

# A complete Guide on Business Valuation and Global Professional opportunities

By



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### **1. Introduction to Valuation**

*“Valuing a business is part art and part science.”- warren Bugffett*



Dictionary meaning- an estimation of the worth of something, especially one carried out by a professional valuer. Valuation is art of assessing the value of a property. It is the process of determining current worth of something.

It is a quantitative process of determining the fair value of an asset or a firm.

International Valuation Standard Council has defined Valuation as “the process of determining the “Economic Worth” of an Asset or Company under certain assumptions and limiting conditions and subject to the data available on the valuation date.

### **Factors affecting Business Valuation**

- Size of the company
- Location of the company
- Revenue trends
- Reputation/ Goodwill
- Growth prospects
- Employees/ Management
- Competitive advantage
- Quality of the product

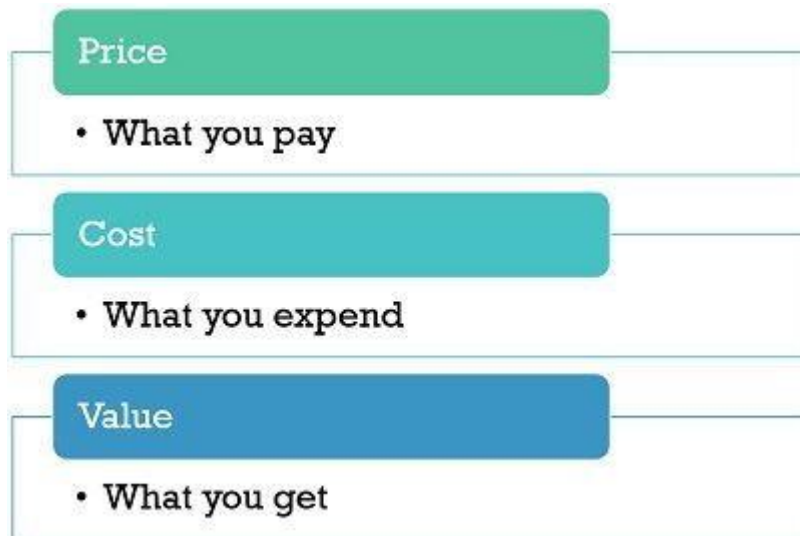
### **2. Factors to be determined during valuation- Cost, Price and Value**

For the purpose of valuation, three factors are required to be determined: cost, price and value

**Cost:** It is the expenditure to produce a commodity having a value

**Price:** It is cost of commodity plus additional reward to the producer for the labour and capital invested.

**Value:** Value is an estimate of the price what ought to be. It is an opinion and varies from purpose to purpose.



## Types of Values

There are various types of values which are explained below:

1. **Fair Market Value:** It is a price for which a property or business would sell on the open market. It refers to the current price that an interested buyer in the open market is willing to pay up to purchase a certain asset.  
For example, suppose in case of a house, if we want to sell it, fair market value will be the price at which the interested buyer is willing to pay.  
In case of publicly traded stock, fair market value is calculated by averaging the highest and lowest selling prices of the day.  
Fair market value is also used in divorce proceedings when real estate must be sold or divided.
2. **Assessed Value:** Value recorded in register of local authorities used for determining property taxes etc. It is the value of a property or of land, that is used to decide how much tax has to be paid on it.
3. **Book Value:** Also known as book cost which shows the original investment of company on asset including Property and machinery less Depreciation for the period passed.
4. **Salvage Value:** B.E.R (Beyond Economic Repairs) value of machinery realized on sale when useful span of life is over but not become useless. It is basically an estimated value of

an asset which is derived at the end of its useful life. It is used to calculate the depreciation by subtracting it from acquisition cost.

5. **Scrap Value:** (B.L.R) Beyond limit of Repair, When Property / Asset becomes absolutely useless except to be sold as scrap. For  
Machinery – Scrape rate  
Buildings – Value of old retrieved material less cost of Demolition.
6. **Replacement Value:** It is the amount that a party has to pay to replace the asset at the present time. Value of building or portion thereof if these have to be replaced at the current market rate.
7. **Earning Value:** It is present value of Property which will start yielding an income in future. Such as in cinemas, conference/marriage Hall etc.

Apart from these, following values play important role as far as valuation is concerned

- Market Value, Open Market Value
- Forced Value or Distress Value
- Monopoly Value
- Speculative Value (Hypothetical)
- Sentimental Value
- Accommodation Value

### **3. Background**

**2005- Expert Committee on Company Law, 2005-** On 2nd December 2004, Government of India constituted an expert committee under the chairmanship of Dr. J.J Irani the then Director of Tata Sons, to review and make recommendations on Company Law. The committee made various recommendations:

- there should be recognition of principle of valuation of shares through an independent valuer whenever company causes an exercise of merger/ restructuring to safeguard minority interests.

- non-cash consideration for allotment of shares should be valued through independent valuers.
- Valuation of shares of companies involved in schemes of mergers and acquisition by independent registered valuers (rather than court appointed valuers) should be made mandatory.

**2007-** On 16.08.2007, the Central Government had published a Concept Paper on the website of the Ministry of Corporate Affairs indicating a framework for development of the discipline of valuation and regulation of valuation professionals.

**2008-** The Companies Bill, 2008 provided that where valuation is required to be made in respect of any property, stocks, shares, debentures, securities, goodwill or net worth of a company or its assets, it shall be valued by a RV appointed by the Audit Committee or in its absence by the Board of Directors of that company.

#### **2008-** Draft Valuation Professionals Bill, 2008

The draft Valuation Professionals Bill, 2008, was prepared by the Ministry of Corporate affairs which provided for the constitution of the Council of Valuation Professionals *inter alia* for development, regulation, certification of qualification and quality of the valuation professionals engaged in providing valuation services. It provides for a two-tier statutory self-regulation with the Council of Valuation Professionals as the principal regulator and ‘recognised institutes’ as the frontline regulators. Draft Valuation Professionals Bill, 2008 (Valuation Bill), did not reach Parliament.

**2009-** The Companies Bill, 2008 was lapsed due to dissolution of the Fourteenth Lok Sabha. It was re-introduced as the Companies Bill, 2009 along with the provisions relating to valuers. The Bill was introduced in Lok Sabha on 3 August, 2009 and was referred to the Standing Committee on Finance (SCF), which in its Twenty-First Report (SCF, 2009) recommended that firms or body corporate having professionals such as chartered accountants, company secretaries, etc. as well to be registered as valuers.

#### **2013- The Companies Act, 2013**

In view of the large amendments proposed by the Standing Committee on Finance, and suggestions of the stakeholders, the Companies Bill, 2009 was withdrawn and was re-introduced as the Companies Bill, 2011. Clause 247 of the said Bill provided for valuation by a valuer in accordance with the Rules as may be prescribed. The Bill was also considered by the SCF. Subsequently, this Bill became the Companies Act, 2013. Section 247 was introduced in the Companies Act, 2013 which provides for the provision related to Registered Valuer.

#### **2016- Report of the Companies Law Committee, 2016**

The Companies Law Committee, 2016 was set up on 4<sup>th</sup> June, 2015 and submitted its report on 1<sup>st</sup> February, 2016. The Committee felt that while the company should be mandated to get valuation done (in respect of equity and convertible securities), the report of the valuer should be made available to investors, and may not be filed/circulated.

#### **2017- The Companies (Removal of Difficulties) Second Order, 2017 dated 23<sup>rd</sup> October, 2017**

A difficulty was observed that there were several different organisations dealing with various, distinct group of assets, such as land and building, machinery and equipment, having separate set of valuers for valuation.

The order provides that where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities, it shall be valued by a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee or in its absence by the Board of Directors of that company

#### **2017- The Companies (Amendment) Act, 2017**

Section 247 of the Companies Act, 2013 prohibited a RV from undertaking valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time during or after the valuation of assets. The Amendment Act prohibited a RV from undertaking valuation of any asset in which he has direct or indirect interest or becomes so interested at any time during three years prior to his appointment as valuer or three years after valuation of assets was conducted by him.

#### **2020- Committee of Experts**

The Committee of Experts to examine the need for an institutional framework for regulation

and development of valuation professionals was constituted on 30<sup>th</sup> August, 2019.

This report comes in three Volumes. The first Volume comprises six chapters. First chapter presents an executive summary of the recommendation of the CoE. Second chapter takes stock of the evolving valuation profession and the institutional framework supporting the same. Chapters 3 to 5 deal with development of profession, regulation of profession and of market for valuation services, and regulatory architecture respectively. Chapter 6 concludes with transitional provisions and carries a draft bill for implementation of the recommendations of the CoE.

The institutional framework should have three primary objectives, namely, (i) development and regulation of the valuation profession; (ii) development and regulation of market for valuation services; and (iii) protection of interest of the users of valuation services.

**Various recommendations of the committee:**

The ecosystem should have four elements:

- (i) National Institute of Valuers , which would be a statutory body primarily responsible for the development and the regulation of the valuation profession in India and registration and regulation of Valuers, Valuer Institutes and VPOs;
- (ii) Valuers, who would render valuation services, after registration with the Institute;
- (iii) Valuer Institutes, who would provide educational courses, after registration with the Institute; and
- (iv) VPOs, who would be front-line regulators primarily responsible for development of the valuation profession, after registration with the Institute.

The Institute would register and regulate Valuer Institutes, who would offer courses and conduct internal examinations, while it conducts a screening examination for admission to a course and a qualifying examination for registration as a Valuer.

The framework should define broad entry norms for the profession in terms of educational qualifications and enable the Institute to prescribe the details and to modify the same with changing needs. An individual may join the profession on completing any of the courses:

- (i) national valuation programme, a four-year integrated full-time professional course, which includes an internship of one year, if he has passed class higher secondary examination;
- (ii) graduate valuation programme, a two-year full-time professional course on valuation,



which includes an internship of one year, if he has a degree or equivalent qualification in any of the identified disciplines relevant for an asset class; or  
(iii) limited valuation programme, a four-hundred-hour professional course, if he does not have relevant qualification, but has been rendering valuation services as a Valuer for at least five years. The eligibility through this programme shall be available only for two years.

