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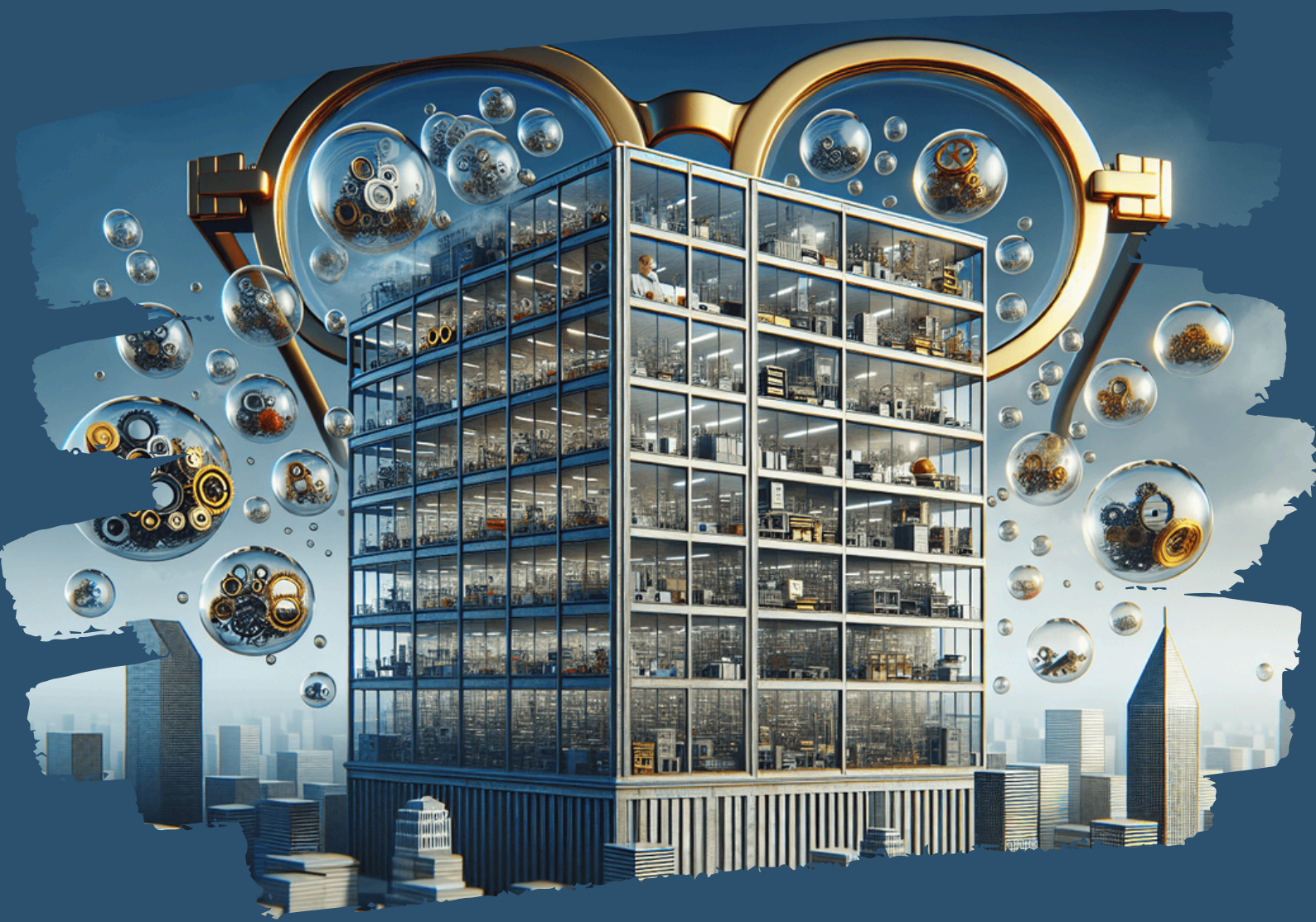
Divya Jyoti Valuers Foundation



VALUER INSIGHTS

JOURNAL

NEWSLETTER

Dear Readers,

Welcome to the 3rd edition of Valuer Insights, the e-journal by Divya Jyoti Valuers Foundation. We have launched this platform for meaningful discourse, knowledge exchange, and professional enrichment in the field of valuation. At Divya Jyoti Valuers Foundation, we're committed to excellence, integrity, and continuous learning. Through Valuer Insights, we aim to showcase our expertise and foster collaboration within the valuation community. This 2nd issue features articles, and case studies, exploring valuation methodologies, industry trends, and regulatory updates. We invite you to engage with us, share your experiences, and contribute to the collective knowledge in valuation. As we embark on this journey, we extend our gratitude to our contributors, supporters, and readers. Let's illuminate the path forward and elevate the profession of valuation together.

