties/ securities should be obtained once in three years

Where our bank is the lead bank, first valuation shall be obtained as per Bank's extant guidelines. Second valuation shall be obtained as per the decision taken by the consortium.

Where our Bank is not the lead Bank, valuation shall be obtained as per the decision taken by the consortium.

2.4 Periodicity for Valuation in NPA accounts

Apart from the procedure for valuation to be conducted for ascertaining reserve price of the immovable properties charged/mortgaged to the bank it is prescribed that the periodicity for valuation shall be once in three years. However, the HO CREDIT/NPA shall be empowered to get the said valuation even at the lower interval than 3 years depending upon the exigencies of the case.

2.5 Valuation of Plant & Machinery

In cases where new plant and machinery is to be financed, the cost price indicated in the quotation/ supplier's bill shall be reckoned as its value, which shall be verified by making enquiries through other vendors supplying such machinery.

In borrowal accounts where credit facility is to be considered against the principal/collateral security of existing plant & machinery to be charged to the bank by way of hypothecation, mortgage, etc.,

2.5.2.1. Where the WDV of Plant & Machinery is less than ₹50 Crore as per latest ABS:

In cases where existing plant & machinery is to be charged to the bank by way of hypothecation, mortgage, etc., valuation of such plant & machinery shall be reckoned by the sanctioning authority as per their discretion, either from the valuation report submitted by a valuer on the Bank's approved panel OR from Written Down Value (WDV) of P&M from the latest ABS.

2.5.2.2. Where the WDV of Plant & Machinery is ₹50 Crore and above as per latest ABS:

In cases where existing plant & machinery is to be charged to the bank by way of hypothecation, mortgage, etc., branches shall get valuation of such P&M done from minimum two valuers on the Bank's approved panel. The valuation of such plant & machinery shall be reckoned by the sanctioning authority as average of two valuations submitted by valuers on the Bank's approved panel or Written Down Value (WDV) of P&M from the latest ABS, whichever is lower.

If the valuation is got done by the approved valuer then following shall be applicable:

For borrowal accounts having aggregate limit of Rs.1 crore & above, valuation of plant and machinery charged/ mortgaged to the Bank be got done from approved valuer once in three years.

For borrowal accounts having aggregate limit of below Rs.1 crore, valuation of plant and machinery charged/mortgaged to the Bank be got done from approved valuer once in five years.

Valuation report shall be submitted by valuers on the proforma prescribed. While giving its report; the valuer has to indicate the realizable value of the plant & machinery. Also, realizable or market value whichever is lower to be accepted for valuation purposes.

2.6 Valuation in Agricultural Land

In agricultural loans up to credit limit of Rs. 2.00 Crore, where agricultural land is being offered as security, valuation of such agricultural land may be assessed on the basis of Circle Rates decided by revenue authorities. The same shall be authenticated from the site/ latest data published by revenue authorities by the processing/ assessment officer and a record of the same shall be kept in file.

In all agricultural loans above Rs. 2.00 Crores, the valuation of the agricultural land shall be assessed on the basis of the realizable value assigned by the empaneled valuer. In such cases, if no Agricultural valuer has been empaneled in the area, an empaneled valuer for valuation of Land and Building/Real Estate can be entrusted with the job for such valuation if otherwise he has not been prohibited to conduct such valuation as per his registration.

CHAPTER 3 - CATEGORY OF VALUERS

The objective of categorization of valuers is to ensure that whilst lesser value assignments are handled by relatively junior valuers, the senior valuers can handle higher order valuations.

The empanelment of valuers therefore shall be in the following categories:

Sl. No.	Category of Valuers	Work 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 up to 10 years	Up to ₹50 crores
3	C	Up to 5 years*	Up to ₹5 crore

** In case of Diploma holders being eligible for empanelment to undertake valuations, work experience of 8 years in the field of valuation after completing the diploma is required and they can undertake valuation of property/plant and machinery up to maximum value of Rs.5 cr.*

A separate list of valuers (in each category A, B and C) Registered under Section 34AB of Wealth Tax Act, 1957 and not registered under the said act shall be maintained by HO CREDIT DEPARTMENT.

Also, same bifurcated list shall be circulated to the field functionaries for their reference.

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

Letter of empanelment by any Bank / FI

Letter of empanelment by any Court of India

Letter of appointment as valuation consultant by Government of India / any State Government / any Municipality / any Municipal Corporation

Letter of appointment as valuer employee by Government of India / any State Government / any Municipality / any Municipal Corporation

Letter of appointment as a valuer employee by any Limited Company engaged in the business of valuation

Letter of appointment as a valuation consultant by any Limited Company.

Letter of appointment as a valuer employee by any partnership / proprietorship / private limited Company/LLP engaged in the business of valuation for the last five years

Certificate of experience as a valuer from present/previous Employer/Hiring entity (entities listed above) containing date of appointment and years of experience. Employer/ Hiring entity must be engaged in the business of valuation for the last five years.

The Experience of the Valuer shall be calculated from the date of his first empanelment with any Bank / Financial Institution / High Court or as per experience certificate from employer/ Hiring entity.

CHAPTER 4 - EMPANELMENT AND DIS-EMPANELMENT OF VALUERS

In order to improve the valuation process and for standardization of procedure for empanelment of valuers, IBA had set up a Working Group of Senior Executives to review the existing report to remove ambiguity, weed out restrictive or prescriptive clauses and simplify the procedures. Based on recommendations of working group IBA released revised report 2017 on standardization of procedure for empanelment of valuers for implementation by banks.

Credit Department shall be the owner division for empanelment of valuers.

Empanelment

Bank shall have a year-round system of receiving application from intending valuers seeking empanelment.

As and when the requirement arises, the number of valuers required shall be empaneled and once empaneled; the valuer shall be on the bank's panel for a period of five years unless and until removed from the panel.

Application from the valuer from various centers will be collected by the CREDIT DEPARTMENT, HO for approval depending upon the work experience of the valuer taking due care that: -

- a) There is no adverse report against the listed valuers and their names are not appearing in the list of valuers for dis-empanelment, circulated by RBI/IBA from time to time.
- b) There are sufficient number of valuers as per geographical area; otherwise, list be extended further.

Empaneled valuer must not be related to staff in the division dealing with valuation work.

Purpose of Valuation and Appointment of Valuers

Valuers are engaged for the purpose of:

Ascertaining the value of the property / assets, etc. offered as security.

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

Realizing the value of non-performing assets (NPAs)

Resumption of properties in cases of default.

Empanelment of valuers

Criteria for Empanelment of Valuers

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

- a) Land and Building
- b) Plant & Machinery
- c) Stocks and Trade
- d) Agricultural Land

Eligibility Criteria for valuers

Eligible Entities:

- a) Individuals
- b) Proprietorship Firm
- c) Partnership Firm
- d) Limited Liability Partnership Firm (LLP)
- e) Company incorporated In India

A person shall be eligible to be empaneled as a Valuer if:

- a) The valuer possesses a PAN Card number / GST number as applicable (GST No. is necessary for Category "A" Valuer).
 - b) He is a citizen of India.
 - c) He is minimum 25 years of age. (However, there is no maximum age limit for a valuer to remain on panel).
 - d) He is a member in good standing of any one of the valuer associations.
 - e) He actively participates in professional activities in various
-

professional bodies.

- f) The valuer has not been removed / dismissed from valuation related service (previous employment) earlier.
- g) The valuer has not been convicted of any offence and sentenced to a term of imprisonment.
- h) The valuer has not been found guilty of misconduct in professional capacity.
- i) The valuer is not an undischarged insolvent.
- j) The valuer has 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.

At the time of empanelment, the valuer shall give an undertaking to this effect as per **Appendix-VII.**

No Partnership entity or Company shall be eligible to be empaneled as valuer if-

- a) It has been set up for objects other than for rendering professional or financial services, including valuation services and that in the case of a company, it is a subsidiary, joint venture or associate of another company or body corporate.
- b) It is undergoing an insolvency resolution or is an undischarged bankrupt.
- c) Following documents may be used to ascertain the above objective:
 - i. In case of partnership firm - Partnership deed.
 - ii. In case of LLP – LLP Agreement
 - iii. In case of Company- Memorandum of Association (MOA), Article of Association (AOA), Certificate of Incorporation and List of Directors. The capital structure and solvency status of the company may be verified from statutory audit reports, annual reports & information available at MCA & IBBI website.
 - iv. Apart from above documents, any other relevant document may be referred on case to case basis.

Other Criteria:

- A. **Registration with Insolvency and Bankruptcy Board of India (IBBI):**
- 1) For valuation of properties/assets pertaining to Companies, in terms of Companies (Registered Valuers and Valuation) Rules 2017, issued as per the MCA notification dated 18.10.2017, a valuer registered as a valuer member with IBBI for relevant class of assets shall be eligible for conducting the valuation. Such valuers shall also be eligible for valuation of properties/ assets pertaining to other than Companies. As regards, all the valuation work related to the Company Assets would be undertaken only by the valuers registered with IBBI. Further, to undertake the valuation of Properties/ Assets pertaining to Companies under SARFAESI Act, 2002, the valuer must be registered under Section 34AB of Wealth Tax Act, 1957.
 - 2) For cases referred to NCLT under IBC, IRP/RP shall appoint valuers for valuation of assets of the corporate debtor by engaging valuers who are registered with IBBI/organizations recognized by IBBI. The scope and fees payable to such valuers shall be fixed by the IRP / RP with approval of Committee of Creditors (CoC).
- B. **Registration with Government:**
Registration with the central / state governments is desirable but not compulsory.
- C. **Registration under Wealth Tax Act: Valuation under SARFAESI Act, 2002:**
- 1) For undertaking valuation of properties under SARFAESI Act, 2002 valuer has to be registered under Sec. 34 AB of Wealth Tax Act, 1957. While assigning / outsourcing valuation work to valuers, it is necessary that branches take the provisions of the SARFAESI Act into account and comply accordingly.
 - 2) As per Section 34AC (2) of Wealth Tax Act, if a partnership firm is to be registered as a valuer, all its partners must be registered under Wealth Tax Act. Hence, only such partnership firm where all partners are registered under Wealth Tax Act shall be eligible to conduct valuation under SARFAESI Act 2002.
 - 3) Further, no company or other body corporate can be registered as a valuer under Wealth Tax Act as per Section 34AC (2) of the Act. Since LLP is a body corporate, it cannot be registered as a valuer

under Wealth Tax Act as per Section 34AC (2) of the Act. Hence, a company, LLP or other body corporate cannot conduct valuation under SARFAESI Act 2002.

D. **Valuers with Diploma or qualification other than Graduation or Post Graduation**

Valuers with Educational Qualifications of Diploma shall be eligible for empanelment to undertake valuation of Properties/ Land& Building/ Real Estate/ Assets/ Plant and Machinery for loans up-to Rs.5.00 Crore only. However, BOARD shall be empowered to permit valuation to an extent of above Rs. 5.00 crores by valuers with Diploma as qualification.

Qualifications and Experience

It is necessary that a valuer possesses proper educational qualifications which make him competent to carry out the task of valuation of securities. In addition, relevant work experience is also important. Educational Qualifications and Work Experience required for persons eligible for empanelment as valuers is detailed in [Chapter 5](#).

Membership of Valuers Association

Valuer shall be a member in good standing of any one of the Valuers Associations viz. Institute of Valuers (IOV), Institution of Estate Managers & Appraisers (IESMA), Practicing Valuers Association (India) (PVAI), The Institute of Company Secretaries of India (ICSI), The Indian Institute of Valuers (IIV), The Institute of Cost Accountants of India (ICMAI), The Institute of Chartered Accountants of India (ICAI), Association of Certified Valuers and Analysts (ACVA), Centre For Valuation Studies, Research And Training Association (CVSRTA), Council of Engineers and Valuers, Divya Jyoti Foundation or any other association registered as RVO with IBBI.

4.3.5 Minimum/ Maximum Age requirement

Age is an important criterion while empaneling valuers. The minimum age for empanelment shall be 25 years and there is no maximum age limit for a valuer to remain on the panel.

4.3.6 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 bank need to verify

the quality of services provided by the valuer in the previous instances before empaneling the valuers on their panel. The referees shall be either from

- (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.

Duration of Empanelment

The duration of empanelment shall be for a period of five years. However, the quality of service provided/performance of the valuers shall be reviewed annually by the bank. The annual performance review shall be carried out by HO Committee for Empanelment of Valuers and Annual Performance Review of Existing Empaneled Valuers”.