### **The Draft Valuers Bill, 2020**

Based on the recommendations of a Committee of Experts constituted by the Ministry of Corporate Affairs, the Draft Valuers Bill, 2020 was introduced.

It is divided into VI Parts and 5 Schedules

PART I- Preliminary

PART II- National Institute of Valuers

PART III- Discharge of Functions by Institute

PART IV- Valuation Services

PART V- Offences and Penalties

PART VI- Miscellaneous

### **Salient features of the Draft Valuers Bill, 2020-**

- The Bill envisages the appointment of the National Institute of Valuers to serve the purpose of developing the profession of valuers and regulating the market of valuation services.
  
- valuation services include the services relating to valuation of any asset or liability-
  - (a) which is required under the provisions of-
    - (i) the Banking Regulation Act, 1949 (10 of 1949),
    - (ii) the Securities Contracts (Regulation) Act, 1956 (42 of 1956),
    - (iii) the Wealth Tax Act, 1957 (27 of 1957),
    - (iv) the Income Tax Act, 1961 (43 of 1961),
    - (v) the Securities Exchange Board of India Act, 1992 (15 of 1992),
    - (vi) the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999),
    - (vii) the Foreign Exchange Management Act, 1999 (42 of 1999),

(viii) the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (54 of 2002),

(ix) the Prevention of Money Laundering Act, 2002

(x) the Limited Liability Partnership Act, 2008 (6 of 2009),

(xi) the Companies Act, 2013 (18 of 2013),

(xii) the Pension Funds Regulatory and Development Authority Act, 2013 (23 of 2013),

(xiii) the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015),

(xiv) the Insolvency and Bankruptcy Code, 2016 (31 of 2016), or

(xv) any other law, as may be prescribed.

(b) which arises from needs of the market, as may be specified.

- There shall be four classes of valuers, namely:

- (a) valuation entities;

- (b) associate valuers;

- (c) fellow valuer; and

- (d) honorary valuer.

- On registration, as a valuer, an individual will be classified as an *associate* valuer. on registration, he shall be entitled to prefix the letters ‘AV’ to his name.

- After gaining experience of minimum five years and demonstrating professional excellence, such valuer will be registered as a *fellow valuer*, and be entitled to prefix the letters ‘FV’ to his name.

- Any valuer recognised for extraordinary contribution to the valuation profession will be registered as an honorary valuer, and be entitled to prefix the letters ‘HV’ to his name, but will not be permitted to render valuation services.

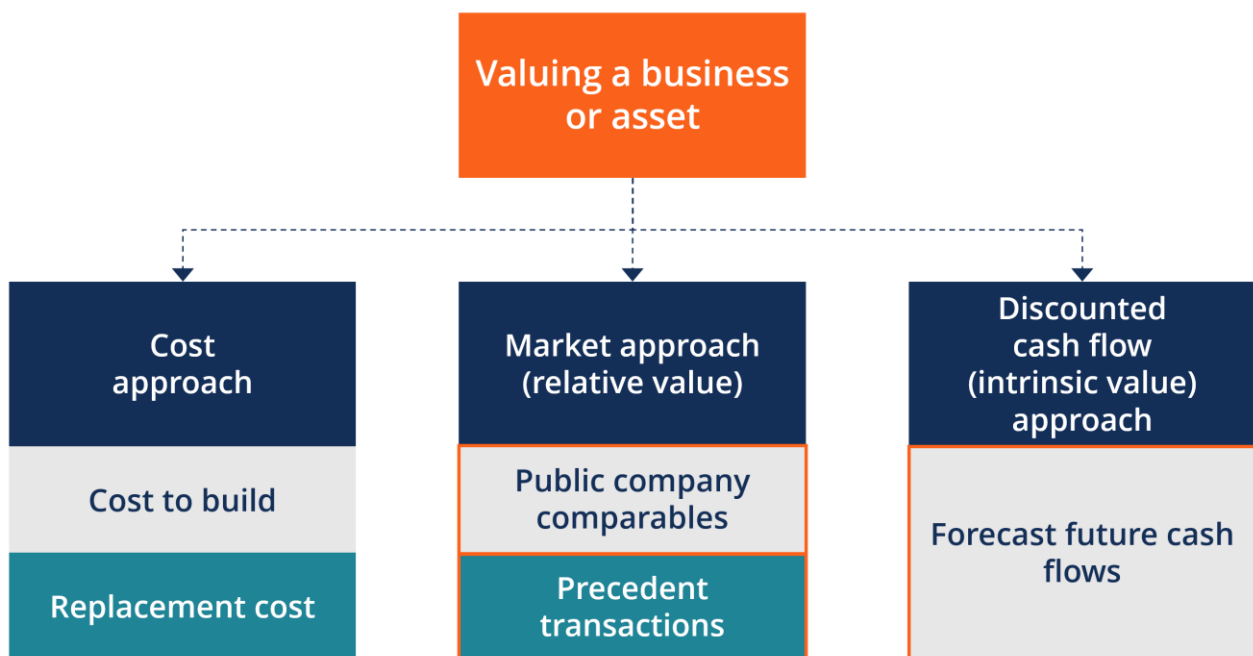
#### **4. Valuation methods and techniques**

- Market Value Valuation Method

- Asset-Based Valuation Method

- ROI-Based Valuation Method
- Discounted Cash Flow (DCF) Valuation Method
- Capitalization of Earnings Valuation Method
- Multiples of Earnings Valuation Method
- Book Value Valuation Method
- Liquidation Value
- Going Concern

## Approaches



1. **Cost Approach-** It basically means the price of the asset derive at the time of selling of the asset. It is mainly used in real estate. It means the costs to rebuild or replace an asset. It takes into account the combined fair market value (FMV) of the business's net assets. It includes the book value and adjusted net asset methods. It is also known as Asset based approach.
2. **Market approach:** It includes the method of determining the value of an asset based on the selling price of similar assets. The value is determined on the basis of prevailing rate existing of the similar asset. In this case, a value is assigned to a business based on market forces in comparable situations.

3. **Discounted Cash flow approach-** This method is used to estimate the value of an investment based on its expected future cash flows.. It is an income-based approach to valuation that is based upon the theory that the value of a business is equal to the present value of its projected future benefits.

## **5. Regulatory Framework**

Valuation is required at different events under the various laws.

- The Companies Act, 2013- Chapter XVII, Section 247- 4 sub Sections, section 247 enforced w.e.f. 18-10-2017
- The Companies (Registered Valuers and Valuation) Rules, 2017- 6 Chapters, 21 Rules
- The Insolvency and Bankruptcy Code, 2016

### **The Companies Act, 2013 read with the Companies (Registered Valuers and Valuation) Rules, 2017**

Section 247 under Chapter XVII of the Companies Act, 2013 (enforced w.e.f. 18-10-2017) deals with the Registered Valuer.

The concept of registered valuer under Section 247 has been newly added in the Companies Act, 2013. Section 247 of the Companies Act, 2013 and Companies (Registered Valuers and Valuation) Rules, 2017 contained provisions relating to Registered Valuers.

Any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act shall be valued by registered valuer.

A person who is registered as a Registered Valuer in pursuance of Section 247 under chapter XVII of the Act with the Central Government can act as a registered valuer.

“Registered Valuer” is a ‘Valuer’ registered with the Registration Authority for carrying out valuation of assets belonging to a ‘class of assets’

Where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities, it is required to be valued by a person having such qualifications and experience, registered as a valuer and being a member of an organisation recognized. Registered valuer is required to be appointed by the audit committee or in its absence by the Board of Directors of that company.

### **Code of conduct for Registered Valuer**

The valuer MUST-

- (a) make an impartial, true and fair valuation of any assets which may be required to be valued;
- (b) exercise due diligence while performing the functions as valuer;
- (c) make the valuation in accordance with such rules as may be prescribed; and
- (d) not undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time during a period of three years prior to his appointment as valuer or three years after the valuation of assets was conducted by him.

### **Penal Provision**

If a valuer contravenes the provisions of this section or the rules made thereunder, the valuer shall be liable to a penalty of fifty thousand rupees.

In case the contravention has been made with the intention to defraud the company or its members, he shall be punishable with imprisonment for a term which may extend to one year and with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Where a valuer has failed to follow the above-mentioned code of conduct, he shall be liable to—

- (i) refund the remuneration received by him to the company; and
- (ii) pay for damages to the company or to any other person for loss arising out of incorrect or misleading statements of particulars made in his report.

### **The Companies (Registered Valuers and Valuation) Rules, 2017**

It was notified on 18th October, 2017

#### **Contents**

**It contains VI Chapters, 21 Rules and Annexure and Form**

Chapter I- Preliminary- Rules 1 & 2

Chapter II- Eligibility, Qualifications and Registration of Valuers- Rules 3 to 11

Chapter III- Recognition of Registered Valuers Organisations-Rules 12 to 14

Chapter IV- Cancellation or Suspension of Certificate of Registration or Recognition- Rules 15 to 17

Chapter V- Valuation Standards- Rules 18 & 19

Chapter VI- Miscellaneous- Rules 20 & 21

### **Important definitions under Rule 2**

“Asset class” means a distinct group of assets, such as land and building, machinery and equipment, displaying similar characteristics, that can be classified and requires separate set of valuers for valuation.

“Certificate of recognition” means the certificate of recognition granted to a registered valuers organisation and the term “recognition” shall be construed accordingly.

“Certificate of registration” means the certificate of registration granted to a valuer and the term “registration” shall be construed accordingly.

“Partnership entity” means a partnership firm registered under the Indian Partnership Act, 1932 or a limited liability partnership registered under the Limited Liability Partnership Act, 2008;

### **Applicability**

The Companies (Registered Valuers and Valuation) Rules, 2017 are applicable for valuation in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities

As per Rule 2(j) defines "Registered Valuer" as a person to be eligible to act as a valuer, must register with the Central Government or institution or agency notified by the Central Government by filing an application for registration as a valuer.