Divya Jyoti Valuers Foundation
Registered Valuers Organisation

April-September 2025

Contents

From The Desk Of Chairman

Welcome to this 1st Issue of 2nd Volume of our journal a publication dedicated to exploring the dynamic landscape of the valuation profession in an era defined by unprecedented technological advancement, the discourse surrounding Artificial intelligence (AI) has moved from the forefront of practical application including our profession.

The integration of AI in valuation report preparation is not merely a passing trend, it represents a fundamental shift in how we approach our care responsibilities. Our profession has always been built on a foundation of rigorous data analysis, sound judgment, and meticulous reporting. AI particularly machine learning and generative AI is poised to enhance every one of these pillars.

The benefits are clear. AI powered algorithms can swiftly analyze vast database, identify intricate patterns and detect anomalies that might elude even the most experienced human valuers leading to more informed decision making. This data driven approach significantly improves the efficiency and accuracy and saves time of valuers for use in other important areas.

Valuers should embrace these tools not as a replacement for human expertise best as a powerful enhancement.

The future of valuation is an exciting blend of human acumen and machine intelligence. By harnessing the power of AI we will not only improve our internal efficiencies but also enhance the quality of service are provide to our clients, delivering greater transparency, accuracy and value in a rapidly evolving world.

I am confident that by embracing this technological shift. We will continue to thrive trend set now benchmarks for excellence in the valuation profession.
Enjoy your reading.

S P Sharma
(Non executive Chairman and Independent Director)
Divya Jyoti Valuers Foundation RVO

From The Desk Of CEO

Dear Colleagues,

Welcome to the latest edition of our company house journal!

As I read through the diverse and engaging content in each issue, I am consistently reminded of the incredible talent, passion, and unique perspectives that exist within our organisation. This journal is more than just an internal publication; it is a platform for us to connect, learn, and grow together, and its richness depends entirely on your input.

I want to personally encourage each and every one of you to consider sharing your insights, experiences, and knowledge by writing an article for a future issue. Contributing offers benefits that extend far beyond simply seeing your name in print:

- **Sharpen Your Thinking:** The process of writing a clear and concise article requires organizing your thoughts, which naturally leads to clearer thinking and a deeper understanding of your own work and ideas.
- **Establish Your Expertise:** Sharing your knowledge helps position you as an expert in your field, both within our company and potentially to our external stakeholders if the journal is shared. This builds credibility and trust among your peers.
- **Inspire and Engage:** Your unique experiences, whether a project success story, a lesson learned from a challenge, or an innovative idea, can inspire colleagues, foster collaboration, and enhance our overall work culture.
- **Enhance Communication Skills:** Strong business writing skills are invaluable. Regularly contributing to the journal offers a practical way to hone your ability to communicate effectively, a skill critical for career growth.
- **Broaden Your Network:** Sharing your work can attract interest from others in different departments, opening doors for new collaborations and expanding your professional network.
- **Earn CEP Credits for your contribution:** Every article published in our house e-journal will earn you credit points which will ensure your CEP compliance. Our journal is ISSN certified.

We are always open to new ideas and suggestions, and we recognize the immense value of everyone's contributions. Whether it is a deep dive into a technical project, a personal reflection on our company values, or a photo essay from a team event, your stories matter.

I am keen to hear directly from you on how we can continue to make this a vibrant and valuable resource for everyone. Please reach out to the editorial team with your ideas or submissions.
Together, we can ensure our house journal truly reflects the dynamic and innovative spirit of our company.
Thank you for your hard work and dedication.

Best regards,
Sarita Singh
Chief Executive Officer
Divya Jyoti Valuers Foundation

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H.K. Narang
FIV F-6888 (LM)
(Vasai, Maharashtra)

STATUTORY PERMISSIONS / APPROVALS TO BE TAKEN BY INDUSTRY FOR SETTING UP AN INDUSTRY

A. Under Factories Act-From CIF
1) Permission to construct, extend or take into use any building as a factory
2) Approval of site and Building Plans
3) Appraisal of site by State Site Appraisal Committee (only for hazardous process units)
4) Certificate of stability of factory building
5) Application for registration and notice of occupation of a factory
6) Application for License/Renewal of License, of a factory

B. Under the E.P. Act and various rules framed under it from Central/State Pollution Control Boards
1) Notification of site (in respect of hazardous chemicals)
2) Consent for discharge of trade effluents
3) Consent for operation of plants (in Air Pollution Control Areas)
4) Environment Clearance from State Dept. of Environment
5) Authorization for handling hazardous wastes in qualities Exceeding regulatory values)

C. The Public Liability Insurance Act Public Liability Insurance by Owners handling hazardous substances

D. Explosives and Petroleum Acts from CCE
1. License for manufacture, possession, use, sale, transport and importation of explosives
2. License to import/store of petroleum
3. License to carry petroleum by land
4. License for installing static and mobile pressure vessels
5. License for filling and possession of gas cylinders with compressed gas
6. License for transporting cylinders filled with compressed gas.

