



• Registered Valuer
• Chartered Engineer
• Arbitrator

Purnesh Baheti
B.E. (Civil), M.Sc. (REV), A.M.I.E., F.I.V., F.I.G.A.V.

Ref No.: BA/UBI/MALHARGANJ/031/2021

To,
The Chief Manager
Union Bank of India
Malharganj Branch
Indore

VALUER'S OPINION REPORT
(For SHOP)

I. GENERAL

1. Purpose for which the valuation is made : To estimate present day Market Value of the real property, as per the instructions of Union Bank of India – Malharganj Branch, Indore, to support secured lending decisions.
2. a) Date of inspection : 18.03.2021
b) Date on which the valuation is made : 18.03.2021
3. List of documents produced for perusal : ➤ Xerox copy of lease deed (No. A-1/532, Dated. 06.11.2007)
4. Name of the owner (s) and his / their address / addresses with Phone No. (Details of share of each owner in case of joint ownership) : Smt. Anjali Devi w/o Shri Dheeraj Kumar Meerchandani (A/c Name: M/s Saccha Ratna Enterprises)
5. Brief description of the property : The property is a shop on upper ground floor of a LG+UG+4 storied residential cum commercial building.
Property is situated in a developed mixed type higher class locality, opposite Mangal City Mall, near Vijay Nagar Square on MR-10.
6. Location of the property : Shop no.UG-22 Upper ground floor of "Cross Road"
 - a) Plot No. / Survey No. / Door No. : Cross Roads, Scheme no.54
 - b) T.S. No. / Village : Ward no.29 (Dr. Shyama Prasad Mukharji)
 - c) Ward / Taluka : Indore
 - d) Mandal / District : Sanction plan not provided
 - e) Date of issue and validity of layout of approved map/plan : Sanction plan not provided
 - f) Approved map/plan issuing authority : Sanction plan not provided
 - g) Whether genuineness or authenticity of approved map/plan is verified : Sanction plan not provided
 - h) Any other comments by our empanelled valuer on authenticity of approved plan : Sanction plan not provided



Registered Valuer (WT Act 1957 & Companies Act 2013)

Baheti & Associates, 201A, Chetak Centre, R.N.T. Marg, Indore-01. ☎ + 91-731-4041041, 4044055. 📞 98270-24905
✉ valuer.indore@rediffmail.com 🌐 www.purneshbaheti.in




7. Postal address of the property : "G. Sachchanand Kala Mandir"
Shop no.UG-24,
Upper ground floor of "Cross Roads"
Scheme no.54, PU-3, MR-10 Road, Indore
8. City / Town : Indore
Residential /Commercial /Industrial Area : Mixed
9. Classification of the area :
i) High/Middle/Poor : Higher class
ii) Urban/Semi-Urban/Rural : Urban
10. Coming under Corporation limit / Village Panchayat / Municipality : Within Indore Municipal Corporation limits
11. Whether covered under any State/ Central Govt. enactments (e.g. Urban Land Ceiling Act) Or notified under agency area / scheduled area / cantonment area : Refer TIR
12. Boundaries of the property : **As per lease deed** **Actual at site**
EAST : Lift & Staircase Lift & Staircase
WEST : Shop no.UG-21 Shop no.UG-21
(G. Sachchanand Kala Mandir)
NORTH : Parking Parking
SOUTH : Common passage Common passage
13. Dimensions of the site : **A** **B**
As per documents **Actual at site (Carpet area)**
EAST : Not mentioned in the 42'0"
WEST : documents 42'0"
NORTH : 10'6"
SOUTH : 10'6"
14. Extent of the site (As per documents) : 40.92sq.mts 'Or' 440sq.fts (Built up area)
- 14.1 Latitude, Longitude of the property : 22.751836 N, 75.893566 E
15. Extent of the site considered for valuation (Least of 13A & 13B) : 40.92sq.mts 'Or' 440sq.fts (Built up area)
16. Whether occupied by the owner / tenant? if occupied by tenant since how long? Rent received per month. : Occupied by "G. Sachchanand Kala Mandir"


