



# VENDOR MANAGEMENT POLICY

STAR HFL

VERSION 1.0

## Vendor Management Policy

<b>PREPARED BY:</b>
<b>RECOMMENDED BY:</b>
<b>APPROVED BY:</b>
<b>BOARD OF DIRECTORS</b>
<p>On behalf of Board of Directors:</p>   <p><b>Ashish Jain</b>  Managing Director  DIN: 02041164</p>

<b>Title</b>	Star Vendor Management Policy
<b>Date of Latest Release</b>	
<b>Version</b>	1.0

## **Vendor Management Policy**

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### **1. Introduction**

The purpose of this document is to define the Vendor Management Policy for the company. This is living document and supposed to be updated on a regular basis. This document should not be seen in isolation but in conjunction with the other policy documents that define the overall working of the company. For the sake of simplicity and to avoid confusion, any matter covered in other policy documents is not repeated in this document.

Following is the list of other documents / policies that are complimentary this policy document:

- a. Credit Policy
- b. Product Policy Guideline
- c. Technical Policy
- d. Legal Policy
- e. Operational Policy

### **2. Company Philosophy**

Company believes in managing the business through a solid set of policies including the Vendor Management Policy. Considering the importance of Vendor Management Policy, the top management will be directly involved in the various aspects of Vendor Management related issues.

Company aims at fostering maximum contented customer base in a mutually profitable way. It is therefore important to appraise the customer in unambiguous terms before offering a product or service to him. To support this mission, the company need support from various 3rd party vendor, selection of these 3rd party vendor very critical and costing incurred for each of the activities.

### **3. Mission of Vendor Management Policy**

“To create a uniform benchmark in registering, job allocation, performance review and cost control related to external vendor across geographies and ensure the compliance regulatory requirements”

Company's stated objective is not to discriminate vendor with similar characteristics across geographies and hence this policy envisages a detailed approach, methods and techniques towards vendor management.

## Vendor Management Policy

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Well written Policy and Procedures documents help employee to understand their roles & responsibilities and their respective deliverables within predefined boundary. Basically, policies and procedures allow management to guide business operations without constant management intervention.

### 4. Purpose of the Vendor Management Policy

This policy is in addition to existing policy of Legal, Technical and Verification, in this policy we cover compliance required during the appointment and the cost structure involved in the Legal, Technical, Verification process, all these services are out sourced to the 3rd party vendor and majority of them are local players. The vendor appointment is approved from corporate office based on the recommendation of branch manager. Costs are negotiated locally; this policy will help to standardizing the cost structure related to the vendor.

The purpose of creating this document is explained as follows.

- a. Enablement of standard process of vendor registration
- b. Enablement of standard decision making process across the similar vendor characteristics
- c. To build a comprehensive vendor appraisal mechanism through proper monitoring
- d. To align company vendor management policy with regulatory compliance requirement
- e. To synchronize competition, market dynamics and organization requirements
- f. To build risk boundaries and mitigants on a long-term vendor relation
- g. Ensure to operate on a set process guideline.
- h. Define the ethical practice need to followed in vendor management

### 5. Vendor Services required

To manage the day to day business operation of the company, we need following service from the vendor. Even though we can appoint specialized team to manage these activities, initially it is advised to our source these activities.

- Legal Vendor
- Technical Vendor
- Verification Vendor

## Vendor Management Policy

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- CPA

### a) Appointment of an External Agency for - Legal Appraisal

Role of legal team is a core in home loan industries, the validation of properties from a legal aspect forms an important part of checks and inspection of the home loan process. Importance of Legal as a function is brought by the increasing incidences of frauds in the industry which affects not only the profitability but also the collateral which the property is used as security.

In light of various innovative methodologies being adopted by the fraudsters, a high level of care and alertness is required during legal/property appraisal. There is an imperative need to initiate control measures for timely prevention and detection of frauds before disbursement.

Legal documents are used for legal verifications. This means that these documents are used to verify that the property has a clear title, and that the home loan is being disbursed to the right owner of the property for legal and valid reasons. No lender ever funds disputed properties or properties that do not have clear ownership titles.