E. Boilers Act Certificate of authorization for use of boiler from Chief Inspector of Boilers

F. Insecticides Act License to manufacture insecticides.

Vr. Shubham Bansal
IBBI/RV/11/2022/14967
Panipat, Haryana

ASSESSMENT OF DEVELOPMENT RIGHTS TRANSFER FOR RESIDENTIAL HOUSING PROJECT CASE STUDY OVERVIEW

The CD company had entered into a development agreement with XYZ Pvt. Ltd. on 10th February 2015. The XYZ was also promoted by the directors of the AAA group and now relatives of the KMP of AAA Limited. The project "ABCD" - comprising 560 units allocated in 7 Residential Towers, at Sector, Gurgaon, Haryana is to be constructed as per development agreement.

The XYZ had entered into an agreement with ABC Estates Pvt. Ltd. and others (Land Owners) for development and transfer of rights for the residential group housing project on a part of their land to transfer and assign all the development rights along with all marketing and selling rights on identified part of land admeasuring 10.218 Acres with scheduled FSI thereon i.e. 7,78,847 Sq. Ft.

The XYZ had further entered into development agreement with CD on the said land Gurgaon, Haryana. The licenses were issued by DTCP (Haryana) in the name of land owners. The Zoning License no. 123 of 2012 dated 00.00.0000 was issued, which is now suspended/ cancelled.

The CD and XYZ have a sharing ratio of 80:20 for the constructed inventory.

Required valuation of development rights as on 01, May 2019

1. Project Overview

Particular	Details
Project Name	ABCD
Location	Sector ____, Gurgaon, Haryana
Land Area	10.218 Acres
Licensed FSI	7,78,847 Sq. Ft. (as per agreement)
Agreement Date	10 February 2015
Development Sharing Ratio	CD: 80%, XYZ: 20%
Zoning License No.	123 of 2012 (Currently suspended)

2. Area Calculations

Description	Value (SFT)
Total Licensed FSI	7,78,847
Developer's Share (80%)	6,22,877.6 (~6.23 lakh)
Third-Party Share (20%)	1,55,969.4 (~1.56 lakh)

DIRECT TRANSFER OF DEVELOPMENT RIGHTS

Apartment Market Rate

The average selling price per square foot of constructed apartments, based on prevailing market trends.

Loading Factor

The percentage increase used to convert **carpet/FSI area into super built-up area** (which includes common areas like lobbies, stairs, etc.).

FSI Rate

Definition: The derived price per square foot of FSI (Floor Space Index) area, calculated by adjusting the apartment market rate for loading.

Development Cost

Definition: Estimated cost per SFT to construct the apartment (include mention below :-

- **Materials**: Cement, steel, bricks, sand, tiles, glass, plumbing & electrical fittings, etc.
- **Labor**: Skilled and unskilled labor charges for masonry, plumbing, electrical, painting, carpentry, etc.
- **Machinery & Equipment Usage**: Rental and operation costs of construction equipment like mixers, lifts, scaffolding, etc.
    - Landscaping
    - Roads, driveways, and pathways
    - Boundary walls and gates
    - Storm water drainage and sewage systems
    - Water tanks and borewells
    - External electrification and lighting
    - Architect’s fees
    - Structural Engineer’s fees
    - MEP consultants (Mechanical, Electrical, Plumbing)
    - Landscape architects
    - Environmental consultants (for approvals)
    - Contractor’s profit margin
    - Mobilization costs
    - Temporary site offices, storage, and facilities
    - Contingency margins
    - Project management consultants
    - On-site supervisors and engineers
    - Quality control and safety staff
    - Routine administrative expenses
    - Building permits

Net Residential FSI **Rate :The residual value per SFT of FSI after deducting development costs.**

Developer's Profit : The notional margin or profit assumed for the developer, commonly taken as a percentage of the net value.

Fair Market Value (Development Right) : The total estimated market value of the FSI area after deducting development cost and developer's margin.

Note:- "Construction value has not been considered, as the building is in poor condition due to deterioration caused by prolonged exposure to the environment."

Valuation-Case Study

1. Area Considered:

- Land area: **10.22 Acres** & FSI area: **7,70,000 SFT**
- Developer is entitled to **80%** of the super built-up area (20% retained by another party)
- Thus, available FSI for Revenue (Cost of Construction liability totally of CD): 7,70,000 sft×80%=616000 SFT & Balance Development area- = 154000 Sft.