4.5 Criteria for Dis-empanelment/ De-listing

The competent authority may de-list / dis-empanel a valuer on account of misconduct, for the instances mentioned below;

Under/ Over valuation of assets

Not complying to the Bank’s instructions or contrary to specific instructions;

Giving any false or misleading information to the bank at the time of empanelment or obtaining empanelment by fraudulent means;

Action to the detriment of the interest of the Bank;

Compiling the valuation report with mollified intentions; Committing an act amounting to professional misconduct;

Indulging in fraudulent activities including raising of fake bills;

Delay in submission of reports beyond the time agreed upon;

Convicted of an offence connected with any proceedings under the Income Tax Act, 1961, Wealth Tax Act, 1957 or Gift Tax Act, 1958.

Threatening, intimidating or abusing any of the employees, officers/ or Representatives/ constituents of the Bank;

Deficiency in Service;

Blacklisted by any Bank or any complaint has been filed against the valuer/ firm before CBI/ Serious Fraud Investigation Office (SFIO)/ or any other Courts.

The above instances are only illustrative and not exhaustive and the competent authority may amend / modify any of the above conditions or may add one or more such instance that may be considered as a reason for dis- empanelment of the valuer.

4.6 Re-Empanelment

Valuers once removed from the panel of the bank (i.e., Dis-empaneled) may be re-empaneled. The Re-empanelment is to be done on very selective basis in exceptional circumstances and after a minimum cooling period of five years from the date of dis-empanelment. The same process as that of empanelment is to be followed for Re-empanelment of valuers with specific justification for such Re-empanelment. If approved by delegated authority for empanelment, names of such valuers removed from De-empaneled list (post re- empanelment) may be reported to the IBBI/ IBA by HO, requesting IBBI/ IBA to arrange for the names to be deleted from its caution list.

CHAPTER 5 – REQUISITE QUALIFICATION AND EXPERIENCE

It is necessary that a valuer possesses proper educational qualifications which make him competent to carry out the task of valuation of securities. In addition, relevant work experience is also important. As such, persons possessing the requisite Educational Qualifications and Work Experience as mentioned in this chapter shall be eligible for empanelment as valuers.

Evidence of previous experience needs to be provided to the Bank. In case of companies / Partnership firms/LLPs undertaking valuations, the qualification and experience shall apply to the lead valuers of the company / all partners of the partnership firm/LLP.

Valuation of Land & Building / Real Estate

There is no Act to regulate profession of valuation of real estate in our country.

The educational qualifications for empanelment as valuers of Land & Building / real estate shall be as under:

S.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	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 in the subjects which are vital for valuation of real estate and not covered in course curriculum of civil engineering, architecture and town planning and which is conducted by recognized university established under state or central Acts.

Credit Department

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 the certification course in valuation of real estate as prescribed under Sr.no.1 above.
----	---	---	---

S.NO	Educational Qualifications	Work Experience	Remarks
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 in India i.e. University established under State or Central Acts	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)/American Society of Appraisers (ASA)/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.

*Ceiling of ₹5 cr. on value of property has been imposed for valuation of property by diploma holders in Civil Engineering /Architecture in case of both retail loan as well as corporate loan.

However, for fresh empanelment, preferably, academically qualified valuers possessing 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 may be empaneled .

Valuation of Plant and Machinery

Educational qualifications and experience for Empanelment as Valuers of plant & machinery:

There is no Act to regulate profession of valuation of plant & machinery in our country.

The educational qualifications for empanelment as valuers of plant & machinery shall be as under:

S.NO	Educational Qualifications	Work Experience	Remarks
1.	Bachelor's degree in mechanical, electrical, chemical, production, electronics, computer, industrial engineering and any other stream of Engineering as required by the Banks for conduct of valuation of Plant and Machinery and other equipment.	Work Experience of 5 years in the field of valuation of plant & machinery 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 of duration of one semester or above in the subjects which are vital for valuation of plant and machinery and not covered in course curriculum of mechanical, electrical, electronics, chemical, production, computer, industrial engineering, and any other stream of Engineering as required by the Bank for conduct of valuation of Plant and Machinery and other equipment and which is conducted by recognized university established under state or central Acts.

S.NO	Educational Qualifications	Work Experience	Remarks
2.	Diploma in mechanical, electrical, production, chemical, electronics, computer, industrial engineering and any other stream of Engineering as required by the Banks for conduct of valuation of Plant and Machinery and other equipment.	Work experience of 8 years in the field of valuation of plant and machinery after completion of the diploma.	They should preferably complete certification course in valuation of plant and machinery prescribed under Sr.no.1 above.
3.	Master's degree in Valuation of plant & machinery awarded by a recognized University in India i.e., University established under State or Central Acts.	Work Experience of 2 years in the field of valuation of plant & machinery after completing the examination.	

However, preferably, academically qualified valuers possessing Post Graduate degree in valuation of plant & machinery from a recognized university i.e., the universities established under State or Central Acts with 2 years' experience in valuation of plant & machinery shall be empaneled.

Valuers of Agricultural land

5.3.1 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:

- a) Cost, price, value and worth
- b) Various types of value
- c) Value elements – ingredients – characteristics
- d) Annuities – capitalization – rate of capitalization – redemption of capital
- e) Three approaches to value viz. Income, Market and cost
- f) 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: -

- a) 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;

OR

- b) 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.

Valuers of Shares and other Securities

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,

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 Secretaries of India];

AND

He must have been practicing as chartered accountant or a cost and works accountant 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.

CHAPTER 6 - MISCELLANEOUS

6.1 Validity and Review of the Policy

The Policy on Valuation of Assets shall be reviewed when changes will be required by the Board. While reviewing the policy, feedback / suggestions from various users of this policy shall be taken to ensure the soundness of the policy. The policy shall remain effective till further review.

Further, functional committee headed by MD & CEO shall be authorized to:

Incorporate any change necessitated in the policy for the interim period up to the next review, due to regulatory pronouncements made during the validity period of the policy; and

Extend the validity of both the Policy (Part-I) and Operational Guidelines (Part-II) for a period up to three months, however such extension of validity of the Policy (Part-I) shall be subject to ratification by the Board

6.5 Reporting

There is no requirement of reporting to regulatory/ statutory bodies.

6.6 Deviations/ Exclusions

Nil

Appendix

A. Glossary of Terms

Sr. No	Acronyms	Details
1.	ABS	Audited Balance Sheet
2.	CBI	Central Bureau of Investigation
3.	CRMC	Credit Risk Management Committee
4.	FI	Financial Institution
6.	HO	Head Office
7.	IBA	Indian Banks' Association
8.	IBBI	Insolvency and bankruptcy Board of India
9.	IBC	The Insolvency and Bankruptcy Code
10.	ICAI	Institute of Chartered Accountants of India
11.	IP	Immovable Property
12.	IRP	Interim Resolution Professional
13.	LLP	Limited Liability Partnership
14.	MCA	Ministry of Corporate Affairs
15.	NCLT	National Company Law Tribunal
16.	NPA	Non-Performing Asset
17.	PAN	Permanent Account Number
18.	P&M	Plant and Machinery
19.	RBI	Reserve Bank of India
20.	ROI	Rate of Interest
21.	RP	Resolution Professional
22.	RVO	Registered Valuer Organisation
23.	SARFAESI	Securitization and Reconstruction of Financial assets and enforcement of Security Interest Act

Sr. No	Acronyms	Details
24.	WDV	Written Down Value

B. List of references including related policies, RBI circulars, etc.

- a) *RBI's Master Circular on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances DOR.STR.REC.4/21.04.048/2022-23 dated April 1, 2022*
- b) *IBA 's notification dated 4th February,2017 regarding procedure for empanelment of valuers by Banks*

OPERATIONAL GUIDELINES ON VALUATION OF ASSETS

INDEX

Contents of Operational Guidelines (Part-II)

CHAPTER 1 - OPERATIONAL GUIDELINES ON VALUATION OF ASSETS	30
Overview	30
Responsibilities of Valuer	30
Responsibilities of Incumbent In-charge.....	33
Periodic Valuation & updation of Collaterals in CBS.....	34
CHAPTER 2 - PROCEDURE FOR EMPANELMENT AND DEPANELMENT.....	35
Empanelment.....	35
Removal of Valuers from Bank's Panel	35
CHAPTER 3 - MISCELLANEOUS GUIDELINES	36
Distribution of work amongst Empaneled Valuers	39
Compliance of Standards and Procedures	39
Independence and Objectivity	39
Obligations of the Bank	39
Continuing Education	40

CHAPTER 4 - PROCESS FOR EFFECTIVE ASSET VALUATION AND

MONITORING	41
Standardization of valuation methodology	41
Market based valuation of assets	41
Valuation of land.....	41
Valuation of Buildings:	42
Valuation of Plant & Machinery.....	43
Other than market-based valuation	44
Resolving differences in valuation by independent valuers:	45
CHAPTER 5 - REMUNERATION	47
Fee Payable to Valuers.....	47
Fee Payment Process.....	47
Other Guidelines.....	48
CHAPTER 6 - REVALUATION OF BANK'S OWN PROPERTIES.....	49
Procedure for Identification of assets for revaluation	49
Maintenance of Records for revalued properties	49
Frequency of Revaluation.....	49
Depreciation	49
Sale/ Disposal of revalued assets.....	50
Impairment of Assets (Accounting Standard 28)	50
Disclosure.....	51
Reference for Detailed Guidelines	51
CHAPTER 7 - VALIDITY AND REVIEW OF GUIDELINES	51
Appendix-I: FORMAT OF VALUATION REPORT FOR ALL IMMOVABLE PROPERTIES.....	52
Appendix II: FORMAT OF VALUATION REPORT IN RESPECT OF FLATS.....	59
Appendix III: VALUATION REPORT (IN RESPECT OF AGRICULTURAL LANDS) .	66

Appendix IV: PROFORMA FOR VALUATION REPORT IN RESPECT OF PLANT & MACHINERY	71
Appendix V: DECLARATION FROM VALUERS	76
Appendix VI: MODEL CODE OF CONDUCT FOR VALUERS	76
Appendix VII: Format of undertaking to be submitted by the Valuer for Empanelment	80
Appendix VIII: Application for Empanelment of Valuer with Bank	82
Appendix IX: AGREEMENT WITH THE VALUERS ON THE APPROVED PANEL OF THE BANK.....	84
Appendix X: TERMS OF ENGAGEMENT FOR EMPANELMENT OF VALUERS.....	86
Appendix XI: LETTER OF INDEMNITY BY ENGINEERS / VALUERS	88
Appendix XII: Code of Conduct.....	90
Appendix XIII: STANDARD OPERATING PROCEDURE FOR ASSESSMENT OF VALUE OF AGRICULTURAL LAND BEING OFFERED AS SECURITY IN AGRICULTURAL LOANS UPTO Rs. 2.00 CRORES	91
Appendix XIV: ASSESSMENT OF VALUE OF AGRICULTURAL LAND PROPOSED TO BE OFFERED AS SECURITY IN AGRICULTURAL LOANS UPTO Rs. 2.00 CRORES	92
Appendix XV: PROFORMA TO BE SUBMITTED BY THE VISITING OFFICIAL ON PERUSAL OF VALUATION REPORT AND LEGAL OPINION.....	93
Appendix XVI Valuer's Visit Report of Immovable Property to be obtained where valuation is reckoned on the basis of purchase price as per sale deed	94
Appendix XVII Valuer's Visit Report of Flats, to be obtained where valuation is reckoned on the basis of purchase price as per sale deed	101
Appendix XVIII Valuer's Visit Report of Agricultural Land, to be obtained where valuation is reckoned on the basis of purchase price as per sale deed	106
Appendix XIX	109
A. Glossary of Terms	109
B. List of references including related policies, RBI circulars, etc	110

CHAPTER 1 - OPERATIONAL GUIDELINES ON VALUATION OF ASSETS

1.1. Overview

The operational guidelines/ SOP on Valuation of Assets shall be valid till further review.

With a view to check incidents of spurious activities in inspection and valuation of securities, specific reporting formats along with the prescription of due diligence to be observed by the valuer are also prescribed.

Further, revaluation of Bank's own properties specifying the procedure for Identification of assets for revaluation, maintenance of Records for revalued properties, frequency of revaluation, depreciation, sale/disposal and impairment of assets is also prescribed.

Moreover, the valuation of all the securities is to be updated in the CBS system by menu option HCLM and linked to respective accounts through HSCLM, customized for this purpose.

With regard to valuation in Agricultural Land, in agricultural loans up to credit limit of Rs. 2.00 Crore, SOP has been formulated regarding the same and has been enclosed as [Appendix XIII](#). Also, the assessment of value of agricultural land proposed to be offered as security shall be done on the proforma devised for the purpose and enclosed as [Appendix XIV](#).