Please refer the company legal policy for detailed roles and responsibility of the legal team. In the company legal policy broadly, following points are defined:

- To devise uniform processes and specifications for carrying out the Legal Appraisals of the property documents and Documentation.
- Conducts a legal check on your documents to validate their authenticity.
- Defines role of legal function (either in-house or outsourced) for a thorough scrutiny.
- Define various precautions, restrictions and conditional approvals
- Legal Compliances to be completed before disbursement
- Define the Approval Authority for legal deviations for all locations
- To Advise the type of Security/ mortgage to be created to secure the Loan

The following documented below are the criteria which are required to be met by the prospective Legal agencies, who desire to be empaneled with the company.

Requirement	Description
Educational Qualification	<ul style="list-style-type: none"> <li>▪ LLB with Bar Council as a Practicing Advocate</li> </ul>
Experience	<ul style="list-style-type: none"> <li>▪ Minimum standing of 3 years in practice</li> </ul>

## Vendor Management Policy

	<ul style="list-style-type: none"> <li>▪ Experience in banks / Financial Institutions related to property to be given preference</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>▪ Office premises for conducting business</li> <li>▪ Telephone connectivity through a mobile / fixed line at office premises</li> <li>▪ A computer having internet connectivity and a printer at the office premises</li> <li>▪ Having a team of subordinates, would be preferred</li> </ul>
Terms of Appointment	<ul style="list-style-type: none"> <li>▪ Case to case basis</li> <li>▪ Retianership basis</li> <li>▪ Hourly basis</li> <li>▪ Pre-defined period</li> </ul>
Restrictions	<ul style="list-style-type: none"> <li>▪ Must not be an immediate relative of the company staff</li> </ul>
Selection Authority	<ul style="list-style-type: none"> <li>▪ Recommendation by Branch Manager</li> <li>▪ Approved by Legal Head / Operations Head of the Company</li> </ul>
Remuneration Limit	<ul style="list-style-type: none"> <li>▪ As defined in this document in costing section or case to case basis approved by the Legal Head / Operations Head of the Company</li> </ul>

**Document required from the Legal vendor for empanelment refer Annexure 'A'**

### **b) Appointment of an External Agency for – Technical Appraisal**

Technical policy is created to define the technical requirement and also detailed the roles and responsibility of the technical work at the company. The valuation of properties from a technical aspect forms an important part of inspection of the home loan process. An amount of the home loan amount depends on the valuation of the property. The main purpose of the company technical policy is to create a uniform benchmark through various processes that would enable the technical appraisal of the properties to be financed. This manual also establishes approval authority for handling property related deviations captured during the technical appraisal.

Banks and financial institutions verify the property against which the loan is taken. Home loan is a secured loan, in which the property is used as security or collateral.

**To ensure the same, technical appraisal process involves analysis of the property in the form of site visits and checking the related documents.**

Please refer the company technical policy on detailed roles and responsibility of the technical team. In the company technical policy broadly, following points are defined:

## Vendor Management Policy

- To devise uniform processes and specifications for carrying out the technical Appraisals of the property.
- Defines role of technical function (either in-house or outsourced) for a thorough scrutiny.
- Define various precautions, restrictions and conditional approvals
- Technical Compliances to be completed before disbursement
- Define the Approval Authority for technical deviations for all locations
- To Advise the type of Security/ mortgage to be created to secure the Loan

The following documented below are the criteria which are required to be met by the prospective technical agencies, who desire to be empaneled with the company.

Requirement	Description
Educational Qualification	<ul style="list-style-type: none"> <li>▪ BE Civil / Construction</li> <li>▪ Certified Valuer</li> </ul>
Experience	<ul style="list-style-type: none"> <li>▪ Minimum standing of 3 years in practice</li> <li>▪ Experience in banks / Financial Institutions related to property to be given preference</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>▪ Office premises for conducting business</li> <li>▪ Telephone connectivity through a mobile / fixed line at office premises</li> <li>▪ A computer having internet connectivity and a printer at the office premises</li> <li>▪ Having a team of subordinates, would be preferred</li> </ul>
Terms of Appointment	<ul style="list-style-type: none"> <li>▪ Case to case basis</li> <li>▪ Retianership basis</li> <li>▪ Hourly basis</li> <li>▪ Pre-defined period</li> </ul>
Restrictions	<ul style="list-style-type: none"> <li>▪ Must not be an immediate relative of the company staff</li> </ul>
Selection Authority	<ul style="list-style-type: none"> <li>▪ Recommendation by Branch Manager</li> <li>▪ Approved by Legal Head / Operations Head of the Company</li> </ul>
Remuneration Limit	<ul style="list-style-type: none"> <li>▪ As defined in this document in costing section or case to case basis approved by the Legal Head / Operations Head of the Company</li> </ul>

**Document required from the Technical vendor for empanelment refer Annexure 'A'**

### c) Appointment of Field Investigation Agency

- Is a service provided by the 3rd party agencies to the financial institute to validate the information / data provided by the prospective borrower along with application form.