2. Market Rate Derivation:

- Apartment market rate: Rs 5000/ sft (Builder had been sold all 370 Flats as information provided also confirm from vicinity)
- Adjustments:

- FSI RATE = Rs 5000/sft
- Less development cost: Rs 2,500/sft (Development scope mentioned above)
- Net residential FSI rate: 5000/sft - 2500/sft = Rs 2,500/ Sft

This method **already assumes** that any profit margin the developer expected is **reflected in the market rate**. Here's why:

1. Market Price Already Includes Developer Profit:

- Builders set the sale price (Rs 5,000/sft) based on what the market can bear and what gives them acceptable returns.
- So, **deducting profit again would be double-counting** and would undervalue the development rights.

2. Residual Method Logic:

- This method estimates the **maximum price a developer can pay for land/FSI** and still make the project feasible.
- Whatever remains after deducting construction and soft costs is the **developer's allowable budget for land acquisition** — i.e., development rights.

3. You Are Not Valuing the Developer's Business; You're Valuing the Land Right:

- You're not trying to replicate the developer's full financial model.
- You're only asking: What would a rational developer be willing to pay for the development right, given market rates and costs?

Note- A **rational developer** would be willing to pay for development rights (FSI) based on what **surplus remains after recovering all project costs and achieving a reasonable profit margin.** This is often assessed using the **residual land value method.**

"A rational developer, aiming to ensure financial viability, will only pay for development rights what remains after covering all project costs. If the market sale price already includes expected profits, then no further adjustment for profit is needed. The net residual value after costs becomes the fair value for development rights."

Fair Market Value (Development Right = 6,16,000SFT @ Rs 2500/ sft = **Rs 154.00 Cr**

Deduct Cost of construction for balance area of total FSI for third party as developer will complete the whole project = 154000 @ Rs 2500/ sft = **(-) Rs 38.50 Cr**

Net Fair Market Value (Development Right) = Rs 154.00 Cr (-) Rs 38.50 Cr = Rs 115.50 Cr.

3. Pending Dues as data given by the IP/IRP:
Rs 55.85 Cr (for EDC & IDC etc) for full project i.e 18 Acre hence for **10.20 Acre** will be **Rs 31.65Cr**
And for cost of license for renewal will be Rs 40 Lakh/ Acre for 10.20 Acre = Rs 4.08 Cr
Total Dues = Rs 35.73 Cr*

Total flat sold recorded in the books	370 approx
Amount received from these allottees	**Say Rs 100.00 Cr**
But: **Rs 100 Cr received** is **not a deduction** unless it needs to be refunded or accounted as liability. If already used in construction, it's not reducing value directly.	

4. Fair Market value as on 01 May 2019 = **Rs 115.50 Cr (-) Rs 35.73 cr. (-) Rs 100 Cr = (-) Rs 20.23 Cr**.
In general, liquidation value is typically 15% to 25% lower than market value, as it reflects a scenario where the asset must be sold within a limited time frame. The exact discount depends on factors such as site condition, market demand, and urgency of sale."

Explanation for Negative Project Valuation

The negative value of the project can be attributed to the following key factors:
1. Advance Received from Buyer: The developer has already received an advance from the buyer, which is to be adjusted against future project costs or liabilities. This advance reduces the project's net realizable value.
2. Outstanding Dues to Government Authority: An amount of Crore is still pending as dues payable to the relevant government authority. This liability further impacts the project's financial viability.
3. Third-Party Development Obligation: Approximately 20% of the total project work, is to be developed by the developer on behalf of a third party. This obligation represents a cost that does not generate direct revenue for the developer.

These factors collectively result in a negative net valuation for the project under the conditions as on 01.05.2019.
"If the project has a negative value due to advance liabilities, government dues, and third-party obligations, why would a rational developer take over such a project?"

Reasons a Developer Might Still "Put Hand" in Such a Project:

1. Strategic Location or Future Potential
- The project may be in a **prime area** where land is scarce.
- Despite current negatives, the **long-term upside** (e.g., future market price increase, upcoming infrastructure) may justify the risk.

2. Discounted Acquisition Price
- The developer may negotiate a **deeply discounted price** or acquire the project **through distress sale/NCLT**.
- The **net acquisition cost** might become attractive enough to absorb existing liabilities.

3. Leverage Over Creditors
- A developer with **stronger financials** may settle dues with government authorities or banks at **discounted terms**.
- This improves the economics significantly.

4. Asset-Backed Recovery
- Some value might still exist in **partially completed construction, FSI, or unsold inventory**.
- The developer may believe they can recover costs by **re-planning or optimizing layouts**.

5. Related Party or Obligation
- Sometimes the developer is **already involved** or has a contractual obligation.
- Or the buyer of the project has other interests in the same area or group of projects.