A registered valuer can be a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee or in its absence by the Board of Directors of that company.

### **Who will appoint registered valuer?**

Registered Valuer should be appointed by Audit Committee or by Board of Directors (in absence of Audit Committee).

### **Registration Authority?**

Registration Authority shall be the Insolvency and Bankruptcy Board of India (IBBI). The Ministry of Corporate Affairs vide its notification dated 23<sup>rd</sup> October, 2017, the Central Government has delegated the powers and functions to the Insolvency and Bankruptcy Board of India.

### **Who can act as a registered valuer?**

An individual or partnership firm or a Company can act as registered valuer only if the individual or partnership entity obtained a certificate of registration from the Registration Authority.

### **Eligibility to be registered as a Registered Valuer (Rule 3)**

Following person are eligible to be registered as a Registered Valuer:

- (a) is a valuer member of a registered valuers organisation
- (b) is recommended by the registered valuers organisation of which he is a valuer member for registration as a valuer;
- (c) has passed the valuation examination within three years preceding the date of making an application for registration;
- (d) possesses the qualifications and experience;
- (e) is not a minor;
- (f) has not been declared to be of unsound mind;
- (g) is not an undischarged bankrupt, or has not applied to be adjudicated as a bankrupt;
- (h) is a person resident in India;
- (i) has not been convicted by any competent court for an offence punishable with imprisonment for a term exceeding six months or for an offence involving moral turpitude, and a period of five years has not elapsed from the date of expiry of the sentence;
- (j) has not been levied a penalty under section 271J of Income-tax Act, 1961 (43 of 1961) and time limit for filing appeal before Commissioner of Income-tax (Appeals) or Income-tax Appellate Tribunal, as the case may be has expired, or such penalty has been confirmed by Income-tax Appellate Tribunal, and five years have not elapsed after levy of such penalty; and

(k) is a fit and proper person

### **Section 271J of the Income-tax Act, 1961**

Section 271J of the Income-tax Act, 1961 provides for Penalty for furnishing incorrect information in reports or certificates.

Without prejudice to the provisions of this Act, where the Assessing Officer or the Commissioner (Appeals), in the course of any proceedings under this Act, finds that an accountant or a merchant banker or a registered valuer has furnished incorrect information in any report or certificate furnished under any provision of this Act or the rules made thereunder, the Assessing Officer or the Commissioner (Appeals) may direct that such accountant or merchant banker or registered valuer, as the case may be, shall pay, by way of penalty, a sum of ten thousand rupees for each such report or certificate.

### **Fit and proper person**

A person is said to be fit and proper, if he possess the following criteria-

- (i) integrity, reputation and character,
- (ii) absence of convictions and restraint orders, and
- (iii) competence and financial solvency.

### **Eligibility criteria for partnership entity or company**

No partnership entity or company shall be eligible to be a registered valuer if

- (a) it has been set up for objects other than for rendering professional or financial services, including valuation services and that in the case of a company, it is a subsidiary, joint venture or associate of another company or body corporate;
- (b) it is undergoing an insolvency resolution or is an undischarged bankrupt;
- (c) all the partners or directors, as the case may be, are not ineligible to be registered
- (d) three or all the partners or directors, whichever is lower, of the partnership entity or company, as the case may be, are not registered valuers; or
- (e) none of its partners or directors, as the case may be, is a registered valuer for the asset class, for the valuation of which it seeks to be a registered valuer.



### **Who can be a registered valuer?**

Rule 4 prescribes for the qualifications and experience which includes Individual having:

- (a) post-graduate degree or post-graduate diploma, in the specified discipline, from a University or Institute established, recognised or incorporated by law in India and at least three years of experience in the specified discipline thereafter; or
- (b) a Bachelor's degree or equivalent, in the specified discipline, from a University or Institute established, recognised or incorporated by law in India and at least five years of experience in the specified discipline thereafter; or
- (c) membership of a professional institute established by an Act of Parliament enacted for the purpose of regulation of a profession with at least three years' experience after such membership.

### **valuation examination (Rule 5)**

The authority shall, either on its own or through a designated agency, conduct valuation examination for one or more asset classes, for individuals, who possess the qualifications and experience, and have completed their educational courses as member of a registered valuers organisation, to test their professional knowledge, skills, values and ethics in respect of valuation:

Provided that the authority may recognise an educational course conducted by a registered valuers organisation before its recognition as adequate for the purpose of appearing for valuation examination:

It is noted that the authority may recognise an examination conducted as part of a master's or post graduate degree course conducted by a university which is equivalent to the valuation examination.

The Insolvency and Bankruptcy Board of India shall determine the syllabus for various valuation specific subjects or assets classes for the valuation examination on the recommendation of one or more Committee of experts constituted by the authority in this regard.

The syllabus, format and frequency of the valuation examination, including qualifying marks, are given on the website of the IBBI.

An individual who passes the valuation examination, will receive acknowledgement of passing the examination.

## **Application for certificate of registration**

### **Form-A for individual**

**Application is required to made to IBBI** along with a non-refundable application fee of five thousand rupees in favour of IBBI.

### **Form- B for partnership entity or company**

**Application is required to made to IBBI** along with a non-refundable application fee of ten thousand rupees in favour of IBBI.

Once the application is examined by the authority and there is any deficiency in the application. The authority may grant twenty-one days to the applicant to remove those deficiencies.

The authority may require the applicant to submit additional documents or clarification within twenty-one days.

The authority may require the applicant to appear, within twenty-one days, before the authority in person, or through its authorised representative for explanation or clarifications required for processing the application.

Once the authority is satisfied, after such scrutiny, inspection or inquiry as it deems necessary, that the applicant is eligible under these rules, it may grant a certificate of registration to the applicant to carry on the activities of a registered valuer for the relevant asset class or classes in **Form C**.

In case, after considering an application, the authority is of the prima facie opinion that the registration should not be granted, the same shall be communicated to the applicant within forty-five days of receipt of the application. Then, the applicant is given an option to submit the explanation.

After considering the explanation, if any, given by the applicant, authority shall either -

- (a) accept the application and grant the certificate of registration; or
- (b) reject the application by an order, giving reasons thereof.

The authority shall communicate its decision to the applicant within thirty days of receipt of explanation.

## **Conditions of Registration (Rule 7)**

The Certificate of registration is granted to the valuer on the following conditions—

- (a) at all times possess the eligibility and qualification and experience
- (b) at all times comply with the provisions of the Act, these rules and the byelaws or internal regulations, as the case may be, of the respective registered valuers organisation;
- (c) in his capacity as a registered valuer, not conduct valuation of the assets or class(es) of assets other than for which he/it has been registered by the authority;
- (d) take prior permission of the authority for shifting his/its membership from one registered valuer's organisation to another;
- (e) take adequate steps for redressal of grievances;
- (f) maintain records of each assignment undertaken by him for at least three years from the completion of such assignment;
- (g) comply with the Code of Conduct of the registered valuer's organisation of which he is a member;
- (h) in case a partnership entity or company is the registered valuer, allow only the partner or director who is a registered valuer for the asset class(es) that is being valued to sign and act on behalf of it;
- (i) in case a partnership entity or company is the registered valuer, it shall disclose to the company concerned, the extent of capital employed or contributed in the partnership entity or the company by the partner or director, as the case may be, who would sign and act in respect of relevant valuation assignment for the company;
- (j) in case a partnership entity is the registered valuer, be liable jointly and severally along with the partner who signs and acts in respect of a valuation assignment on behalf of the partnership entity;
- (k) in case a company is the registered valuer, be liable along with director who signs and acts in respect of a valuation assignment on behalf of the company;
- (l) in case a partnership entity or company is the registered valuer, immediately inform the authority on the removal of a partner or director, as the case may be, who is a registered valuer along with detailed reasons for such removal; and
- (m) comply with such other conditions as may be imposed by the authority.

### **Conduct of Valuation (Rule 8)**

A valuer shall make valuations as per—

- (a) internationally accepted valuation standards;
- (b) valuation standards adopted by any registered valuers organisation.

The registered valuer may obtain inputs for his valuation report or get a separate valuation for an asset class conducted from another registered valuer, in which case he shall fully disclose the details of the inputs and the particulars etc. of the other registered valuer in his report and the liabilities against the resultant valuation, irrespective of the nature of inputs or valuation by the other registered valuer, shall remain of the first mentioned registered valuer.

### **Valuation Report**

The valuer shall, in his/ its report, state the following: -

- (a) background information of the asset being valued;
- (b) purpose of valuation and appointing authority;
- (c) identity of the valuer and any other experts involved in the valuation;
- (d) disclosure of valuer interest/conflict, if any;
- (e) date of appointment, valuation date and date of report;
- (f) sources of information;
- (g) procedures adopted in carrying out the valuation;
- (h) valuation methodology;
- (i) major factors that influenced the valuation;
- (j) conclusion; and
- (k) caveats, limitations and disclaimers

### **Contents of Registered valuer organization website**

Every registered valuer's organisation shall place, on its website, in a searchable format, the names and other details of its valuers' members who have surrendered or revived their memberships.

### **What are the functions of registered valuer?**

**The following are the functions of the registered valuer:**

- ❖ To make an impartial, true and fair valuation of any assets which may be required to be valued;
- ❖ To exercise due diligence while performing the functions as valuer;
- ❖ To make the valuation in accordance with such rules as may be prescribed; and
- ❖ To not undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time during or after the valuation of assets.

### **Registered Valuer Organisations (Rule 12)**

- Section 25 of the Companies Act, 1956 (1 of 1956) or Section 8 of the Companies Act, 2013 (18 of 2013) with the sole object of dealing with matters relating to regulation of valuers of an asset class or asset classes and has in its bye-laws the requirements.
- It is a professional institute established by an Act of Parliament enacted for the purpose of regulation of a profession

The following organisations may also be recognized as a registered valuers organisation for valuation of a specific asset class or asset classes, namely: -

- (a) an organisation registered as a society under the Societies Registration Act, 1860 or any relevant state law, or;
- (b) an organisation set up as a trust governed by the Indian Trust Act, 1882.

