

Ref.No.NMZ/CrMD/SK/2019-20/113

Date: 01.10.2019

Sri / M/s Vastukala Consultants (i) Pvt Ltd
Office No 121 1st Floor Ackruti Star Central Road
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Dear Sirs,

Empanelment of Valuers for Navi Mumbai Zone for the period from 01.10.2019 to 30.09.2022 subject to annual review in general.

Please refer to your application submitted to us for empanelment as approved valuer. In this connection we are pleased to advise that you/your company/firm /concern is empanelled on our approved list as Valuer for

Sl. No	Type of valuation	Category of valuer
1	Land & Building	Cat - A (Valuation with No Limit)
2	P & M	
3		
4		
5		

on the following terms and conditions: -

i. **Period of Validity:**

The validity of your empanelment on our approved list will be up to **30.09.2022 subject to annual review in general** considering satisfactory performance.

ii. **Fees for valuation:**

Professional fee/payment to the Valuer shall be paid by the Bank within 45 days of the submission of the Valuation Report.

The Fee structure for Valuation work subject to a maximum fee of Rs. 5 lacs shall be as under.

Notwithstanding the rates given below, the Branches shall negotiate with the Valuer for lower rates:

- a) If the Value of assets is Rs. 50,000/- fee would be @0.5% of the value subject to minimum of Rs. 2,500/-.



- b) For the next Rs. 1.00 lac, fee would be @0.25%.
- c) For balance amount fee would be @0.125% on reducing balance.

In addition to above, where two or more assets in a particular account are required to be valued at one time, then all such Assets shall be deemed to constitute a single asset for the purpose of calculating the fees of the valuer.

The fees payable is to be borne by the Bank's customer/borrower and is also subject to deduction of GST at source at appropriate rate, wherever applicable.

iii. **Formats for Valuation Reports:**

Format of Valuation Reports (as given in Annexure) are required to be followed for Valuation assignments. Formats will be made available to the valuers and they will be advised to submit the valuation report in the respective formats only.

iv. **Obligations of empaneled Valuers:**

- ❖ Valuer shall undertake to adhere to the code of conduct, as brought out in para - v.
- ❖ The Valuer shall provide clarifications sought by the Bank and/or prospective lenders on the Valuation report for which email ID and other contact details should be provided in the report itself.
- ❖ The Valuer will undertake to adhere to the format of Valuation reports, as brought out in Annexure-VII.
- ❖ Valuer should not outsource, any Valuation Job assigned by the Bank, to any other outside Valuer/ entity. In case any assistance from external experts is required, the Valuer should intimate the Bank in advance before taking Valuation assignments. Also, in such cases the Valuation report should include the external expert's data/report and the Valuation report should be jointly signed by that external expert.
- ❖ The Valuer should provide sufficient market evidence (if available in the market) and comparables to support all key assumptions used in the estimation of the market value.
- ❖ The Valuer shall inform the Bank of any change in staff who had been mentioned or whose educational qualifications were taken to satisfy the eligibility criteria, at the time of empanelment.
- ❖ Valuer is required to include photograph of borrower/owner with the property in the background, in the report submitted to branches.
- ❖ Valuation report must contain specific views/ comments on the possible impending threat, if any, such as Road widening, take-over of property for public service purposes etc.

v. **Code of Conduct:**

All the empanelled Valuers are required to adhere to the code of conduct given

- ✓ A Valuer shall maintain integrity by being honest, straightforward, and forthright in all professional relationships.
- ✓ A Valuer shall endeavor to ensure that he/it provides true and adequate information and shall not misrepresent any facts or situations.
- ✓ A Valuer shall refrain from being involved in any action that would bring disrepute to the profession.
- ✓ A Valuer shall keep public interest foremost while delivering his services.

Professional Competence and Due Care

- ✓ A Valuer shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgments.
- ✓ A Valuer shall carry out professional service in accordance with the relevant technical and professional standards that may be specified from time to time.
- ✓ A Valuer shall continuously maintain professional knowledge and skills to provide competent professional service based on up to date developments in practice, prevailing regulations/guidelines and techniques.
- ✓ 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.
- ✓ A Valuer shall not carry out any instructions of the client insofar as they are incompatible with the requirements of integrity, objectivity and independence.
- ✓ 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

- ✓ 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.
- ✓ A Valuer shall, wherever necessary, disclose to the clients, possible sources of conflicts of duties and interest providing unbiased services.
- ✓ A Valuer shall maintain complete independence in his/its professional relationships and shall conduct the Valuation independent of external influences.
- ✓ 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, 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.