‘Despite the current negative project valuation as on 01.05.2019 — primarily due to advance buyer liabilities, pending government dues, and third-party development obligations — a developer may still consider acquiring the project if strategic, financial, or location-based factors indicate potential for turnaround. However, such a decision would be speculative and dependent on future planning, negotiations, and cost-reduction strategies."

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Ramakrishnan Shyamsunder
IBBI/RV/05/2022/15176
Chennai , Tamil Nadu

HUMAN FACTORS IN PLANT AND MACHINERY VALUATION

Introduction

The valuation of plant and machinery is not merely a mathematical exercise; it's a complex blend of art and science, heavily influenced by the human elements at various stages. While hard data forms the foundation, the interpretation, application, and ultimately, the judgment of individual valuer shapes the final assessment and the values. Considering these factors, it is imperative to discuss this crucial subject.

1. Valuer's expertise and judgment

This is arguably one of the most critical human factors. A valuer's proficiency goes far beyond simply knowing how to use valuation formulae during an assignment. The valuer is expected to have the following traits for professional execution of any given assignment.

1.1 Deep industry knowledge and specialization

1.1.1 Beyond general asset knowledge

It is not enough to know what a "lathe" is, for instance. A skilled valuer must understand the nuances of different lathe types (e.g., CNC vs. manual), their applications in specific industries (e.g., aerospace vs. automotive), and the impact of functional or technological obsolescence on their value. This could include various accessories and attachments used across industries.

1.1.2 Understanding the operational Context

For example, a valuer assessing a heavy-duty press in a forging plant during normal operation or otherwise needs to understand the stresses it endures, the typical maintenance cycles, and the specific local regulatory compliance requirements for that industry. This informs their assessment of remaining useful life (RUL) and potential future costs towards safe operation of the press.

1.1.3 Market dynamics and niche markets

The valuer typically understands that the market for a highly specialized piece of machinery might be very small, impacting its liquidity and, consequently, its fair market value. He/she also recognizes the regional differences in demand and pricing. For instance, a particular textile processing machinery might fetch a higher price in Tamil Nadu due to a concentration of the textile industry, compared to any another state.

1.1.4 Technological advancement/obsolescence

This is where human foresight and constant learning are vital. A valuer must be aware of emerging technological trends and industry practices that could rapidly devalue current machinery. For example, the rapid evolution of automation and AI in manufacturing, leading to Industry 4.0 requirements can quickly render older, less automated machinery less valuable, even if they are physically sound.

2 Qualitative assessment and condition analysis

2.1 Beyond visual inspection

While physical inspection is key, seasoned valuers can "read" a machine. They look for subtle signs of wear beyond the obvious ones, assess the quality of past repairs, identify potential future points of failure, and understand the implications of non-standard/in-house modifications.

2.2 Maintenance history interpretation

A comprehensive maintenance log is valuable, but a trained valuer can interpret gaps in the log, identify common issues for that specific model, and assess the competency of the maintenance team/provider, which impacts the asset's reliability and future operational costs. A valuer is expected to have a thorough examination of the maintenance log to identify such gaps.

2.3 Build Quality and Brand Reputation

A valuer understands that a machine from a reputable German or Japanese manufacturer, even if older, might hold its value better due to superior build quality and reliability compared to a newer, lesser-known brand. This perception of quality is purely a human judgment based on professional experience of the valuer.

3 Adaptability to valuation purpose and standards

3.1 Tailoring Methodology

The valuation approach, viz. Cost approach, Market approach, Income approach is chosen based on the valuation's purpose. For insurance purposes, Replacement Cost New (RCN) might be prioritised. For a sale, Fair Market Value (FMV) is key. A valuer applies his/her judgment to select the most appropriate method and adjusts for specific factors.

3.2 Compliance with Standards

Valuers must adhere to international (e.g. IVS – International Valuation Standards) or national standards, as applicable at the time of valuation. Interpreting and applying these standards correctly, especially in complex scenarios, requires expert judgment and ethical discretion.

4.0 Human error and bias

While expertise is an essential asset, inherent human limitations can introduce certain inaccuracies. Understanding these unseen influencers is crucial for maintaining quality control in the valuation process. Few such scenarios are explained below.

4.1 Cognitive biases

4.1.1 Anchoring bias

A valuer for instance, might see a machine listed for Rs.100,000. Even if his/her initial calculations suggest Rs.80,000, they might subconsciously "anchor" to the Rs.100,000 and adjust the final figure upwards, perhaps to Rs.90,000, without fully justifying the difference.

4.1.2 Confirmation bias

If a valuer believes a particular brand of machinery is generally robust, he/she might subconsciously seek out external evidence (e.g., positive user reviews) that supports this belief, while downplaying evidence of common faults or wear.