### **Conditions for recognition of Registered Valuer Organisation-**

The organization shall be recognized if it fulfills the following conditions-

- (a) conducts educational courses in valuation, in accordance with the syllabus determined by the authority, for individuals who may be its valuers' members, and delivered in class room or through distance education modules and which includes practical training;
- (b) grants membership or certificate of practice to individuals, who possess the qualifications and experience as specified in rule 4, in respect of valuation of asset class for which it is recognised as a registered valuers organisation ;
- (c) conducts training for the individual members before a certificate of practice is issued to them;
- (d) lays down and enforces a code of conduct for valuers who are its members,
- (e) provides for continuing education of individuals who are its members;
- (f) monitors and reviews the functioning, including quality of service, of valuers who are its members; and
- (g) has a mechanism to address grievances and conduct disciplinary proceedings against valuers who are its members.

### **Application for recognition by an Organisation (Rule 13)**

#### **Form- D**

**Fee-** one lakh in favour of the authority (Non-refundable)

The authority will at first examine the application, and in case there is any deficiency in the application, he may grant twenty-one days to the applicant to remove the deficiencies.

The authority may require the applicant to submit additional documents or clarification within twenty-one days. The authority may require the applicant to appear, within twenty-one days, before the Authority through its authorised representative for explanation or clarifications required for processing the application.

If the authority is satisfied, after such scrutiny, inspection or inquiry as it deems necessary that the applicant is eligible under these rules, it may grant a certificate of recognition as a registered valuers organisation in **Form-E**.

In case, after considering an application, the authority is of the prima facie opinion that the registration should not be granted, the same shall be communicated to the applicant within forty-five days of receipt of the application. Then, the applicant is given an option to submit the explanation.

After considering the explanation, if any, given by the applicant, authority shall either -

- (a) accept the application and grant the certificate of registration; or
- (b) reject the application by an order, giving reasons thereof.

The authority shall communicate its decision to the applicant within thirty days of receipt of explanation.

#### **Conditions of Recognition (Rule 14)**

The Certificate of registration is granted to the registered valuers organization on the following conditions—

- (a) at all times continue to satisfy the eligibility requirements;
- (b) maintain a register of members who are registered valuers, which shall be publicly available;
- (c) admits only individuals who possess the educational qualifications and experience requirements, in accordance with rule 4 and as specified in its recognition certificate, as members;
- (d) make such reports to the authority as may be required by it;
- (e) comply with any directions, including with regard to course to be conducted by valuation organisation, issued by the authority;
- (f) be converted or registered as company under section 8 of the Act, with governance structure and bye laws, within a period of two years from the date of commencement of these rules;

- (g) shall have the governance structure and incorporate in its bye laws the requirements within one year of commencement of these rules if it is an organisation and existing on the date of commencement of these rules;
- (h) display on its website, the status and specified details of every registered valuer being its valuer members including action being taken against him; and
- (i) comply with such other conditions as may be specified by authority.

### **Cancellation or suspension of certificate of registration or recognition (Rule 15)**

The authority may cancel or suspend the registration of a valuer or recognition of a registered valuers organisation for violation of the provisions of the Act, any other law allowing him to perform valuation, these rules or any condition of registration or recognition, as the case may be.

### **Complaint against a registered valuer or registered valuers' organization (Rule 16)**

A complaint may be filed against a registered valuer or registered valuer's organisation before the authority in person or by post or courier along with a non-refundable fee of rupees one thousand in favour of the authority and the authority shall examine the complaint and take such necessary action as it deems fit.

Note: In case of a complaint against a registered valuer, who is a partner of a partnership entity or director of a company, the authority may refer the complaint to the relevant registered valuers organisation and such organisation shall handle the complaint in accordance with its bye laws.

### **Procedure to be followed for cancellation or suspension of registration or recognition**

#### **Certificate**

Once the complaint is files, the authority shall conduct an inspection or investigation and based on that finding or a complaint received or on material otherwise available on record, if the authorised officer is of the prima facie opinion that sufficient cause exists to cancel or suspend the registration of a valuer or cancel or suspend the recognition of a registered valuers organisation, it shall issue a show-cause notice to the valuer or registered valuers' organization.

But in case of a registered valuer organisation to which recognition has been granted, the authorised officer will, instead of carrying out inspection or investigation, seek the information required from the registered valuers organisation within the time specified therein and in the case of a default, give one more opportunity to provide the information within specified time failing which or in the

absence of sufficient or satisfactory information provided, either initiate the process under this rule or refer the matter to the Central Government for appropriate directions.

### **Show cause Notice**

It shall be in writing and must contain-

- (a) the provisions of the Act and rules under which it has been issued;
- (b) the details of the alleged facts;
- (c) the details of the evidence in support of the alleged facts;
- (d) the provisions of the Act or rules or certificate of registration or recognition allegedly violated, or the manner in which the public interest has allegedly been affected;
- (e) the actions or directions that the authority proposes to take or issue if the allegations are established;
- (f) the manner in which the person is required to respond to the show-cause notice;
- (g) consequences of failure to respond to the show-cause notice within the given time; and
- (h) procedure to be followed for disposal of the show-cause notice.

It will be served in the following manner by-

- (a) sending it to the valuer or registered valuers organisation at its registered address by registered post with acknowledgment due; or
- (b) an appropriate electronic means to the email address provided by the valuer or registered valuer's organisation to the authority.

It is the duty of the authorised officer to dispose of the show-cause notice by reasoned order in adherence to the principles of natural justice.

The order in disposal of a show-cause notice may provide for-

- (a) no action;
- (b) warning; or
- (c) suspension or cancellation of the registration or recognition; or
- (d) change in any one or more partner or director or the governing board of the registered valuers organisation.

In case the order has been passed for cancelling the recognition of a registered valuers



organisation, then it must specify the time within which its members may take membership of another

registered valuers organisation recognised for valuation of relevant asset class without prejudice to their registration. Such order shall be issued to the concerned person immediately, and published on the website of the authority.

Such shall not become effective until thirty days have elapsed from the date of issue of the order unless stated otherwise.

Any person aggrieved by an order of the authorised officer may prefer an appeal before the authority.

### **Valuation Standards (Rule 18)**

The Central Government has been empowered to notify and may modify (from time to time) the valuation standards on the recommendations of the Committee to advise on valuation matters.

### **Committee to advise on valuation matters (Rule 19)**

Committee is made up of-

- (a) a Chairperson who shall be a person of eminence and well versed in valuation, accountancy, finance, business administration, business law, corporate law, economics;
- (b) one member nominated by the Ministry of Corporate Affairs;
- (c) one member nominated by the Insolvency and Bankruptcy Board of India;
- (d) one member nominated by the Legislative Department;
- (e) up to four members nominated by Central Government representing authorities which are allowing valuations by registered valuers;
- (f) up to four members who are representatives of registered valuers organisations, nominated by Central Government.
- (g) Up to two members to represent industry and other stakeholder nominated by the Central Government in consultation with the authority;
- (h) Presidents of, the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India, the Institute of Cost Accountants of India as ex-officio members.

The Chairperson and Members of the Committee shall have a tenure of three years and they shall not have more than two tenures.

**On 23<sup>rd</sup> April, 2018**, the Central Government constituted a committee to be known as "Committee to advise on valuation matters" consisting of the following, -

- (i) Sh. R. Narayanaswamy, Professor-Finance & Chairperson Accounting, Indian Institute of Management, Bangalore
- (ii) Sh. K. Biswal, Additional Secretary, M/o Law & Member Justice, Legislative Department
- (iii) Dr. Navrang Saini, Whole Time Member, IBBI Member/Convener
- (iv) Sir. K.V.R Muty, Joint Secretary (Policy), Ministry of Corporate Affairs
- (v) Sh. Rajesh Kumar Kedia, Director (Tax Policy & Member Legislation Division)-I, CBDT
- (vi) Sh. Saurav Sinha, Chief General Manager-in-Charge, Member Department of Banking Regulation, Reserve Bank of India
- (vii) Sh. Jayanta Jash, Chief General Manager, SEBI Member
- (viii) Sh. A. Ramana Rao, General Manager-F&A(Life), Member IRDAI
- (ix) Norninee of IOV Registered Valuers Foundation
- (x) Nominee of ICSI Registered Valuers Organisation
- (xi) Sh. Varun Gupta, representative\_CII
- (xii) Mr. R.K.Bansal, representative-FICCI

### **Penal Provision**

where a person contravenes any of the provision of these rules he shall be punishable with fine which may extend to five thousand rupees and where the contravention is a continuing one, with a further fine which may extend to five hundred rupees for every day after the first during which such contravention continues.

**Punishment for false statement.**— If in any report, certificate or other document required by, or for, the purposes of any of the provisions of the Act or the rules made thereunder or these rules, any person makes a statement,—

(a) which is false in any material particulars, knowing it to be false; or

(b) which omits any material fact, knowing it to be material, he shall be liable **under Section 448 of the Companies Act, 2013.**

**Section 448** states that if in any return, report, certificate, financial statement, prospectus, statement or other document required by, or for, the purposes of any of the provisions of this Act

or the rules made thereunder, any person makes a statement,—

(a) which is false in any material particulars, knowing it to be false; or

(b) which omits any material fact, knowing it to be material,

he shall be liable under Section 447.

**Section 447**-Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:

Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees] or with both.

*Explanation.*—For the purposes of this section—

(i) “fraud” in relation to affairs of a company or any body corporate, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of, the company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss;

(ii) “wrongful gain” means the gain by unlawful means of property to which the person gaining is not legally entitled;

(iii) “wrongful loss” means the loss by unlawful means of property to which the person losing is legally entitled.