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- As part of credit process, credit team will be initiating following type of verifications based on the profile of prospective borrower OR income source of the prospective borrower.

Process Checks	Description
Payslip / Salary Certificate / Form 16	By External Agency will do the verification and submit the report as per their / our format. OR mail confirmation from the employer
IT Return	<ul style="list-style-type: none"> <li>Latest 02 years filed ITR</li> <li>100% check of 02 years ITR, by External Agency will do the verification and submit the report as per their / our format.</li> </ul>
Bank Statement	Saving / current Account for the last 6 months by External Agency will do the verification and submit the report as per their / our format
Current Residence	Is customer is staying in the address provided. External Agency will do the verification and submit the report as per their / our format.
Employment	External Agency will do the current employment verification and submit the report as per their / our format.
Business Premise	External Agency will do the business verification and submit the report as per their / our format.
NOC from Builder / Society/ Seller	By External Agency will do the verification and submit the report as per their / our format.
Share Certificate	By External Agency will do the verification and submit the report as per their / our format.
Rent Agreement (if rent is one of the source of income)	By External Agency will do the verification and submit the report as per their / our format.

Document required from the Field Investigation vendor for empanelment refer Annexure 'A'

### d) Appointment of Other Agency

Process Checks	Description
Internal concurrent Auditors	The service for validating the loan documentation against the policy and any deviation from policy
Printing and stationery	Vendor for supplying the printing and stationery along with branding requirement
Interior Vendor	To set-up with new branch and existing maintain the existing business premises.
HR activities related agency	Vendor who can provide service to compile with regulatory requirements.



## Vendor Management Policy

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Any other agency	Service provided towards the other requirement

### 6. Agency Costing

Please refer Annexure 'B' for vendor costing details

### 7. Ethical Practice

STAR HFL has been incorporated with an objective to enable access to institutional credit to deserving first time home owners in EWS/LIG/MIG segment and is committed to provide simplified lending experience to its customers. STAR HFL works on the business philosophy of Truth, Transparency and Sincerity with all its stakeholders and expects the same from its business associates including vendors.

Keeping this in mind, it is expected the following from its vendors:

- i. Ensure people having impeccable integrity deal with STAR HFL staff
- ii. Ensure no staff of the vendors causes financial exploitation of the customer
- iii. Ensure no staff of the vendors causes any other form of harassment to the customer in any manner under the barb of conducting business (applicable to vendors who need to interact with STAR HFL customers)
- iv. Ensure that the staff of the vendors are monitored for the job being assigned for STAR HFL and that the same is being executed with absolute sincerity
- v. Ensure there is no overbilling done in any of the engagement with STAR HFL
- vi. Ensure all systemic risks are being captured by the business vendors (legal, technical, third party credit etc.) and are objectively reported to STAR HFL
- vii. Ensure that there is no collusion that may lead to business fraud which would cause business and reputational loss to STAR HFL
- viii. Ensure all outstanding issues are resolved in mutually agreeable manner

### 8. Vendor Appointment

## Vendor Management Policy

Activities	Who can recommend	Who can approve
Legal	Branch Manager	Functional Head / Ops. Head
Technical	Branch Manager	Functional Head / Ops. Head
FI agency	Branch Manager	Functional Head / Ops. Head
Other Vendor	Authorized officer from Corporate Office	Functional Head / Ops. Head

### 9. Allocation of Task

Activities	Who allocates the job	Approval Process	Standard Practice	Record Maintenance
Legal	Branch Ops. Officer	Branch Manager	Must have multiple vendor registered	<ul style="list-style-type: none"> <li>Record must be maintained to monitor the job allocation / status/ billing/payment etc.</li> <li>Refer vendor Management format</li> </ul>
Technical	Branch Ops. Officer	Branch Manager	Must have multiple vendor registered	<ul style="list-style-type: none"> <li>Record must be maintained to monitor the job allocation / status/ billing/payment etc.</li> <li>Refer vendor Management format</li> </ul>
FI Agency	Branch Ops. Officer	Branch Manager	Must have multiple vendor registered	<ul style="list-style-type: none"> <li>Record must be maintained to monitor the job allocation / status/ billing/payment etc.</li> <li>Refer vendor Management format</li> </ul>
Other Vendor	Auth. Officer from Corp. Office	Auth. Officer from Corp. Office	Must have multiple vendor registered	<ul style="list-style-type: none"> <li>Record must be maintained to monitor the job allocation / status/ billing/payment etc.</li> <li>Refer vendor Management format</li> </ul>