4.1.3 Over-confidence bias

A well experienced valuer might, perhaps unwittingly, rely too heavily on his/her intuition without rigorously cross-referencing market data or conducting thorough calculations, leading to a less robust valuation.

4.1.4 Effort justification

If a client has spent a significant amount on retrofitting an old machine, the valuer might, again subconsciously, place a higher value on that modification than objective market data would support, simply because a lot of "effort" went into it.

4.1.5 Prominence bias

A valuer might be heavily influenced by a single, prominent defect (e.g., a large dent) while overlooking several smaller, less visible, but cumulatively significant issues that affect the machine's overall performance. Such issues could lead to reduced operational performance, if left unreported.

4.1.6 Availability heuristic

A valuer might give undue weightage to recent market transactions he/she are aware of, even if those transactions are not truly representative of the current broader market for the specific asset.

5.0 Client influence and pressure

5.1 Direct pressure

A client might explicitly ask for a higher valuation to secure a larger loan or for financial reporting purposes. While ethical valuers resist, subtle pressure can still exist on the valuer (e.g., fear of losing future business).

5.2 Information Asymmetry

Clients may selectively provide information that paints a more favorable picture of the asset, and the valuer's ability to identify these omissions or inconsistencies relies on the individual’s skepticism and investigative skills.

5.3 Relationship Bias

A long-standing client relationship, while professionally handled, might subconsciously lead to a desire to "please" the client, potentially impacting objectivity.

6.0 Lack of specialization and training gaps

6.1 Generalist vs. Specialist

A general property valuer, unfamiliar with the intricate workings of industrial machinery, might miss critical factors like specific regulatory requirements for certain equipment (e.g., pressure vessels, lifting equipment) or the impact of specialized software licenses on value.

6.2 Keeping up with rapid change

The world of industrial machinery evolves rapidly. Valuers need continuous professional development to understand new technologies (e.g., additive manufacturing, IoT integration in machines), new maintenance paradigms (e.g., predictive maintenance), and the valuation implications of these changes.

7.0 Impact of human factors in asset management and operations

The value of plant and machinery is not static; it is continuously influenced by human actions within the owning organization.

7.1 Maintenance and operational practices

7.1.1 Skilled vs. Unskilled Labor

A highly skilled and careful operator can significantly extend the life of a machine, whereas a poorly trained or careless operator can accelerate wear and tear, leading to premature depreciation.

7.1.2 Preventive vs. Reactive Maintenance

Organizations with strong human commitment to preventive and predictive maintenance (where skilled technicians anticipate issues) will generally have machinery in better condition, thus retaining more value, compared to those that only fix things when they break down.

7.1.3 Documentation and record-keeping

Accurate, consistent and systematic record-keeping of service, repairs, and operational hours significantly enhances the credibility of a machine's condition assessment during valuation. Poor or missing records create uncertainty, potentially lowering perceived value.

8.0 Strategic decision-making by management

8.1 Investment Decisions

Management teams decide which machinery to invest in, when to upgrade, and when to dispose of the assets. These decisions, based on human foresight and strategic planning, directly impact the overall health and value of the machinery portfolio.

8.2 Resource allocation
Decisions on allocating budget for spare parts, training, and maintenance are human decisions that directly impact the operational lifespan and resale value of machinery.

8.3 Risk Management
Human decisions around safety protocols, environmental compliance, and insurance impact the asset's overall risk profile, which can indirectly influence its value.

9.0 Mitigating human factors for enhanced valuation accuracy
To counteract the potential pitfalls and leverage the strengths of human involvement, the following actions are suggested.

9.1 Rigorous Training and Certification
Specialized training in machinery and equipment valuation, leading to recognized professional certifications is the need of the hour. Live case studies and the issues encountered can be discussed as part of such certification programs.

9.2 Structured methodologies and checklists
Detailed checklists and standardized valuation processes with relevant templates to ensure consistency and accuracy and minimize omissions could be of great help to practicing valuers.

9.3 Mandatory peer review
For significant valuations, a second qualified valuer shall review the report to catch errors, challenge assumptions, and identify potential biases. RVOs often require practicing valuers for peer review to maintain and standardize and ensure compliance in quality assurance of the processes.

9.4 Independent data verification
The valuers shall be encouraged to cross-reference data from multiple, independent sources rather than relying solely on client-provided information.

9.5 Ethical frameworks and professional conduct
Strong ethical guidelines within and across valuation firms and professional bodies to counter client pressure and maintain objectivity could go a long way in reducing valuer’s bias.

9.6 Technological leverage
AI and data analytics tools and techniques to process vast amounts of market data, identify trends, and provide comparative analyses could be utilized to the extent possible. However, the valuer shall be allowed to retain the ultimate judgment, interpreting the data within its unique context.