## **MODEL CODE OF CONDUCT FOR REGISTERED VALUERS**

### **Integrity and Fairness**

1. A valuer shall, in the conduct of his/its business, follow high standards of integrity and fairness in all his/its dealings with his/its clients and other valuers.
2. A valuer shall maintain integrity by being honest, straightforward, and forthright in all professional relationships.
3. A valuer shall endeavor to ensure that he/it provides true and adequate information and shall not misrepresent any facts or situations.
4. A valuer shall refrain from being involved in any action that would bring disrepute to the profession.
5. A valuer shall keep public interest foremost while delivering his services.

### **Professional Competence and Due Care**

6. A valuer shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
7. A valuer shall carry out professional services in accordance with the relevant technical and professional standards that may be specified from time to time
8. A valuer shall continuously maintain professional knowledge and skill to provide competent professional service based on up-to-date developments in practice, prevailing regulations/guidelines and techniques.
9. In the preparation of a valuation report, the valuer shall not disclaim liability for his/its expertise or deny his/its duty of care, except to the extent that the assumptions are based on statements of fact provided by the company or its auditors or consultants or information available in public domain and not generated by the valuer.
10. A valuer shall not carry out any instruction of the client insofar as they are incompatible with the requirements of integrity, objectivity and independence.
11. A valuer shall clearly state to his client the services that he would be competent to provide and the services for which he would be relying on other valuers or professionals or for which the client can have a separate arrangement with other valuers.

### **Independence and Disclosure of Interest**

12. A valuer shall act with objectivity in his/its professional dealings by ensuring that his/its decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the valuation assignment or not.
13. A valuer shall not take up an assignment if he/it or any of his/its relatives or associates is not

independent in terms of association to the company.

14. A valuer shall maintain complete independence in his/its professional relationships and shall conduct the valuation independent of external influences.

15. A valuer shall wherever necessary disclose to the clients, possible sources of conflicts of duties and interests, while providing unbiased services.

16. A valuer shall not deal in securities of any subject company after any time when he/it first becomes aware of the possibility of his/its association with the valuation, and in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 or till the time the valuation report becomes public, whichever is earlier.

17. A valuer shall not indulge in “mandate snatching” or offering “convenience valuations” in order to cater to a company or client’s needs.

18. As an independent valuer, the valuer shall not charge success fee.

19. In any fairness opinion or independent expert opinion submitted by a valuer, if there has been a prior engagement in an unconnected transaction, the valuer shall declare the association with the company during the last five years.

### **Confidentiality**

20. A valuer shall not use or divulge to other clients or any other party any confidential information about the subject company, which has come to his/its knowledge without proper and specific authority or unless there is a legal or professional right or duty to disclose.

### **Information Management**

21. A valuer shall ensure that he/ it maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of his/its decisions and actions.

22. A valuer shall appear, co-operate and be available for inspections and investigations carried out by the authority, any person authorised by the authority, the registered valuers organisation with which he/it is registered or any other statutory regulatory body.

23. A valuer shall provide all information and records as may be required by the authority, the Tribunal, Appellate Tribunal, the registered valuer’s organisation with which he/it is registered, or any other statutory regulatory body.

24. A valuer while respecting the confidentiality of information acquired during the course of performing professional services, shall maintain proper working papers for a period of three years or such longer period as required in its contract for a specific valuation, for production before a

regulatory authority or for a peer review. In the event of a pending case before the Tribunal or Appellate Tribunal, the record shall be maintained till the disposal of the case.

**Gifts and hospitality.**

25. A valuer or his/its relative shall not accept gifts or hospitality which undermines or affects his independence as a valuer.

26. A valuer shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person with a view to obtain or retain work for himself/ itself, or to obtain or retain an advantage in the conduct of profession for himself/ itself.

**Remuneration and Costs.**

27. A valuer shall provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken, and is not inconsistent with the applicable rules.

28. A valuer shall not accept any fees or charges other than those which are disclosed in a written contract with the person to whom he would be rendering service.

**Occupation, employability and restrictions.**

29. A valuer shall refrain from accepting too many assignments, if he/it is unlikely to be able to devote adequate time to each of his/ its assignments.

30. A valuer shall not conduct business which in the opinion of the authority or the registered valuer organisation discredits the profession.

**Valuation under the Insolvency and Bankruptcy Code, 2016**

**Appointment of Registered Valuer.**

Para 6 of the Circular No. IBBI/RV/019/2018 dated 17th October, 2018 stipulates as under:

“6. .... every valuation required under the Code or any of the regulations made thereunder is required to be conducted by a ‘registered valuer’, that is, a valuer registered with the IBBI under the Companies (Registered Valuers and Valuation) Rules, 2017. It is hereby directed that with effect from 1st February, 2019, no insolvency professional shall appoint a person other than a registered valuer to conduct any valuation under the Code or any of the regulations made thereunder.”

The IBBI performs the functions of the Authority under the Companies (Registered Valuers and Valuation) Rules, 2017. It conducts valuation examinations for all three asset classes, namely, Land and Building, Plant and Machinery, and Securities or Financial Assets. It also recognises RVOs and registers valuers.

Regulation 35(1) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution for Corporate Persons) Regulations, 2016 defines the term "liquidation value" as 'the estimated realizable value of assets of the corporate debtor if the corporate debtor were to be liquidated on the insolvency commencement date'.

Regulation 35(2) of the CIRP Regulations prescribes the method for determining liquidation value. Regulation 27 of the CIRP Regulations provides for appointment of two registered valuers to assist the Interim Resolution Professional or Resolution Professional.

## **6. Instances when valuation is required under Various laws**

1. The Income Tax Act, 1961- Valuation is required under Section 56 and Section 62 of the Income Tax Act, 1961 and Rule 11UA of the Income-tax Rules, 1962.

Rule 11UA of the Income-tax Rules, 1962 deals with Valuation of jewellery, archaeological collections and shares and securities for the purpose of Section 56.

As per Notification No. 23/2018 dated 24th May, 2018, it is provided that now only merchant banker can do valuation of unquoted equity shares under Discounted Free Cash Flow method.

Rule 11UAA and Rule 11UB of the Income Tax Rules, 1962 provides for various provisions under the Income-tax Act, 1961 which cover valuation options in case of various assets including equity shares and other securities.

2. The SARFAESI Act, 2002- In case of sale of immovable assets, before effecting the sale of immovable property, the authorised officer is required to obtain valuation of the property from an approved valuer. The approved valuer is a person registered as a valuer under section 34AB of the Wealth Tax Act, 1957 and approved by the Board of Directors or Board of Trustees of the secured creditor.

3. The Limited Liability Partnership Act, 2008- The contributions by each partner is required to be valued by *inter alia* an approved valuer from the panel maintained by Central Government. In case of winding-up, a partner who is not in favour of transfer of business or property can sell his interest to liquidator and the price can be determined by a registered valuer. Further, in case of winding up or voluntary winding up, a valuer is

required to do valuation of the assets and valuers can be appointed by liquidator for assistance.

4. The Foreign Exchange Management Act, 1999- The Foreign Exchange Management (Transfer of Issue of Security by a Person Resident Outside India) Regulations, 2017 provides for the valuation of capital instruments. Further, under Schedule 6 of the Regulations, the investment in a Limited Liability Partnership either through capital contribution or acquisition/transfer of profit shares, cannot be less than fair price worked out as per any valuation norm which is internationally accepted/adopted as per market practice.
5. The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015- The fair market value of the undisclosed foreign income and assets is determined for imposition of tax under the Act. The approved valuers (valuers registered under section 34AB of the Wealth-Tax Act, 1957) can appear on behalf of an assessee before any tax authority or the Appellate Tribunal, in connection with any matter relating to the valuation of any asset.
6. The Securities and Exchange Board of India Act, 1992- The regulations require valuation for the real estate investment trusts assets; infrastructure investment trusts assets; security receipts; fair value of the delisted equity shares; real estate assets held by a real estate mutual fund schemes, intellectual property rights or know-how conversion price, valuation of investments of certain categories of alternative investment funds; valuation of the properties of defaulters and submission of a certified valuation report by a Registered Valuer under the Companies Act, 2013, a Chartered Accountant, a Merchant Banker, or a real estate valuer.
7. The Companies Act, 2013

<b>Section</b>	<b>Particulars</b>
Section 62(1)C	<ul style="list-style-type: none"> <li>▪ Valuation report for Further Issue of Shares</li> </ul>
Section 192(2)	<ul style="list-style-type: none"> <li>▪ Valuation of Assets Involved in Arrangement of Non cash transactions involving Directors</li> </ul>
Section 230(2)(c)(v)	<ul style="list-style-type: none"> <li>▪ Valuation of shares, property and assets of the Company under a scheme of Corporate Debt Restructuring</li> </ul>
Section 230(3)	<ul style="list-style-type: none"> <li>▪ Valuation report along with Notice of creditors/shareholders meeting –Under scheme of compromise/Arrangement.</li> </ul>



Section 232(2)(d)	<ul style="list-style-type: none"> <li>▪ The report of the expert with regard to valuation, if any, would be circulated for meeting of creditors/Members</li> </ul>
Section 232(3)(h)	<ul style="list-style-type: none"> <li>▪ The Valuation report to be made by the tribunal for exit opportunity to the shareholders of transferor Company – Under the scheme of Compromise/Arrangement in case the Transferor company is Listed Company and the Transferee-company is an unlisted Company.</li> </ul>
Section 236(2)	<ul style="list-style-type: none"> <li>▪ Valuation of equity shares held by the Minority Share Holders.</li> </ul>
Section 260(2) (C)	<ul style="list-style-type: none"> <li>▪ Preparing valuation report in respect of shares and assets to arrive at the reserve price for company Administrator</li> </ul>
Section 281(1)	<ul style="list-style-type: none"> <li>▪ Valuing assets for submission of report by liquidator</li> </ul>

## **8. The Insolvency and Bankruptcy Code, 2016-**

In case of voluntary liquidation of corporate persons, the declaration from the majority of the directors of the company regarding its solvency is required to be accompanied by a report of the valuation of the assets of the company, if any, prepared by the RV. Further, while considering an application for avoiding a transaction as undervalue, the Adjudicating Authority may require an independent expert to assess the evidence relating to the value of the transaction. Additionally, Regulations framed under the Insolvency and Bankruptcy Code, 2016 also provide for Registered Valuers for the various services such as determination of fair value and liquidation value at the stage of Corporate Insolvency Resolution Process of a corporate debtor and during Fast Track Insolvency Resolution Process for Corporate Persons and valuation of assets intended to be sold during the liquidation process.