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APPROVED VALU



II. APARTMENT / BUILDING


<u>S.No.</u>	<u>Description</u>	<u>Remarks</u>
1.	Nature of the Apartment	: Residential / Commercial
2.	Location	:
	T.S. No.	: --
	Flat / Block / Office / Shop No.	: Shop no.UG-22, Upper ground floor of "Cross Roads"
	Ward No.	: Ward no.29 (Dr. Shyama Prasad Mukharji)
	Village / Municipality / Corporation	: Indore Municipal Corporation
	Door No. Street 'Or' Road	: Scheme no.54, PU-3, MR-10 Road
3.	Description of the locality Residential / Commercial / Mixed	: Mixed
4.	Year of Construction	: 2005-06 (As informed)
5.	Number of Floors	: LG+UG+4 storied building, Height -9'6" (UG floor)
6.	Type of Structure	: R.C.C. framed
7.	Number of dwelling units in the building	: As per documents
8.	Quality of Construction	: Average
9.	Appearance of the Building	: Average
10.	Maintenance of the Building	: Average
11.	Facilities available	:
	Lift	: Yes, Common for entire building
	Protected Water Supply	: Yes, Common for entire building
	Underground Sewerage	: Yes, Common for entire building
	Car Parking - Open / Covered	: Open
	Is Compound Wall existing?	: Yes, Common for entire building
	Is Pavement laid around the Building?	: Yes, Common for entire building


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II. FLAT / BLOCK / OFFICE / SHOP

1. The floor on which the Flat / Block / Office / Shop is situated : Upper ground floor
2. Door No. of the Flat / Block / Office / Shop : Shop no.UG-22
3. Specifications of the Flat/Block/Office/Shop
Roof :
Flooring : R.C.C.
Doors & Window : Ceramic Tiles
Fittings : MS Rolling Shutter / Glass Door
Finishing : Concealed
Painted
4. House Tax Assessment No. : Details Not provided.
Tax paid in the name of
Tax amount
5. Electricity Service Connection No. : Details Not provided.
Meter Card is in the name of
6. How is the maintenance of the Flat / Block / Office / Shop? : Average
7. Sale Deed executed in the name of : Smt. Anjali Devi w/o Shri Dheeraj Kumar Meerchandani
8. What is the undivided area of land as per Sale Deed? : As per documents
9. What is the plinth area of the Flat / Block / Office / Shop? : 440sq.fts (Built up area)
10. What is the Floor Space Index (Approx.) : Not Available
11. What is the Carpet area of the Flat / Block / Office / Shop? : 440sq.fts
12. Is it Posh / I Class / Medium / Ordinary? : Medium
13. Is it being used for Residential 'Or' Commercial purpose? : Commercial purposes
14. Is it owner occupied 'Or' let out? : Occupied by "G. Sachchanand Kala Mandir"
15. If rented, what is the monthly rent? : ₹30,000.00/Month apx.
(As per verbal information available from local property dealers in the locality / copy of rental advertisements, available on internet real estate sites is enclosed herewith)


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V. MARKETABILITY

1. How is the marketability? : Average
2. What are the factors favoring for an Extra Potential Value? : None
3. Any negative factors are observed which affect the market value in general? : None
4. General remarks, if any :
 - Rates mentioned herein are inclusive of charges of all amenities & are on built up area basis;
 - Condominium declaration not provided, it is requested to obtain a legal opinion about the same;
 - The sanction plan from competent authority is not submitted for verification, it is requested to obtain the same;
 - Shop no.UG-16, 17, 18, 19, 20, 21, 22 & part of shop no.15 on upper ground floor & shop no. F-10 on First floor is interconnected & is being jointly used as shop in the name & style of "G. Sachchanand Kala Mandir".
 - The asset is leasehold & the lease period is 30 years from 25.10.2007 to 24.10.2037, renewable for 02 terms of 30 years each.