### 10. Acceptance of Job completed

## Vendor Management Policy

Activities	Definition of Job Completion	Record of the job completed	Cost Monitoring
Legal	Legal Report form Vendor	Report	As per policy / vendor approved costing
Technical	Technical Report form Vendor	Report	As per policy / vendor approved costing
FI Agency	Verification Report form Vendor	Report	As per policy / vendor approved costing
Other Vendor	Completion report by the respective functional head	Report	As per policy / vendor approved costing

## 11. Billing

Activities	Acceptance of Invoice	Verification of cost with job allocation record	Verification of credit period	Review of any penalty, if any
Legal	Branch Ops. Officer	Branch Manager	Corporate Office - Account	Branch Manager
Technical	Branch Ops. Officer	Branch Manager	Corporate Office - Account	Branch Manager
FI Agency	Branch Ops. Officer	Branch Manager	Corporate Office - Account	Branch Manager
Other Vendor	Auth. Officer from Corp. Office	Auth. Officer from Corp. Office	Corporate Office - Account	Branch Manager

## 12. Payment Approval

Activities	Payment Initiation	Approval Process	Document need to be submitted to CO	Payment Processing	Accounting	Record Maintenance of payment
Legal	Branch Ops. Officer	Branch Manager	Vendor Invoice & Supporting Docs.	HO - Account	HO - Account	Branch Ops. Officer
Technical	Branch Ops. Officer	Branch Manager	Vendor Invoice & Supporting Docs.	HO - Account	HO - Account	Branch Ops. Officer

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FI Agency	Branch Ops. Officer	Branch Manager	Vendor Invoice & Supporting Docs.	HO - Account	HO - Account	Branch Ops. Officer
Other Vendor	Auth. Officer from Corp. Office	Functional Head	Vendor Invoice & Supporting Docs.	HO - Account	HO - Account	Branch Ops. Officer

### 13. Performance Monitoring

Activities	Who can Review	Whom to Review	What to Review	Vendor de-registration
Legal	Branch Manager	Agency / Report	TAT / Quality / Cost	Branch Manager / Functional Head
Technical	Branch Manager	Agency / Report	TAT / Quality / Cost	Branch Manager / Functional Head
FI Agency	Branch Manager	Agency / Report	TAT / Quality / Cost	Branch Manager / Functional Head
Other Vendor	Auth. Officer from Corp. Office	Agency / Report	TAT / Quality / Cost	Functional Head

### 14. Format and Annexure

- Vendor Application Form
- Vendor Appointment / empanel letter
- Vendor Master database
- Monthly data of job allocation and billing

### 15. Monitoring Format - Corporate Office

We at the company are taking the expertise from various vendors. The nature of payment to these vendors are mostly based on monthly billing. This is being laid down for timely payment to our vendors and to track the bill amount accurately.

The amount being billed by the vendors are to be as per the empanelment agreement. Any deviation in the amount, would require special approval from corporate office.

### 16. Process for vendor on monthly billing at branch

## Vendor Management Policy

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All new vendors have to be firstly created in system. Based on the approval received from Head Office, the vendor would be created in system. Format is attached. Post which, the bill is to be raised. This bill should have signature from the branch in charge along with name and employee number and be duly checked for the amount raised by the vendor.

### **17. Process for vendor on monthly billing at Corporate Office**

**Bills to reach corporate office by the 10th of every month.** On receipt of the original bill, corporate office will check the bill vis a vis the amount raised in system and process it for releasing the payment.

Branch has to maintain the attached excel spread sheet for tracking the bills. This will give us a report on the cases and the bill that would be raised by the vendor.