## **7. Valuation Report**

A valuation report should contain the following-

- Date of valuation report
- Addressee
- Subject
- Valuation subject
- Valuation date
- Purpose of valuation

- Scope
- Definition of value
- Restriction on parties that can use or access the report
- Disclaimer
- Sources of information
- Valuation assumptions
- Approaches and methodologies
- Overview of the Company
- Financial summary
- Summary of relevant industry
- Valuers' qualifications

## **Information required for the preparation of a valuation report**

### **Company Information**

1. Any presentation material on the business/Company

2. Description of the history and business operations

### **3. Group structure**

4. List of shareholdings/unit holdings by class of security, including any options issued

5. Copies of shareholder agreements

## **6. Copies of key employment contracts**

### **Historical financial information**

1. Monthly management accounts showing sales, cost of goods sold, gross profit, expenses, and net profit before and after tax for the 24 months to [Valuation Date]
  
  2. Statement of financial position as at [Valuation Date]
  
  3. Budgeted versus actual results for the 24 months to [Valuation Date], with explanations of the variance between budgeted and actual results
  
  4. Audited / statutory financial statements for the latest financial year and the prior three years
- 
- ### **5. Details of any surplus assets or liabilities**
- 
- 
- ### **6. Details of any other contingent assets or liabilities**
- 
- 
- ### **7. Details of intercompany, related party or non-arms-length transactions**
- 
- 
- ### **8. Details of income and expenses that are not of an operating nature**

9. Details of directors' and key management remuneration

**10. Cost of borrowings**

**Forecast/Projected Financial Information**

1. Latest business plan

2. Financial projections (financial model), if available

**Other Information**

1. Brochures, price lists, catalogues or other product information

2. List of top ten customers and their respective percentage of sales for the last year

3. List of top five suppliers and the respective level of purchases during the last year

4. Copies of significant contracts

**Market Information**

1. Market research reports

2. Copies of lease or rental agreements

**Procedures adopted in carrying out a valuation**

- Review and analysis of Historical and Projected Financials;
- Nature of the asset to be valued;
- Scope and purpose of the valuation engagement;
- The intended use of the valuation;
- Industry analysis
- Conducting SWOT Analysis;
- Comparison with similar transactions and other similar listed companies;
- Discussions with Management;
- Review of principal agreements/documents etc.
- Site visit (external, internal or both) or desktop valuation.
- The applicable ICAI Valuation Standard;
- Assignment specific assumptions
- Documents provided
- Research and analysis
- Site identification, i.e., self-identified or with the help of clients representative or client itself.

## **8. Valuation Standards issued by ICAI and International Valuation Standards issued by the International Valuation Standards Council, RICS**

### **1. ICAI Valuation Standards, 2018**

Rule 8 of the Companies (Registered Valuers and Valuation) Rules, 2017 mandates every Registered Valuer to comply with valuation standards as notified by the Central Government. Therefore, ICAI Valuation Standards are issued.

It is issued by the Institute of Chartered Accountants of India effective for the valuation reports issued on or after 1st July, 2018. It is formulated by the Valuation Standards Board (VSB) constituted on 28th February, 2017.

These ICAI Valuation Standards are applicable to members of the ICAI for all valuation engagements on a mandatory basis under the Companies Act, 2013.

There are currently 8 (eight) valuation standards. They are:

1. **ICAI Valuation Standard 101– Definitions**
2. **ICAI Valuation Standard 102– Valuation Bases**
3. **ICAI Valuation Standard 103 – Valuation Approaches and Methods**
4. **ICAI Valuation Standard 201 – Scope of Work, Analyses and Evaluation**
5. **ICAI Valuation Standard 202 – Reporting and Documentation**
6. **ICAI Valuation Standard 301 – Business Valuation**
7. **ICAI Valuation Standard 302 – Intangible Assets**
8. **ICAI Valuation Standard 303 – Financial Instruments**

**The Framework deals with:**

- (a) the objective of the valuation report;
- (b) the qualitative characteristics that determine the usefulness of information in valuation report; and
- (c) the fundamental ethical principles to be observed by the valuers.

**Various terminologies defined under ICAI Valuation Standards, 2018**

**Active Market:** Active Market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. For listed securities, active market would refer to one where activity/transaction is ongoing and as defined in the guidelines issued by SEBI.

**Asset:** The word asset would refer to the assets that need to be valued during an engagement and will also include a group of assets, a liability or a group of liabilities, business or business ownership interests. Any reference to the term asset also includes liability.

**Business Valuation:** It is the act or process of determining the value of a business enterprise or ownership interest therein.

**Client:** Client would mean an entity or a person for whom valuation is conducted, which/who commissions the valuation engagement and is identified as client in the valuation engagement letter entered into between such entity/person and the valuer.

**Comparable Companies Multiple Method:** This method is also known as Guideline Public Company Method. It involves valuing an asset based on market multiples derived from prices of market comparables traded on active market.

**Comparable Transaction Multiple Method:** This method is also known as Guideline Transaction Method. It involves valuing an asset based on transaction multiples derived from prices paid in transactions of assets to be valued /market comparable (comparable transactions).

**Cost approach:** It is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

**Discount Rate:** Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows.

**Discounted Cash Flow ('DCF') Method:** The DCF method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of assets with indefinite life.

**Documentation:** The term documentation includes the record of valuation procedures performed, relevant evidence obtained, and conclusions that the valuer has reached.

**Fair value:** Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

**Going concern value:** It refers to the value of a business enterprise that is expected to continue to operate in the future.

**Goodwill:** The term goodwill is defined as an asset representing the future economic benefits arising from a business, business interest or a group of assets, which has not been separately recognised in other assets.

**Income approach:** It is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

**Intangible Asset:** An intangible asset is an identifiable non-monetary asset without physical substance.

**Integration costs:** It refers to additional one time/ recurring expenses which may need to be incurred by an acquirer, e.g., alignment of employment terms/ remuneration for employees of the target entity with the acquiring entity.

**Jurisdiction:** The term jurisdiction will include the regulatory and legal environment in the boundaries of which the valuation asset is located.

**Liquidation value:** It is the amount that will be realised on sale of an asset or a group of assets when an actual/hypothetical termination of the business is contemplated/assumed.

**Market approach:** Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

**Present value:** It is an integral tool used in the income approach to link future amounts (e.g., cash flows or values) to a present amount using a discount rate.

**Relief from Royalty (RFR) Method:** A method in which the value of the asset is estimated based on the present value of royalty payments

**Replacement Cost Method:** It is also known as ‘Depreciated Replacement Cost Method’ and involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (‘comparable utility’) as that of the asset to be valued, adjusted for obsolescence.



**Reproduction Cost Method:** This method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence.

**Rule of Thumb or Benchmark Value:** Rule of thumb or benchmark indicator is used as a reasonable check against the values determined by the use of other valuation approaches in a valuation engagement.

**Scope of work:** It describes the work to be performed, responsibilities and confidentiality obligations of the Client and the valuer respectively, and limitation of the valuation engagement.

**Significant/material:** While considering any particular aspect to be significant/material from a valuation standpoint is a valuer's professional judgement, any aspect of valuation will be significant /material if its application or ignorance can significantly change or impact the overall value.

**Subsequent Event:** An event that occurs subsequent to the valuation date could affect the value; such an occurrence is referred to as a subsequent event.

**Terminal value:** Terminal value represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life.

**Transaction costs:** Transaction costs are the costs to sell an asset or transfer a liability in the principle (or most advantageous) market for the asset that are directly attributable to the disposal of the asset or transfer of liability and which meet both the following criteria:

(a) they result directly from and are essential to that transaction;

(b) they would not have been incurred by the entity, had the decision to sell the asset or transfer the liability not been made.

**No adjustment will be made for any taxes payable by either party as a direct result of the transaction.**

**Value:** A value is an estimate of the value of a business or business ownership interests, arrived at by applying the valuation procedures appropriate for a valuation engagement and using professional judgment as to the value or range of values based on those procedures.

**Valuer:** A valuer is a professional (which can be an individual or a legally established entity) who is given the responsibility to conduct or undertake valuation.

**Valuation base:** Valuation base means the indication of the type of value being used in an assignment.

**Valuation date:** Valuation date is the specific date at which the valuer estimates the value of the underlying asset.

## **Valuation base**

Valuation Standards prescribes the valuation base, which includes the following:

- (a) Fair value;**
- (b) Participant specific value; and**
- (c) Liquidation value**

## **Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

## **2. International Valuation Standards issued by International Valuation Standards Council**

It is issued by International Valuation Standards Council. The International Valuation Standards Council is a Non-profit Organisation, incorporated in 1981 in United States, Headquarters- London, UK. The IVS are comprised of five 'General Standards' and 'Asset-specific Standards'. The General Standards set requirements for the conduct of all valuation assignments, including establishing the terms of a valuation engagement, bases of value, valuation approaches and methods, and reporting.

The objective of the IVS is to increase the confidence and trust of users of valuation services by establishing transparent and consistent valuation practices.

A standard will do one or more of the following:

- identify or develop globally accepted principles and definitions,
- identify and promulgate considerations for the undertaking of valuation assignments and the reporting of valuations,
- identify specific matters that require consideration and methods commonly used for valuing different types of assets or liabilities.

General Standards includes establishing the terms of a valuation engagement, bases of value, valuation approaches and methods, and reporting.