V. RATE

1. After analyzing the comparable sale instances, what is the composite rate for a similar Flat / Block / Office / Shop 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) :
 - Documented transactions are enclosed herewith.
 - Copy of advertisements for sale of the properties in surroundings, as available on internet real estate sites is enclosed herewith.
2. Assuming it is a new construction, what is the adopted basic composite rate of the Flat / Block / Office / Shop under valuation after comparing with the specifications and other factors with the Flat / Block / Office / Shop under comparison (Given details) : ₹12453.00/sq.ft (Refer Annexure-A-I)
3. Break –up for the Rate:
 - i) Building + Services : ₹ 1000.00/sq.ft
 - ii) Land + Others : ₹11453.00/sq.ft
4. Guideline rate obtained from the registrar's office (An evidence thereof to be enclosed) : ₹56800.00/sq.mt (Commercial purposes – Ground Floor)

Less - 10% for commercial property on UG floor.
₹56800.00/sq.mt * 0.90 =
₹51120.00/sq.mt 'Or' ₹4751.00/sq.ft



VI **COMPOSITE RATE ADOPTED, AFTER DEPRECIATION:**
a. **DEPRECIATED BUILDING RATE**

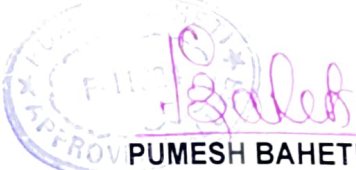
Replacement cost of Flat / Block / Office / Shop with services [V (3) I] : ₹1000.00/sq.ft
Age of the building : 16 years apx.
Life of the building estimated : 44 years
Total Life of the building estimated (Without conducting any test only on physical observation).
Depreciation percentage assuming the Salvage value as 10% : 24%

b. **TOTAL COMPOSITE RATE ARRIVED FOR VALUATION**

Depreciated building rate VI (a) : ₹ 760.00/sq.ft
Rate of Land & Other V (3) ii : ₹11453.00/sq.ft
Total Composite Rate : ₹12213.00/sq.ft
(Inclusive of all charges of amenities / services)

DETAILS OF VALUATION

S. No.	Description	Quantity	Rate per unit	Present Value
1.	Present value of the Flat	440sq.fts	₹12213.00/sq.ft	₹53,73,720.00
2.	Wardrobes	NIL		
3.	Showcases	NIL		
4.	Kitchen arrangements	NIL		
5.	Superfine finish	NIL		
6.	Interior decorations	NIL		
7.	Electricity deposits / electrical fittings etc.	Included in Rate / Unit area		
8.	Extra collapsible gates / grill works etc.	NIL		
9.	Potential value, if any?	NIL		
10.	Others	NIL		
TOTAL				₹53,73,720.00
SAY				₹53,73,000.00


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VALUATION METHODOLOGY

BASIS OF ADOPTING AN APPROACH / METHOD

The goal in selecting valuation approaches and methods for an asset is to find the most appropriate method under the particular circumstances. No one method is suitable in every possible situation. The selection process should consider, at a minimum:

- a) The appropriate basis(es) of value and premise(s) of value, determined by the terms and purpose of the valuation assignment,
- b) The respective strengths and weaknesses of the possible valuation approaches and methods,
- c) The appropriateness of each method in view of the nature of the asset, and the approaches or methods used by participants in the relevant market, and
- d) The availability of reliable information needed to apply the method(s).

According to IVS 105.60.2, the cost approach should be applied and afforded significant weight under the following circumstances:

- a) participants would be able to recreate an asset with substantially the same utility as the subject asset, without regulatory or legal restrictions, and the asset could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject asset immediately,
- b) the asset is not directly income-generating and the unique nature of the asset makes using an income approach or market approach unfeasible, and/or
- c) the basis of value being used is fundamentally based on replacement cost, such as replacement value.

In our case we have considered the following points while selecting the best approach (es) or method (s) of valuation:

- The basis of value chosen is market value basis;
- According to the terms of assignment, purpose of valuation together with the availability of evidence the legally permitted Highest & Best Use of the property under question shall be commercial purposes only therefore we opine that the premise of value in this case should be its current / existing use, therefore the valuation has been done considering HABU as commercial purposes only;
- The transaction evidences / asking prices of the similar assets in the locality is available;
- Market value of commercial shops for the purpose of registration and stamp duty as determine by the directorate of registration and stamp duty, government of Madhya Pradesh is available;
- The approved plan for the construction is not provided by the client;
- The property is in possession of M/s G. Sachchanand Kala Mandir, the lease / rent agreement is not provided & it was represented that the property is not lease out / rented.