## Vendor Management Policy

### ANNEXURE - A

Document required from the vendor for empanelment		
Sr No.	For Vendor	Document
1	All Vendor	Vendor Application form duly filled-up
2	All Vendor	KYC Document [Pan Card / Aadhar Card] any one
3	All Vendor	Two Photograph
4	All Vendor	Copy of Degree & Certificate
5	Legal Vendor	Bar Council registration Certificate
6	Technical Vendor	Copy of certification of any professional association
7	All Vendor	Last 2 years Income Tax Return
8	All Vendor	Last 3 months Bank Statement
9	All Vendor	Cancelled cheque copy
10	All Vendor	Existing Empanelment letter of others HFC/NBFC/Bank

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### ANNEXURE - B

Below mention are maximum costing allowed, branches need to take this as benchmark rate and re-negotiate the rate with each vendor and ensure the overall reduction in the costing.

Activities	Legal
For APF/ APS Approval	Up to Rs. 2500/-
<b>Legal Report Charges (Individual)</b>	
If in APS/ APF project	Rs. 300 to Rs. 500/- for search report
If not in APS/ APS project	<ul style="list-style-type: none"> <li>Rs.750/- for Loan Sanction amount up to Rs.10.00 Lacs including search</li> </ul>
	<ul style="list-style-type: none"> <li>Rs.1000/- for Loan Sanction amount above Rs.10.00 Lacs including search</li> </ul>
Activities	Technical
For APF/ APS Approval	Up to Rs. 1500/-
<b>Technical Report Charges (Individual)</b>	
If in APS/ APF project	NA
If not in APS/ APS project (First Visit)	<ul style="list-style-type: none"> <li>Rs.500/- for Loan Sanction amount up to Rs.10.00 Lacs including search</li> </ul>
	<ul style="list-style-type: none"> <li>Rs.750/- for Loan Sanction amount above Rs.10.00 Lacs including search</li> </ul>
If not in APS/ APS project (Subsequent Visit)	<ul style="list-style-type: none"> <li>Rs.250/- for Loan Sanction amount up to Rs.10.00 Lacs including search</li> </ul>
	<ul style="list-style-type: none"> <li>Rs.500/- for Loan Sanction amount above Rs.10.00 Lacs including search</li> </ul>
Process Checks	FI Costing
Pay slip / Salary Certificate / Form 16	
IT Return	
Bank Statement	
Current Residence	

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Employment

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Business Premise

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NOC from Builder /  
Society / Seller

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Share Certificate

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Rent Agreement (if rent is  
one of the source of  
income)

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## Vendor Management Policy

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Date

REF: STAR HFL/HO/ EMPANELMENT/LEGAL/

To Name

Agency full Address

Dear Sir/Madam,

### **Sub: Empanelment for rendering Legal services**

Greetings!

With reference to your proposal dated     and personal discussions we have had with you, we are happy to inform you that STAR Housing Finance Limited (STAR HFL) is desirous of engaging your services. The engagement will be on a 'principal-to-principal basis, upon the following broad terms and conditions, viz:

- I. Scope of services during the tenure of empanelment: You will provide the following services to STAR HFL, viz:**
- a. To examine and verify legal title relating to the immovable property of the customers/prospective customers of STAR HFL to properties offered by them as security for housing / mortgage loans to be advanced.
  - b. To provide Title Search Certificate and Legal opinion.
  - c. To send/reply to legal notice/s received by the STAR HFL as and requested by STAR HFL.
  - d. To assist STAR HFL in perfecting its security by completing necessary documentation for the same.
  - e. Any other legal services specifically required by the company.

You will be required to issue legal scrutiny reports with respect to the property title upon scrutinizing/investigating deeds and records provided by the Owner/Holder to STAR HFL and other services as per separate attached sheet. The delivery of the reports would be done by you at our Office at     .

In addition, STAR HFL will be happy to engage your services for the purpose of perfecting title to security-properties as also perfecting STAR HFL's charge over the properties. STAR HFL would compensate you for such services at mutually agreed

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rate/s as finalized from time to time. This contract will automatically stand terminated on expiry of the contract period unless we renew it in writing.

### II. Fees, Invoicing and Payment:

You will be compensated for your services as per the fee structure agreed and enumerated as under:

Sr No.	Type of Services	Fees
1	Legal Report / Vetting Report (document verification)	500
2	Legal Report with Search Report for 13 Years	700
3	Legal Report with Search Report for 30 Years	1500

You will be required to submit necessary monthly bills/invoices for services rendered every calendar month. STAR HFL will endeavour to clear your bills within 30 days of receipt of your invoices by an account payee cheque payable to yourself at OR electronic transfer to your bank account as per the details provided by you.