1. International Valuation Standards 101 – Scope of work
2. International Valuation Standards 102 – Investigations and Compliance
3. International Valuation Standards 103 – Reporting
4. International Valuation Standards 104 – Bases of Value
5. International Valuation Standards 105 – Valuation Approaches and Methods

### **Asset Standards**

1. International Valuation Standards 200 – **Business and Business Interests**
2. International Valuation Standards 210 – **Intangible Assets**
3. International Valuation Standards 220- **Non-Financial Liabilities**
4. International Valuation Standards 230- **Inventory**
5. International Valuation Standards 300 – **Plant and Equipment**
6. International Valuation Standards 400 – **Real Property Interests**
7. International Valuation Standards 410 – **Development Property**
8. International Valuation Standards 500 – **Financial Instruments**

### **3. RICS's Valuation Standards (Red Books)**

The Red Book is issued by Royal Institution of Chartered Surveyors as part of high standards in valuation delivery worldwide.

Incorporated by the Royal Charter in 1881, Royal Institution of Chartered Surveyors (RICS) is probably the oldest, largest and most respected professional body for valuation. Two sets of standards, namely, International Valuation Standards (IVS) issued by the International Valuation Standards Council (IVSC), and the Royal Institution of Chartered Surveyors (RICS) Red Book

RICS Valuation - Global Standards ('Red Book Global Standards') contains mandatory rules, best practice guidance and related commentary for all members undertaking asset valuations. Earlier global valuation standards with effect from 1st July 2017 was issued by RICS. The latest edition of RICS Valuation – Global Standards ('Red Book Global Standards') is effective from 31st January 2022.

#### **4. European Valuation Standards 2020**

TEGOVA is The European Group of Valuers Associations. It comprises of 70 national valuers' associations from 38 countries. Since from the early 1980s, TEGOVA has issued the European Valuation Standard.

The 8th edition of the Blue Book (EVS 2016) was issued in 2016. The latest version i.e. 9th edition is issued and effective from 1st January, 2021. It is also known as Blue book.

EVS 2020 provides for the following-

- Concept of Market Value,
- A common European Valuation Report for Residential Property;
- Energy efficiency valuation upgraded to Standard level;
- Real interest to practicing valuers;
- Role of advanced statistical models in line with the new EBA Guidelines;
- A comprehensive approach to Valuation Methodology including detailed exposition of key concepts such as income approach and depreciated replacement cost

#### **European Valuation Standards**

EVS 1 Market Value

EVS 2 Valuation Bases Other than Market Value

EVS 3 The Qualified Valuer

EVS 4 The Valuation Process

EVS 5 Reporting the Valuation

EVS 6 Valuation and Energy Efficiency

#### **9. Application of Ind AS and IFRS**

IND AS 113 Fair value measurement applies to IND AS's that require or permit fair value measurements or disclosure and provide single framework for measuring fair value and require disclosures about fair value measurement.

IND AS 113 also applies to measurements such as fair value less costs to sell, based on fair value or disclosures about those measurements.

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

The measurement and disclosure requirements of this Ind AS do not apply to the following:

- (a) share-based payment transactions within the scope of Ind AS 102, Share based Payment;
- (b) leasing transactions within the scope of Ind AS 17, Leases; and
- (c) measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2, Inventories, or value in use in Ind AS 36, Impairment of Assets.

### **IFRS 13- Fair Value Measurement**

In May 2011 the International Accounting Standards Board issued IFRS 13 *Fair Value Measurement*. IFRS 13 defines fair value and replaces the requirement contained in individual Standards.

IFRS 13 defines fair value, sets out a framework for measuring fair value, and requires disclosures about fair value measurements.

It applies when another Standard requires or permits fair value measurements or disclosures about fair value measurements (and measurements based on fair value, such as fair value less costs to sell), except in specified circumstances in which other Standards govern.

## **10. Registered Valuers, Organizations and entities**

- Currently there are 16 Registered Valuers Organization registered with IBBI.
- 4972 Registered Valuers registered with IBBI
- 69 Registered Valuer Entities registered with IBBI. (Total 70-1 suspended)

## **11. How to Pass Valuation Examination**

To become a Valuer member of a recognized valuer organization, registered as a valuer with the IBBI. IBBI conducts valuation examination for **3 asset classes namely-**

1. Land & Building Valuer
2. Plant & Machinery Valuer
3. Securities or Financial Assets Valuer

The Companies (Registered Valuers and Valuation) Rules, 2017 provides the eligibility criteria as to the qualifications and experience required to write Valuation Examination.

The examination is based on the syllabus notified by the IBBI on its website.

### **Conditions of registration:**

The registration granted under the Rules shall be subject to the valuer complying at all times, with the following conditions:

- (a) possess the eligibility and qualification and experience criteria as specified under rule 3 and rule 4;
- (b) comply with the provisions of the Act, the rules, the Bye-laws or internal regulations, as the case may be, of the respective registered valuer's organisation;
- (c) in his capacity as a registered valuer, not conduct valuation of the assets or class(es) of assets other than for which he/it has been registered by the authority;
- (d) take prior permission of the authority for shifting his/ its membership from one registered valuers organisation to another;
- (e) take adequate steps for redressal of grievances;
- (f) maintain records of each assignment undertaken by him for at least three years from the date of completion of such assignment;

(g) comply with the Code of Conduct of the registered valuer's organisation of which he is a member;

(h) in case a partnership entity or company is the registered valuer, allow only the partner or director who is a registered valuer, for the asset class(es) that is being valued, to sign and act on behalf of it;

(i) in case a partnership entity or company is the registered valuer, it shall disclose to the company concerned, the extent of capital employed or contributed in the partnership entity or the company by the partner or director, as the case may be, who would sign and act in respect of relevant valuation assignment for the company;

(j) in case a partnership entity is the registered valuer, be liable jointly and severally along with the partner who signs and acts in respect of a valuation assignment on behalf of the partnership entity;

(k) in case a company is the registered valuer, be liable along with director who signs and acts in respect of a valuation assignment on behalf of the company;

(l) in case a partnership entity or company is the registered valuer, immediately inform the Authority on the removal of a partner or director, as the case may be, who is a registered valuer along with detailed reasons for such removal; and

(m) comply with such other conditions as may be imposed by the Authority.

### **Format**

1. The examination is conducted online (computer-based in a proctored environment) with objective multiple-choice questions;
2. The duration of the examination is 2 hours;
3. A candidate is required to answer all questions;
4. A wrong answer attracts a negative mark of 25% of the marks assigned for the question;
5. A candidate needs to secure 60% of marks for passing;

### **Syllabus of examination**

In pursuance of the rule 5 (3) of the Companies (Registered Valuers and Valuation) Rules, 2017, the Insolvency and Bankruptcy Board of India, on 31st March, 2022 publishes the syllabus, format, and frequency of the 'Valuation Examination' for the asset class: Securities or Financial Assets, Plant & Machinery and Land & Building to be commenced from 1st July 2022.

The detail syllabus is available on the IBBI website.

## **Fee**

Fee of Rs.1500 (Rupees One Thousand and Five Hundred only) for every enrolment. You need to pay the fee online by using Credit Card / Debit Card / Net Banking. The payment gateway charges, if any, shall be borne by the candidates

## **12. Global professional opportunities under valuation**

- Advisory services
- Appointed as a registered valuer for liquidation
- Independent Valuer for valuation of exclusively listed companies
- Valuation at the time of admission or dissolution of partner,
- Family settlement, divorce
- Shareholders disputes
- Merger and amalgamation
- Adherence to Valuation Standards
- Regulatory or accounting requirements under the Income Tax, 1961, the Companies Act, 2013, SEBI Laws etc.
- Derivatives (Options and Business Valuation)
- Asset Valuation
- ESOP Valuation
- Equity Valuation
- Investment valuations
- Capital Markets and Transaction Futures



- Brands/Intangibles
- Corporate Professionals Valuation Services
- Publication of articles

## **Other Non-traditional Area of Practice**

### **Global Areas**

1. Internal Control measures
2. Forensic services
3. Enterprise Risk management
4. Human Resource Management
5. Cyber security, Digital economy and data protection services
6. E-commerce and Start-ups
7. Global funding
8. Recovery mechanism guidance - Insolvency and Bankruptcy, SARFAESI, Criminal Actions, TORT etc.
9. Drafting of business and legal documents
10. Outsourcing - accounting - drafting – knowledge
11. IFRS and country specific GAAPs, IPSAS
12. Opportunities under financial crimes and laws like PMLA, Benami transactions, Black money, Fugitive Offenders Act
13. Consumer and Competition laws
14. Corporate Governance & Independent Director
15. Corporate Social Responsibility
16. Climate change mitigation - carbon credit
17. Industry specific specialisation – Business growth in that industry

18. ADR –Arbitration, Mediation
19. Valuation services
20. IPR Advisory Services
21. International trade - Global import –export services
22. Become a Coach for self development, motivational speaker for topics likes time management, emotion management, personality development

### **National Areas**

23. Presentation before Tribunals-business tribunal practice - 30 plus tribunals
24. A to Z of MSME, non-MSME
25. Mergers and Amalgamation
26. Opportunities under Succession Laws
27. Hindu laws, family laws
28. Non-Banking Financial Institutions- NBFCS, Nidhi company, Money lenders
29. Aatma Nirbhar Bharat projects
30. Social Media consultancy services- designing, creation of accounts, posting, tagging, sharing
31. Subsidies schemes of nation
32. Coaching to CA, CS, CMA, law students, Management, IITs, Colleges/Universities CPA, ACCA, CFA,
33. Finance for non-finance executives
34. Virtual legal counsel / CFO / Virtual Entrepreneur
35. Agriculture and rural development
36. Sustainable economic development
37. Opportunities under Company law- Oppression and mismanagement, Liquidation etc.

38. Disciplinary consultancy to ICAI, ICSI, CMA, Bar Council, Ministries, Government departments- police administration

### **State Areas**

39. Cooperative Societies

40. Labor laws

41. Stamp Duty

42. Real Estate- RERA

43. Charitable Laws

44. Chit funds State laws

45. Subsidies schemes of states

### **13. Use of social media**

Social media nowadays is the best way or communication tool which is used to communicate with others locally and worldwide, as well as to share, create, and spread information. We can use various platforms for increasing our network and client base. Sharing of knowledge is not violation of professional ethics and code of conduct.