Considering all the above mentioned criteria of our questioned property and the applicability of different approaches as guided by International Valuation Standards, in our opinion, the value of the asset can be estimated by the application of Sales Comparison Method under Market Approach.


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METHOD ADOPTED

To assess the market value of the subject property, the ADJUSTMENT GRID METHOD under MARKET APPROACH is adopted.

The direct comparison approach involves a comparison of the subject property to similar properties that have actually sold in arms – length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. Statute and case laws define a market value standard for assessment. In assessment litigation, under the “rules of evidence” a bona fide sale of the subject property is usually considered the best evidence of market value. In the absence of a sale of the subject, sales prices of comparable properties are usually considered the best evidence of market value. Consequently, the comparative sale approach is the preferred approach when sales data are available.

The comparative sale approach models the behavior of the market by comparing the properties being appraised with similar properties that have recently sold (comparable properties) or for which offers to purchase have been made. Comparable properties are selected for similarity to the subject property by way of attributes, such things as the age, size, quality of construction, building features, condition, design, gentry, etc. Their sale prices are then adjusted for their difference from the subject. Finally, a market value for the subject property is estimated from the adjusted sales price of the comparable properties. The economic principles of supply and demand provide a framework for understanding how the market works. The interaction of supply and demand factors determines property value.

To overcome limitations of arbitrary or adhoc comparison, more scientific and systematic model is developed which is called “ADJUSTMENT GRID MODEL”. In this model, as many numbers of factors (elements) can be considered as desired by the valuer and appropriate weightages (positive or negative) can be given by comparing it with subject property to arrive at final adjusted values in case of each and every sale instance required to be compared.

The process of adjustment under this model involves giving of ranks to each important factor or element which affects the value of the property in the market. These ranks would differentiate each sale in comparison of subject property in respect of each and every factor of element selected for comparison.


To distinguish poor, medium and best (Inferior, Moderate, Superior) quality of each element, ranking of 1 to 4 are given.

VALUE AS PER COLLECTOR GUIDELINE FOR REVENUE PURPOSES

The market value of any immovable property determined by directorate of registration and stamp duty, government of Madhya Pradesh for the purpose of determination of registration fee and stamp duty for all transaction is known as government registered market value. It can be obtained from www.mpigr.gov.in.

The value of the property, as arrived by using guide line rates, is for the purpose of levy of the stamp duty only, it applies to all the properties in the locality without given regard to its location, size, amenities, demand & supply of the properties in the locality etc.

In “Jawajee Nagnatham vs Revenue District Officer (1994) SCC (4) 595(SC)”, The Hon'ble Supreme Court of India held that the “Basic valuation register prepared & maintained is for the purpose of collecting stamp duty & cannot be form foundation to determine the market value of the property”.


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ANALYSIS



TABLE No.01

S.No.	Data source	Reduction in %	Timing of data	Increase in %
1	Information from brokers, online portals	10	1 year to 1.5 year	10.0
2	MOUs, unregistered agreements	5	6 months to 1 year	7.5
3	Registered sale deeds/registered agreements	0	3 months to 6 months	2.5
4	Registered sale deeds/registered agreements	0	Less than 3 months	0.0

TABLE No.02

Estimation of rates for comparison

S. No.	Comparable properties	Rate/sq.fts	Reduction for source of data information	Interim rate	Adjustment for time factor	Rate considered
1	A	9259.00	0.0	9259.00	7.5	9956.43
2	B	10943.00	0.0	10943.00	2.5	11216.58
3	C	8124.00	0.0	8124.00	10.0	8936.40
4	D	27667.00	10.0	24900.30	0.0	24900.30
5	E	17467.00	10.0	15720.30	0.0	15720.30




