



Nivara Home Finance Limited
CIN: U65922KA2014PLC077547

Registered Office:
22,23,24,25/101/3, 3rd Floor, BNR Complex,
Sri Rama Layout, J.P Nagar,
7th Phase, Bangalore – 560078

Policy for Valuation of Property

Version	Authority	Date of Approval
V.1	Board	September 11, 2017
V.2	Board	September 29, 2018
V.3	Board	January 09, 2019
V.4	Board	March 28, 2023
V.5	Board	March 31,2025

Policy for Valuation of Properties – Empanelment of Valuers

Introduction:

According to the provisions of RBI Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021, Housing Finance Companies (HFCs) are required to put in place a Board approved valuation policy for putting in place a system/ procedure for realistic valuation of properties/ fixed assets and for empanelment of valuers. The Company has framed policy for Valuation of Property as per the above directions.

Nivara shall be guided by the following aspects while formulating a policy on valuation of properties and appointment of valuers

Valuation Norms for immovable properties including collateral accepted for its exposure from customers:

Nivara is in the business of providing home loans/mortgage to borrowers. The primary collateral for these loans are the underlying immovable property viz., home that are financed. Therefore, it is of utmost important that these properties are valued properly to

1. Ensure correct amount of funding to the borrower based on the realisable value of property to protect against the default or impairment in the value of property.
2. Adherence to the loan to value (LTV) regulatory norms throughout the life cycle of the retail housing loans and check on any breaches.

Process of empanel of Valuer.

The process of appointment of valuers shall be followed by the '**Nivara's Policy for Empanelment of Independent Valuers**' which shall be in line of RBI Master Direction and Companies Act, 2013 read with relevant rules made thereunder.

Operational Guidelines

1. Nivara shall obtain minimum two valuation reports, at least one of them being from an independent valuer, in case the loan amount is ₹25 lakh and below ₹50 lakh. The lower of the two valuations shall be considered by the Nivara for deciding upon the loan amount.
2. For loan amount below Rs.25 lakh, the valuation would be done by the Nivara's own qualified technical staff/competent empanelled valuer taking into consideration Cost Value or Realisable Value, whichever is lower.
3. Direct purchase of home from public agencies viz., housing board, urban /rural development authorities etc may not be required to go for any fresh valuation. The cost of acquisition of the property quoted in the letter of sale or agreement to mortgage to sale may be taken as a final valuation of property.
4. The frequency of valuation of Non-Performing Asset (NPA) shall be annual. The Board shall review the frequency on an annual basis.
5. The valuation report shall indicate market /realisable value of the property.
6. Nivara shall adhere to regulatory LTV norms or the norms prescribed by the Board in conformity to the regulatory norms in respect of all retail housing loans and monitor for their breaches throughout the life cycle of the loan. The registration charges, stamp duty and or any other fee etc., shall not be included in the value of the property except for loan below Rs.10 lakh.
7. In respect of financing of any initial transaction of the purchase of a property, the value of the property for the purposes of arriving at the Loan to Value ratio (LTV) should not exceed the documented transaction value as per the agreement to sale, sale deed etc.

Approved collateral

1. Property should be as per the approved sanction plan of the local urban/rural authority and found fit for creation of registered mortgage. No loan would be sanctioned in respect of property lying in unapproved /unauthorised areas.
2. Patta /khata as provided by the local authorities shall be checked for the creation of charge/mortgage. Necessary inclusions in the property document shall be insisted upon before sanction of loan.
3. Property should be located within 100 Km of our branch or within jurisdictional reach of local authority

Frequency of Valuation

Properties should be valued before the first disbursement. As current average ticket size is close to LTV of 35%, loans above 12 lakhs and having LTV of more than 50% at time of origination should be visited once in three years to check the asset quality and loans below 12 lakhs should be visited by employees on a sample basis to check on quality of building. The visit of the properties shall be done by employee of the company, who shall then provide his report to the Managing Director of the Company.

Valuation of NPA:

All cases which are NPA as on 31st March shall be valued by the company before 30th September of the next financial year and any deterioration of value be reported to the Managing director.