The procedure for dealing with valuation of properties as required under Companies Act 2013 has been described. The fee structure for valuation of properties shall range from Rs. 2000/- to Rs. 25000/- and has been detailed with competent authority for discretionary powers.

1.2. Responsibilities of Valuer

Incidents like increasing frauds in Title Deeds, Discrepancy in description/details of IP/visit to Sub-Registrar office/ROC, substantial difference in value of IP in valuation done at the time of sanction viz-a-viz valuation done at the time of considering its proposal for compromise/negotiated settlement need to be checked. In order to curb these incidents, the valuer shall provide the valuation report invariably on the Bank's prescribed format.

The formats are provided as under:

Appendix-I – Valuation of all Immovable Properties (Other than Flats and Agricultural Land)

Appendix-II – Valuation of Flats

Appendix-III – Valuation of Agricultural Land

Appendix-IV – Valuation of Plant and Machinery

Further, where valuation is reckoned on the basis of purchase price as per sale deed, Valuer's visit report shall be obtained at pre-sanction stage. The formats for the same have been placed at Appendix [XVI](#), [XVII](#) and [XVIII](#).

The valuer has to ensure completion of due diligence exercise and shall, inter-alia, keep the following points in view:

That he himself has visited the site and made necessary enquiries from some local property dealers of the concerned locality which leads him to confirm that the property in question belongs to the person offering the IP to the Bank for accepting as security as on the date of valuation.

That the IP in question bears the same description/details as mentioned in the documents/title deeds which have been proposed to be valued. The valuer shall invariably mention the Title Deed number and date of property being valued in his valuation report.

That the IP in question is not in an unauthorized colony/ under encroachment.

That the IP in question is self-occupied or tenanted.

That IP in question is not in dispute whatsoever.

That the valuer shall indicate how the value has been arrived at duly supported by necessary calculations and furnish market value as well as realizable value. In case of difference in the market value and circle rate as applicable in that area, the same shall be supported by cogent reasons.

In case of built up property, the construction is as per the plan approved by the competent authority. If construction is not as per the approved plan, the realizable value of land shall be accepted in such cases. Also, policy as applicable to valuation of land shall be followed. In any eventuality where construction is as per approved plan, but some portion or floor has been identified as unauthorized, and bank approved valuer confirms that in case of demolition of unauthorized construction, the approved portion shall remain intact, the value of the approved

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

construction and the land as assessed by the approved valuer can be accepted.

That the IP in question whether notified for acquisition by Govt. or any statutory body.

Attach plans and elevations of all structure standing on the land and a layout plan along with a photograph of the built-up property.

As a measure of strengthening the Due Diligence of the applicable primary/collateral securities which are Land & Building/Land in nature/Plant & Machinery/Other tangible assets, valuers to include photograph of owner with the property in the background, in the report to be submitted to Branches.

The valuer shall take a selfie at site, along with owner/authorized representative of the property / borrower and provide it to the branch with the valuation report to be kept along with the documents.

For easy identification of the applicable primary/collateral securities which are Land & Building/Land/Plant & Machinery/Other fixed tangible assets, valuers to mention longitude/latitude and co-ordinates of the properties in the valuation report. If possible, screen shot (in hard copy) of Global Positioning System (GPS)/Various Applications (Apps)/Internet sites (eg. Google earth)/,etc. is to be included in the valuation report.

In the column pertaining to valuation in the format where valuer is required to mention the prevailing market rate another column shall be added and details /reference of at least two latest deals/transactions with respect to adjacent properties in the areas will have to be mentioned. It is to be noted that the deals being quoted shall be of properties comparable in nature. Valuation reports without those details shall be returned to the valuer for resubmission.

Valuer shall submit the value of property of similar nature in the same locality drawn from any one of the popular property websites such as Magic bricks, 99 Acres, Housing NHB Residex, etc. along with the valuation report.

In the prescribed proforma for valuation of properties there is a column wherein the valuer has to fill in the details of the nature of the property viz. Residential or Commercial or Industrial. In the said column the valuers have to enter the details of properties of mixed nature (commercial and residential), while giving their valuation report, in respect of ratio of their commercial and residential parts and suitably and realistically evaluate the properties according to their nature under the

best suited methodology for valuation considering the nature and location of the property along with other relevant factors as per the standard industry practice in vogue.

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, etc.

In order to avert instances of over valuation of immovable properties, Valuation report shall clearly indicate date of purchase of immovable property. It shall also be ensured that the Valuation Report to be submitted by the valuers invariably contains the Purchase price, the Market Value, the Book Value, the Realizable value, the Distress Value of the property being valued and Guideline Value (value as per Circle Rates), if applicable, in the area where immovable property is situated.

Responsibilities of Incumbent In-charge

For the purpose of determining the present value of the property mortgaged / to be mortgaged, the realizable or market value whichever is lower shall be taken into consideration. Also, in case of Plant & Machinery, realizable or market value whichever is lower to be accepted for valuation purposes.

The Branch Head before accepting the IP being offered as primary/ collateral security, if belongs to third party, would exercise due care with regard to the consideration involved in the transaction so that the IP of the genuine third party is only obtained thereby mitigating the chances of further complications at a later stage. Besides, the guidelines with regard to verification of genuineness of the title deeds and obtainment of search report in respect of non-encumbrance of the property to safeguard the interest of the bank. Further, guidelines with regard to search from ROC (Company), wherever necessary shall be meticulously complied with.

To ensure that the job of valuation is assigned to a valuer in Bank's Panel.

To ensure that the Valuation Report is as per Bank's prescribed proforma and all the points are duly covered and filled.

A declaration shall necessarily be obtained from valuers with every valuation report as per the format ([Appendix V](#)) along with a signed copy of the Model code of conduct for valuer as given in [Appendix VI](#).

To ensure that the specifications of the IP as given in the Title deed, Search Report and Valuation Report match with each other.

To ensure chain of the title deeds, non-encumbrance of the property and genuineness of the mortgagor.

To ensure that the valuer has mentioned same Title Deed number and date as in the Title Deed of the property being mortgaged/charged in his valuation report to ascertain that the valuation of the concerned property has been done by the valuer.

As a due diligence measure when dealing with Immovable Property, it is advised that the official visiting the IP shall submit along with the visit report, his/her observations in the proforma on counter checking the important particulars from the valuation report and legal opinion as per [Appendix-XV](#).

It is to be ensured by the incumbent in-charge and other visiting official that the valuer submits the value of property of similar nature in the same locality drawn from any one of the popular property websites such as Magic bricks, 99 Acres, Housing NHB Residex, etc., along with the valuation report. The copy of the same is to be held on record.

Copy of the Legal Opinion and Valuation report should be held on record during visit of IP.

The aforesaid guidelines on counterchecking the important particulars in the valuation report shall be applicable where mortgage is created at our Bank and / or where Bank is the leader in Consortium.

Periodic Valuation & updation of Collaterals in CBS

In order to ensure that the updation of collaterals especially in case of Immovable Properties (IPs) mortgaged to the Bank and kept as Primary Securities or otherwise are valued and updated in CBS System at prescribed intervals, a menu option is customized which is applicable for new as well as existing accounts for capturing the details of IPs. Details of all accounts having IP(s) as Primary or Collateral Security where SRM (collateral linkage maintenance menu in Finacle) has been created, the additional details of security are required to be entered in CBS.

CHAPTER 2 - PROCEDURE FOR EMPANELMENT AND DEPANELMENT

2.1. Empanelment

HO shall be the owner division for empanelment of valuers.

Bank shall have a year-round system of receiving application from intending valuers seeking empanelment.

All such applications shall be received in the prescribed format as per

[Appendix-VIII](#)

The application format shall also be available on the bank's website for easy download.

All applications need to be accompanied by relevant documents to substantiate the educational qualifications, experience, etc.

The valuer shall be required to execute an agreement with the bank as per [Appendix-IX](#).

Terms of engagement for empanelment of valuers are as per [Appendix-X](#). These shall be duly signed and accepted by the valuer at the time of empanelment

Letter of indemnity is a desirable document which needs to be obtained at the time of empanelment as per [Appendix -XI](#). However, in case any valuer resists, it may be dispensed with (waived) (for that particular valuer) and a suitable indemnity clause shall be incorporated in the terms of engagement with the valuer. Terms of engagement shall be duly signed and accepted by the valuer at the time of empanelment.

As and when the requirement arises, the number of valuers required shall be empaneled and once empaneled ; the valuer shall be on the bank's panel for a period of five years unless and until removed from the panel.

Empanelment of the valuer shall be done through a Committee approach.

Application from the valuer from various centres will be collected by the respective HO under their jurisdiction and after exercising due diligence, shall recommend the application received to MD and BOARD for approval depending upon the work experience of the valuer taking due care

that: -

- a) There is no adverse report against the listed valuers and their names are not appearing in the list of valuers for dis-empanelment, circulated by RBI/IBA from time to time.
- b) There are sufficient number of valuers as per geographical area; otherwise list be extended further.

On receipt of the application from various HO will get the valuer short listed from the Committee established for the purpose. The panel of valuers for valuation of immovable property duly shortlisted by the Committee shall be got approved from the Board. HO circulates the list of approved panel of valuers from time to time. Empaneled valuer must not be related to staff in the division dealing with valuation work.

Removal of Valuers from Bank's Panel

Procedure for Dis-empanelment/De-listing

- a) If the performance of the valuer is not satisfactory, the valuer can be removed from the Panel at the discretion of the Bank. Branches shall forward the names of such valuers to HO for delisting their names from the bank's approved panel.
- b) If a valuer is prima facie, found to have involved in some fraudulent activities /conspiracy with the borrowers in over valuation of property the name of valuer should be reported to IBA for placing it on the IBA's caution list of Third-Party Entities (TPEs) involved in Fraud. Before reporting the name of TPEs the bank shall ensure that procedure laid down by IBA in its procedural guidelines are scrupulously followed.
- c) In case of misconduct by any valuer, the bank shall have the prerogative to recommend the removal of the valuer from the panel. The steps involved in this process are given hereunder:

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

- a. Issue of show cause notice:** The valuer shall be given due opportunity to explain why action should not be initiated against him or her.
- b. Hearing:** The valuer shall be given an opportunity to make his/her point of view known and heard.
- c. Deliberation by the committee:** The matter shall be deliberated by the concerned Conflict Resolution Committee.

If the charges are found to be serious against the valuer, he/she may be removed from the panel.

After obtaining approval of the delegated authority, name of the entity shall be delisted and subsequently deleted from the list of empaneled entity available on Bank's site and added to the separate list of dis-empaneled agencies.

Head Office shall delete the name from the empaneled list and communicate all Department of HO and Branches of Bank.

The matter of dis-empanelment shall be intimated to the IBBI, IBA and such other authority / body as may be considered necessary/appropriate.

A letter to this effect shall be issued to the entity and all the other existing assignments, if any, would stand cancelled / terminated.

Procedure for Dis-empanelment where the entity is involved in fraud/gross negligence:

In addition to the above, policy for reporting the names of Professionals/Third Party Entities (TPEs) involved in frauds to Indian Banks Association (IBA) has to be followed. In case of such valuers who are also registered with IBBI, the details of such valuer shall be reported by Head Office to IBBI for an appropriate action including cancellation or suspension of Certificate of Registration of valuer.

Cancellation or Suspension of Certificate of Registration of valuers or Recognition of Registered Valuers Organization by IBBI and Temporary Surrender of Registration Certificate

IBBI may cancel or suspend the registration of a valuer or recognition

of Registered Valuers Organization for violation of the provisions of the Act, any other law allowing him to perform valuation, rules or any condition of registration or recognition, as the case may be in the manner specified by the IBBI.

A complaint may be filed against a valuer registered with IBBI or against Registered Valuer Organization (RVO) before IBBI in person or by post or courier along with a non-refundable fee of Rupees one thousand in favour of the IBBI and the IBBI shall examine the complaint and take such necessary action as it deems fit. Provided that in case of a complaint against a valuer registered with IBBI, who is a partner of a Partnership entity (partnership firm or LLP) or director of the Company, IBBI may refer the complaint to the relevant RVO and the RVO shall handle the complaint in accordance with its bye laws.

CHAPTER 3 - MISCELLANEOUS GUIDELINES

3.1. Distribution of work amongst Empanelled Valuers

The branches/operating units shall assign the task to the empaneled Valuers on rotation basis, to enable equal distribution of work to the empaneled service providers and thereby avoid concentration / monopolistic situation arising out of engaging a few valuers.

3.2. Compliance of Standards and Procedures

All valuers empaneled with the bank shall comply and abide by the standards and procedures laid down in this document and code of conduct specified in this document (Appendix-XII).