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TABLE No.03

VALUATION MATRIX

S.No.	Attribute/Characteristics	Scale	Relative Difference %
	Area		0.0
1	More than 2001sq.fts & less than 200sq.fts	1	5.0
2	Between 1001sq.fts to 2000sq.fts	2	7.5
3	Between 401sq.fts to 1000sq.fts	3	10.0
4	Between 201sq.fts to 400sq.fts	4	
	Locality		0.0
1	Poor	1	5.0
2	Middle class	2	7.5
3	Higher middle class	3	10.0
4	Good/Higher class	4	
	Age of Building		0.0
1	More than 26 years	1	5.0
2	Between 16 to 25 years	2	10.0
3	Between 9 to 15 years	3	15.0
4	Between 0 to 8 years	4	
	Floor		2.5
1	Above upper ground floor	1	5.0
2	lower ground floor	2	10.0
3	Upper ground	3	15.0
4	Ground	4	
	Frontage		0.0
1	Single road	1	5.0
2	2 side road	2	10.0
3	Corner	3	15.0
4	3 side road	4	
	Parking Facilities		0.0
1	Open parking	1	5.0
2	Covered parking	2	
	IDA developed building		0.0
1	Non IDA developed building	1	5.0
2	IDA developed building	2	



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**ANNEXURE-A-I
ADJUSTED GRID TABLE**

S. No.	Characteristics / Attribute	Subject property	Comparable-A (Refer annexure -CA)	Comparable-B (Refer annexure -CB)	Comparable-C (Refer annexure -CC)	Comparable-D (Refer annexure -CD)	Comparable-E (Refer annexure -CE)
1	Area in sq.fts Correction	440.00	432.01 0.00	530.00 0.00	277.00 -2.50	506.00 0.00	750.00 0.00
2	Locality Correction	Higher class	Higher class 0.00	Higher class 0.00	Higher class 0.00	Higher class 0.00	Higher class 0.00
3	Age of building Correction	16 Years	10 years -5.00	10 years -5.00	20 years 0.00	10 years -5.00	10 years -5.00
4	Floor Correction	Upper Ground	Lower Ground 5.00	Upper Ground 0.00	Upper Ground 0.00	Ground -5.00	Ground -5.00
5	Frontage Correction	Single	Single 0.00	Corner -10.00	Single 0.00	Corner -10.00	Single 0.00
6	Parking Facilities Correction	Open parking	Covered parking -5.00	Covered parking -5.00	Covered parking -5.00	Covered parking -5.00	Covered parking -5.00
7	IDA developed building Correction	IDA developed building	Non IDA developed building 5.00	Non IDA developed building 5.00	Non IDA developed building 5.00	Non IDA developed building 5.00	Non IDA developed building 5.00
8	Total correction		0.00	-15.00	-2.50	-20.00	-10.00
9	Rate/sq.ft in ₹ Correction		9953.43 0.00	11216.58 -15.00	8936.40 -2.50	24900.30 -20.00	15720.30 -10.00
10	Adjusted rate/sq.fts in ₹		9953.43	9534.09	8712.99	19920.24	14148.27
11	Weightage of comparable A, B, C, D & E in %		0.20	0.20	0.20	0.20	0.20
12	Weighted average market rate/sq.ft of subject property					SAY	12453.80 12453.00



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CONCLUSION

As a result of my appraisal and analysis, it is my considered professional opinion that the estimated present day market value of the above real property, in the prevailing conditions with aforesaid specifications shall be taken as:

MARKET VALUE	= ₹53,73,000.00 (Rs. Fifty Three Lac Seventy Three Thousand only)
NET REALIZABLE VALUE	= ₹48,50,000.00 (Rs. Fourty Eighty Lac Fifty Thousand only)
DISTRESS SALE VALUE	= ₹42,00,000.00 (Rs. Fourty Two only)
GOVT. GUIDELINE VALUE	= ₹27,19,584.00 (Rs. Twenty Seven Lac Nineteen Thousand Five Hundred Eighty Four only)