- ✓ A Valuer shall not indulge in 'mandate snatching' or offering 'convenience Valuations' in order to cater to a company or client's needs.
- ✓ As an independent Valuer, the Valuer shall not charge success fee (success may be defined as a compensation/ incentive paid to any third party for successful closure of transaction. In this case, approval of credit proposals).
- ✓ 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

- ✓ 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

- ✓ 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.
- ✓ A Valuer shall appear, co-operate and be available for inspections and investigations carried out by the authority, any person authorized by the authority, the registered Valuers organization with which he/it is registered or any other statutory regulatory body.
- ✓ A Valuer shall provide all information and records as may be required by the authority, the Tribunal, Appellate Tribunal, the registered Valuers organization with which he/it is registered, or any other statutory regulatory body.
- ✓ 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

- ✓ 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.
- ✓ 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



- ✓ 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.
- ✓ 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

- ✓ 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.
- ✓ A Valuer shall not conduct business which in the opinion of the authority or the registered Valuer organization discredits the profession.

vi. Important aspects to be covered/explained in the Valuation Report:

- a. The valuation should be as per normal standards of valuation i.e. based on the realizable value of security concept. The second would be a valuation answering a question the price of property would fetch if it were put up for distress sale. Distress sale value to be invariably mentioned in the valuation report.
- b. As regards property in the form of land and building, the valuers must assess on the strength of:
 - i. Type of land (agricultural, industrial, residential etc.,)
 - ii. Type of building (pucca, semi-pucca, kutcha, notified buildings by Govt. heritage buildings and any such special features).
 - iii. Whether tenanted/ownership basis/self occupied.
 - iv. Value on the basis of tenancy/ownership basis.
 - v. Basis of arriving at a price-last sale/purchase done etc.,
- c. The base on which valuation rates are fixed by the valuer, should be clearly spelt out in the valuation report. Since the stamp authorities have already circulated applicable rate area wise, the valuers should invariably indicate in their reports the rate as fixed by State Government for the said area and justify the higher rate assumed, if any.
- d. Variation, if any, between the valuation of the property by the valuer and the value as appearing in the title deed recently stamped and registered/ adjudicated by stamp authority, should be reasonable and satisfactorily explained.
- e. There should not be any discrepancy between the area of the property mentioned in the purchase document and the area mentioned in the valuation report.
- f. While valuing plant and machinery, it may be clarified whether the machinery is movable/immovable/branded/assembled locally/year of make/name of each machinery/general purpose/custom made for the particular unit.



- g. Value of furniture and fixture, electrical installation etc., does not really have any resale value. Hence, value of these items should not be included in the valuation report, except for passing reference of such item in the report.
- h. Photograph of the property valued with owner of the property should be submitted with every valuation report. Owner of the property valued to be identified from independent source and the same may be brought out in the report.

Please note that :-

- a. The enlistment is for the limited purpose of considering any specific assignment, as may be required, on case-to-case basis in his/her specific areas of specialization.
- b. Bank will reserve the right to call for additional information/ reports, etc., inspect the office of the consultant/valuer, disclose his/her name to others and also delete any name from the approved list without assigning any reason.
- c. The empanelment on the panel does not amount to an appointment or right for an appointment to be made by the Bank and the Bank is free to employ any valuer of it's choice and no right exists for an empanelled valuer to claim that they alone should be entrusted with the Bank's work.
- d. Any concealment of facts and figures in the report that would jeopardize the interest of the Bank would be viewed seriously and the matter would be taken up with the Institution of Engineers (India), Institution of Valuers with whom the enlisted Consultant is a member for appropriate action.
- e. The valuation report must be submitted in the format.

Please also note that your empanelment is subject to your submitting satisfactory status report from your existing/present banker. Please, therefore, advise us your present bank account number along with the complete address of the bank branch to enable us to obtain status report. Please return the duplicate of this letter duly signed by you for having accepted the above terms and conditions, to reach us on or before **30.04.2018** ALONGWITH YOUR LAST 3 YEARS Income Tax returns and a copy of registration as valuers with Income Tax authorities under Wealth Tax Act.

Yours faithfully,



(Kamlesh Ranjan)
CHIEF MANAGER