Platforms that can be used to provide various services-

1. **Website:** Professionals can create their own website and post various services offered by them. Also, various articles, books and other materials can be published through website. It makes it easier to find us, learn about us, and get in touch with us. People get to know about us easily as we can put all the information about us. Our areas of service. Examples of our Best Work.

The following information can be displayed on the Firms/Members' Websites:

- a. Member/Trade/Firm name.
- b. Year of establishment.
- c. Member/Firm's Address (both Head Office and Branches) Tel.No(s) Fax No(s) E-mail ID(s)
- d. Nature of services rendered (to be displayable only on specific "pull" request)
- e. Partners

Partners name	Year of qualification	Other qualification	Tel off. Direct Res. Mobile E-mail Address	Area of experience (to be displayable only on specific “pull” request)
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f. Details of employees

Professional	Others	Name	Designation	Area of experience (to be displayable only on specific “pull” request)
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- g. Job vacancies for the Chartered Accountant/firm of Chartered Accountants (including articleship).
- h. No. of articulated clerks. (to be displayable only on specific “pull” request).
- i. Nature of assignments handled (to be displayable only on specific “pull” request). Names of clients and fee charged cannot be given.
- j. Since Chartered Accountants in practice/firms of Chartered Accountants are not permitted to use logo with effect from 1st July, 1998, they cannot use logo on Website also.
- k. Display of Passport size photograph is permitted.

- l. The members may include articles, professional information, professional updation and other matters of larger importance or of professional interest.
  - m. The bulletin boards can be provided.
  
2. **Facebook:** We can make thousands of friends through Facebook and can get in touch with them. We can promote our services through Facebook. Every day we can post some useful information. People can get to know about us, our services, how we are doing etc. we can share our contact details with bulk of people at a single platform. So, that people can directly communicate with us. It enhances our professional reach. The platforms also allow us to join relevant groups and pages, it is one of the best ways to find and reach our targeted audience. We can also tag various friends and partners in our post which gives us the opportunity to share our knowledge not only limited to our friends group but also with the friends of our friend.  
  
For example: Suppose we have 5,000 friends and we tag our post to 5 of our other friends and each of them has 5,000 friends then we can share our post to 25,000 friends by tagging to 5 of our friends.
  
3. **LinkedIn:** It is the world's largest professional network on the internet which connect the world's professionals. There are 810 million members globally and over 82 million users in India. Every day we can send 100 connections. It is also used for promotion purposes. It is typically use to make connection clients, co-workers, recruiters etc. however it can be best platform for sharing opportunities, knowledge, scope, crucial tips, advisory etc.
  
4. **Instagram:** The number of users of Instagram have now surpasses around 1 billion monthly users. This application is mostly viewed and use by young adults, teens, so it will be easier target audience under age 40. we may come up with a page of sharing valuable knowledge with students or those who are in early stage of their professional career.
  
5. **WhatsApp:** Now-a-days who is not on WhatsApp, thanks to pandemic even the education of today's kids happens over whatsApp. This again brings you lots of ideas and scope of

sharing content information and knowledge. We may join/create groups for targeted audience or send mass message to all contacts through just one click.

6. **YouTube:** After Google, the YouTube tops among the second most search engine in the world. It runs on the rule of video content only, which again brings you lots of creative ideas of sharing expertise. We may run a channel where we could demonstrate, talk over current issue something that will reach to society. We can make a video just in 30 minutes.
7. **Twitter:** With much of feature alike to other social media platforms what makes twitter different is the use that people make of it. It has mostly become significant for sharing of breaking news, view, opinions etc.

#### **List of virtual meeting platforms:**

1. Zoom <https://zoom.us/>
2. Skype <https://www.skype.com/en/>
3. Google Meet <https://meet.google.com/>
4. Google hangout <https://hangouts.google.com/>
5. Go To Meetings <https://www.goto.com/meeting>
6. Microsoft teams <https://www.microsoft.com/en->
7. Face time <https://apps.apple.com/>
8. Free conference call <https://www.freeconferencecall.com/global>
9. Adobe connects <https://www.adobe.com/?red=a>
10. Cisco WebEx meeting center <https://www.cisco.com/>

#### **List of few blogging, article publishing platforms**

- Slide share <https://www.slideshare.net/>
- Bombay Chartered Accountants 'Society <https://www.bcasonline.org/>
- CA club India <https://www.caclubindia.com/>
- <https://www.casansaar.com/articles.html>
- Taxman <https://www.taxmann.com/post/author/admin/>
- [www.blogger.com](http://www.blogger.com)
- [www.WordPress.com](http://www.WordPress.com)
- [www.Medium.com](http://www.Medium.com)
- [www.Tumblr.com](http://www.Tumblr.com)
- [www.Linkedin.com](http://www.Linkedin.com)
- <https://sites.google.com/>
- <https://www.academia.edu>
- <https://www.quora.com>
- <https://www.bloglovin.com>
- <https://www.scoop.it>
- <https://www.livejournal.com>
- <https://evernote.com>
- <https://www.behance.net>
- <https://www.boredpanda.com>
- <https://steemit.com>
- <https://justpaste.it>
- <https://www.ebaumsworld.com>
- <https://www.ebaumsworld.com>

- <https://en.paperblog.com>
- <https://ezinearticles.com/>
- <https://www.tumblr.com>
- <https://dev.to>
- <https://hackernoon.com>
- <https://www.apsense.com>
- <https://selfgrowth.com>

#### 14. Useful Websites

<https://www.ivsc.org/>

<https://icairvo.in/>

[www.institutionofvaluers.net/](http://www.institutionofvaluers.net/)

[www.mca.gov.in](http://www.mca.gov.in)

[www.rics.org](http://www.rics.org)

[www.institutionofvaluers.net/](http://www.institutionofvaluers.net/)

[www.mca.gov.in](http://www.mca.gov.in)

<https://tegova.org/>



## My Profile:

<b>Educational Qualification</b>	
1	Graduation from Sydenham College of Commerce & Economics. 5 <sup>th</sup> Rank holder in Bombay University in 1980
2	Chartered Accountant
3	LL.B, LL.M, Diploma in Labour law and Labour welfare, IPR, Criminology
4	PhD in Corporate Governance in Mutual Funds
5	MBA & Diploma in IFRS (UK)
6	Master in Business Finance
7	Certification courses: <b>Arbitration</b> Forensic Audit and fraud prevention Concurrent audit

<b>Contribution to the Profession &amp; Economy</b>	
1	Chairman of WIRC of ICA.I in 1997-98
2	International Member of Professional Accountants in Business Committee (PAIB) of International Federation of Accountants (IFAC) from 2001 to 2004 Member of Inspection Panel of Reserve Bank of India
3	Member of J.J. Irani committee (which drafted Companies Bill 2008)
4	Member of Secretarial Standards Board of ICSI
5	Member of Working Group of Competition Commission of India, National Housing Bank, NABARD, RBI, CBI etc.
6	Independent Director of Mutual Fund Company and Asset Management Company.
7	Worked closely with the Ministry of Corporate Affairs on the drafting of various enactments.
8	Served as Independent Director of SBI Funds Management Private limited and Bank of India asset management co. ltd

9	Served as Independent director at ICAI accounting research foundation section 8 company
10	Actively involved with ICAI as a Central Council Member during the period when the convergence to IFRS was conceptualized in India and has been instrumental in materializing the idea.
11	Address to Insolvency and Bankruptcy Board of India
12	Address to Institute of Chartered Accountants of India
13	Address to Institute of Company Secretaries of India
14	Address to Institute of Cost Accountants of India
15	Address to Chamber of Indian Micro Small & Medium Enterprises
16	Speaker in IIA's 2013 International Conference in Orlando on Green Audit.
17	Faculty at Indian Institute of Corporate Affairs for courses on Insolvency Laws and Corporate laws.
18	Faculty Speaker in Workshop on Risk Management for Bankers organized by CAFRAL (Centre for advanced Financial Research and Learning)
19	Faculty at National Institute of Securities Management (NISM) and Indian Institute of Corporate Affairs (IICA.)
20	Addressed the Program for Principal Inspecting Officers & Inspecting Officers by Reserve Bank of India- Department of Non-Banking Supervision.
21	Addressed the National apex Chamber of Commerce and State apex Chamber of Commerce including his address to ASSOCHAM, Confederation of Indian Industry (CII), Federation of Indian Chamber of Commerce and Industry (FICCI), and All India Manufacturers Organization(AIMO).
22	Addressed the CBI officers, officers of Serious Fraud Investigation Office (SFIO), and various State Police Academies.
23	Addressed the SCOPE- Standing Conference of Public Enterprises which is an apex professional organization representing the Central Government Public Enterprises. It has also some State Enterprises, Banks and other Institutions as its members.
24	Addressed the National Academy of Audit and Accounts (NAAA)

<b>My contribution to Government and Global level</b>	
1	member of International Federation of Accountants - professional accountants in business committee - 2001-2004
2	addressed twice international annual seminar of Institute of Internal auditors
3	addressed international seminar of association of certified fraud examiners
4	addressed international seminar of ISACA
5	gave training to official of comptroller and auditor general , central bureau of Investigations, officials of various ministries
6	addressed to almost all training forums of govt of India
7	visited 90% branches of ICAI and addressed students and members
8	member of IFRS foundation - small and medium enterprises implementation group - 2018 to 2020
9	on board of SBI mutual fund, BOI Mutual fund
10	member of standards board OF ICAI, ICSI & ICMAI
11	addressed reserve Bank of India officials and officers of many private and public sector banks

<b>Awards and Accolades</b>	
1	The Jeejeebhoy Cup for proficiency and character
2	State Trainer by the Indian Junior Chamber
3	“Rajasthan Shree” by Rajasthan Udgosh, a noted Social Organization of Rajasthan
4	Several other awards as a successful leader in various fields
5	National Book Honors Award 2018