DECLARATION

1. The present day estimated market value of the real property at shop no.UG-22, upper ground floor of "Cross Roads" Scheme no.54, PU-3 of IDA, MR-10, Indore, in my opinion is **₹53,73,000.00 (Rs. Fifty Three Lac Seventy Three Thousand only)**
2. Report is issued without prejudice, is based on information available at site, documents submitted for perusal, is subject to the legal verification of ownership of property, the sanction plan from competent authority is not submitted for verification & the legal aspects are not considered in this valuation.
3. I have personally inspected the property on 15.03.2021.
4. The physical inspection of the property is done in presence of Shri Bhupendra Salvi (Mob. No. 97136-59797) & Contact person Shri Kishore Meerchandani (Mob. no. 97554-91000).
5. Valuation is a function of date, place & purpose, value varies with the purpose. This report should be referred for the purpose mentioned only.

Date: 19.03.2021
Place: Indore

Baheti

(Pumesh Baheti)
Registered Valuer
F.I.V.-11824



The undersigned have inspected the property detailed in the Valuation Report dated 18/03/21 on 18/03/21 I have gone through the report and am satisfied, to the best of my knowledge that the value of the property stated as Rs. 51,00,000/- by the approved valuer is realistic.

Branch Manager / Officer –in-charge of Advance Department
Date:

Shri Kishore Meerchandani





DECLARATION

I hereby declare that:

- a. I am a citizen of India
- b. The information furnished in my valuation report dated 19.03.2021 is true and correct to the best of my knowledge and belief and I have made an impartial and true valuation of the property.
- c. I have no direct or indirect interest in the property valued.
- d. I have personally inspected the property on 15.03.2021; the work is not subcontracted to any other valuer and carried out by myself.
- e. I have not been removed/ dismissed from service/ Employment earlier.
- f. I have not been convicted of any offence and sentenced to a term of Imprisonment;
- g. I have not been found guilty of misconduct in my professional capacity.
- h. I have not concealed or suppressed any material information, facts and records and I have made a complete and full disclosure.
- i. I have not sub-contract the work to any other valuer and carry out the work myself.
- j. I have read the Handbook on Policy, Standards and procedure for Real Estate Valuation, 2011 of the IBA and this report is in conformity to the "Standards" enshrined for valuation in the Part-B of the above handbook to the best of my ability.
- k. 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.
- l. I abide by the Model Code of Conduct for empanelment of valuer in the Bank. (Format – F) signed copy of same to be taken and kept along with this declaration)
- m. I am registered under Section 34 AB of the Wealth Tax Act, 1957.
- n. I am the proprietor / partner / authorized official of the firm / company, who is competent to sign this valuation report.
- o. Further, I hereby provide the following information.

S. No.	Particulars	Valuer comment
1.	background information of the asset being valued;	The property is a shop on upper ground floor of a LG+UG+4 storied residential cum commercial building, constructed on a leasehold plot having approved use for residential cum commercial purposes.
2.	purpose of valuation and appointing authority	To estimate present day Market Value of the real property, as per the instructions of Union Bank of India – Malharganj Branch, Indore, to support secured lending decisions.



PUMESH BAHETI

Panel Lawyer /

Authorized

SBI, UBI, CBI, BOI, BOD, CANARA,
AXIS, NJGB MBGB, AU. S.FINACE,


Dr. Sanjay Jain Advocate LL.B Ph.D

OFFICE- Paras Maya Law House - 179, Samarth Circle,
Nainad, Gandhinagar, Indore - Pin Code - 472001



3.	identity of the valuer and any other experts involved in the valuation;	: Pumesh Baheti No other experts are involved in the valuation of subject property.
4.	disclosure of valuer interest or conflict, if any;	: None
5.	date of appointment, valuation date and date of report;	: Verbal instructions received from Union Bank of India - Malharganj Branch, Indore on 12.03.2021 Date of Visit - 15.03.2021 Date of Report - 19.03.2021
6.	inspections and/or investigations undertaken;	: Refer Valuation Methodology (Page No.07 & 08)
7.	nature and sources of the information used or relied upon;	: Refer Valuation Methodology (Page No.07 & 08) Refer Declaration (Page No.16)
8.	procedures adopted in carrying out the valuation and valuation standards followed;	: Refer Valuation Methodology
9.	restrictions on use of the report, if any;	: Refer Page No.16
10.	major factors that were taken into account during the valuation;	: Shape, size, age of construction, type of construction, development of surrounding area, amenities available, restrictive covenants, prevalent market forces as on the date of valuation, marketability potential of the property, approved use, availability of properties in the surroundings etc.
11.	major factors that were not taken into account during the valuation;	: The definition of the NRV as defined in the IBA hand Book 2011.
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.	: Refer Page No.15 & 16

