


<p><b>कार्पोरेशन बैंक</b> ( सार्वजनिक क्षेत्र का अग्रणी बैंक ) प्रधान कार्यालय, डा पे सं. 88 मंगलूर - 575 001</p>	 e-CIRCULAR	<p><b>Corporation Bank</b> ( A Premier Public Sector Bank ) Head Office, PB No.88, Mangalore – 575 001</p>
<p><b>Credit Division</b> [Credit Policy &amp; Planning Section] Email : CPMS@corpbank.co.in</p>		
HO Circular No. 391/2013	Index No. 11.00/43/2013	11-July-2013

**TO ALL THE BRANCHES / OFFICES**

**Subject : VALUATION OF SECURITY - NEED FOR STRICT ADHERENCE**

**HIGHLIGHTS**

**Branches to adhere the guidelines on valuation of security**

1. Fraud Monitoring Cell-HO has informed that it has come across a case of fraud at one of our branches involving huge credit limits. On analyzing the case, the following lapses were observed on the part of the branch, which culminated in fraud:

- i. Non obtension of two valuation for properties worth more than Rs 25 crore if the borrowal account is CB5 and below and Rs 50 crore in respect of CB1 to CB4.
- ii. Valuation by an outstation valuers even though the local valuers are available in the panel.
- iii. Option given to the borrower to identify the valuer.

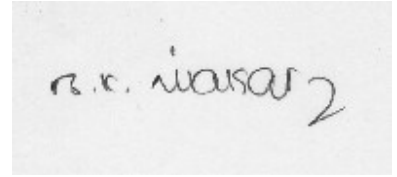
2. In this regard, we reiterate the following guidelines:

- i. In the case of land & building property, legal opinion shall be obtained from Bank's approved advocate certifying valid, clear and marketable title. Further, valuation report on the land and building property and other movable assets shall be obtained from the Bank's approved valuer. Further, such valuation report shall also contain market value, realizable/distress sale values.

In case of borrowers under multiple / consortium lending, the Bank may accept legal opinion / valuation report obtained by the lead Bank / other member Banks.

In case of CB1 to CB4 graded borrowers for loans with credit limits of Rs.50 crores and above, valuation shall be obtained from two independent approved valuers. In case of CB5 to CB8 graded borrower, such two independent valuations are to be carried out in respect of credit limits of Rs.25 crore and above.

- ii. When the Valuers on the panel are locally available, preferences shall not be given to the outstation valuers.
  - iii. Branch should identify the valuer to whom the valuation work is to be assigned and the borrower should not be given the option to choose the valuers.
3. All the branches / other offices are advised to note the above for strict compliance and adherence.

A rectangular box containing a handwritten signature in black ink. The signature appears to be 'B.K. Divakara' with a stylized flourish at the end.

[ B.K.DIVAKARA ]  
GENERAL MANAGER

Note: Hindi version of the Circular follows.