9.7 Transparency in reporting

A well-structured valuation report shall clearly outline all assumptions, limitations, caveats and the rationale behind key judgments, allowing for scrutiny and building confidence among all stakeholders.

10.0 Conclusion

By deeply understanding and proactively managing these human factors, stakeholders can move towards more reliable, defensible, and ultimately, accurate valuations of plant and machinery, which are crucial for sound financial management and strategic decision-making.

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Vikas Jain
IBBI/RV/11/2023/15415
Gurgaon, Haryana

WHEN LAND HOLDS MEMORIES: VALUING THE BHOPAL GAS TRAGEDY SITE

When we talk about “valuation,” most people picture numbers, market comparisons, yield rates, or discounted cash flows. But sometimes, a valuer encounters a situation that cannot be captured by spreadsheets alone. The Bhopal Gas Tragedy site is one such location.

Nearly four decades after that tragic night in December 1984, the ground still bears the weight of one of the world’s worst industrial disasters. For the people of Bhopal, it is not merely contaminated soil; it represents a scar, a memory, and a constant reminder of what unchecked industrial risk can cost humanity.

Now imagine being asked to determine a value for that land.

Can it ever be reused? Can a facility operate there again? What would “market value” even mean for such a place? This is where valuation shifts from an economic task to an ethical, environmental, and social obligation.

At sites like Bhopal, a valuer must take on various roles: part historian, part investigator, part risk assessor. The process starts with examining the past. This includes old land titles, ownership disputes, government orders, and court records. Then comes the science of understanding the level of contamination in soil, groundwater, and vapour. The valuer has to evaluate how profound the damage is and how expensive the cleanup might be.

Even if the land is restored, the stigma often lingers. For decades, properties surrounding Bhopal have carried that invisible stain—a mark that impacts not just value but also public perception and investor confidence. Sometimes, the result of such an assessment is not a positive figure but a liability.

Every valuation tells a story. In Bhopal’s case, it’s a narrative of broken trust, human loss, and the cost of negligence. The valuer’s role here isn’t just to measure; it’s to remind. They need to ensure that the lessons of the past stay part of our professional awareness.

When valuers assess such land, they are not only looking at physical assets; they are protecting communities. They must think about future risks: What if leftover toxins still harm nearby residents? What if groundwater remains unsafe? What if redevelopment reopens old wounds? Each question serves as a reminder that at its core, valuation is a profession focused on public welfare.

There's also another side to this discussion. What if the site could eventually transform—not for industrial reuse, but as a memorial, a research center, or a green space for healing and remembrance? In that regard, valuers influence how societies remember. The numbers we assign can determine whether land stays abandoned or becomes part of a meaningful renewal.

That's why valuing contaminated land isn't just about "what it's worth," but about what it takes to make it usable again. Our calculations must reflect the costs of cleanup, restoration, long-term monitoring, and community assurance—not just commercial potential.

Being a valuer today is challenging. The profession requires integrity, judgment, and the courage to speak uncomfortable truths that others might prefer to overlook. A valuer must occasionally state: "This asset doesn't hold value; it holds liability." This honesty protects not just investors, but society as a whole.

The Bhopal tragedy reminds us that valuation is never solely about land or buildings; it's about lives, trust, and responsibility. It calls for empathy as much as it does expertise, and courage as much as calculation.

As India develops rapidly, thousands of brownfield sites await evaluation—from inactive chemical factories to closed mines. Each site carries both potential and risk. If approached correctly, valuers can help turn challenges into opportunities and legacy into lessons.

So, the next time someone says, "Valuer's job? Easy, right?" remember Bhopal. Some land carries stories, not just square feet.

Important Updates for Registered Valuers – Key Points from IBBI’s Annual Work Plan (AWP) 2025-26

Issued by: Divya Jyoti Valuers Foundation (Registered Valuers Organization)
Source: Annual Work Plan (AWP) shared by the Insolvency and Bankruptcy Board of India (IBBI) for FY 2025–26

Introduction

The Insolvency and Bankruptcy Board of India (IBBI) has circulated the Annual Work Plan (AWP) for Registered Valuers Organizations (RVOs) for the financial year 2025–26.
As a proactive step, Divya Jyoti Valuers Foundation (DJVF) is sharing the highlights relevant for Registered Valuers (RVs) to help ensure smooth compliance, professional excellence, and alignment with IBBI's expectations.

1. Capacity Building & Professional Development

To strengthen professional competence, IBBI has emphasized that:

- Every valuer must actively participate in Continuing Professional Education (CPE) programs.
- RVOs will report quarterly participation data to IBBI.

What you should do:

✅ Attend regular training sessions and webinars.
✅ Keep your learning record updated with your RVO.