3.3. Independence and Objectivity

All valuers empaneled by the bank shall act with independence, integrity and objectivity. They shall undertake all valuation works with an independent mind and shall not come under any influence of anybody. The empaneled valuer shall also not be related to any of the personnel in the bank in the department/division dealing with valuation work directly.

3.4. Obligations of the Bank

This document casts the following obligations on the appointing agencies viz. the Banks /Financial institutions as follows:

All appointments / empanelment of valuers shall be done in accordance with the provisions of this document and its amendments from time to time.

All instructions to the valuer are to be given by the bank in writing.

Supportive documents, wherever possible, shall be provided to the valuer before the valuation work begins. Any other document will have to be procured by the valuer and sufficient time for the same will be provided and cost of procurement of such documents shall be reimbursed by the Bank.

A maximum of 10 days' time shall normally be given to the valuer to carry out the valuation. Maximum time for valuation will be mutually decided by the Valuer and Bank depending upon the nature of the valuation job and circumstances on a case to case basis.

In case of outstation properties or in case of large property valuations, more time shall be given, depending on the circumstances, on a case to case basis.

No security deposits or any other indemnity money shall be taken from the valuers as security for the professional services that they provide.

Payment to be made within 45 days from the date of receipt of final valuation report or receipt of final bill for payment whichever is later.

In case the valuation report submitted by the valuer is not in order, the bank shall bring the same to the notice of the valuer within 15 days of submission for rectification and resubmission. In case no such communication is received, it shall be presumed that the valuation report has been accepted.

All procedures as outlined in this document have to be followed by the bank.

In case of valuations under SARFAESI Act, provisions under the Act have to be followed.

Continuing Education

All valuers shall constantly update their knowledge base by actively participating in various continuing education programs including seminars, conferences, workshops, training programs, capacity building programs, etc

Bank shall maintain a Register of Valuation Work Outsourcing. Work shall be offered to valuers based on their performance. If a valuer does not take up the work for some reason, the same shall be recorded and then allotted to another valuer.

CHAPTER 4 - PROCESS FOR EFFECTIVE ASSET VALUATION AND MONITORING

4.1. Standardization of valuation methodology

Valuation methodologies can be broadly classified into two categories:

1. Market based valuation and approaches
2. Other than market-based valuation

Most professional valuations involve the market value basis. However, circumstances could require bases other than the market value. It is essential that the valuer and the user clearly understand the distinction between these. The processes to standardize asset valuation for market-based valuation and other bases are outlined as under:

4.1.1. Market based valuation of assets

Market value is defined as the estimated amount on the date of valuation for which an asset should be exchanged between a willing buyer and a willing seller. The transaction should be at arms-length and after proper marketing. Each party shall act knowledgeably, prudently and without compulsion.

Estimating market value shall assume the highest and best use of the subject asset. In estimating this use, one needs to analyze other uses – possible, permissible, feasible and finally the highest and best use. The following four conditions need to be met to estimate the highest and best use:

- a) The use must be legal
- b) The use must be probable and not speculative or conjectural
- c) There must be a profitable demand for such use
- d) It must bring the asset the highest net return for the longest period of time.

4.1.1.1. Valuation of land:

To estimate and report the market value of land, the valuer shall:

- a) Set forth the valuation in a clear and non-misleading manner.
- b) Ensure that the estimate is based on appropriate market data. The market comparables considered shall be plots of similar size and use as the land being valued. The valuer shall conduct adequate and relevant research for market comparables and analyze it to draw well informed and supportable judgments.

- c) Apply higher judgment in case of agricultural land to select the comparables. The valuer shall preferably have a graduate degree in agricultural science and/or had been formerly employed as a collector, deputy collector, settlement officer, land valuation officer, superintendent of land records, agricultural officer or registrar under the Registration Act 1908.
- d) Ensure that the estimate is reached using the appropriate, widely accepted methods and techniques.
- e) Provide sufficient information to permit those who read and reply on the report to fully understand its data, reasoning, analyses and conclusions. Comply with the requirements of the standards and reporting.
- f) Define the value being estimated, state the purpose and intended use of the valuation, the effective date of valuation and the date of the report.
- g) Clearly identify and describe the land and ownership rights or interests being valued.
- h) Physically inspect the land and describe the scope and extent of the work undertaken.
- i) State clearly the assumptions and limiting conditions upon which the valuation is based. Do not unquestioningly accept the data collected in an 'as is where is' form but also consider all pertinent market evidence, trends, recent transactions, etc.
- j) Explain completely the valuation basis and approaches applied and the reasons for the applications and conclusions.
- k) Include a signed compliance certificate attesting the valuer objectivity, professional contribution, unbiased opinion, non-contingency of professional fee and other compensation as well as applicability of standards and disclosures.

Valuation of Buildings:

To estimate and report the market value of a building, the valuer shall:

- a) Set forth the valuation in a clear and non-misleading manner.
- b) Ensure that the estimate is based on market derived data. Market valuations are generally based on comparable buildings. The valuer shall conduct adequate and relevant research for market comparables and analyze it to draw well informed and supportable judgements.
- c) Ensure that the estimate is reached using the appropriate, widely accepted methods and techniques.

- d) Provide sufficient information to permit those who read and reply on the report to fully understand its data, reasoning, analyses and conclusions. Comply with the requirements of the standards and reporting.
- e) Define the value being estimated, state the purpose and intended use of the valuation, the effective date of valuation and the date of the report.
- f) Clearly identify and describe the land and ownership rights or interests being valued.
- g) Physically inspect the building, describe the scope and extent of the work undertaken and the extent to which the building was inspected.
- h) State clearly the assumptions and limiting conditions upon which the valuation is based. Do not unquestioningly accept the data collected in an 'as is where is' form but also consider all pertinent market evidence, trends, recent transactions, etc.
- i) Explain completely the valuation basis and approaches applied and the reasons for the applications and conclusions.
- j) Include a signed compliance certificate attesting the valuer objectivity, professional contribution, unbiased opinion, non-contingency of professional fee and other compensation as well as applicability of standards and disclosures.

Valuation of Plant & Machinery

To estimate and report the market value of plant and machinery, the valuer shall:

- a) Set forth the valuation in a clear and non-misleading manner.
- b) Ensure that the estimate is reached using the appropriate, widely accepted methods and techniques.
- c) Provide sufficient information to permit those who read and reply on the report to fully understand its data, reasoning, analyses and conclusions. Comply with the requirements of the standards and reporting.
- d) Define the value being estimated, state the purpose and intended use of the valuation, the effective date of valuation and the date of the report.
- e) Identify clearly and describe the plant and machinery and ownership rights or interests being valued.
- f) Physically inspect the plant and machinery, describe Plant & machinery so inspected, the scope of inspection undertaken and the extent to which the plant was inspected.

- g) State clearly the assumptions and limiting conditions upon which the valuation is based. Do not unquestioningly accept the data collected in an 'as is where is' form but also consider all pertinent market evidence, trends, recent transactions, etc.
- h) Explain completely the valuation basis and approaches applied and the reasons for the applications and conclusions.
- i) Include a signed compliance certificate attesting the valuer objectivity, professional contribution, unbiased opinion, non-contingency of professional fee and other compensation as well as applicability of standards and disclosures.
- j) Additionally, the valuer shall clearly and unambiguously make the following disclosures as applicable:
 - i. Make a proper disclosure where market data is limited or essentially non-existent and state whether the estimate is in any way limited by the inadequacy of data.
 - ii. State clearly whether the market value estimate is based on market evidence or upon the valuer judgement because of the nature of the building and lack of comparable market data.
 - iii. Include specific references on how the land has been viewed in terms of its utility or its highest and best use and a statement of all substantive assumptions.

Any deviation from this standard shall be clearly stated in the valuation report along with the reasons and justification for the same. The special circumstances which warranted deviation from the established norms needs to be adequately explained.

Other than market-based valuation

Valuation on bases other than the market requires valuers to make additional assumptions. These are often more specific than those required to establish market value as they may relate to the circumstances of a particular party. This section defines and discusses other valuation bases which fall into three categories.

- a) **First Category** includes the benefit that an entity enjoys from the ownership of an asset. The value is specific to that entity. Although under some circumstances the same amount could be realized from the sale of the asset, this value essentially reflects the benefits received from the holding of the asset. It, therefore, does not necessarily involve a hypothetical exchange investment value falls in this category.
- b) **Second Category** reflects the price that two specific parties would agree upon to exchange an asset. Although the parties may be

unconnected and negotiate at an arm's length, the asset is not necessarily exposed in the wider market, and the price agreed upon may reflect the specific advantage or disadvantage of ownership to the parties involved rather than market at large. This category includes fair value, special value and synergistic value.

- c) **Third Category** is the value determined in accordance with a definition set out in a statute or a contract.

The definitions of other than market-based valuation:

- a) **Fair value** – The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.
- b) **Investment value** – The value of a property to a particular investor, a class of investors or an entity with specific investment and/or operational objectives/criteria. This value is thus a subjective concept.
- c) **Special value** – An amount above the market value that reflects the particular attributes of an asset that are of value only to a special purchaser.
- d) **Synergistic value** – An additional element of value created by the combination of two or more interests where the value of the combined interest is worth more than the sum of the original interests.

In addition to these standards, the valuer shall ensure the following:

- a) Distinguish clearly and unambiguously that the reported value is not a market value estimate.
- b) Explain fully the valuation basis approaches applied, the reasons for the applications and the conclusions.
- c) Include all data used for valuation and disclose whether the estimate is in any way limited by the inadequacy of data.

Any deviation from this standard shall be clearly stated in the valuation report along with the reasons and justification for the same. The special circumstances which warranted deviation from the established norms needs to be adequately explained.

Resolving differences in valuation by independent valuers:

The standardization of the valuation methodology will empower bank to resolve differences in valuations by different valuers. It will also help bank to understand the methodology in a more systematic manner. In case of differences in valuation, bank shall examine in preferably the same order the following four dimensions which primarily bring about the differences to identify the cause of variation:

Basis of valuation: It is a practice in bank to appoint more than one valuers in respect of valuation of assets having high value e.g. valuation of assets of a borrower which is more than Rs.5 crore. In the case of differences in valuation of assets done by two independent valuers, the average of the two valuations may be taken as the notional valuation of the property. Bank shall also test whether the two reports have used the same basis for valuation or not. In case the bases are different, reports using bases other than market value shall clearly lay out the rationale for doing so. Bank shall examine the justification provided to establish whether the right basis has been used.

Methods/techniques used: Valuers are expected to use methods and techniques that are widely accepted and used. The use of different methods by valuers can lead to variation in their findings. Given the situation, bank shall assess the appropriateness of methods used and thus identify which valuation is more accurate.

Data: Even if the valuation procedure is aligned with respect to basis and methods, variation can result from the use of different data sets. Bank shall examine the date and establish which is more appropriate in terms of similarity with the asset being valued, recency of data, etc.

Underlying assumptions: The difference in value can also be a function of large variation in underlying assumptions (or minor variation in assumptions which have high sensitivity). Following a systematic and structured approach will enable bank to identify the key assumptions behind the variation in value. The bank can then conduct a detailed study of the specific assumptions instead of reporting a full valuation effort.

CHAPTER 5 – REMUNERATION

5.1. Fee Payable to Valuers

The fee structure for valuation of property and plant & machinery shall be as under:

<u>REALIZABLE VALUE OF ASSET*</u>	<u>VALUATION FEE (In Rs.)</u>
Up to ₹ 20 Lacs	₹ 1750/-
Above ₹ 20 Lacs and up to ₹ 50 Lacs	₹ 2500/-
Above ₹ 50 Lacs and up to ₹ 1 crore	₹ 3000/-
Above ₹ 1 crore and up to ₹ 5 crore	₹ 7000/-
Above ₹ 5 crore and up to ₹ 10 crore	₹ 12000/-
Above ₹ 10 crore and upto ₹ 50 crore	₹ 15000/-
Above ₹ 50 crore	₹ 25000/-

*Includes Property/Fixed Assets/Plant and Machinery

Note: For the purpose of calculating the valuation fees also, realizable value shall be considered.

Fee Payment Process

Payment to be made only after satisfactory completion of the assignment and receipt of reports.

In case the valuation report submitted by the valuer is not in order, the Bank shall bring the same to the notice of the valuer within 15 days of submission for rectification and resubmission. In case no such communication is sent, it shall be presumed that the valuation report has been accepted.

In case asset(s) to be valued is outside the Centre, where credit facility is being obtained, in such a scenario, services of a valuer on the Bank's panel at the Centre where asset is situated is to be utilized for valuation of asset(s).