Loan to Value ratio (LTV) should not exceed the documented transaction value as per the agreement to sale, sale deed etc. Valuation in such cases, if required, may be done as per the policy approved by the Board of the company.

2. Policy of revaluation of HFC's own properties:

2.1. The Company does not own any immovable properties such as land and building and hence valuation as such does not apply. In case the Company purchases immovable properties the valuation process as mentioned for immovable properties the same will be applicable.

The Company's movable fixed assets such as computers, printers, office equipment, furniture and fixtures, vehicles and other such immovable assets are valued at cost less depreciation as per companies Act 2013 and given as schedule to financial statements in notes forming part of financial statements.

3. Policy for Empanelment of Independent Valuers

3.1. The Company has framed a policy for empanelment of independent valuers and maintain a register of 'approved list of valuers'. Empanelment of Independent Valuers shall be guided by the provision of said policy.

4. Review of Policy

The Policy shall be reviewed by the Board of Directors on an annual basis.

Enclosure:

Report Format

INDICATIVE VALUATION REPORT		
NIVARA HOME FINANCE LIMITED		
Ref No:		
Visit Date:		Report Date:
Application Number:		Lead Generation Number:
I.	Sub: Valuation Report of @ Property Address	
	Legal Address	
1.	Date of inspection and valuation	
2.	Name of the owners :	
3.	Person met/Nos	
4.	Whether customer was present or not	
5.	Valuer Code	
6.	Suburb Name	
7.	Cluster ID	
8.	Developer Name	
9.	Project Name (if any)	
10.	Flat No. & Floor No. :	
11.	Name of the building :	
12.	Brief description of the property	
13.	Location, street. Ward No. :	
14.	S. No., Plot No. and C.T.S. No.	
15.	Classification of locality	
16.	Proximity to civic amenities like school, market, college, etc Hospital, office :	
17.	Nearest railway station and distance from the property	
18.	Modes of transport to the property :	
19.	Area of land and other details :	
20.	Name of the road for access :	
21.	Land freehold or leasehold, term of lease, period expired, balance and lease rent :	

22.	Approvals for drawings from Mun. Authorities / occupation certificate. ULC clearance / F.S.I. available and balance for future use / F.S.I. from T.D.R.	
23.	Name of the co-operative Housing Society : Registration No. of society: No. of shares held and certificate No: Outgoes per month:	

	Boundaries of the property	As per Document	Actual
24.	East :		
	West :		
	North :		
	South :		
II.	DETAILS OF STRUCTURE AND SPECIFICATIONS: Legal Aspects		
1.	Year of construction of the building		
2.	Age of the building and anticipated future life of the building :	Age of	
		Future Life	
3.	Present condition of the flat and building and any last repairs done painting done, immediate repairs required with cost of the same.		
4.	Type of construction		
a.	Completion Stage		
b.	Estimated Date of Completion		
5.	Permitted use of the property.		
6.	Actual use of the Property :		
7.	No. of floors for building and additional structures:		
8.	No. of lifts with capacity and type :		
9.	Type of underground, overhead tanks and pumps :		
10.	Flooring in open spaces and stilts and staircase :		
11.	Compound wall and gates & security		
12.	Building elevation :		
13.	Other amenities and special amenities and features :		
14.	General comments on specifications		
III.	DETAILS FOR THE PROPERTY UNDER REFERENCE :		
1.	No. of floors and flats on each floor.		
2.	No. of rooms for the building		
3.	Balconies to rooms separate or merged		
4.	Walls, plaster and painting:		

Valuation Report

Nivara Home Finance– Branch Name

5.	Doors and windows :			
6.	Type of flooring in rooms, skirting /cladding :			
7.	Flooring in toilets/ W.C./ Bath, Dado			
8.	Kitchen platform type and sink :			
9.	Toilets plumbing lines concealed /open Type of plumbing and san. Fittings, any special fittings, ceiling			
10.	Electrical installation open or concealed wiring Type of switches tel. points, T.V./ cable points :			
11.	Area of the property (actual) :			
12.	Area of property (permitted as per approved plan/building byelaws)			
13.	Area as per sale agreement			
14.	Adherence to Sanction Plan/building byelaws	Floor	Actual	Permissible
		GF		
		FF		
		SF		
		FF		
		Total		
15.	Deviation from sanction Plan/building byelaws (if any)			
16.	Basic Services			
17.	Risk of Demolition (valuers views)			
18	Latitude & Longitude	Latitude		
		Longitude		