All payments will be subject to Tax Deducted at Source at the prescribed rate/s under the Income Tax Act, 1961. STAR HFL will provide TDS certificates upon closure of books at the end of each financial year.

Being an empaneled Lawyer, STAR HFL expects you to work diligently and honestly to safeguard the interest of STAR HFL. Legal opinion provided by you in connection with the securities should be fair and just. Please note you will be responsible for the findings / suggestions / implications in the report of the assignment allotted to you.

The Empanelment with STAR HFL, Panel of Advocates shall not entitle you to any benefits from STAR HFL except for the fees mentioned aforesaid.

### III. Right of Set-Off:

In the event that it is realised that there has been an over-payment or an under-delivery of the agreed services, STAR HFL reserves the right to effect a set-off against subsequent invoices to negate the effect of excess payment, under advice to you. Provided further that in the event of any discrepancy in invoicing or payments, you shall ensure it raises its concern.

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### **IV. Reports and Relationship:**

You will be required to submit all reports in such format as may mutually be agreed to at the time of your first engagement with STAR HFL and as may be amended from time-to-time or such other format as may be acceptable for STAR HFL. Reports should be filed within the agreed turn-around-times ("T-A-T") as may be agreed between the parties. It is not mandatory for the company to give Legal verification work to you exclusively and the same will be as per company's discretion.

To update STAR HFL on any law/judgement of competent courts/Authority affecting in any manner the creation of mortgages and Titles to the immovable property.

### **V. Confidentiality**

You will keep, store and preserve all information/records/documents supplied to you by STAR HFL strictly 'Confidential' as also the outcome of your findings and not to share/discard them with/to either the Borrower/Loanee or any third party, without approval of STAR HFL. Failure to adhere to such condition will entitle STAR HFL to unilaterally terminate the engagement. In other circumstances and in the event, you no longer desire to render services to Company, you will provide 30 days prior notice and hand back all papers, documents, records shared by Company with yourselves back to STAR HFL.

### **VI. Code of Conduct**

In addition to the professional code of conduct of the concerned Bar Council of which you may be a Member, you shall also be required to adhere to STAR HFL's Code of Conduct as may be in force from time to time. STAR HFL follows a strict code of conduct w.r.t. ethical conduct of its business and relations thereunder and if any personnel of STAR HFL are approached by any staff member seeking illegal or undue gratification, you shall forthwith bring such incident to the notice of the Zonal/State Head the Chief Operating Officer, to enable them to take appropriate action against such errant employee.

You will not use any such expressions like "Legal Advisor of STAR HFL", "Advocate for STAR HFL", or use STAR HFL name etc. in any of your letter heads, sign boards, visiting cards, and name plates etc.

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You will not accept any matter(s) of others against STAR HFL

### VII. Dispute

Any disputes arising out of the service/s agreed to be rendered, will be resolved through mutual consultation or Arbitration as prescribed under the Arbitration & Conciliation Act, 1996, through a sole Arbitrator to be appointed in mutual consultation. Any such Arbitration shall be held at Mumbai and language shall be English.

### VIII. Validity

The Empanelment is for a period of one year from the date of acceptance of this letter and subject to renewable at the sole discretion of STAR HFL, your performance shall be reviewed STAR HFL and your empanelment will be continued subject to your satisfactory performance, prompt response and co-operation extended by you, However STAR HFL may at any point delete your name from the Panel without assigning any reason.

This Letters is sent in duplicate, should the above terms be acceptable to you, we request you to return one copy of the same duly signed in token of acceptance of the aforesaid terms and conditions of empanelment to our Head / Corporate Office. Upon such acceptance, we would request you to commence rendering the services.

Looking forward to a long and mutually beneficial association.

Regards,  
For STAR Housing Finance Limited.

Authorised Signatory

**Accepted By:**

Name and Signature: .....

Place: .....

## Vendor Management Policy

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Date: .....

## Vendor Management Policy

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Date:

REF: STAR HFL/HO/ EMPANELMENT/TECHNICAL/

To,

Name

Agency full Address

Dear Sir/Madam,

### **Sub: Engagement for rendering Technical Inspection & Property Valuation Services**

Greetings!