Payment to be made within 45 days from the date of receipt of final valuation report or receipt of final bill for payment whichever is later.

The Entity shall accept the fee and reimbursement of expenses, if any, as per Bank guidelines issued from time to time.

Other Guidelines

The fees are inclusive of out of pocket expenses.

The fee payable to the valuer would be recovered from the borrower.

CHAPTER 6 - REVALUATION OF BANK'S OWN PROPERTIES

6.1. Procedure for Identification of assets for revaluation

6.1.1. The Institute of Chartered Accountants of India (ICAI) in its compendium of statements and standards on accounting has, inter alia, provided under Accounting Standard 10 (2016) that:

“If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued.

The items within a class of property, plant and equipment are revalued simultaneously to avoid selective revaluation of assets and the reporting of amounts in the financial statements that are a mixture of costs and values as at different dates. However, a class of assets may be revalued on a rolling basis provided revaluation of the class of assets is completed within a short period and provided the revaluations are kept up to date.”

6.2. Maintenance of Records for revalued properties

The accounts relating to revalued assets (for revalued portion) as well as depreciation on revaluation will continue to be maintained and accounted for in Head office at ESTATE Section as hitherto. Similarly, Revaluation Reserve a/c covering said revalued portion will continue to be maintained at Account Section at HO.

However, the amount of depreciation charged periodically on closing of accounts shall simultaneously be conveyed to the Account Section by ESTATE Section for reversing the same to the debit of Revaluation Reserve a/c.

6.3. Frequency of Revaluation

ICAI in its AS-10 (2016) inter-alia prescribes as under:

“The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.”

Bank has decided to revalue all its land & buildings once in every 3 years and in order to maintain the uniformity of valuation dates.

6.4. Depreciation

ICAI in its AS-10 (2016) inter-alia prescribes as placed below

“The amount of the adjustment of accumulated depreciation forms part of the increase or decrease in carrying amount that is accounted for as under:

- a) *An increase in the carrying amount of an asset arising on revaluation should be credited directly to owners’ interests under the heading of revaluation surplus. However, the increase should be recognized in the statement of profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit and loss.*
- b) *A decrease in the carrying amount of an asset arising on revaluation should be charged to the statement of profit and loss. However, the decrease should be debited directly to owners’ interests under the heading of revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.”*

6.5. Sale/ Disposal of revalued assets

ICAI in its AS-10 (2016) inter-alia prescribes as placed hereunder:

“The revaluation surplus included in owners’ interests in respect of an item of property, plant and equipment may be transferred to the revenue reserves when the asset is derecognized. This may involve transferring the whole of the surplus when the asset is retired or disposed of. However, some of the surplus may be transferred as the asset is used by an enterprise. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on its original cost. Transfers from revaluation surplus to the revenue reserves are not made through the statement of profit and loss.”

6.6. Impairment of Assets (Accounting Standard 28)

According to AS 28, an asset is considered to be impaired if it is carried at more than its recoverable amount i.e. book value exceeds the amount recoverable through use or sale of the assets. AS 28, inter alia, prescribes as under for revalued assets:

Credit Department

An impairment loss should be recognized as an expense in the statement of profit and loss immediately, unless the asset is carried at revalued amount in accordance with another Accounting Standard (Accounting Standard (AS) 10, Accounting for Fixed Assets), in which case any impairment loss of a revalued asset should be treated as a revaluation decrease under that Accounting Standard.

An impairment loss on a revalued asset is recognized as an expense in the statement of profit and loss. However, an impairment loss on a revalued asset is recognized directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

6.7. Disclosure

The required disclosures in compliance of ICAI guidelines issued from time to time in this regard shall be followed by the Bank.

6.8. Reference for Detailed Guidelines

For detailed guidelines in this regard, refer the following guidelines:
RBI/2008-2009/490 RPCD.CO.RF.BC.No. 112 /07.37.02/2008-09

CHAPTER 7 - VALIDITY AND REVIEW OF GUIDELINES

The Operational Guidelines on Valuation of Assets shall be reviewed if required. The guidelines shall remain effective till further review.

Appendix-I: FORMAT OF VALUATION REPORT FOR ALL IMMOVABLE PROPERTIES

S.No.	Particulars	Content
I.	Introduction	
1.	Name of Valuer	
2.	Date of inspection	
	Title Deed Number and Date	
	Date of Valuation	
3.	Purpose of Valuation	
4.	Name of Property Owner/s (Details of share of each owner in case of joint & Co-ownership)	
5.	Name of Bank/FI as applicable	
6.	Name of Developer of the Property (in case of developer built properties)	
7.	Whether occupied by the owner / tenant? If occupied by tenant, since how long?	
II.	Physical Characteristics of the Asset	
1.	Location of the property in the city Plot No. / Survey No. Door No. T. S. No. / Village Ward / Taluka Mandal / District	
2.	Municipal Ward No.	
3.	City / Town	
	Residential Area/ Commercial Area/ Industrial Area	
4.	Classification of the area: High / Middle / Poor Metro / Urban / Semi Urban / Rural	
5.	Coming under Corporation limit/ Village Panchayat/ Municipality	
6.	Postal address of the property	
7.	Latitude, Longitude and Coordinates of the site	
8.	Area of the plot/land (supported by a plan)	
9.	Layout plan of the area in which the property is located	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

10.	Development of surrounding areas		
11.	Details of Roads abutting the property		
12.	Whether covered under any State / Central Govt. enactments (e.g. Urban Land Ceiling Act) or notified under agency area / scheduled area / cantonment area		
13.	In case it is an agricultural land, any conversion to house site plots is contemplated		
14.	Boundaries of the property	A	B
		As per deed	Actuals
	North		
	South		
	East		
	West		
	Extent of the site considered for valuation (least of 14 A & 14 B)		
15.	Description of Adjoining properties		
	North		
	South		
	East		
	West		
16.	Survey no. if any		
17	Type of Building (Residential/ Commercial/ Industrial)		
18.	Details of the building/buildings and other improvements in terms of area, height, no. of floors, plinth area floor wise, year of construction, year of making alterations/additional constructions with details, full details of specifications to be appended along with building plans and elevations		
19.	Plinth area, Carpet area and Saleable area to be mentioned separately and clarified		
20.	Any other aspect		
III.	Town Planning Parameters		
1.	Master plan provisions related to the property in terms of land use		

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

2.	Date of issue and validity of layout of approved map / plan	
3.	Approved map / plan issuing authority	
4.	Whether genuineness or authenticity of approved map / plan is verified	
5.	Any other comments by our empaneled valuers on authenticity of approved plan	
6.	Planning area/zone	
7.	Development controls	
8.	Zoning regulations	
9.	FAR/FSI permitted and consumed	
10.	Ground coverage	
11.	Transferability of development rights if any, Building bye-law provisions as applicable to the property viz. setbacks, height restrictions, etc.	
12.	Comment on surrounding land uses and adjoining properties in terms of usage.	
13.	Comment on unauthorized constructions if any	
14.	Comment on demolition proceedings if any	
15.	Comment on compounding/ regularization proceedings	
16.	Comment on whether OC has been issued or not	
17.	Any other aspect	
IV.	Legal Aspects	
1.	Ownership documents,	
2.	Names of Owner/s (In case of Joint or Co-ownership, whether the shares are undivided or not?)	
3.	Comment on dispute/issues of landlord with tenant/statutory body/any other agencies, if any in regard to immovable property.	
4.	Comment on whether the IP is independently accessible?	
5.	Title verification,	
6.	Details of leases if any,	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

7.	Ordinary status of freehold or leasehold including restriction on transfer,	
8.	Agreements of easements if any,	
9.	Notification for acquisition if any,	
10.	Notification for road widening if any,	
11.	Possibility of frequent flooding / sub-merging	
12.	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)	
13.	Heritage restrictions if any, All legal documents, receipts related to electricity, water tax, property tax and any other building taxes to be verified and copies as applicable to be enclosed with the report.	
14.	Comment on transferability of the property ownership,	
15.	Comment on existing mortgages/ charges/encumbrances on the property if any	
16.	Comment on whether the owners of the property have issued any guarantee (personal/corporate) as the case may be	
17.	Building plan sanction, illegal constructions if any done without plan sanction/violations.	
18.	Any other aspect	
V	Economic aspects	
1.	Details of ground rent payable,	
2.	Details of monthly rents being received if any,	
3.	Taxes and other outgoings,	
4.	Property insurance,	
5.	Monthly maintenance charges,	
6.	Security charges, etc.	
7.	Any other aspect	
VI	Socio-cultural aspects	
1.	Description of the location of property in terms of the social structure of the area, population, social stratification, regional origin, age groups, economic	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

	levels, location of slums / squatter settlements nearby, etc.	
VII	Functional and Utilitarian Aspects	
	Description of the functionality and utility of the assets in terms of: 1. Space allocation, 2. Storage spaces, 3. Utility of spaces provided within the building, 4. Any other aspect	
VIII	Infrastructure Availability	
	a) Description of aqua infrastructure availability in terms of 1. Water supply 2. Sewerage/sanitation 3. Storm water drainage b) Description of other physical infrastructure facilities viz. 1. Solid waste management 2. Electricity 3. Roads & Public transportation connectivity 4. Availability of other public utilities nearby c) Social infrastructure in terms of 1. Schools 2. Medical facilities 3. Recreation facilities in terms of parks and open spaces.	
IX	Marketability	
	Analysis of the market for the property in terms of 1. Locational attributes 2. Scarcity 3. Demand and supply of the kind of subject property. 4. Comparable sale prices in the locality.	
X	Engineering and Technology Aspects	
1.	Type of construction,	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

2.	Materials and technology used,	
3.	Specifications,	
4.	Maintenance issues	
5.	Age of the building	
6.	Total life of the building,	
7.	Extent of deterioration,	
8.	Structural safety	
9.	Protection against natural disasters viz. earthquakes,	
10.	Visible damage in the building if any,	
11.	Common facilities viz. lift, water pump, lights, security systems, etc.,	
12.	System of air-conditioning,	
13.	Provision for firefighting, Copies of plans and elevations of the building to be included.	
XI	Environmental Factors	
1.	Use of environment friendly building materials, Green building techniques if any,	
2.	Provision for rain water harvesting,	
3.	Use of solar heating and lighting systems, etc. Presence of environmental pollution in the vicinity of the property in terms of industries, heavy traffic, etc.	
XII	Architectural and aesthetic quality	
1.	Descriptive account on whether the building is modern, old fashioned, etc., plain looking or with decorative elements, heritage value if applicable, presence of landscape elements, etc.	
XIII	In case of valuation of industrial property	
	1) Proximity to residential areas 2) Availability of public transport facilities	
XIV	Valuation	
1.	Here, the procedure adopted for arriving at the valuation has to be highlighted. The valuer should consider all the three generic approaches of property valuation and state explicitly the reasons for adoption of / rejection of a particular approach and the basis on which the final valuation judgement is arrived at.	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

	A detailed analysis and descriptive account of the approaches, assumptions made, basis adopted, supporting data (in terms of comparable sales), reconciliation of various factors, departures, final valuation arrived at has to be presented here.	
--	---	--

As a result of my appraisal and analysis, it is my considered opinion that the present market value of the above property in prevailing condition with aforesaid specifications is Rs. _____ (Rupees _____ only). (Prevailing market rate along with details /reference of atleast two latest deals/transactions with respect to adjacent properties in the areas. The reference should be of properties/plots of similar size/area and same use as the land being valued). The other details are as under:

- i. Date of purchase of immovable property:
- ii. Purchase Price of immovable property:
- iii. Book value of immovable property:
- iv. Realizable Value of immovable property:
- v. Distress Sale Value of immovable property:
- vi. Guideline Value (value as per Circle Rates), if applicable, in the area where Immovable property is situated.
- vii. Value of property of similar nature in the same locality drawn from any one of the popular property websites such as Magic bricks, 99 Acres, Housing NHB Residex, etc.