19.		Floor	No. of Units	Occupied by
		GF		
		FF		
	Property Currently Occupied by (Owner	SF		
		TF		
		FF		
		Total		
20.		Floor	No. of Units	Occupied by
		GF		
		FF		
	Future Rental Value	SF		
		TF		
		FF		
		Total		
IV. ASSUMPTIONS, DATA AVAILABLE AND BASIS FOR THE PURPOSE OF VALUATION ;				
1.	Drawings and approvals			
2.	Area considered for the purpose of valuation :			
3.	Age of the building and future life	Age	Work in progress	
4.	Present condition of building and structure:			
4(a)	Adherence to the state /local level disaster management guidelines along with the architect/valuer's certificate of compliance.			
4(b)	Valuer's report of proposed dwelling unit falling into approved/sanction plan of local urban /rural authority			
4(c)	Valuer's /architect report that proposed construction has been completed as per the sanction plan of local authority.			
4(d)	Notarised letter of undertaking from the customer addressed to Nivara that construction would be completed as per the sanction plan	the sanction plan within a period not later than years (in case of plot plus construction loan) and the customer shall collect the building completion certificate from the local authority and submit the same to Nivara.		
5.	Comments on specifications and amenities:			

6.	Market rates of properties in the vicinity and surrounding area :		
V.	Cost	As per Customer	As per Valuer
	Total Estimate		
	Total Cost for Proposed Building		
	Total Amount Spent on Date		
	Total No. of Floors (Permissible)		
VI.	CONCLUSION AND VALUATION OF THE PROPERTY :		
In view of the data available and basis for valuation, the valuation of the property under reference will as under			
Fair Market Value of property:			

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Cost of Land :			
Area (Sq. ft.)		Rate:per Sq. ft.	Amount (Rs.)
Carpet Area	Built-up Area		Super Built-up Area
Cost of Existing Building :			
Floor	Area (Sq. ft.)	Rate per Sq. ft.	Amount (Rs.)
GF			
FF			
SF			
Compound, Portico/ Balcony, Staircase & rounding off			
Total Cost of the Building			
Hence Market value of the property is Rs.			
Current Stage of Construction (75% of Construction)			
Recommended amount for Disbursal			
2.	Construction Status		
3.	Construction estimate given by the customer		
4.	Is the estimate given by the customer valid		
5.	Less: for composite depreciation for age of the building and future		
6.	Less: for immediate repairs /painting / structural repairs for ..		
7.	Value of property		
8.	Value of the property as on date		
9.	Insurance Values		
10.	Re construction value		
11.	Forced Sale Value		
12.	How the property was identified		
13.	Whether the property was demarcated & easily identifiable		
VII.	Internal Specifications		
VIII.	Amenities :-		

Valuation Report

Nivara Home Finance Limited – Branch Name

IX.	Remarks :-	
X.	Enclosure :-	
Declaration :- I/We hereby declare that 1. The property was inspected by 2. I/We have no direct/indirect interest in the property value Date :- Place :-		Authorized Signatory

Notes & Limitations:-

1. This report does not certify valid or legal or marketable title of any of the parties over the property. Our Report does not cover verification of ownership, title clearance or legality.
2. The report is issued at the specific request of the party for specific purpose and the said report is not Valid if the purpose of use and party is different.
3. Our valuation is based on our experience and knowledge & this is an opinion only and does not stand As a guarantee for the value it can fetch if disposed, due to any emergency, in future.
4. Our report is valid for 30 days from the date of valuation.

Valuation Report

Nivara Home Finance Limited – Branch Name

Property Photos: