Volume- 2 No. : 04 Pages : 56 ISSN No.2583 5831
Jul-Aug, 2023

IOV RVF

THE Valuer

BI- MONTHLY JOURNAL OF
IOV REGISTERED VALUERS FOUNDATION

Largest, Prestigious and Most Engaging
Registered Valuer Organization

FRAME OF REFERENCE

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ABOUT THE Valuer

With the view to keep the members and valuation aspirants updated, IOVRVF has come up with publishing the Journal 'IOV RVF The Valuer'.

This journal is the combined efforts of all the authors, fellow members who make this journal worth-reading.

It is pertinent to mention that in the content of this Journal, we bring diversity in the themes to keep our reader motivated. With the pen down thoughts from our Valuer Members in the form of article on different topics, we ensure to enlighten the knowledge of readers in different verticalsof Valuation.

As IOV-RVF always follows futuristic approach in their working, we will keep on updating the Journal with for the upcoming developments in the valuation field.

Technical Journal for the Valution Profession

Title - IOV RVF THE VALUER
Frequency - BI MONTHLY
ISSN No.- 2583 5831
Publisher - Vinay Goel
Editor-in-Chief - Tanuj Kumar Bhatnagar
Starting Year - 2022
Subject - Valuation
Language - English
Publication - Online
Phone Nos. - 9499491010
E-mail - valuers@iovrvf.org
Website - www.iovrvf.org
Address - Plot No. 3, Parwana Road, Adjacent to Bal Bharti Public School, Pitampura, Delhi-110034.

PRINTED & PUBLISHED BY

Vinay Goel on the behalf of IOV Registered Valuers Foundation Plot No. 3, Parwana Road, Adjacent to Bal Bharti Public School, Pitampura, Delhi-110034.

SKG PRINT MEDIA

CGF-6, Dilkhush Industrial Estate, G.T Karnal Road, Delhi-110033

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EDITORIAL BOARD

From the desk of MD & CEO, IOV RVF

VINAY GOEL

IOV Registered Valuers Foundation (IOV RVF) in association with Institution of Valuers (IOV) usually conducts Seminars, Workshops and different kinds of meets for exchange of knowledge among the Valuers and related personalities. IOV organizes Indian Valuers Congress/ Global Valuation Summit annually or periodically respectively. During these events renowned personalities not only from India but from global take part to share their knowledge and experiences with the fraternity. In addition, IOV Branches are keep on hosting various educational and other programmes throughout the country.

During COVID PERIOD, this practice was not abandoned and it was conducted through hybrid mode, which was attended with enthusiasm.

Even after the covid era, it is being observed that now a days members are feeling uncomfortable to attend such programmes **physically. But let me tell you, attending physical seminars offers valuable opportunities for networking with industry experts and staying updated with the latest developments.**

The ability to meet and connect with professionals in person can lead to meaningful relationships, mentorship opportunities and access to insider knowledge that may not be as easily attainable in virtual settings. Also, the ability to see and interpret gestures and emotions during face-to-face interactions can indeed enhance understanding and foster more effective communication.

As you are aware that IOV in association with IBBI and IOV RVF is hosting Global Valuation Summit on **24th and 25th November, 2023 in Mumbai.** During Summit, the deliberations will be held upon **"Mapping the Momentum and Global Outreach of Valuation Profession"**with the focussed areas on:

1. Global Recognition of the Profession – Important factors

2. The Evolution of ESG in Valuation

3. Future Avenues in Valuation

4. Understanding Valuation requirement

5. Case Studies (all 3) - Applicability of Uniform Valuation Standards
6. Advent of Technology in Valuation

GVS presents an incredible opportunity to bring together global experts and discuss crucial topics from a global perspective, thereby providing a wider exposure. Let us collaborate, share knowledge and elevate the valuation industry on a global scale and create an unforgettable experience and set new benchmarks for future endeavors. Before concluding, I would also like to share the recent initiative ad measures taken by us based on the feedbacks from the fraternity as well as expectations of the users and stakeholders.

1. Indemnity Bond –

IOV has taken a significant step by filing a petition against the State Bank of India (SBI) in the Hon'ble High Court against their demand for an indemnity bond from valuers as a pre-condition for empanelment.

The High Court, in recognition of the merit of case and the potential impact on the Valuers fraternity, has issued an interim stay order by restraining the SBI from insisting on the submission of a letter of indemnity as a pre-condition for empanelment of approved valuers till the next date of hearing that is in Oct 2023. This is a significant victory for protecting the interests and professional autonomy of valuers across the country.

2. Advocacy –

In continuation of our policy of advocacy, I am also pleased to announce that **over the past two years, we have submitted nearly 100 representations to authorities, ministries, banks etc. aimed at influencing policy decisions and driving positive changes in Valuation Profession.**

It is a well stabilised fact that the value is an opinion but it has to carry the weightage supported by the unbiased, accurate and intelligent use of the judgements made by the Valuers. Don't limit your potential to produce only the Valuation Report rather use of your own faculties and data base to move further and adopt the profession of Valuation as a consultant.

Editor in Chief, Editorial Board, IOV RVF The Valuer

TANUJ KUMAR BHATNAGAR

In a global economic landscape fraught with challenges and uncertainties, India's remarkable economic growth stands out as a beacon of hope. While the world grapples with a slowing economy, India's economy has displayed resilience and continues to grow at an impressive rate. In recent years, the country has consistently outperformed the global average, solidifying its position as one of the fastest-growing major economies in the world. This success can be attributed to various factors including prudent fiscal management, structural reforms, huge consumption and a very youthful dynamic workforce.

Given the current economic landscape, the role of Valuers becomes even more critical. Valuers play an instrumental role in assessing the value of assets, investments and businesses. By providing accurate valuations, they contribute to investor confidence and facilitate sound decision-making both domestically and internationally. Expectations from Valuers remain sky high. Our valuers must uphold the highest standards of professionalism and integrity to ensure accurate valuations. This includes staying updated with the latest market trends, leveraging advanced valuation methodologies and conducting comprehensive due diligence. Valuers also need to adopt a proactive approach in identifying and mitigating risks associated with economic fluctuations. As the world economy slows, Indian valuers must assess the potential impact on its various adequate sectors and assets. This includes analyzing factors such as adopting consumer behavior, supply chain disruptions, technological challenges and financialmarket volatility. By providing timely risk assessments and mitigation strategies, valuers can help businesses navigate challenges and seize opportunities.

The Valuers have a crucial role to play in supporting sustainable development. As the country strives to achieve balanced growth, valuers can contribute by promoting responsible professional practices including the assessment of the environmental, social and governance (ESG) impact of projects. Such holistic approach ensures that economic growth is not only robust but also inclusive and environmentally sustainable.

Vox
POPULI

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ANKIT MUKUNDBHAI KUMBHANI

IBBI/RV/02/2022/14554

Independent Practicing Valuer and Property Consultant in Surat Gujarat

SQ (SPIRITUAL QUOTIENT) >>> IQ (INTELLIGENCE QUOTIENT)

Jack Ma Once Said :- "Never Give Up. Today is Hard, Tomorrow will be Worse, But the day after tomorrow will be Sunshine. Most people give up by Tomorrow Evening" I see lot of young valuers complaining that there is no work being allotted to them even after passing IBBI Exams and getting IBBI registrations. I think I am the correct person to explain this issue as I am young and got my IBBI registration last year in Land and Building Asset Class.

DEVELOPING SQ – SPIRITUAL QUO TIENT

In any walk of life be it business, job, or professional service field, there are ups and downs in it. In times of down period or less work days, we should not criticize the profession as this is the profession that is helping us earn our livelihood as well as good name in society. Developing SQ means developing your thinking process in a positive manner. Because if you are motivated about what you do, you will feel happy about it. Feeling happy release hormones in your body that energizes you. This process makes you problem solver and not a problem complainer.

Developing SQ starts with believing that whatever happens in life, happens for our good only. Our work should be doing work that we are allotted, we should not worry about the final results or success. We should enjoy the process of working. To get assignments in initial stages, we need to develop our good communication skills, good character and good attitude towards work as well as clients. No work is small or big. Work is work and should be done keeping in mind that in good of others, lies our own good. IQ can be developed easily if you are good in your SQ

SEEING OPORTUNITIES AROUND

In any walk of life be it business, job, or professional service field, there are ups India's population as of today i.e., 22-06-2023 is around 142 crore (142,02,00,276 to be precise). From this population God has given opportunities to only 5339 professional registered valuers to provide fair and just service to other people of India.

2682 – Land & Building Valuers as of today.
533 – Plant & Machinery Valuers as of today.
2124 – Securities & Financial Assets Valuers as of today.

5339 Total Registered Valuers Against Population Of 142 Crore People. (Dosent it sound great number to be positive about our great profession. Out of the numbers mentioned above, if we take the lowest work allotted to individual valuer in india, it will still be a great amount of work for each one of us.)

"THINKING POSITIVE TO EXPLORE NEW FRONTIERS IN VALUATION"

Ralph Waldo Emerson said, **"Sow a thought and you reap an action; sow an act and you reap a habit; sow a habit and you reap a character; sow a character and you reap a destiny."** Our destiny is tied directly to and starts with our thoughts. If you change a thought, you will change your future. Every action starts with a thought. Every attitude starts with a thought. Every destination started, not with someone else's action, but with the thought you selected.

So I would like to end this article by saying that we always need to believe in god and stay righteous in our work and behave as if god is always with you. If you are doing good, believe that god is with you, will give good results. If you are doing wrong, still believe that god is with you and will give bad outcomes accordingly.

Young Valuers in India should never think less or negative about the profession. This valuation profession is a great profession that helps in nation and economy building. Think of yourself as a court judge who needs to give fair and unbiased opinion regarding property to financial institutes or clients etc. In case of disputes or queries by banks, we should be capable of explaining them the pros and cons regarding property and help them take wise decisions.

"Stay Positive and Think Positive and make your surrounding peaceful and prosperous."

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Guidelines to Recover Corporate Debtor in India: An In-depth Analysis of IBBI's Framework and Potential Improvements

INTRODUCTION:

In India, the term "corporates" encompasses a wide range of business entities registered and incorporated under the Companies Act, 2013. These entities are essential drivers of economic growth, contributing to various industries and sectors across the country. Corporates in India come in different forms based on their size, ownership structure, and nature of business. They can include public limited companies, private limited companies, limited liability partnerships (LLPs), and sole proprietorships. Each type of corporate has its distinct characteristics and legal obligations.

These corporates play a significant role in the Indian economy, acting as engines of growth, job creators, and catalysts for overall development. They engage in diverse commercial activities such as manufacturing, services, trading, finance, and technology, among others. By contributing to production, innovation, and revenue generation, corporates drive economic progress and societal well-being.

From a legal perspective, one of the key features of corporates is their separate legal entity status. This separation ensures that the liabilities and obligations of the corporation are distinct from those of its owners or shareholders. As a result, shareholders generally have limited liability, meaning their personal assets are safeguarded in case of corporate debts or legal issues. This concept provides a level of protection and encourages investment and entrepreneurship.

Corporates in India are subject to regulatory oversight and governance frameworks implemented by the Ministry of Corporate Affairs (MCA) and other regulatory bodies such as the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI). These regulations aim to ensure compliance, transparency, and accountability in corporate operations. They encompass aspects such as financial reporting, corporate governance practices, disclosure requirements, and adherence to specific industry regulations.

Furthermore, the recovery of corporate debt is a vital component of India's financial stability and business environment. The Insolvency and Bankruptcy Board of India (IBBI) was established to streamline the insolvency and bankruptcy process. The IBBI's guidelines outline the procedures and requirements for recovering corporate debtors, facilitating a fair and efficient resolution process. However, there is ongoing scrutiny and exploration of potential improvements to further enhance the effectiveness and timeliness of the recovery process.

UNDERSTANDING THE GUIDELINES FOR RECOVERING CORPORATE DEBTORS IN INDIA:

The IBBI has developed a comprehensive framework that encompasses various stages of the corporate insolvency resolution process (CIRP). The guidelines primarily revolve around the Insolvency and Bankruptcy Code, 2016 (IBC). Let's delve into the key aspects of the guidelines:

1. *Initiation of Insolvency:*
   The guidelines specify that an operational creditor, financial creditor, or the corporate debtor itself may initiate the insolvency process by filing an application with the National Company Law Tribunal (NCLT). These provisions aim to facilitate a broad range of stakeholders to initiate the process as required (IBC, Section 6).``

2. *Appointment of Insolvency Resolution Professional (IRP):*
   Upon admitting the insolvency application, the NCLT appoints an IRP to manage the affairs of the corporate debtor during the CIRP. The role of the IRP is crucial in facilitating the resolution process and maximizing value for all stakeholders (IBC, Section 16) .

3. *Resolution Plan:*
   The IBBI has established stringent timelines and evaluation criteria for the submission, approval, and

implementation of resolution plans. These guidelines ensure that resolution plans are prepared and executed efficiently, promoting the revival of corporate debtors (IBBI, Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016).

4. *Liquidation Process:*
In cases where a resolution plan fails or is not presented within the specified timeframe, the liquidation process comes into play. The IBBI's guidelines provide a structured framework for selling the debtor's assets, prioritizing claims, and distributing proceeds to stakeholders (IBBI, Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016).

AREAS FOR IMPROVEMENT IN THE IBBI GUIDELINES:

While the IBBI's guidelines have significantly improved the recovery of corporate debtors in India, there are several areas that could benefit from further refinement and enhancement. The following areas merit consideration:

1. *Timely Resolution:*
There is a need to enhance the efficiency of the CIRP process by setting stricter timelines and ensuring their adherence. This will help avoid undue delays and facilitate the timely resolution of insolvency cases (Jain, 2021).

2. *Transparency and Accountability:*
Strengthening mechanisms to promote greater transparency and accountability is essential. Stricter scrutiny of resolution professionals, fair evaluation of resolution plans, and enhanced disclosure requirements can minimize conflicts of interest and improve the overall integrity of the process (Sharma, 2018).

3. *Active Participation of Creditors:*
Encouraging active participation of creditors, especially operational creditors, in the decision-making process during the CIRP is crucial. Their involvement ensures a balanced and comprehensive approach to resolving insolvency cases (Sahoo, 2018).

4. *Streamlined Resolution Plan Approval Process:*
The evaluation and approval of resolution plans could be streamlined further. Clearer guidelines on evaluation criteria and the establishment of mechanisms to expedite the approval process can contribute to smoother proceedings (Gupta, 2020).

CONCLUSION:

The IBBI's guidelines have significantly improved the recovery of corporate debtors in India. However, there is always room for improvement. Addressing the areas mentioned above can lead to a more efficient and effective.

VR. KRISHNENDU PRASAD RAY

B.COM, LL. B, PGDBL, PGDADR, MBA(Finance), FCMA, FICA, FIV

Valuation of Securities of a Company under the SEBI Regulations

ABSTRACT:

Introduction of section 247 of the Companies Act, 2013 recognized valuation by the registered valuer. It opens a new area of opportunity for the valuation professional in the country which happened due to introduction of this new section. The SEBI, a statutory regulatory body, got established on April 12, 1992. Its prime object is to regulate and to monitor the Indian capital and securities markets, ensures that developing regulations and guidelines protect investors' interests. This paper delves into the rules and guidelines under SEBI that are at play, in relation to the valuation of companies.

KEY WORDS:

Registered Valuer, SEBI, shares & debentures, capital market, securities,

INTRODUCTION

The issue, transfer of equity shares or other securities involves the valuation of the underlying company invariably. The principles and rules for valuing companies lie at the intersection of law and accounting. Various statutes and regulators are involved in this crucial activity. Some of the regulatory/ statutory issues are mentioned below:

1. The Company law ensures that companies do not short-change their existing shareholders by issuing securities below their fair market value.
2. The Reserve Bank of India has issued a number of rules and regulations under the Foreign Exchange Management Act, 1999 (FEMA) on account of the following reasons:

a. To staunch the outflow of foreign exchange on account of non-residents underpaying for Indian securities, or
b. Selling Indian securities to Indian residents at prices exceeding their fair market value.

3. The Securities and Exchange Board of India (SEBI) endeavours to prevent investors, especially retail investors, from being offered securities at a value higher than the applicable fair market value.

4. The Income tax authorities to ensure fair valuation of securities that are issued or bought and sold in order to prevent tax evasion.

5. Under the provisions of The Insolvency & Bankruptcy Code, 2016(IBC) requires valuation report from a registered valuer at the time of proposal at the time of the proposal of voluntary winding up of a company in order to find the fair value and liquidation of value of the company etc.

SEBI

The Securities and Exchange Board of India (SEBI) is the primary regulator for Indian stock exchanges and was established on 12th April 1992 under the SEBI Act of 1992 and came into force on 30th January, 1992.

Securities and Exchange Board of India (SEBI) framed various regulations, guidelines and compliances procedures while valuing the shares of a company. SEBI Guidelines means the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended and includes all regulations and clarifications issued there under. It regulates and monitors the Indian capital and securities markets, ensuring that the regulations, guidelines and standards in order to protect the investors' interests in our country.

SEBI AND THE REGISTERED VALUER

SEBI has framed various regulations in order to define the valuer but by and large, it has recognized valuers appointed under Section 247 of the Companies Act, 2013.

1. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") provides that a "valuer" is a person:
   a. Registered under Section 247 of the Companies Act,2013
   b. Other relevant rules framed for the valuer, or
   c. As specified by SEBI.

2. The SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 ("Security Receipts Regulations") follows almost the same approach by defining a registered valuer is a person Under section 247 of the Companies Act, 2013

3. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations")

follow the definition of valuer given in the ICDR Regulations.

4. The SEBI (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018 ("Administrator Regulations") state that the term "registered valuer" shall have the meaning provided under the Companies (Registered Valuers and Valuation) Rules, 2017.

VALUATION OF SECURITIES OF A COMPANY UNDER THE REGULATIONS OF SEBI The SEBI requires the valuation report from a registered valuer under the following situations:

a. CONVERSION PRICE OF DEBT: Refer to Clause 158(6)(b) of the ICDR Regulations, the conversion price of debt, derived at as part of a debt restructuring scheme, shall be certified by two independent valuers;

b. PREFERENTIAL ISSUE OTHER THAN CASH: Refer to Clause 163(3) of the ICDR Regulations, specified securities may be issued on a preferential basis for consideration other than cash, the valuation of the assets in consideration for which the equity shares of a company may be issued, shall be done by an independent valuer which shall be submitted to the stock exchanges where the equity shares of the issuer are listed;

c. SHARES NOT FREQUENTLY TRADED: Refer to Clause 165 of the ICDR Regulations, where the shares of an issuer are not frequently traded, the price determined by the issuer shall take into account the valuation parameters that are customary for valuation of shares in such companies. The issuer is required to provide a certificate from an independent valuer certifying compliance with this Clause, to the relevant stock exchange.

2. SEBI (Appointment of Administrator & Procedure for refunding to the Investors) Regulations, 2018.

a. EVALUATION OF THE PROPERTY OF DEFAULTER: Refer Clause 7(2)(b) provides that the Administrator shall engage the services of a registered valuer to evaluate the properties of defaulter that are attached by the Recovery Officer and needs certified valuation report in accordance as per the SEBI guidelines;

b. SALE OF THE PROPERTIES: Refer the Clause 8(1) provides that the Administrator shall undertake the process of sale of properties after conducting independent valuation of such properties by a registered valuer.

3. SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. 4 As per the provisions of Clause 87C (1), the valuation of listed security receipts is to be valued on a quarterly basis by an independent valuer. As per the provisions of Clause 87C (1), the valuation of listed security receipts is to be valued on a quarterly basis by an independent valuer..

4. SEBI (Issue & Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008. The provisions of clause 38G (1) states that valuation of listed security receipts is to be valued on a quarterly basis by an independent valuer.

SEBI GUIDELINES FOR VALUATION OF SECURITIES

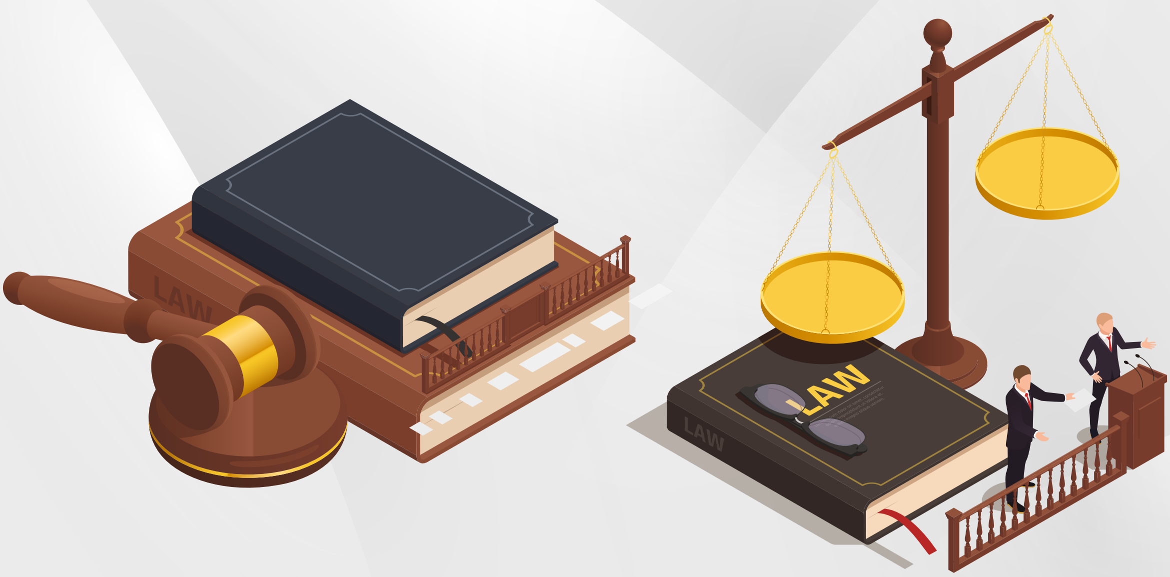
SEBI, a statutory regulatory body, regulates and monitors the Indian capital and securities markets, ensure developing a suitable regulations and guidelines and to protect the investors and is responsible for regulating the Indian capital market.

"When trading in an equity/equity related security i.e., convertible debentures, equity warrants, etc. in a month is both less than Rs. 5 lacs and the total volume is less than 50,000 shares, it shall be considered as a thinly traded security and valued accordingly".

SEBI issued guidelines vide the circular no MFD/CIR/8/92/2000 dated September 18, 2000 in respect of the valuation of securities, identification and provisioning for nonperforming assets i.e., debt securities

CONCLUSION

SEBI was established in order to bring about fairness and security in trading. Since its inception, it has introduced SEBI guidelines and regulations to improve the situation. It improves the stock market, makes it safer and more reliable for trading. It strengthens the stock market's regulatory system, empowers the Indian securities market, attracting more investors to trading platforms. Furthermore, its role in regulating businesses involved in the stock exchange that protects the interests of traders. Overall, the SEBI is a strong regulatory body that helps to reduce the risk of fraud in the stock exchanges and capital markets in the country and it has come close to investor protection.



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PAUL RESCH

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How to Select Peer Companies

INTRODUCTION:

One of the most commonly used valuation methodologies is the Comparable Companies Analysis (CCA) whereby a target company is values by applying the observed (typically the median) trading multiples of a set of listed peers to the corresponding financial results of a company. While the methodology for a CCA valuation is rather simple to apply, the selection of the right peer group can at times become a serious challenge.

In this White Paper, we will cast some light on how to define the key properties of your peer group, outline potential screening approaches, and point you to some pitfalls valuation professionals encounter when selecting peers for their target companies.

FIRST, UNDERSTAND THE STEPS

The logic behind the Comparable Companies Analysis valuation approach is very intuitive: In an efficient market, similar assets (i.e. companies) should trade at similar prices.

IDENTIFY PEERS

In order to value any given company, we first look for listed companies that feature similar risk, return, and growth profiles to that of our target company (the “peer group”).

CALCULATE MULTIPLES

The relation of the valuations of these listed peers relative to their respective financials (such as Sales, EBITSA, EBIT, or Net Income) should also be applicable to our target company. Therefore, we compute the respective multiples as a starting point for our valuation.

ADJUST MULTIPLES (DISCOUNTS AND PREMIA)

Of course, a target company may not be listed and therefore feature liquidity risk or lack of marketability risk compared to its peers. Thus, any reasonable investor would account for this additional risk and apply discounts (typically ranging from 20-40%) to the observed multiples. Investors could also consider additional factors such as relative size or market positioning.

APPLY MULTIPLES (TO TARGET FINANCIALS)

The discounted multiples is then applied to the target company's historical, current or forecast financials to arrive at the valuation.

It is evident from the first two steps of this process, that the chosen peer group has a huge impact on the outcome of the resultant valuation.

CHOOSE YOUR MULTIPLE

Frequently used trading multiples include enterprise multiples such as (EV/Sales, EV/EBITDA,
or EV/EBIT) and equity multiples (such as P/E or P/B). The former value of the full enterprise, disregarding the financing structure in the first step. The latter provide a direct valuation of the equity of the company, including its financing structure.

Understanding this conceptual difference is highly important when deciding on the peer group selection. By choosing one of the above multiples for our valuation, we implicitly make assumptions about the similarity of the target company with its peers "down" the P&L and cashflow waterfall.

Understanding this conceptual difference is highly important when deciding on the peer group selection. By choosing one of the above multiples for our valuation, we implicitly make assumptions about the similarity of the target company with its peers "down" the P&L and cashflow waterfall.

BY CHOOSING THE MULTIPLE, YOU MAKE ASSUMPTIONS, BUT WHAT DOES THAT MEAN?

When you use an EV/Sales multiple to value a company, you implicitly assume that the operational performance of the target is similar to its peers i.e., that it generates the same Cashflow or EBITDA margins down to Free Cash Flows. When you use EV/EBITDA multiple, you explicitly consider the operational performance (by using a different EBITDA than that of your peers), but you still implicitly assume the depreciation and CAPEX profiles of the target is similar to its peers. When using the P/E multiple, you can be much more lenient with your peer selection, as you "only" need to ensure the risk and growth profile are comparable, while the entire operational and financial performance are already reflected in the aggregate Earnings figure. *Thus, be careful when selecting*

your peer group for different valuation multiples.

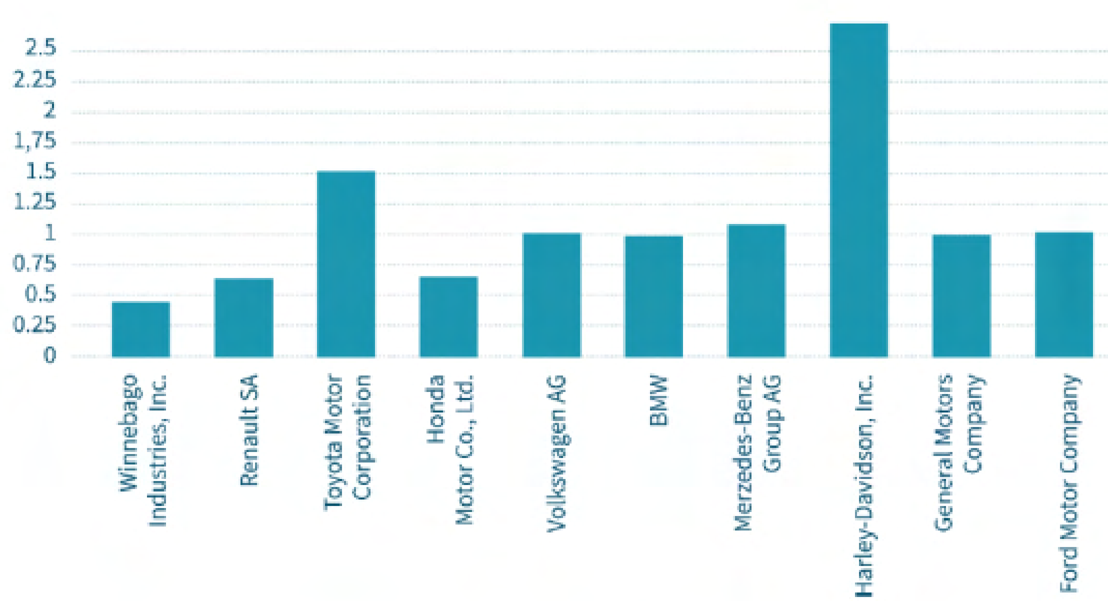
TAKE A PRACTICAL APPROACH

In practice, some of these considerations need to be sacrificed due to a lack of (listed) comparable companies out in the market. Frequently, within an industry and/or ageography, there are only so many comparable companies; you cannot find enough of them to build a reliable set of a handful of peers. Hence, you will have to settle with some uncertainty, a degree of best estimates, or apply out-of-the-box thoughts on business models that feature similar risk, return and growth profiles outside the actual industry you are looking at.

Think of the example of Tesla: Do you compare it to traditional car companies or more specifically to electric vehicle companies?

TRADITIONAL MOTOR VEHICLE MANUFACTURERS – TRADING MULTIPLES (EV/SALES)

Comparing the above to the median EV/-Sales multiple of Electric Vehicle Manufacturers, in the chart below, of 6.89x clearly illustrates the importance of the peer group selection and the impact it could have on the final valuation result.



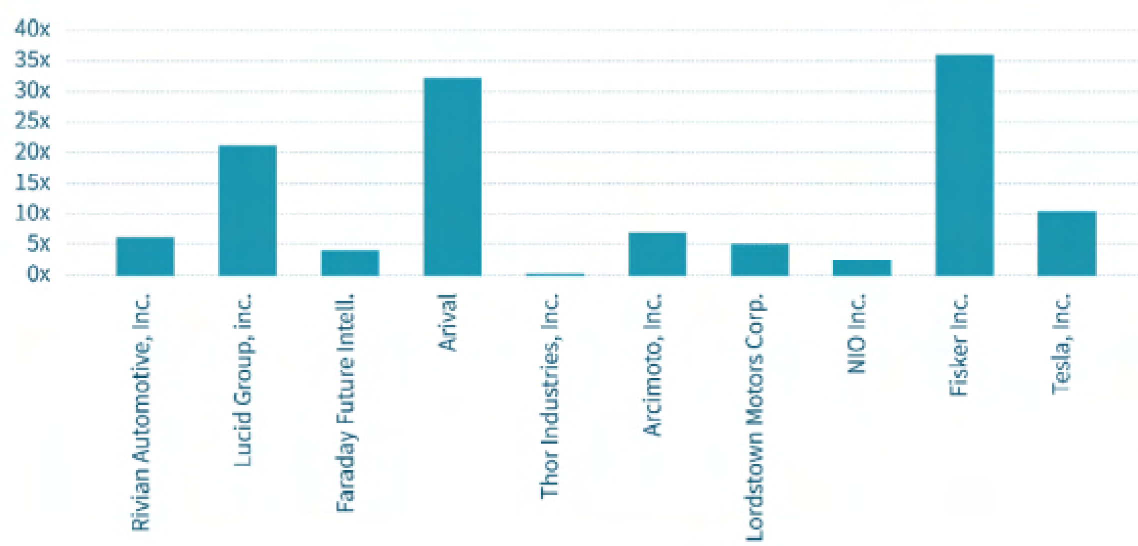
(as of May 2022)

Median EV/Sales multiple based on FY2022 figures was **1.06x**.

ELECTRIC VEHICLE MANUFACTURERS – TRADING MULTIPLES (EV/SALES)

Traditional peer groups selection methods – such as only looking at the general industry classification based on internationally recognized classification systems such as the Standard Industry Classification (SIC) or Global Industry Classification System (GICS) – often fall short of the goal of finding a suitable peer group for valuation purposes. A 2015 study that compares the valuation perfor mance of multiples in emerging markets whose peer groups are based on either industry classification or valuation fundamentals (such as EBITDA margins or Return on Equity) found evidence that suggests that multiples whose peer groups are based on valuation fundamentals outperform multiples whose peer groups are based solely on industry classification.

Below we suggest several factors you should consider when defining your optimal peer group:



Median EV/Sales multiple based on FY2022 figures was **6.89x**.

SAME OR SIMILAR INDUSTRY CLASSIFICATION

This is the most commonly used approach and then most important one. Companies in similar industries typically operate within a similar competitive envi ronment with similar regulatory, legal and market dynamics. As such, the risk, return, and growth profiles should be comparable for companies within the given industry. For relatively large companies in mature industries, the above is a rather simple exercise Almost by definition, companies included in a listed peer group, are typically relatively large and reasonably well diversified in terms of their product and service offerings. The difficulty arises when the target company operates in a niche or nascent industry. This may make it harder to find directly comparable peers and may require a bit of "thinking outside the box". Below we offer some ideas to assist in expanding the narrow definition of "industry".

OVERLAP IN ANALYST COVERAGE

Analysts often cover only the one industry, this if analysts include companies in their analysis that fall outside of the narrow initial definition of the industry, it can be assumed that those companies have similar/complementary business models and industries.

COMPARABLE COMPANY DESCRIPTIONS, WIKIPEDIA PAGES, WEBSITES, SUSTAINABILITY REPORTS

Companies often refer to some of their own competitors in their own publications. Especially for diversified companies, this could lead to some valuable insights.

OVERLAP/ CO-OCCURRENCE IN NEWS COVERAGE

If companies are mentioned in the same news article, they often have similar traits and could be considered peers.

COMPARABLE EXPOSURE TO MARKET DYNAMICS

This could be reflected in how the market reacts to news impacting the target company and its usually reflected in the companies having similar betas.

OPEN-ACCESS ONLINE SOURCES

Some freely accessible online sources such as MSN money or finanzen.net provide some clues to potentially comparable companies.

SUBSCRIPTION-BASED ONLINE SOURCES

Subscription-based online platforms such as Valutico generate automated Peer lists by taking into consideration various factors including some of those mentioned above.

SAME OR SIMILAR COUNTRY OR REGION

The starting position is normally to look for peers in the same country as the target company. The rationale is simple companies in the same country are exposed to identical regulatory and tax regimes. This can become challenging in smaller countries or in countries with a limited set of listed companies in a specific sector. It is therefore widely accepted that the geographic focus should be expanded to include other countries. The geographic focus can be expanded systematically as follows:

- Neighbouring countries (provided that they share similar economic traits)
- Regions (especially regions with developed trade agreements such as the EU)
- Countries that are geographically far apart but which shares similar traits, for example most developed countries have developed economies and efficient stock markets, thus compar

ing a listed company in the USA to one in, say, the United Kingdom, could still make sense.

- Countries the target company operates in (other than the main markets)

COMPARABLE SIZE

One of the biggest mistakes practitioners sometimes make is to target peer group companies that are similar in size to the target company being valued. While in theory this would produce optimal results, the reality is that most private companies being valued are significantly smaller (in terms of sales, number of employees, profit, etc.) than most listed companies. The result is that micro-cap (<$50m market cap) listed peers are sought as they are the closest in size. Several challenges arise with this approach.

- Micro caps typically trade much less frequently than mid-or large caps causing distorted valuations and inefficient pricing of the shares in the market;
- Micro caps often be closely held, having only a small percentage of shares as free float which can also distort share prices;
- Micro caps frequently have more volatile earnings, thus resulting in periods with negative earnings and this not usable multiples;
- And Micro caps seldom have analysts that cover them, thus are frequently no analyst forecasts to base forward multiples on.

While the goal could be to target a peer group that is similar in size to the target company, quality data (in terms of multiples and beta) is more important and should thus be prioritized. It is, however, important to ensure that the companies contained within the peer group are relatively similar in size. Once the peer group has been finalized, the appropriate discount to be applied to the observed multiples can be determined based on various differences between the peer group and the target company, one of which being relative size (more on discounts below). It is therefore wholly possible to have a peer group of multi-billon dollar companies for the valuation of -$10m in target company, as the application of an appropriate discount makes them comparable.

COMPARABLE OPERATING METRICS

As alluded to earlier, there has been some empirical evidence suggesting that using peers with comparable operating metrics is more valuable than simply focusing on industry classification. A balanced approach would be to expand the peer group to include a wider selection of adjacent industries and geographies and then to target companies with comparable operating metrics, particularly Revenue Growth, EBITDA margins, Return to Equity, and Total Assets.

One pitfall to mention in this respect is a “success bias” that applies to any multi ples other than EV/Sales or EV/Capacity multiples: Typically, only companies with positive multiples are included in the set of peers. Say, looking at EBITDA multiples, any companies with negative EBITDA would be excluded from the peer group, as the relation of positive valuation and negative EBITDA would create apparently meaningless (negative) multiples. However, negative EBITDAs of individual companies within an industry might not only be specific to these individual companies, but may well be symptomatic within the industry. The practice of excluding these non-performing companies from a peer group might very well cause an upwards bias in the remaining peer group. In any case, the occurrence of a larger number of negative earnings figures within the peer group might be an indication for systematic issues within the industry and should be treated with care when compiling a peer group for valuation.

EXAMPLE: BENCHMARKING IN PRACTICE

In Valutico, the peer selection process is enhanced by providing a visualisation of some of the variables to be considered and compared. For example, there is a visualis ation of the sales growth CAGR, because it can allow you to identify outliers in the selected peer group. Even without this data visualisation, comparing operating metrics in some way is highly recommended.

A NOTE ON DISCOUNTS/PREMIUMS

As mentioned abovce, one would almost always apply some kind of discount to the observed trading multiples to make it comparable to the target company. Most practitioners refer to the discount being applied as the Discount for Lack of Marketability (DLOM). Despite the specific name, this discount is typically used as an all-encompassing term which captures the discount related to not only marketability but any other relevant aspects such as size, growth rates, etc.

While most practitioners apply a discount between 20-40% some research papers have found that discounts of up to 70% vould be applied in some sectors of the economy. Typically, the earlier-stage and smaller the target company is relative to its peer group, the larger the discount will be and vice versa.

We hope this guidance has provided some useful insight. If you have any questions about this information, please contact CEO and Founder, Paul Resch at p.resch@valutico.com. If you would like to learn more about the Valutico platform, contact Siddhant Sangal at s.sangal@valutico.com.

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Safeguarding Real Estate Investments: The Crucial Role of Valuers in Risk Management

INTRODUCTION:

Real estate investments have long been recognized as a solid avenue for wealth creation and capital growth. However, the dynamic nature of the real estate market brings with it a multitude of risks that can impact the value and profitability of these investments. In this article, we delve into the vital role that valuers play in assessing and managing risks associated with real estate investments. We explore the various risk factors that valuers evaluate, including market risks, legal risks, environmental risks, and financial risks, while discussing effective strategies for mitigating these risks.

UNDERSTANDING MARKET RISKS:

Valuers are acutely aware that market risks pose significant challenges to real estate investments. Fluctuations in property values, changes in supply and demand dynamics, and economic conditions can all impact investment returns. Valuers employ comprehensive market analysis techniques to assess current and future market conditions. By examining historical data, demographic trends, and economic indicators, valuers gain valuable insights to determine the potential risks that might affect property values over time.

NAVIGATING LEGAL RISKS:

Legal risks are a constant consideration in real estate transactions, and valuers play a critical role in identifying and managing these risks. They meticulously analyze legal documents, including title deeds, leases, and zoning regulations, to assess the legal status of properties. By doing so, they identify any encumbrances, liens, or legal disputes that could hinder property ownership or affect its value. Valuers work closely with legal experts to ensure compliance with local regulations and mitigate legal risks, providing investors with peace of mind.

MITIGATING ENVIRONMENTAL RISKS:

Environmental risks are increasingly important in today's world, with sustainability and environmental impact taking center stage. Valuers assess the environmental aspects of properties, including potential contamination, ecological sensitivity, and adherence to environmental regulations. They collaborate with environmental consultants to identify and address environmental risks, ensuring that investors are well-informed about any potential liabilities associated with a property. By considering sustainability factors, valuers contribute to responsible investing and help mitigate long-term environmental risks.

EVALUATING FINANCIAL RISKS:

Financial risks can significantly impact real estate investments, and valuers play a vital role in evaluating these risks. They scrutinize cash flows, rental income, operating expenses, and debt obligations associated with properties to assess their financial performance. Valuers analyze market rental rates, vacancy rates, and potential income streams to determine the investment's profitability and liquidity. By conducting thorough financial analyses, valuers assist investors in making informed decisions and identify ing potential risks that may affect their investment returns.

STRATEGIES FOR RISK MITIGATION:

Valuers actively engage in developing risk mitigation strategies to protect real estate investments. They recommend diversification across different asset classes or geographical locations to reduce exposure to market risks. Valuers also emphasize the importance of due diligence in assessing legal and environmental risks, ensuring that investors have a clear understanding of any potential challenges before committing to an investment. Additionally, valuers may suggest appropriate insurance coverage to mitigate financial risks, safeguarding against unforeseen events and providing investors with a safety net.

CONCLUSION:

Real estate valuation is not solely about determining the market value of properties. Valuers play a critical role in assessing and managing the risks associated with real estate investments. By thoroughly evaluating market risks, legal risks, environmental risks, and financial risks, valuers equip investors with the knowledge needed to make informed decisions and mitigate potential pitfalls. Their expertise in risk management allows investors to navigate the complex world of real estate with confidence, safeguarding their investments and maximizing returns. As the real estate market continues to evolve, the role of valuers in risk management remains indispensable.

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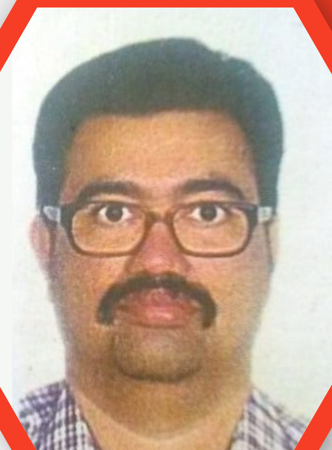
RAJESH KAMATH

IBBI/RV/02/2019/11925
IOVRVF/M/F&SA/5559



Discounted Cash Fows - a Primer
Application of the Discounted Cash Flow (DCF) method

A discounted cash flow valuation is used to determine whether an investment will give the desired rate of return or not. It can also help valuation of a business basis forward looking cash flow for say next 4-5 years.

Outside the ambit of investment, it is used for project viability and assessment of risk of equity as well as private equity investment. Practically, it is applied in FEMA valuation of equity shares for purpose of transfer to non-resident or even under the Companies Act, 2013 for start ups or private placement, wherever this method works best in comparison to other methods.

METHOD OF DISCOUNTED CASH FLOW VALUATION

DCF relies on the time value of money concept. Simply put, a rupee received today is more than same received after one year or say 5 years. The cash flows are discounted by a factor which is usually the weighted average cost of capital. Unlike measuring the costs of capital, the WACC takes the weighted average for each source of capital for which a company is liable. One can calculate WACC by applying the formula:

WACC = [(E/V) x Re] + [(D/V) x Rd x (1 - Tc)], where:

E = equity market value

Re = equity cost

D = debt market value

V = the sum of the equity and debt market values

Rd = debt cost

Tc = the current tax rate

In order to do a DCF analysis, first we need to project free cash flow for a period of time (say, five years). Free cash flow equals EBIT less taxes plus D&A less capital expenditure less the change in working capital. This measure of free cash flow is unlevered or debt-free. This is because it does not include interest and so is independent of debt and capital structure.

Next we need a way to predict the value of the company/assets for the years beyond the projection period (5 years). This is known as the Terminal Value (Tvt). We can use one of two methods for calculating terminal value, either the Gordon Growth (also called Perpetuity Growth) method or the Terminal Multiple method. To use the Gordon Growth method, we must choose an appropriate rate by which the company can grow forever. This growth rate should be modest, for example, average long-term expected GDP growth or inflation. To calculate terminal value we multiply the last year's free cash flow (year 5) by 1 plus the chosen growth rate, and then divide by the discount rate less growth rate.

Now that we have our projections of free cash flows and terminal value, we need to "present value" these at the appropriate discount rate, also known as weighted average cost of capital (WACC). Finally, summing up the present value of the projected cash flows and the present value of the terminal value gives us the DCF value.

The second method, the Terminal Multi ple method, is the one that is more often usedin banking. Here we take an operating metric for the last projected period (year 5) and multiply it by an appropriate valuation multiple. This most common metric to use is EBITDA. We typically select the appropriate EBITDA multiple by taking what we concluded for our comparable company analysis on a last twelve month (LTM) basis.

The DCF Valuation Formula There are three main parts to consider when doing a DCF valuation: the discount rate, the cash flows, and the number of periods. The formula for discounted cash flow is:

$$DCF = \frac{CF_1}{(1+r)^1} + \frac{CF_2}{(1+r)^2} + \frac{CF_n}{(1+r)^n}$$

Where:

CF_1 = Cash flow for the first period

CF_2 = Cash flow for the second period

CF_n = Cash flow for "n" period

n = Number of periods

r = Discount rate

Components of the DCF Formula

Cash Flow (CF)

Cash flow is any sort of earnings or dividends. These cash flows can include Turnover of the company as well as sale of part of its assets or any cash receipts pertaining to the business.

Number of Periods (n)

The number of periods is however many years the cash flows are expected to occur. Normally 4-5 years cash flows are considered which may extend to 10 years.

Discount Rate (r)

The discount rate is used to discount the future cash flows to the present value.

FCFF v FCFE

Free cash flow to the firm (FCFF) and free cash flow to equity (FCFE) are the cash flows available to, respectively, all of the investors in the company and to common stockholders.

EXAMPLE OF DISCOUNTED CASH FLOW VALUATION

Typically, the DCF method is applied in a matrix consisting of the estimated future cash flows for period n discounted at the WACC and either FCFE or FCFF method depending upon the end use requirements.

An example using Gordon Growth method is represented as under:-

Future Projected Cash Flows

PARTICULARS	YEAR	2022-23	2023-24	2024-25	2025-26	2026-27
		1	2	3	4	5
EBIT		25,50,025	31,87,531	39,84,414	49,80,518	62,25,647
Less: Tax on EBIT @ 25%		6,37,506	7,96,883	9,96,104	12,45,129	15,56,412
Add: Depreciation		3,58,250	4,12,707	4,38,925	4,90,152	5,14,940
Enterprise Level Operating Cash Flow		22,70,769	28,03,355	34,27,236	42,25,540	51,84,175
Less: Capital Expenditure		5,19,842	10,00,000	5,00,000	20,00,000	10,00,000
Less: Increase in NWC other than cash		50,000	1,50,000	2,51,000	2,71,000	3,00,000
Free cash flow to firm(FCFF		17,00,927	16,53,355	26,76,236	19,54,540	38,84,175
Net present value of projected free cash flows	Net Present Value of (WACC) sum of all projected free cash flows	14,04,598	11,27,454	15,07,035	9,08,887	14,91,526
TVT						1,34,40,720
Terminal Free Cash Flow to COMPANY		51,61,244				
Enterprise value		1,16,00,745				

ASSUMPTIONS

Enterprise Value	21.10%
Cost of Equity	25.00%
Growth rate	10.00%

VALUATION OF SHARES	
Enterprise Value:	1,16,00,745
Less: Existing Debts:	10,25,000
Equity Value:	1,05,75,745
Assumptions	
Cost of equity	25.00%
Cost of Debt	13.00%
Post-tax cost of Debt	9.75%
Debt:total funds	25.59%
Tax Rate	25.59%
WACC	21.10%
Terminal FCF growth	10.00%
No. of shares	2,98,000
Per share value	35.49

CONCLUSION:-

The use of this method is widespread and in accordance with the International Valuation Standards (IVS). The section on the Income Approach highlights the key steps and guidelines for the Discounted Cash Flow (DCF) Method including sections on the type of cash flow, explicit forecast period, cash flow forecasts, terminal value, the Gordon growth model/constant growth model, market approach/exit value, salvage value/disposal cost and discount rates. The three most commonly used methods for calculating a terminal value are: (a) Gordon growth model/constant growth model (appropriate only for indefinite-lived assets), (b) market approach/exit value (appropriate for both deteriorating/finite-lived assets and indefinite-lived assets), The constant growth model assumes that the asset grows (or declines) at a constant rate into perpetuity.

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ER.A.SURENDRA VENKATRAMANAN

IOVRVF/M/L&B/13334

B.E., AMIE., C ENG(INDIA)., MISTE., MIITArb., PGDUPDL.,

AWARENESS ON VALUATION AMONG BUDDING PROFESSIONALS (TO REACH NEW FRONTIER)

INTRODUCTION:

Valuation field is a unique field of career. In India lot of budding professionals are there with various working environment with adequate knowledge about the field. Based on my survey and interaction with students and professionals, I found the awareness about valuation field is less.

VALUE OF VALUATION AWARENESS:

We are in the place to create awareness about the valuation field and its uses, purposes etc., the one who know the value of this valuation field; they only can create awareness and develop the field. According to me valuation profession is precious and better way to build our career in an upgrading zone. In India, we need to create more awareness about valuation among the students and budding professionals. If we create awareness and educate them about these things, most of them will choose the valuation as their career. Based on the discussion with students, they have a thinking that we have very limited fields to work. But they can't understand about multiple opportunities.

REACH NEW FRONTIER:

Based on all these discussions we found why lack of awareness among students and budding professionals. We have to educate them with providing information, approaches, etc., We have to request institutions to educate the students about the advantages of this valuation field. We have to talk about IOV, how they function, how they following rules and then the professional become a disciplined person to shine in this field.

VISION 2047, this will become true once we create awareness about the necessity of valuation. Now we exploring new frontiers in our profession, but this article are totally explaining how budding professionals will enter into this field and make the vision true and surely it will create a way to reach the new frontiers.

Important

UPDATES

IOV RVF has been conferred with the **Emerging Company** Award by the **"Indian Achievers Award"**

INDIAN ACHIEVERS' AWARD™ 2023

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presented to

IOV Registered Valuers Foundation

Vinay Goel

MD & CEO

In Recognition of Outstanding Professional Achievement & Contribution towards Nation Building

Harish Chandra
President

S. Ravi Shankar
Hon. Secretary

INDIAN ACHIEVERS' FORUM

Promoting Achievements which Inspire Businesses & Communities

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Regd No. IAF/2023/IV/3/IV

20TH MAY

• A HISTORICAL DAY FOR IOV RVF •

It has been 5 years since IOV Registered Valuers Foundation's first batch of Valuers, completed their 50 hours MEP, entrusting their careers in our professionally experienced hands, yet carefully stepping ahead with the new system in place.

Today, IOVRVF is proud to share with you the numbers of careers we are helping shape up and upgrade.

430 BATCHES

7400 CANDIDATES

We at IOVRVF, would like to congratulate all of you, who helped us in achieving such heights.

You are our strength.

LIST OF REPRESENTATIONS SUBMITTED TO AUTHORITIES

For Banking Sector

S. no.	Date	Subject	Department	Name & Designation
1	17.08.2021	Violation of empanelement guidelines and misuse of technical platform of software in Valuation	Kotak Mahindra Bank	MD & CEO
2	22.06.2022	IOV - Suggestive Modification regarding eligiblity criteria in policy for "Empanelment of Valuers"	IDBI Bank	Sh. Rakesh Sharma **Managing Director & Ceo**
3			Bank of india	**Zonal Head**
4			Bank of Maharashtra	**Zonal Head**
5			Canara Bank	Pankaj Sharan **Divisional Manager**
6			Central Bank of india	**Zonal Head**
7			Indian bank	**Zonal Head**
8			Indian Overseas Bank	Y C Jain **General Manager**
9			State Bank of india	**General Manager**
10	25.08.2022		UCO Bank	Saurabh Singh **DGM**
11			Bank of Baroda (North Delhi Region)	Amit Tuli **Zonal Head**
12			Punjab National Bank	Sameer Bajpai **Zonal Manager**
13			Punjab & Sind Bank	Rajesh Malhotra **DGM**
14			Union Bank of india	Mohapatra Sangram Keshari **CGM**
15			Indian Bank Association	Sunil Mehta **Chief Executive**
16			Axis Bank	Mr. Sandeep Dam **Nodal Officer**
17			Bandhan Bank	Mr. Anish Roshan
18		Request for a meeting with designated credit officers of bank to discuss the current challenges faced by Bankers & Valuation Professionals in the Valuation process	CSB Bank	Sh. Gaurav Mahajan **Zonal Manager-Northen Zone**
19			Retail Banking DCB Bank	Mr. Ajay Ahluwalia **Regional Head**
20			Dhanlaxmi Bank	Sh. Sreekumar **M P (DGM Regional Head North)**
21			Federal Bank Ltd.	**Zonal Head**
22			HDFC Bank	Mr. Sameer Tiwari **Nodal Officer**
23			Indusland Bank Ltd.	Mr. Jasmeet Anand **Zonal Head**
24	01.09.2022		Yes Bank Ltd.	Ms. Sunaina Gupta **Nodal Officer**
25			Indian Bank Ltd.)	Mr. Girish Krishnan **Chief Manager South**
26			ICICI Bank	Atul Arora **General Manager**
27			Karur Vysasya Bank Ltd.	Shri Haridas T **Chief Manager**
28			RBL Bank Ltd.	Mr. Yashovardhan Roy **Nodal Officer**
29			Karnataka Bank Ltd.	**Deputy General Manager**
30			Jammu & Kashmir Bank Ltd.	Mr. Anokh Singh **Zonal Head**
31			IDFC First Bank Ltd.	Mr. Sameer Chopra **Nodal Officer**

32			IDBI Bank Ltd.	Shri Varun Prem Prakash Srivastava **AGM**
33			Bank of india	**Zonal Head**
34			Bank of Maharashtra	**Zonal Head**
35			Canara Bank	Pankaj Sharan **Divisional Manager**
36			Central Bank of india	**Zonal Head**
37			Indian bank	**Zonal Head**
38			Indian Overseas Bank	Y C Jain **General Manager**
39			State Bank of india	**General Manager**
40			UCO Bank	Saurabh Singh **DGM**
41			Bank of Baroda (North Delhi Region)	Amit Tuli **Zonal Head**
42			Punjab National Bank	Sameer Bajpai **Zonal Manager**
43			Punjab & Sind Bank	Rajesh Malhotra **DGM**
44			Union Bank of india	Mohapatra Sangram Keshari **CGM**
45			Indian Bank Association	Sunil Mehta **Chief Executive**
46			Axis Bank	Mr. Sandeep Dam **Nodal Officer**
47			Bandhan Bank	Mr. Anish Roshan
48	29.05.2023	Request letter to follow suggestive procedures before reporting names of professionals to IBA	CSB Bank	Sh. Gaurav Mahajan **Zonal Manager-Northen Zone**
49			Retail Banking DCB Bank	Mr. Ajay Ahluwalia **Regional Head**
50			Dhanlaxmi Bank	Sh. Sreekumar **M P (DGM Regional Head North)**
51			Federal Bank Ltd.	**Zonal Head**
52			HDFC Bank	Mr. Sameer Tiwari **Nodal Officer**
53			Indusland Bank Ltd.	Mr. Jasmeet Anand **Zonal Head**
54			Yes Bank Ltd.	Ms. Sunaina Gupta **Nodal Officer**
55			Indian Bank Ltd.)	Mr. Girish Krishnan **Chief Manager South**
56			ICICI Bank	Atul Arora **General Manager**
57			Karur Vysasya Bank Ltd.	Shri Haridas T **Chief Manager**
58			RBL Bank Ltd.	Mr. Yashovardhan Roy **Nodal Officer**
59			Karnataka Bank Ltd.	**Deputy General Manager**
60			Jammu & Kashmir Bank Ltd.	Mr. Anokh Singh **Zonal Head**
61			IDFC First Bank Ltd.	Mr. Sameer Chopra **Nodal Officer**
62			IDBI Bank Ltd.	Shri Varun Prem Prakash Srivastava **AGM**