Place:

Date:

Signature
(Name and Official seal of
the Approved Valuer)

Encl:

1. Declaration from the valuer
2. Model code of conduct for valuer
3. Photograph of owner with the property in the background
4. Screen shot (in hard copy) of Global Positioning System (GPS)/Various Applications (Apps)/Internet sites (eg. Google earth)/, etc
5. Layout plan of the area in which the property is located
6. Building plan
7. Floor plan
8. Any other relevant documents/extracts

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Appendix-II

Appendix II: FORMAT OF VALUATION REPORT IN RESPECT OF FLATS

S.No.	Particulars		Content
I.	GENERAL		
1.	Name & address of the Valuer		
2.	Purpose for which the valuation is made		
3.	a) Date of inspection		
	b) Title Deed Number and Date		
	c) Date on which the valuation is made		
4.	List of documents produced for perusal		
	i)		
	ii)		
	iii)		
5.	Name of the owner(s) and his / their address (es) with Phone no. (details of share of each owner in case of joint ownership)		
6.	Brief description of the property		
7.	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		YES / NO
	i) Any other comments on authentic of approved plan		
	j) Comment on unauthorized construction if any		
	k) Comment on demolition proceedings if any		
8.	Postal address of the property		
9.	City / Town		
	Residential Area		
	Commercial Area		

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

S.No.	Particulars	Content	
	Industrial Area		
10	Classification of the area		
	i) High / Middle / Poor		
	ii) Urban / Semi Urban / Rural		
11.	Comment on whether the society where the flats are located is freely accessible?		
12.	Coming under Corporation limit / Village Panchayat / Municipality		
13.	Whether covered under any State / Central Govt. enactments (e.g. Urban Land Ceiling Act) or notified under agency area / scheduled area / cantonment area		
14.	Boundaries of the property		
	North		
	South		
	East		
	West		
15.	Dimensions of the site / flat	A	B
		As per the Deed	Actuals
	North		
	South		
	East		
	West		
16.	Extent of the site		
16.1	Latitude, Longitude & Co-ordinates of flat		
17	Extent of the site considered for valuation (least of 13 A & 13 B)		
18	Whether occupied by the owner / tenant? If occupied by tenant, since how long?		

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

II.	APARTMENT BUILDING	
1.	Name of the Apartment	
2.	Description of the locality Residential / Commercial / Mixed	
3.	Year of Construction	
4.	Number of Floors	
5.	Type of Structure	
6.	No of dwelling in the building	
7.	Quality of Construction	
8.	Appearance of the Building	
9.	Maintenance of the Building	
10.	Facilities Available	
11.	Lift	
12.	Protected Water Supply	
13.	Underground Sewerage	
14.	Car Parking - Open/ Covered	
15.	Is Compound wall existing?	
16.	Is pavement laid around the building	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

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	Rs.
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 Sale Deed?	
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?	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

IV	MARKETABILITY		
1	How is the marketability?		
2	What are the factors favouring 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 atleast 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)		
VI	COMPOSITE RATE ADOPTED AFTER DEPRECIATION		
1	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.
2	Total composite rate arrived for valuation		
		Depreciated building rate VI (a)	Rs.
		Rate for Land & other V (3)ii	Rs.
		Total Composite Rate	Rs.

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Details of Valuation:

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

(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) saleability ii) likely rental value in future and iii) any likely income it may generate may be discussed).

As a result of my appraisal and analysis, it is my considered opinion that the present market value of the above property in prevailing condition with aforesaid specifications is Rs. _____ (Rupees _____ only). (Prevailing market rate along with details /reference of atleast two latest deals/transactions with respect to adjacent properties in the areas. The reference should be of properties/plots of similar size/area and same use as the land being valued). The other details are as under:

- i. Date of purchase of immovable property:
- ii. Purchase Price of immovable property:
- iii. Book value of immovable property:
- iv. Realizable Value of immovable property:
- v. Distress Sale Value of immovable property:
- vi. Guideline Value (value as per Circle Rates), if applicable, in the area where Immovable property is situated.
- vii. Value of property of similar nature in the same locality drawn from any one of the popular property websites such as Magic bricks, 99 Acres, Housing NHB Residex, etc

Place:

Date:

Signature
(Name and Official seal of the
Approved Valuer)

Encl:

1. Declaration from the valuer
2. Model code of conduct for valuer

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

3. Photograph of owner with the property in the background
4. Screen shot (in hard copy) of Global Positioning System (GPS)/Various Applications (Apps)/Internet sites (eg Google earth)/, etc
5. Layout plan of the area in which the property is located
6. Building plan
7. Floor plan
8. Any other relevant documents/extracts

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Appendix-III

Appendix III: VALUATION REPORT (IN RESPECT OF AGRICULTURAL LANDS)

(To be filled in by the Approved Valuer)

(Name & address of Valuer)

NAME OF THE BANK BRANCH: ___

GENERAL		
Purpose for which the valuation is made		
a)	Date of inspection	:
b)	Number and Date of ownership document (Pawti)	:
c)	Date on which the valuation is made	:
List of documents produced for perusal		
i)		:
ii)		:
Name of the owner(s) and his / their address (es) with Phone no. (details of share of each owner in case of joint ownership)		:
Brief description of the property		:
Location of property		
a)	Plot No. / Survey No.	:
b)	Door No.	:
c)	T. S. No. / Village	:
d)	Ward / Taluka	:
e)	Mandal / District	:
Postal address of the property		
Coming under Corporation limit / Village Panchayat / Municipality		:
Whether covered under any State / Central Govt. enactments (e.g. Urban Land Ceiling Act) or notified under agency area / scheduled area / cantonment area		:

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

10.	Is any conversion to house site plots contemplated?	:	
11.	Boundaries of the property	:	
	North	:	
	South	:	
	East	:	
	West	:	
12.	Dimensions of the site	:	A
			B
			As per the Deed
	North	:	
	South	:	
	East	:	
	West	:	
13	Extent of the site	:	
13.a	Latitude, Longitude and Coordinates of the site	:	
14	Extent of the site considered for valuation (least of 12 A & 12 B)	:	
15	Whether occupied by the owner / lessee? If cultivated by lessee, since how long and type of tenancy agreement?	:	
16	Income received (per year)	:	Rs.
II.	CHARACTERISTICS OF THE SITE	:	
1.	Whether the land under consideration is suitable for cultivation	:	
2.	Irrigation facilities – canal / well / bore / rain-fed	:	
3.	Possibility of frequent flooding / submerging	:	
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 land	:	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

11.	Whether the land is situated on a Main / National Highway Road? If not, distance from 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 service purposes, road widening or applicability of CRZ provisions, etc. (Distance from sea-coast / tidal level must be incorporated)	:	
17.	Comment on dispute/issues of landlord with tenant/statutory body/any other agencies, if any in regard to immovable property		
18.	Comment on whether the IP is independently accessible?		

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

III. VALUATION OF AGRICULTURAL LAND			
1.	Size of land	:	
	North & South	:	
	East & West	:	
2.	Total extent of the land	:	
3.	Prevailing market rate (per acre) (Along with details /reference of atleast two latest deals/transactions with respect to adjacent properties in the areas)	:	Rs.
4.	Guideline rate obtained from the Registrar's Office / Mandal Revenue office (an evidence thereof to be enclosed)	:	
5.	Assessed / adopted rate of valuation	:	Rs.
6.	Estimated value of land	:	Rs.
(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 and iii) any likely income it may generate may be discussed).			

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

As a result of my appraisal and analysis, it is my considered opinion that the present market value of the above property in prevailing condition with aforesaid specifications is Rs. _____ (Rupees _____ only). (Prevailing market rate along with details /reference of atleast two latest deals/transactions with respect to adjacent properties in the areas. The reference should be of properties/plots of similar size/area and same use as the land being valued). The other details are as under:

- i. Date of purchase of immovable property:
- ii. Purchase Price of immovable property:
- iii. Book value of immovable property:
- iv. Realizable Value of immovable property:
- v. Distress Sale Value of immovable property:
- vi. Guideline Value (value as per Circle Rates), if applicable, in the area where Immovable property is situated.
- vii. Value of property of similar nature in the same locality drawn from any one of the popular property websites such as Magic bricks, 99 Acres, Housing NHB Residex, etc

Signature

(Name and Official Seal of
the Approved Valuer)

Place:

Date:

Encl:

1. Declaration from the valuer
2. Model code of conduct for valuer
3. Photograph of owner with the property in the background
4. Screen shot (in hard copy) of Global Positioning System (GPS)/Various Applications (Apps)/Internet sites (eg Google earth)/, etc

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Appendix-IV

Appendix IV: PROFORMA FOR VALUATION REPORT IN RESPECT OF PLANT & MACHINERY

Name of Registered Valuer:

Registration No.:

(With State Commissioner of Income Tax)

S.No.	Particulars	Content
1.	Date of making valuation	
2.	Purpose for which valuation is made	
3.	a) Name of the owner(s) of the plant & machinery	
	b) If the asset is under joint ownership/co-ownership, share of each owner	
4.	Location of factory/ works/ premises	
5.	Date of visit/inspection	
	Extent to which plant was inspected	
6.	Description of the plant & machinery (Separate for each major P&M)	
	Name of the manufacturing company	
	Year of making/fabrication	
	Model no./Sr.No./identification mark of machine	
	Date of purchase	
	Name of the Vendor/Supplier	
	Original price	
	Country of origin	
	Import duties at the time of purchase	
	Import duties on the date of valuation	
	Exchange rate at the time of purchase	
	Exchange rate as on the date of valuation	
	Price to the owner where he is not the first owner	
	Cost of similar new plant & machinery	
	Detailed list of machinery specifying major sections, their components and makes, etc.	
Rated capacity/speed of machinery by the original manufacturer		

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

	What generation of technology is involved in the machinery inspected?	
	Whether inspection carried out to see the machinery in operation?	
	Whether dry run of the machinery or another tests were carried out to ascertain its condition?	
	Date since when the machinery is not in Operation/steps taken to keep the machinery in good condition (to protect it from corrosion)	
	General condition of the machinery	
	Details of refurbishing/reconditioning required to be carried out to make the machinery operational	
	Estimated cost of refurbishing/reconditioning	
	Estimated residual life of the refurbishing	
	Estimated life of new machinery	
	Book value of the machinery	
	Depreciation rate	
	<p>Value of the machinery</p> <p>The valuer should give in detail his approach to valuation of the plant & machinery and indicate how the value has been arrived at such as historical cost basis valuation method, market price or any other method applied (with full details of methodology employed).</p> <p>-Whether market data is limited or essentially non-existent and state whether the estimate is in any way limited by the inadequacy of data.</p> <p>-State clearly whether the market value estimate is based on market evidence of similar new machinery or upon the valuer judgement because of the nature of the building and lack of comparable market data.</p> <p>-Any departure from the standard and the reasons & justification for the same. The special circumstances which warranted departure from the established norms</p> <p>-Valuation should be supported by necessary calculations including giving effect to technological attrition.</p>	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

7.	Realisable Value at distress sale of the plant & machinery	
8.	Any other relevant information, if any.	

NOTE: All questions to be answered by the Registered Valuer, if any, particular question does not apply to the property under valuation. He may indicate so. If the space provided is not sufficient, details may be attached on a separate sheet.

Place:

Date:

Signature
(Name and Official seal of the
Approved Valuer/Engineer)

Encl:

1. Declaration from the valuer
2. Model code of conduct for valuer
3. Photograph of owner/representative with machines

Appendix-V

Appendix V: DECLARATION FROM VALUERS

I hereby declare that-

- a. 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.
- b. I have no direct or indirect interest in the property valued;
- c. I have personally inspected the property on ----- The work is not sub-contracted to any other valuer and carried out by myself.
- d. I have not been convicted of any offence and sentenced to a term of Imprisonment;
- e. I have not been found guilty of misconduct in my professional capacity.
- f. I have read the Handbook on Policy, Standards and procedure for Real Estate Valuation by Banks and HFIs in India, 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.
- g. 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.
- h. 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. I am registered under Section 34 AB of the Wealth Tax Act, 1957.
- j. I am the proprietor / partner / authorized official of the firm / company, who is competent to sign this valuation report.
- k. Further, I hereby provide the following information.

SL No.	Particulars	Valuer comment
1	background information of the asset being valued;	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

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.	

Date:

Place:

Signature

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

Appendix VI: MODEL CODE OF CONDUCT FOR VALUERS
{Adopted in line with Companies (Registered Valuers and Valuation Rules, 2017)}

All valuers empaneled 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 endeavor 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 disrepute to 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 authorised by the authority, the registered valuers organisation 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 organisation 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.

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.

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

Date: Place:

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

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Appendix-VII

Appendix VII: Format of undertaking to be submitted by the Valuer 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 have read the Handbook on Policy, Standards and procedure for Real Estate Valuation, 2011 of the IBA and fulfil all the conditions of criteria for Empanelment as listed therein.
- 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 record and I have made a complete and full disclosure.
- I have not been found guilty of misconduct in professional capacity. In case I am found guilty of misconduct/adoption of unethical practices/submission of under or overvalued valuation reports, in professional capacity, in The Bihar State Co-Operative Bank LTD. OR in some other Bank/Institution and brought to the notice of The Bihar State Co-Operative Bank LTD., by IBA/Central Bureau of Investigation (CBI)/ Reserve Bank of India (RBI)/Any other Govt. Agency/Body, my empanelment will stand cancelled with The Bihar State Co-Operative Bank LTD., without referring to Grievances Redressal System of the Bank. THE BIHAR STATE CO-OPERATIVE BANK LTD. will be free to report to the IBA, Institute of Valuers, etc. about the misconduct/adoption of unethical practices and may take appropriate legal action for deficiency in services.