Date: 19.03.2021
Place: Indore


PUMESH BAHETI

Panel Lawyer /

Authorized

SBI, UBI, CBI, BOI, BOD, CANARA,
AXIS, NJGB MBGB, AU, S.FINACE,

Dr. Sanjay Jain Advocate LL.B Ph.D

OFFICE- Paras Mayn Law House - 179, Samarth City
Nainod, Gandhinagar, Indore - Pin Code 453111

Mo. 0752220111



MODEL CODE OF CONDUCT FOR VALUERS

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 necessarily 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.


PURNESH BAHETI

Panel Lawyer /

Authorized
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CONFIDENTIALITY

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

INFORMATION MANAGEMENT

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

GIFTS AND HOSPITALITY:

25. A valuer or his/its relative shall not accept gifts or hospitality which undermines or affects his independence as a valuer. Explanation. — For the purposes of this code the term 'relative' shall have the same meaning as defined in clause (77) of Section 2 of the Companies Act, 2013 (18 of 2013).
26. A valuer shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person with a view to obtain or retain work for himself/ itself, or to obtain or retain an advantage in the conduct of profession for himself/ itself.

REMUNERATION AND COSTS.

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

Occupation, employability and restrictions.

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


Miscellaneous.

31. A valuer shall refrain from undertaking to review the work of another valuer of the same client except under written orders from the bank of housing finance institutions and with knowledge of the concerned valuer.
32. A valuer shall follow this code as amended or revised from time to time.

Signature of the valuer :

Name of the valuer :

Address of the valuer :


Pumesh Baheti

201-A, Chetak Centre, 12/2, R.N.T. Marg, Indore

Date: 19.03.2021
Place: Indore

**MARKET VALUE**

Market value is the estimated amount for which an asset or liability should exchange, on the valuation date, between a willing buyer and a willing seller, in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

NET REALIZABLE VALUE

As per the circular no. 1800-2020 Dtd. 05/03/2020, POLICY on VALUATION OF PROPERTIES & EMPANELMENT OF VALUERS 2020-21, issued by CP & MSME DEPARTMENT, UNION BANK OF INDIA, CENTRAL OFFICE, MUMBAI (para 1.3.1) the NET REALIZABLE VALUE is defined as; Fair Market value less transactions costs is the NET REALIZABLE VALUE of the security i.e. Market value minus cost of disposal.

As per para 1.3.2, Realization cost can be taken at 10% (maximum) of the value of securities.

DISTRESS SALE VALUE

The lower price which many reasonably be received from the sale of property in an open market, which may involve an unwilling seller & buyer, it may be due to financial crisis of the vendor, sentimental reasons, recession in economy or other conditions, which are not consistent with market value.