For Ministry

S. no.	Date	Subject	Department	Name & Designation

1	24.05.2022	Request for the enactment of Valuers Act to institutionalise Valuation profession	Ministry of Finance and Corporate affairs of india	Smt. Nirmala Sitharaman **Hon,ble Minister**
2			Corporate affairs	Rao Inderjit Singh **State Minister**
3			Ministry of Corporate Affairs	Rajesh Verma **Secretary**
4	24.01.2023	Request for Call on Meeting and Submission of IOV Publication tittle as A STUDY ON REVISION OF CIRCLE RATES IN DELHI.	Social justice and Empowerment, Ministry of culture and tourism	Sh. Hans Raj Hans **Member, Standing Committee Member, Consultative Committee**
5	24.01.2023		Rajya Sabha	Sh. P.C. Mody **Secretary General**
6	24.01.2023		Revenue Department	Sh. Ashwani Kumar **Pr. Secretary (Revenue) / Divisional Commissioner**
7	24.01.2023		Raj Niwas Marg	Vinai kumar saxena **Hon'ble Lieutenant Governor, Delhi**
8	24.01.2023		Delhi Secretariat	Sh. Manish Sisodia **Deputy Chief minister**
9	24.01.2023		Housing and Urban affairs	Sh. Hardeep Singh Puri **Hon'ble Minister**
10	24.01.2023		Lok Sabha	Sh. Utpal Kumar Singh
11	24.01.2023		Delhi Secretariat	Sh. Arvind Kejriwal **Hon'ble Chief Minister**
12	30.01.2023	Suggestive regarding suitable modifications in E Form PAS 3	Ministry of Finance and Corporate affairs of india	Smt. Nirmala Sitharaman **Hon,ble Minister**
13			Corporate affairs	Rao Inderjit Singh **State Minister**
14			Ministry of Corporate Affairs	Rajesh Verma **Secretary**
15	12.06.2023	Suggestions for necessary modifications in the Empanelment policy for appointment of valuers	Department of Pharmaceuticals	Shri Mohammad Ansari Under Secretary

For Authorities and Corporates

S. no.	Date	Subject	Department	Name & Designation
1	17.08.2021	Violation of empanelement guidelines and misuse of technical platform of software in Valuation	Reserve Bank of India	Chief General Manager
2	09.09.2021	Suggestive Modifications regarding eligibility conditions for valuers Response from RBI to include RVs in empanelment of Valuers by Banks	Indian Bank Association	Sunil Mehta Chief Executive
3	09.09.2021	Suggestive Modifications regarding eligibility conditions for valuers	LIC Housing Finance Ltd	Chief Manager (Credit)
4	07.01.2022	Valuation of immovable properties by custodian of Enemy Properties of India (CEPI)	Custodian of Enemy Property for India (CEPI)	Sh. Saurav Ray
5	25.03.2022	Clarifications seeking by office of the principal commissioner of customs	Office of the Principal Commisioner of Customs	G. Manmohan Reddy **Deputy Commissioner**
6	24.06.2022	IOV - Suggestive Modification regarding eligiblity criteria in policy for "Empanelment of Valuers"	MMTC-PAMP India Pvt. Ltd.	Ms Aparjita Johri, CS
7	15.07.2022		Karnataka State Beverages Corporation Limited	Dr. Sunitha M Executive Director
8	24.01.2023	Request for Call on Meeting and Submission of IOV Publication tittle as A STUDY ON REVISION OF CIRCLE RATES IN DELHI.	Housing and Urban Development Corporation ltd.	Sh. M Nagaraj **Director (Corporate Planning)**
9	24.01.2023	Comments on consultation paper on standardisation approach to valuation of investment portfolios of AIF	SEBI	Chairperson
10			Office of the Commissioner of Customs House	Sh. Aman Mittal **Deputy Commissioner of Customs**

11	30.01.2023	Suggestions for necessary modifications in the Empanelment policy for appointment of valuers	Office of the Commissioner of Customs House	Sh. Roshan Lal **Deputy Commissioner of Customs**
12			Office of the Commissioner of Customs House	Sh. Sandeep Kamboj **Deputy Commissioner of Customs**
13			Office of the Commissioner of Central Excise and Customs	Sh. Pankaj Jain **Join Commissioner**
14			Office of the Chief Commissioner of Central Tax & Customs	Sh. J.M. Kishore **Join Commissioner**
15			Office of the Commissioner of Customs house	Sh. Chandandeep Kaur **Deputy Commissioner of Customs**
16			Office of the Deputy Commissioner of Customs	Sh. Abhishek Saini **Deputy Commissioner of Customs**
17			Office of the Chief Commissioner	PR. Srinivaan **Assistant Commissioner**
18			Office of the Chief Commissioner of Central Tax & Customs	Sh. Eswar Reddy **Joint Commissioner**
19			Office of the New Customs House	Mrs. Aruna Gupta **Chief Commissioner**
20			Office of the Commissioner of Central Excise & Customs	Sh. Rajesh Sanan **Commissioner**
21			Office of the Chief Commissioner of Customs Zone	M.V.S. Choudary **Chief Commissioner**
22	06.03.2023	Suggestions on discussion paper on Securitisation of stressed assets framework	Reserve Bank of India	Governor

CALL ON MEETING

The officials from Nepal Valuers Association had a call on meeting on 16 May 2023 with dignitaries from IOV and IOV RVF including Mr Vinay Goel, Hony Gen Secy, IOV and MD & CEO, IOV RVF and Mr Tanuj Bhatnagar, IOV Council Member and IOV RVF Director.

The delegation had an elaborate discussion regarding joint association to spread the Valuation Profession globally. They also showed interest to be part of GVS 2.0 being held at Mumbai in Nov 2023.

Call on Meeting

L to R Ms Sohale Gupta, PR, IOV & IOV RVF; Mr Nandan Singh, Regional Head North, NSE Academy; Mr Shivkant, Regional Manager Certification, NSE Academy; Mr Vinay Goel, Hony Gen Secy, IOV and MD& CEO, IOV RVF; Ms Jasmeet Chandhok - Head Training and Capacity Building, NSE Academy; Ms Meenakshi Chauhan, Regional Manager North, NSE Academy; Mr Tanuj Bhatnagar, IOV Council Member, IOVRVF Director

Delegation from NSE Academy had a call on meeting with IOV and IOV RVF officials on 24th May 2023 at IOV & IOV RVF Head Office in Delhi. The objective of the meeting was to discuss the Capacity Building measure for the Valuation Fraternity regarding the new avenues. The meeting was productive and both organizations shared valuable insights to Collaborate and Explore the same at the earliest.

Mr Vinay Goel, Hony Gen Secy, IOV and
MD & CEO, IOV RVF
deliberated on
"Valuation Eco System - Perspective of RVOs"
during the **5th Foundation Day** of ICAI Registered Valuers Organisation **(ICAI RVO)** and Conference on **"Sustaining Public Interest through Valuation Ecosystem"** held on
14th-15th May 2023, New Delhi.

DELEGATION FROM INSTITUTION OF VALUERS (IOV)

participated in the

National Summit on Trade Finance for Inclusive Growth

Organised By **ASSOCHAM**

on 8th June 2023 at Hotel Lalit, New Delhi.

IOV was the Associate Partner for the event.

A Tribute to the Legend for Envisioning and Creating Valuation Profession in India

Listen thrice, Think twice And speak once - Late Shri. P. C. Goel

Institution of Valuers (IOV) celebrated the Founder's Day on 20th May 2023 at PNB Auditorium, New Delhi on the occasion of birth anniversary of **Late Shri P C Goel Ji**, who started this idea by curating a professional group of the first 7 and formed IOV to-be legend.

The celebration was followed by technical session by IOV RVF on the theme of **Valuation –Unfolding the new Avenues.**

The programme began with the Inaugural Session wherein Mr. Vinay Goel Hony Gen.Sec. IOV & MD & CEO – IOVRVF welcomed and thanked all the Gue st Speakers and participants to mark their precious presence for this thoughtful event. All the respected guests at the dais lightened up the lamp and paid their tribute to Sh. P.C. Goel Ji and seek his blessings to deliver nothing but the best in the event. He highlighted that **Gratitude is an incredibly powerful human emotion and It promotes optimism even when the going gets tough.** Mr Goel also congratulated 20 IOV Branches for celebrating the Founder Day on 21st May with the great spirit.