Dated:

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Signature.....

....

Name.....

...

Address.....

.....

.....

.....

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Appendix-VIII

Appendix VIII: Application for Empanelment of Valuer with Bank

To

Date: _____

Dear Madam/Sir,

I am a Valuer of immovable properties (land and building/ plant and machinery/) and desire to apply to your organization for empanelment. My particulars are given below:

Name: _____ Sex _____

Date of Birth: _____ Age _____

Address: _____

Tel. Nos. (Landline) _____ Mobile _____

Email: _____ Fax _____

Educational / Professional Qualifications

S. No.	University/Institute/Examining Body	Qualification	Date of Award

Number of years of experience in the field of valuation _____

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

(Attach evidence in the form of reference letters/copies of valuation reports/any other evidence)

Name and address of previous employers (if applicable) _____

Details of previous empanelment, if any with dates/duration _____

Membership of Professional Valuer Association (Name and membership number)

Registration with CBDT under Wealth Tax Act (Regd. No. and date): _____

Permanent Account Number (PAN) of Income Tax Department: _____

References: 1) _____

2) _____

3) _____

- If the firm is a partnership concern - Name of partners and a brief profile with their qualifications and Experience
- Registration Number as allotted by ICAI / other professional bodies
- GST No. if applicable
- Details of Major assignments handled so far (Furnish nature of Assignment, Nature of Assets and Amount)
- Whether any allied firms/partners are already empaneled 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.
- Any additional information may be assimilated in the said format.

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 _____

Appendix IX: AGREEMENT WITH THE VALUERS ON THE APPROVED PANEL OF THE BANK

This Agreement made at _____ on this _____ day of _____ 20 ____
_____ between * _____ r/o

_____ (hereinafter called the 'Valuer') of the One Part and The Bihar State Co-Operative Bank LTD. a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 having its Head Office at Ashok Rajpath ,Patna 800004 and amongst other a branch office at _____ (hereinafter called the 'bank' which term shall unless repugnant to context include its successors and assigns) of the Other Part.

(* Describe Name, Parentage address of Valuer)

Whereas on the request of the Valuer, bank has **appointed/empaneled** Valuer to assess the valuation of property/plant & machinery/securities as may be requisitioned by the bank from time to time.

Whereas the valuer has agreed to render his services inter alia, on the terms and conditions mentioned hereunder.

NOW THIS AGREEMENT WITNESSETH AS UNDER:

1. The valuer agrees to value the property/plant & machinery/securities as per requisition made by bank from time to time and accept fees as prescribed/decided by bank.
2. That the valuer will not assess the property/plant & machinery/securities in which he/she is having direct or indirect interest in such assets being valued.
3. That the valuer shall maintain secrecy of the bank's clients and their properties.
4. That the valuer will personally inspect the property/plant & machinery/securities in connection with the valuation of the same.
5. Empanelment does not carry assured engagement of valuer. It is open to the bank to engage the services of the valuer.
6. That in case services of valuer are not found satisfactory and their valuation reports are unworthy of being acted upon, the bank may delist/de-panel his name from the approved panel of the bank.

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

7. The valuer agrees and hereby gives his consent to exchange information with other banks, financial institutions, NBFCs directly or through the medium of RBI, IBA or any other institution or association about particulars (name, address and other details of valuer including clause for delisting/ de-panelling on account of incorrect information or valuation submitted by the valuer.
8. If for any reason whatsoever the bank may not maintain any panel or discontinue the panel and in such event the valuer shall have no grievances against bank and the bank shall not be liable in any manner whatsoever.
9. That the bank reserves the right to take appropriate legal action including filing/lodging complaint to the professional body, if there is any misconduct on the part of the valuer or information/valuation submitted by valuer to the bank is incorrect or false. This shall be without prejudice to bank's right to delist/depanel the valuer from its panel.
10. That in case constitution of a panel valuer undergoes any change, the same shall be informed to the Bank immediately.
11. I have not been found guilty of misconduct in professional capacity. In case I am found guilty of misconduct/adoption of unethical practices/submission of under or over valued valuation reports, in professional capacity, in The Bihar State Co-Operative Bank LTD. OR in some other Bank/Institution and brought to the notice of The Bihar State Co-Operative Bank LTD., by IBA/Central Bureau of Investigation (CBI)/ Reserve Bank of India (RBI)/Any other Govt. Agency/Body, my empanelment will stand cancelled with The Bihar State Co-Operative Bank LTD., without referring to Grievances Redressal System of the Bank. THE BIHAR STATE CO-OPERATIVE BANK LTD. will be free to report to the IBA, Institute of Valuers, etc. about the misconduct/adoption of unethical practices and may take appropriate legal action for deficiency in services.

In witness whereof, the parties hereto have set their hand on the day month and year here in above mentioned.

Valuer

For The Bihar State Co-
Operative Bank LTD.

Authorized Signatory

Appendix X: TERMS OF ENGAGEMENT FOR EMPANELMENT OF VALUERS

Empaneled valuers shall be engaged by the bank on the following terms:

- Commencement of work – the valuer shall commence the valuation work after a letter of appointment is issued to the valuer by the bank.
- Duties of the valuer – the valuer shall perform his duties as described in the Handbook on Policy, Standards and procedure for Real Estate Valuation by Banks and HFIs in India, 2011 of the IBA.
- Assistance by Bank officials – the valuer shall be provided support as described in the above Handbook.
- Confidentiality and Non-Disclosure- the valuer shall maintain confidentiality of the work being undertaken and shall not disclose information to any other person other than the person who has issued the appointment letter to the valuer.
- The valuer shall ensure that the employees of his organization also follow the policy of the confidentiality and non-disclosure.
- The valuer shall complete the assignment within the stipulated time period as agreed to in the appointment letter. In case the valuer takes up the assignment but does not deliver the valuation report in a reasonable time even after three reminders, the bank shall take necessary steps to recommend the case for adjudication by the conflict resolution committee and in the meanwhile, appoint another valuer to undertake the assignment.
- In case the valuer takes up the assignment but is not in a position to deliver due to any genuine reason, hardship or contingency, the valuer shall inform the bank of the same and some extension of the time may be given to the valuer to complete the assignment.
- The valuer shall not –contract the work to any other valuer but valuer shall carry out the work himself.
- All communications between the bank and the valuer shall be in writing/e-mail.
- Any disagreement/dispute which cannot be resolved amicably between the bank and the valuer shall be referred to the conflict resolution committee of the bank. Such a referral can be made either by the Bank or the valuer.

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Valuer

For The Bihar State Co-Operative Bank LTD.

Authorized Signatory

Appendix XI: LETTER OF INDEMNITY BY ENGINEERS / VALUERS

To,

Name of the Bank,

_____.

Dear Sirs,

In consideration of Name of the Bank (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 of indemnity.

Whereas by the letter of empanelment dated _____, the bank has empaneled 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 declare that I/We have not been blacklisted/disqualified as per Section 34AB of Wealth Tax Act and would keep the Bank informed about disqualifications, if any. I have not suppressed any material facts from the Bank.

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. **We further agree that amount demanded by the Bank shall be conclusive against us.**

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

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 commit 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.

Place:

Date:

Yours Faithfully,

Signature

(Name and Official Seal of the Approved Valuer)

Appendix XII: Code of Conduct

All valuers empaneled with the bank shall strictly adhere to this 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

Appendix XIII: STANDARD OPERATING PROCEDURE FOR ASSESSMENT OF VALUE OF AGRICULTURAL LAND BEING OFFERED AS SECURITY IN AGRICULTURAL LOANS UPTO Rs. 2.00 CRORES

1. The appraising officer shall refer to the site of revenue authorities of the state for getting circle rates of agricultural lands in the particular area, where the proposed agricultural land falls. The circle rates so obtained shall be rates per Hectare/Acre. The web URL accessed for deriving the Circle Rates should invariably be mentioned in the proforma for assessment placed at Appendix XIV.
2. In case the circle rates are not available on site, a copy of the same may be obtained from the revenue office in the district.
3. A print of the published circle rates shall be taken, attested by the branch incumbent and kept for record in file.
4. Based on the circle rates the appraising official will make an assessment of the land separately as per the proforma attached at Appendix XIV.
5. The said assessment shall become a part of appraisal of the loan.
6. This assessment shall be signed by the appraising officer and the sanctioning authority thereby complying with the maker checker concept for assessment of loans.

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Appendix-XIV

**THE BIHAR STATE CO-
OPERATIVE BANK LTD.**

BO: _____

Date:

**Appendix XIV: ASSESSMENT OF VALUE OF AGRICULTURAL LAND
PROPOSED TO BE OFFERED AS SECURITY IN AGRICULTURAL LOANS UPTO
Rs. 2.00 CRORES**

1. Name of the Borrower:
2. Type of Facility applied for:
3. Amount of Loan applied for:
4. Area of Land proposed to be offered as security (in hectares/Acre):
5. Circle Rate per Hectare/Acre (as published on the site of revenue authorities):
6. Web URL referred to:
7. Total Value assessed for the land:
(Area of Land*Circle Rate)

Appraising Official

Sanctioning Authority

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

APPENDIX- XV

Appendix XV: PROFORMA TO BE SUBMITTED BY THE VISITING OFFICIAL ON PERUSAL OF VALUATION REPORT AND LEGAL OPINION

S.NO.	PARTICULARS	REPLY
1	Whether valuation report submitted by the valuer is as per Bank prescribed format?	Yes/No
2	Whether all required information as sought by Bank has been filled by the valuer?	Yes/No
3	Date of valuation Report	
4	Name of Valuer	
5	Date of Visit by Bank official	
6	Name of the Owner(s) of the Property as given in the valuation report & Search report (Legal Opinion) verified and tallied during the visit.	Yes/No
7	Brief description of the property i.e. of location, street, ward No., Flat/Plot No, City/Town as given in the valuation report & Search report (Legal Opinion) verified and tallied during the visit.	Yes/No
8	Whether the IP is independently accessible?	Yes/No
9	Whether assessment of value of property of similar nature in the same locality drawn from any one of the popular property websites such as Magic bricks, 99 Acres, Housing NHB Residex, etc., have been provided by the valuer.	Yes/No

Signature of Visiting Official 1:	
Details of Visiting official	Name: Designation: PF No.:
Signature of Visiting Official 2:	
Details of Visiting official	Name: Designation: PF No.:
Signature of Visiting Official 3:	
Details of Visiting official	Name: Designation: PF No.:

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Appendix XVI

Appendix XVI Valuer's Visit Report of Immovable Property to be obtained where valuation is reckoned on the basis of purchase price as per sale deed

S.No.	Particulars	Content
I.	Introduction	
1.	Name of Valuer	
2.	Date of inspection/ Visit	
	Title Deed Number and Date	
3.	Purpose of Visit	
4.	Name of Property Owner/s (Details of share of each owner in case of joint & Co-ownership)	
5.	Name of Bank/FI as applicable	
6.	Name of Developer of the Property (in case of developer built properties)	
7.	Whether occupied by the owner / tenant? If occupied by tenant, since how long?	
II.	Physical Characteristics of the Asset	
1.	Location of the property in the city Plot No. / Survey No. Door No. T. S. No. / Village Ward / Taluka Mandal / District	
2.	Municipal Ward No.	
3.	City / Town	
	Residential Area/ Commercial Area/ Industrial Area	
4.	Classification of the area: High / Middle / Poor Metro / Urban / Semi Urban / Rural	
5.	Coming under Corporation limit/ Village Panchayat/ Municipality	
6.	Postal address of the property	
7.	Latitude, Longitude and Coordinates of the site	
8.	Area of the plot/land (supported by a plan)	
9.	Layout plan of the area in which the property is located	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