With reference to your proposal dated ..... and personal discussions we have had with you, we are pleased to inform you that STAR Housing Finance Limited (STAR HFL) is desirous of engaging your services to conduct Technical Inspection and Property Valuation. The engagement will be on a 'principal-to-principal basis, upon the following broad terms and conditions, viz:

#### **I. Purpose & Scope:**

The purpose of engaging you is for conducting Technical Inspection & Valuations services is to obtain sound professional opinion on adherence to layout maps and building plans as also to obtain fair market valuation of the property being furnished to STAR HFL by prospective Customers of its Housing Loan, Commercial Purchase Loan and Loan Against Property schemes.

The scope drawn up for you, thus would include the following:

- a. Studying and examining the layout plans and/or building maps, plans and approval/s issued by local and competent authorities in respect of properties which are offered as securities for securing re-payment of Home Loans and Loans against property advanced/to be advanced by STAR HFL to Customers; and
- b. Providing Fair Market Value ("FMV") in line with the guidelines of the Institute of valuers in respect of the properties, mentioned hereinabove.

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### II. Fees, Invoicing and Payments:

For rendering the agreed services, you shall be paid fees as per the table hereunder mentioned. The fees/commercials for individual cases as agreed between us are:

Particulars			Fee	Remarks	T-A-T
Property Valuation	Inspection	and	Rs. 1000/- + GST	Up to 30 Km	(2) Days
Property Valuation	Inspection	and	Rs. 1200/- + GST	Above 30 Km	(2) Days
Subsequent Visit			Rs. 500/- + GST	Up to 30 Km	(2) Days
Subsequent Visit			Rs. 700/- + GST	Above 30 Km	(2) Days
APF Visit & Report			Rs. 1500/- + GST	Up to 30 Km	(2) Days
APF Visit & Report			Rs. 2500/- + GST	Above 30 Km	(2) Days

You will be required to submit necessary monthly bills/invoices for services rendered every calendar month. STAR HFL will endeavour to clear your bills within 30 days of receipt of your invoices by an account payee cheque payable to yourself at .....OR electronic transfer to your bank account as per the details provided by you.

All payments will be subject to Tax Deducted at Source at the prescribed rate/s under the Income Tax Act, 1961. STAR HFL will provide TDS certificates upon closure of books at the end of each financial year.

### III. Right of Set-off:

In the event that it is realised that there has been an over-payment or an under-delivery of the agreed services, STAR HFL reserves the right to effect a set-off against subsequent invoices to negate the effect of excess payment, under advice to you. Provided further that in the event of any discrepancy in invoicing or payments, you shall ensure it raises its concern.

### IV. Methodology and Reporting

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You shall visit/cause personal visit to and inspection of the property, also the carrying out of verification of the construction in accordance with the copies of the sanctioned plan/s as furnished by the Customers to STAR HFL and shared by STAR HFL with you.

You will be required to submit all reports in such format as may mutually be agreed to at the time of your first engagement with STAR HFL and as may be amended from time-to-time or such other format as may be acceptable for STAR HFL. Reports should be filed within the agreed turn-around-times (“T-A-T”) as may be agreed between the parties. It is not mandatory for the company to give Technical verification work to you exclusively and the same will be as per company’s discretion.

The Report should also include at least 3 coloured photographs of the property, including one outside and one inside view.

### **V. Maintaining Confidentiality**

You will at all times endeavour to maintain strict confidentiality whilst rendering of services to STAR HFL. They shall not part with or disclose to any third party, details divulged to them or shared with them by STAR HFL with any person/s including the loan applicant/s, without the consent of STAR HFL. In the event of STAR HFL learning of information regarding its customer/s, the property/ies being parted with or provided to any unauthorised person/s, STAR HFL shall be entitled to terminate this engagement, without assigning any further reasons therefor.

Upon expiry/termination of this engagement due to efflux to time or otherwise, you shall:

1. forthwith return all data, property details and documents etc. provided by STAR HFL to STAR HFL
2. present the final invoice for consideration of STAR HFL not later than 7 working days thereafter;
3. render all possible assistance to transition the services to STAR HFL or its chosen nominee / provider

### **VI. Code of Conduct**



## Vendor Management Policy

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In addition to the professional code of conduct of the concerned Institute of valuers of which you may be a Member, you shall also be required to adhere to STAR HFL's Code of Conduct as may be in force from time to time. STAR HFL follows a strict code of conduct w.r.t. ethical conduct of its business and relations thereunder and if any personnel of STAR HFL are approached by any staff member seeking illegal or undue gratification, you shall forthwith bring such incident to the notice of the Zonal/State Head the Chief Operating Officer, to enable them to take appropriate action against such errant employee.