2. Monitoring, Inspection & Peer Review

To maintain quality and integrity in valuation reports, RVOs are required to conduct:

- Routine and trigger-based inspections of member activities.
- Continuous monitoring of Half-Yearly Returns (HYRs) filed by RVs.
- Annual peer review workshops, where selected valuation reports will be discussed for feedback and learning.

Your responsibility:

✅ File HYRs on time.
✅ Cooperate during inspections and peer reviews.
✅ Ensure all reports meet IBBI's standards of independence, objectivity, and accuracy.

3. Certificate of Practice (COP) – Renewals & Compliance

Your COP is the backbone of your professional authority.

- CoPs will be issued or renewed only after 100% compliance verification by the RVO.
- Before taking up any assignment, every valuer must ensure their CoP is valid on the UVRIN portal.
- Assignments taken with an expired or suspended CoP may attract disciplinary action.

Tip: Always verify your CoP validity before accepting a new engagement.

4. Membership Updates – Surrender & Revival

If you plan to temporarily or permanently surrender your membership:

- Submit a formal request through your RVO.
- The RVO will update your status on its website and inform IBBI within 7 days.
- Members may apply for revival after the surrender period as per prescribed guidelines.

5. Professional Conduct & Code of Ethics

All valuers must strictly follow the Code of Conduct issued under the Valuers Rules. Maintaining integrity, independence, confidentiality, and transparency is essential for building public trust in the profession.

💡 Divya Jyoti Valuers Foundation's Commitment

At DJVF, we are committed to guiding our members in fulfilling these IBBI mandates through:

- Regular CPE programs & webinars
- Peer review workshops
- Compliance reminders and support sessions

We encourage every valuer to stay active, stay updated, and stay compliant.

For assistance or queries:
Divya Jyoti Valuers Foundation (Registered Valuers Organization)
Email: valuers@djvf.org
Website: www.djvf.org

VALUER'S Q&A SECTION

Q1. How can valuers integrate ESG (Environmental, Social, Governance) factors in business valuation?
Answer:
ESG factors influence long-term sustainability and risk. Valuers should reflect ESG impact in:

- Forecasted cash flows (if sustainability costs are expected),
- Discount rates (adjusted for risk),
- Market comparable (by selecting ESG-compliant peers).
- Globally, IVS 2025 encourages inclusion of ESG disclosures in valuation reports.

Q2. Is registration with IBBI mandatory for all valuers?
Answer:
Yes. Under Section 247 of the Companies Act, only Registered Valuers (enrolled with an RVO and registered with IBBI) can issue valuation reports for regulatory purposes in India.

Q3. How often should a valuer update their knowledge and training?
Answer:
Every valuer must earn 16 hours of Continuing Professional Education (CPE) annually as per IBBI guidelines — through webinars, training, or publications by their RVO (like DJVF).

Q4. Can a valuer sign a report jointly with another valuer of a different asset class?
Answer:
Yes — joint reports are permitted where assets belong to different classes (e.g., land & building and plant & machinery), provided both valuers are registered for their respective asset class and disclosures are made accordingly.

Q5. What are common mistakes that lead to disciplinary action against valuers?
Answer:

- Using outdated valuation reports
- Conflict of interest (valuing entities where valuer has direct/indirect interest)
- Inadequate documentation

Failure to follow Valuation Standards (Rule 8)

L&B
174
Batches

SFA
87
Batches

P&M
69
Batches

No. of Batches conducted

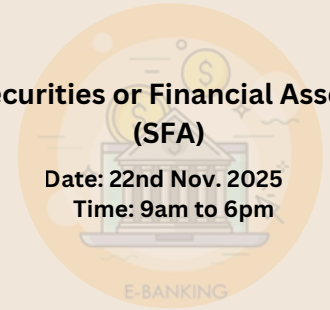
Upcoming Batches

Land & Building (L&B)

Date: 22nd Nov. 2025
Time: 9am to 6pm

Plant & Machinery (P&M)

Date: 22nd Nov. 2025
Time: 9am to 6pm



Securities or Financial Assets (SFA)

Date: 22nd Nov. 2025
Time: 9am to 6pm

Note: Weekend Batches : Saturdays & Sundays

For more information contact : 7455000323

DJVF RVO Members who cleared IBBI Exam in last 6 Month (Oct - March 2025)

Sr. No.	Name	Asset class	Scored (%)
1	Deepak Sharma	L&B	60.75
2	Nazeer Ahamed Sunkesula	L&B	65
3	Anand Babu	L&B	66
4	Sanjeev Agarwal	P&M	76.5
5	Krunal Jayantilal Dholariya	L&B	68.75
6	Deepak Kumar	L&B	66
7	Gagandeep Singh	L&B	71.25
8	Yashudaysonje	L&B	62.25

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Together We Can

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Registered Valuers Organisation