S.No.	Particulars	Content	
10.	Development of surrounding areas		
11.	Details of Roads abutting the property		
12.	Whether covered under any State / Central Govt. enactments (e.g. Urban Land Ceiling Act) or notified under agency area / scheduled area / cantonment area		
13.	In case it is an agricultural land, any conversion to house site plots is contemplated		
14.	Boundaries of the property	A	B
		As per deed	Actuals
	North		
	South		
	East		
	West		
	Extent of the site considered for visit (least of 14 A & 14 B)		
15.	Description of Adjoining properties		
	North		
	South		
	East		
	West		
16.	Survey no. if any		
17.	Type of Building (Residential/ Commercial/ Industrial)		
18.	Details of the building/buildings and other improvements in terms of area, height, no. of floors, plinth area floor wise, year of construction, year of making alterations/additional constructions with details, full details of specifications to be appended along with building plans and elevations		
19.	Plinth area, Carpet area and Saleable area to be mentioned separately and clarified		
20.	Any other aspect		
III.	Town Planning Parameters		
1.	Master plan provisions related to the property in terms of land use		

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

S.No.	Particulars	Content
2.	Date of issue and validity of layout of approved map / plan	
3.	Approved map / plan issuing authority	
4.	Whether genuineness or authenticity of approved map / plan is verified	
5.	Any other comments by our empaneled valuers on authenticity of approved plan	
6.	Planning area/zone	
7.	Development controls	
8.	Zoning regulations	
9.	FAR/FSI permitted and consumed	
10.	Ground coverage	
11.	Transferability of development rights if any, Building bye-law provisions as applicable to the property viz. setbacks, height restrictions, etc.	
12.	Comment on surrounding land uses and adjoining properties in terms of usage.	
13.	Comment on unauthorized constructions if any	
14.	Comment on demolition proceedings if any	
15.	Comment on compounding/ regularization proceedings	
16.	Comment on whether OC has been issued or not	
17.	Any other aspect	
IV.	Legal Aspects	
1.	Ownership documents,	
2.	Names of Owner/s (In case of Joint or Co-ownership, whether the shares are undivided or not?)	
3.	Comment on dispute/issues of landlord with tenant/statutory body/any other agencies, if any in regard to immovable property.	
4.	Comment on whether the IP is independently accessible?	
5.	Title verification,	
6.	Details of leases if any,	
7.	Ordinary status of freehold or leasehold including restriction on transfer,	
8.	Agreements of easements if any,	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

S.No.	Particulars	Content
9.	Notification for acquisition if any,	
10.	Notification for road widening if any,	
11.	Possibility of frequent flooding / sub-merging	
12.	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)	
13.	Heritage restrictions if any, All legal documents, receipts related to electricity, water tax, property tax and any other building taxes to be verified and copies as applicable to be enclosed with the report.	
14.	Comment on transferability of the property ownership,	
15.	Comment on existing mortgages/ charges/encumbrances on the property if any	
16.	Comment on whether the owners of the property have issued any guarantee (personal/corporate) as the case may be	
17.	Building plan sanction, illegal constructions if any done without plan sanction/violations.	
18.	Any other aspect	
V	Economic aspects	
1.	Details of ground rent payable,	
2.	Details of monthly rents being received if any,	
3.	Taxes and other outgoings,	
4.	Property insurance,	
5.	Monthly maintenance charges,	
6.	Security charges, etc	
7.	Any other aspect	
VI	Socio-cultural aspects	
1.	Description of the location of property in terms of the social structure of the area, population, social stratification, regional origin, age groups, economic levels, location of slums / squatter settlements nearby, etc.	
VII	Functional and Utilitarian Aspects	
	Description of the functionality and utility of the assets in terms of :	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

S.No.	Particulars	Content
	1. Space allocation, 2. Storage spaces, 3. Utility of spaces provided within the building, 4. Any other aspect	
VIII	Infrastructure Availability	
	a) Description of aqua infrastructure availability in terms of 1. Water supply 2. Sewerage/sanitation 3. Storm water drainage b) Description of other physical infrastructure facilities viz. 1. Solid waste management 2. Electricity 3. Roads & Public transportation connectivity 4. Availability of other public utilities nearby c) Social infrastructure in terms of 1. Schools 2. Medical facilities 3. Recreation facilities in terms of parks and open spaces.	
IX	Marketability	
	Analysis of the market for the property in terms of 1. Locational attributes 2. Scarcity 3. Demand and supply of the kind of subject property. 4. Comparable sale prices in the locality.	
X	Engineering and Technology Aspects	
1.	Type of construction,	
2.	Materials and technology used,	
3.	Specifications,	
4.	Maintenance issues	
5.	Age of the building	
6.	Total life of the building,	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

S.No.	Particulars	Content
7.	Extent of deterioration,	
8.	Structural safety	
9.	Protection against natural disasters viz. earthquakes,	
10.	Visible damage in the building if any,	
11.	Common facilities viz. lift, water pump, lights, security systems, etc.,	
12.	System of air-conditioning,	
13.	Provision for firefighting, Copies of plans and elevations of the building to be included.	
XI	Environmental Factors	
1.	Use of environment friendly building materials, Green building techniques if any,	
2.	Provision for rain water harvesting,	
3.	Use of solar heating and lighting systems, etc. Presence of environmental pollution in the vicinity of the property in terms of industries, heavy traffic, etc.	
XII	Architectural and aesthetic quality	
1.	Descriptive account on whether the building is modern, old fashioned, etc., plain looking or with decorative elements, heritage value if applicable, presence of landscape elements, etc.	
XIII	In case of visit of industrial property	
	1) Proximity to residential areas 2) Availability of public transport facilities	
XIV	Construction value for the purpose of obtaining Insurance	

Place:

Date:

Signature
(Name and Official seal of the
Approved Valuer)

Encl:

1. Declaration from the valuer
2. Model code of conduct for valuer
3. Photograph of owner with the property in the background

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

4. Screen shot (in hard copy) of Global Positioning System (GPS)/Various Applications (Apps)/Internet sites (eg Google earth)/etc
5. Layout plan of the area in which the property is located
6. Building plan
7. Floor plan
8. Any other relevant documents/extracts

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Appendix XVII

Appendix XVII Valuer's Visit Report of Flats, to be obtained where valuation is reckoned on the basis of purchase price as per sale deed

S.No.	Particulars	Content
I.	GENERAL	
1.	Name & address of the Valuer	
2.	Purpose for which the Visit is made	
3.	a) Date of inspection/Visit	
	b) Title Deed Number and Date	
4.	List of documents produced for perusal	
	i)	
	ii)	
	iii)	
5.	Name of the owner(s) and his / their address (es) with Phone no. (details of share of each owner in case of joint ownership)	
6.	Brief description of the property	
7.	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	YES / NO
	i) Any other comments on authentic of approved plan	
	j) Comment on unauthorized construction if any	
k) Comment on demolition proceedings if any		
8.	Postal address of the property	
9.	City / Town	
	Residential Area	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

	Commercial Area		
	Industrial Area		
10a.	Classification of the area		
	i) High / Middle / Poor		
	ii) Urban / Semi Urban / Rural		
11.	Comment on whether the society where the flats are located is freely accessible?		
12.	Coming under Corporation limit / Village Panchayat / Municipality		
13.	Whether covered under any State / Central Govt. enactments (e.g. Urban Land Ceiling Act) or notified under agency area / scheduled area / cantonment area		
14.	Boundaries of the property		
	North		
	South		
	East		
	West		
15.	Dimensions of the site / flat	A	B
		As per the Deed	Actuals
	North		
	South		
	East		
	West		
16.	Extent of the site		
16.1	Latitude, Longitude & Co-ordinates of flat		
17	Extent of the site considered for Visit (least of 13 A & 13 B)		
18	Whether occupied by the owner / tenant? If occupied by tenant, since how long?		

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

II.	APARTMENT BUILDING	
1.	Name of the Apartment	
2.	Description of the locality Residential / Commercial / Mixed	
3.	Year of Construction	
4.	Number of Floors	
5.	Type of Structure	
6.	Number of Dwelling units in the building	
7.	Quality of Construction	
8.	Appearance of the Building	
9.	Maintenance of the Building	
10.	Facilities Available	
	Lift	
	Protected Water Supply	
	Underground Sewerage	
	Car Parking - Open/ Covered	
	Is Compound wall existing?	
	Is pavement laid around the Building	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

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	
1	Assessment No.	
2	Tax paid in the name of	
3	Tax amount	Rs.
5	Electricity Service Connection no.	
6	Meter Card is in the name of	
7	How is the maintenance of the flat?	
8	Sale Deed executed in the name of	
9	What is the undivided area of land as per Sale Deed?	
	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 favouring for an extra Potential Value?	
3	Any negative factors are observed which affect the market value in general?	
V	Construction value for the purpose of obtaining Insurance	

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Place:

Date:

Encl:

1. Declaration from the valuer
2. Model code of conduct for valuer
3. Photograph of owner with the property in the background
4. Screen shot (in hard copy) of Global Positioning System (GPS)/Various Applications (Apps)/Internet sites (eg Google earth)/etc
5. Layout plan of the area in which the property is located
6. Building plan
7. Floor plan
8. Any other relevant documents/extracts

Signature
(Name and Official seal of the
Approved Valuer)

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

Appendix XVIII

Appendix XVIII Valuer's Visit Report of Agricultural Land, to be obtained where valuation is reckoned on the basis of purchase price as per sale deed (Name & address of Valuer)

NAME OF THE BANK BRANCH: ___

I.	GENERAL		
1.	Purpose for which the Visit is made		
2.	a)	Date of inspection/Visit	:
	b)	Number and Date of ownership document (Pawti)	:
3.	List of documents produced for perusal		
	i)		:
	ii)		:
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		:
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.	Is any conversion to house site plots contemplated?		:

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

11.	Boundaries of the property	:		
	North	:		
	South	:		
	East	:		
	West	:		
12.	Dimensions of the site	:	A	B
			As per the Deed	Actuals
	North	:		
	South	:		
	East	:		
	West	:		
13	Extent of the site	:		
13.a	Latitude, Longitude and Coordinates of the site			
14	Extent of the site considered for Visit (least of 12 A & 12 B)	:		
15	Whether occupied by the owner / lessee? If cultivated by lessee, since how long and type of tenancy agreement?	:		
16	Income received (per year)	:	Rs.	
II.	CHARACTERISTICS OF THE SITE	:		
1.	Whether the land under consideration is suitable for cultivation	:		
2.	Irrigation facilities – canal / well / bore / rain-fed	:		
3.	Possibility of frequent flooding / submerging	:		
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 land	:		
11.	Whether the land is situated on a Main / National Highway Road? If not, distance from the Main / Highway Road.	:		
12.	Types of crops grown/Water Supply	:		

THE BIHAR STATE CO-OPERATIVE BANK LTD.

Ashok Rajpath, Patna 800004

Credit Department

13..	Advantage of the site	:	
	1.	:	
	2.	:	
14.	Disadvantages of the land	:	
	1.	:	
	2.	:	
15.	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)	:	
16.	Comment on dispute/issues of landlord with tenant/statutory body/any other agencies, if any in regard to immovable property		
17.	Comment on whether the IP is independently accessible?		

III. VISIT OF AGRICULTURAL LAND			
1.	Size of land	:	
	North & South	:	
	East & West	:	
2.	Total extent of the land	:	

IV	Construction value for the purpose of obtaining Insurance		
-----------	--	--	--

Signature
(Name and Official Seal of
the Approved Valuer)

Place:

Date:

Encl:

1. Declaration from the valuer
2. Model code of conduct for valuer
3. Photograph of owner with the property in the background
4. Screen shot (in hard copy) of Global Positioning System (GPS)/Various Applications (Apps)/Internet sites (eg Google earth)/etc

Appendix XIX

A. Glossary of Terms

Sr. No	Acronyms	Details
1.	AS	Accounting Standard
2.	CRMC	Credit Risk Management Committee
3.	CRMD	Credit Review & Monitoring Division
4.	DGM	Deputy General Manager
5.	ELCB	Extra Large Corporate Branch
6.	GSAD	General Services Administration Division
7.	HCLM	Collateral Linkage Maintenance
8.	HSCLM	Maintain Standalone Collateral Linkage
9.	IBA	Indian Banks' Association
10.	IBBI	Insolvency and bankruptcy Board of India
11.	ICAI	Institute of Chartered Accountants of India
12.	IP	Immovable Property
13.	LCB	Large Corporate Branch
14.	LLP	Limited Liability Partnership
15.	NPA	Non-Performing Asset
16.	RBI	Reserve Bank of India
17.	ROC	Registrar of Company
18.	RVO	Registered Valuer Organisation
19.	SARFAESI	Securitization and Reconstruction of Financial assets and enforcement of Security Interest
20.	SOP	Standard Operating Procedure
21.	TPE	Third Party Entities

B. List of references including related policies, RBI circulars, etc.

- a) *RBI's Master Circular on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances DOR.STR.REC.4/21.04.048/2022-23 dated April 1, 2022*
- b) *IBA 's notification dated 4th February, 2017 regarding procedure for empanelment of valuers by Banks*