You will not use any such expressions like "Technical Advisor of STAR HFL", "Valuer for STAR HFL", or use STAR HFL name etc. in any of your letter heads, sign boards, visiting cards, and name plates etc.

### **VII. Other Conditions of Empanelment**

STAR HFL has the right to access all books, records and information relevant to the outsourced activity to you.

STAR HFL has the right to avail the activity in full or part of any properties its customer and the allotment of work will be at the sole discretion of STAR HFL.

STAR HFL has the right to conduct audits, on you whether by its internal or external auditors, or by agents appointed to act on its behalf and to obtain copies of any audit or review reports and finding made on the service provider in conjunction with the serviced performed for the STAR HFL by you.

You shall indemnify and hold harmless the Client, its officers and employees from and against damages, liabilities, losses, costs, and expenses, but only to the extent caused by the negligent acts, errors or omissions of you, or of those for whom you are legally liable, which arise out of your performance of its professional services.

Being an empanelled valuer, STAR HFL expects you to work diligently and honestly to safeguard the interest of STAR HFL. Valuation report provided by you in connection with the securities should be fair and just. Please note you will be responsible for the findings / suggestions / implications in the report of the assignment allotted to you.

The Empanelment with STAR HFL, shall not entitle you to any benefits from STAR HFL except for the fees mentioned aforesaid.

## **Vendor Management Policy**

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### **VIII. Validity**

This engagement will be in force for a term of 1 (One) year from the effective date, which if not specifically mentioned herein shall be the date of this engagement letter. After the expiry of 1 year this engagement may be renewed thereafter upon review by STAR HFL.

The engagement may be terminated by either parties after issuing 3 (Three) Months prior notice without assigning any reason therefor. Save that STAR HFL shall have sole right to terminate due to certain specific reasons such as breach of terms of this engagement by parting of confidential information as enumerated herein under.

### **IX. Continuity**

You shall at all times, endeavour and maintain continuity of services as agreed hereinabove, uninterrupted by disruptions - extreme situations of Force Majeure excepted.

Upon termination of this engagement, then you shall assist STAR HFL by way of providing all existing data in its custody as also back-ups, if any, to help ensure continuity in STAR HFL's working.

### **X. Dispute Resolution**

In the event of any dispute arising out of this engagement or any of the terms contained herein, the parties shall first seek resolution of the same through mutual discussion and in the circumstances of not being able to arrive at an acceptable solution within 3 (three) months, refer the dispute to a Sole Arbitrator under the provisions of the Arbitration and Conciliation Act, 1996 and conduct the arbitration in Mumbai. The language of such Arbitration shall be English.

### **XI. Miscellaneous**

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1. Both parties have the proper authority and sanction to enter into this engagement, in accordance with the provisions of their respective constitution documents;
2. As this engagement is on a 'principal-to-principal' basis, neither party shall actively by itself, do or permit to be done, any act/s detrimental to the others' interests. Neither party shall encourage or permit poaching of the others' staff and personnel at no time during this engagement and for 3 (three) years thereafter;
3. In the event that any person/s offer/s any unlawful/illegal inducement, gratuity or any amount by whatsoever term defined, the Consultant shall report such advance, in writing or in person to either the COO of STAR HFL or in his absence to the CEO at the corporate office of STAR HFL at ..... (full address).
4. The Empanelment is for a period of one year from the date of acceptance of this letter and subject to renewable at the sole discretion of STAR HFL, your performance shall be reviewed STAR HFL and your empanelment will be continued subject to your satisfactory performance, prompt response and co-operation extended by you, However STAR HFL may at any point delete your name from the Panel without assigning any reason.

This Engagement Letter is being drawn up in two like sets and each of the parties shall retain 1 set each. Should the above be acceptable to you, kindly acknowledge your consent in writing upon a copy of this letter. Upon your acceptance, we would request you to commence providing verification and valuation of properties referred to you by the Company.

Looking forward to a long and mutually beneficial association.

Regards,  
For STAR Housing Finance Limited

Authorised Signatory

**Accepted By:**

## Vendor Management Policy

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Name and Signature: .....

Place: .....

Date: .....