Mr. Vinay Goel
Hony Gen.Sec. IOV & MD & CEO – IOVRVF

Mr P.K. Thiagarajan
President, IOV

Mr P.K. Thiagarajan, President, IOV mentioned that Mr Goel was not only the father of the valuation but also a philosopher, guide, supporter, mission and vision for Valuation profession.The president reminisced and shared some old pictures with Mr Goel, where they sat together and made big plans for the promotion of Valuation Profession.

Mr. Santosh Kumar Shukla, Executive Director, Insolvency & Bankruptcy Board of India (IBBI) was the Chief Guest of the Day. Mr Shukla paid tribute to the Founder of Valuation and highlighted that the average age of valuers is 48, which needs to be brought down. He also talked about the challenges in Valuation such as Use of technology; Globalisation and Valuation of intangibles. He mentioned that need of hour is bringing Indian Standards in valuation profession.

Mr. Santosh Kumar Shukla,
Executive Director, IBBI

Evalo was the Sponsor of the Event. They presented the Bust of Late Shri PC Goel ji to IOV. **Mr. Sudhakar Vijayasarthy, Founder and CEO - Evalo | Titlo | 5gX]** mentioned that when IOV started the average age of valuers was 67. He talked about the Valuation in Digital era and highlighted the key benefits of EKTA Software.

After the inaugural session, following launches and announcements were made:

1. **The Compendious Memorabilia (IVC 2022) –** 2nd Publication covering the deliberations on "Investing Resources for Growth and Spread of Valuation Eco System" delivered during

Mr. Sudhakar Vijayasarthy
Founder and CEO - Evalo | Titlo | 5gX

the 53rd Indian Valuers Congress (IVC) from 16th to 18th December, 2022 at Guwahati.

2. **Valuation Surveyor** – A specialised course by IOV for the 12th pass students to get knowledge about valuation and catered the needs of valuers for assistance in their operations. This will also work towards Skill India Initiative of Government.

3. **Ekta Software** - To Capacitate the valuer's with technology, software hosted in IOV's environment. With this software, Data will be saved on Cloud & Google Drive with Exclusive limited period discounts for IOV Members.

4. **IOV RVF conferred with "Emerging Company Award"** by Indian Achievers Award. 20th May is also historical day for IOV RVF on completion of 5-year journey from when first MEP was held in 2017 with 50 students to now 430 batches with 7400 candidates. Lot has changed in terms of content, study material, faculty training standard, and above all the confidence and expectation from IOV & Iov RVF during these years.

5. **IOV has received ISO 9001 and 26000**, which is a clear demonstration of our ability to meet and exceed member expectations, enhanced operational efficiency and ensure consistent delivery of exceptional services.

Mr Sunil Agarwal, IOV Council Member & Registered Valuer moderated the Panel Discussion on theme along with the participation of following eminent experts:

Mr S Pichaiya, IOV Council Member and Chairperson, IOVRVF Valuation Standard Advisory Board (VSAB) focussed on Dire Need of Indian Valuation Standards. He mentioned that Estate Duty act 1953 was first one which registered the valuers and later 1957 Wealth Tax Act, now both acts are not exist. The reason that those acts did not survive even though it is all over world, is non availability of standards for valuation.

Increasing Reliance of Valuers in Insolvency Proceedings was the area covered by Mr Abhay Kumar, Member, VSAB & Registered Valuer. He highlighted that in insolvency, valuation reports need to be measured against a standard. Then after having value, thought process of Resolution or Liquidation is done.

Valuation of New Age Companies was the topic covered by Mr Saket Singhal, IOV Member and Mr Sachin Garg, IOV Council Member & Registered Valuer.

Mr Saket Singhal mentioned that new age company is one which gives new product or process. Start-up is section of new age Co, whereas Income Approach and discounting is important. Vr Sachin Garg talked about Zomato and Byju IPO, the value of which slipped due to high PE parameters.

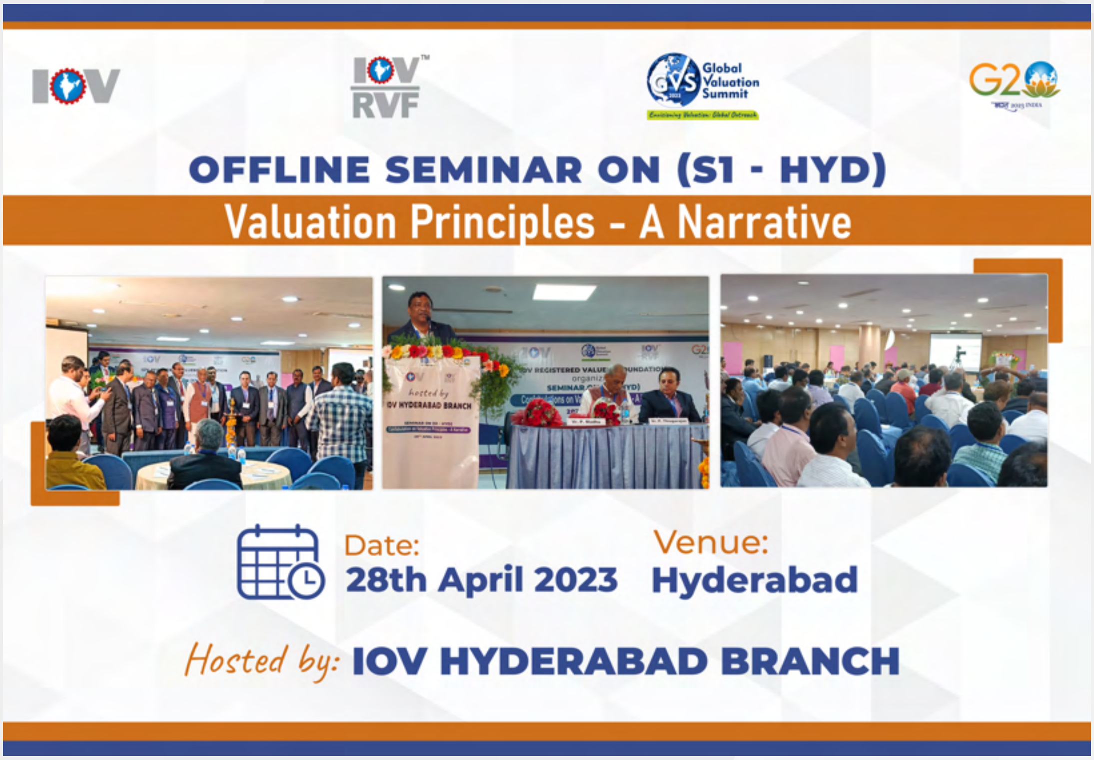
Mr Vaibhav Nagarkar, Customs' Empanelled Chartered Engineer while focussing on role of IMPEX Valuer as Consultant highlighted that Every importer and Exporter needs knowledge of Customs law and rules along with valuation. India does import of 60 Bl usd and export of 40 BL usd per month. And there is less availability of consulting valuer. He suggested that a valuer can get empaneled with Industry in the capacity of advisor.

Mr Rajiv Singh, Member, VSAB & Registered Valuer talked about Business Valuation and mentioned that in start-up or new generation companies, the problem in valuation is Micro Macro issue. Valuer should know business part. The revenue generation and tangible and intangible like brand should also be correctly understood with Due diligence.

Mr Tanuj K Bhatnagar gave the concluding remarks and proposed a hearty vote of thanks to the Guest Speakers and Delegates for their gracious presence at the event. He highlighted that we shall be able to bring in more of India specific practical valuation experience into education programmes and Valuation Standards.

At the end, he wishes a success to all and thanked all participants and staff of IOV and IOV RVF for making "Founder's Day" a big success.

Physical CEPs



भारतीय दिवाला और शोधन अक्षमता बोर्ड
Insolvency and Bankruptcy Board of India

INSTITUTION OF VALUERS
&
IOV REGISTERED VALUERS FOUNDATION
in association with
INSOLVENCY AND BANKRUPTCY BOARD OF INDIA
are holding

GVS 2023 Global Valuation Summit

Envisioning Valuation: Global Outreach

at **Mumbai**
on **24th & 25th November, 2023**

Venue CIDCO Exhibition & Convention Centre
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Stay tuned for further updates..

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Congratulations to

Green Brick Valuers pvt ltd, Registered Valuer Entity (RVE)

to get registered under SFA & L&B Asset Class.

Mr Ramandeep Singh and Mr Prashant Bansal have an interactive meeting with Mr Vinay Goel, MD & CEO, IOVRVF and received their certificate and welcome kit.

IOV RVF invites all eligible members to form their Registered Valuer Entity (RVE) and enjoy the numerous benefits.

For more information, Mail us **at monitoring@iovrvf.org**

For Registering your Entity ,
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We value your FEEDBACK and INPUT!

Whether you have **suggestions** for **improving** our **services**, **ideas** for **collaboration** or simply want to **express your thoughts** on the **Valuation**.

We are always open to meeting with you or connecting you with our **senior officials** at **IOV/IOV RVF.**

"Please do not hesitate to reach out to us Our dedicated team at **pro@iovrvf.org** is ready to receive your emails and engage in meaningful discussions."

We look forward to your active participation and contributions to create a platform where valuers can thrive and work towards the betterment of the valuation profession.

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