ASSUMPTIONS & LIMITATIONS

- That any environmental due diligence or study is outside the scope of this Engagement; therefore, no such due diligence or study has been carried out by me. It is assumed that the subject asset complies with all environmental laws & regulations, & that there are no substances, environmental or pollution related encumbrances / issues which may adversely affect its value, utility or marketability. We have not carried out any due diligence with respect to any Asset Retirement Obligations (ARO). Any such liability would have to be adjusted against the valuation;
- That the Real Estate market in India lacks transparency; the market is largely fragmented with limited availability of authentic, credible & reliable data with respect to market transactions. The actual transaction value may be significantly different from the value that is documented in official transactions. We believe that the market survey amongst actual sellers, brokers, developers & other market participants would give a fair representation of market trends. This valuation is therefore based on our verbal market survey of the real estate market in the subject area;
- The property has been appraised as though free of liens and on terms of vacant possession;
- That the tenure of plot is leasehold;
- That the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown;
- That the property and its value are unaffected by any matters which would be revealed by inspection of property records or by statutory notice and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful;
- That no allowance is made for any expense of realization or for taxation, which may arise in the event of a disposal. The property is considered as if free and clear of all mortgages or other charges that may be secured thereon;
- That the report is prepared on the basis of documents provided to us, we have not undertaken any legal due diligence of the documents provided;
- That the comparable transactions available are conforming to all the parameters or conditions of the market value definition as per IVSC 2020.
- The asking price data as available on real estate websites is also refereed for analysis though it assumes to be the last ranking in the hierarchy of comparable evidences;
- The extent of inspection of the comparable properties is limited to outside inspection only & interviewing of the parties involved in the transaction is out of the scope of this valuation exercise;
- The details about the age, specifications & construction of the comparable properties are as per our own data bank;
- That we have not checked or considered for our valuation encumbrances, if any, due to mortgage or hypothecation of the assets to a bank or a financial institution nor have we undertaken legal due diligence of the title or the legality of the development, construction or sale;
- That the details of other outgoings are not made available, it is assumed that all the statutory / legal charges on the property are paid till date;
- That all the statutory approvals are in place & the occupancy certificate / completion certificate is issued by competent authority;
- That the property is not protected under Rent Control Act, as the rent agreement is not provided to us.

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DECLARATION

It is further declared that,

- I do not have any direct or indirect interest in the assets valued.
- The valuation was compiled as per client's instruction and is solely for the use of the party to whom it is addressed.
- The valuation is based on that which is visible. No detailed survey & measurements was undertaken.
- The valuation presented refers to bare property value and does not take any usufruct value into consideration.
- No representations or warranty as to the description, extent, zoning or condition of any land, building or other improvements is given or made.
- Neither the owner of the present nor any other person (s) has influenced this assessment nor do I have present or future interest in this property.
- I reserve the right to amend this report in the event that, I receive further information that would materially affect my conclusion (s).
- I disown any kind of indemnity of whatsoever nature, other than the justification for the opinion expressed in the report.
- The report is confidential to the client only for specific purpose to which it relates; the client shall not disclose the report to any other person, no responsibility can be accepted to any third party in respect of whole or any part of the report.
- Neither the whole nor any part of this report or any reference thereto may be included in any published document, circular or statement or published in any way without the valuer's written approval of the from and context in which it may appear.
- The valuer does not agree to any appearance or deposing testimony / evidence in any Court or Tribunal, any hearing or any other proceedings by the reason of rendering this report unless prior arrangements have been made in that respect.
- Due to peculiarity of the real estate transactions in our country, the data available by oral enquiry with the agencies & individuals is relied upon in good faith.
- In carrying out the task / work, information has been obtained from public records and also collected from the concerned individuals during site inspection, such information duly verified, as far as possible, is considered to be correct and reliable.
- This report must be used in its entirety. Reliance on any portion of the report independent of others may lead the reader to erroneous conclusions regarding the property values. No portion of the report stands alone without approval from the author;
- Building drawings, sketches, plans, photographs are appended to the report only as an aid to visualize the property. No responsibility is assumed for any errors or omissions in such data.

DISCLAIMER

- The statements, information and opinions expressed or provided in this publication are intended only as a guide to some of the important considerations that relate to property. Although we believe they are correct and not misleading, while every effort having been made to ensure that they are free from error, they should not be taken to represent, nor are they intended to represent, investment advice or specific proposals, which must always be reviewed in isolation due to the degree of uniqueness that will attach thereto;
- Neither Pumesh Baheti, nor any persons involved in the preparations of this publication give any warranties as to the contents nor accept any contractual, tortious or other form of liability for any consequences, loss or damage which may arise as a result of any person acting upon or using the statements, information or opinions in the publication. This report is for use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. This publication is confidential to the addressee and is not to be the subject of communication or reproduction wholly or in part;
- This report is relevant as at the date of preparation and to circumstances prevailing at that time. However, within a changing economic environment, returns on investment and values can be susceptible to variation - sometimes over a relatively short time scale.

