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RVO CONNECT

Newsletter for Valuation Professionals

REGISTERED VALUERS ORGANISATION
(A Wholly owned subsidiary of ICSI and registered with IBBI)

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CONTENTS

VOL.2 | No. 4 | AUGUST 2019

From the President

Dear Professional Colleague,

Valuation is an inexact science requiring both objectivity and subjectivity and most importantly professional judgment of valuers. One of the key reasons of regulating this domain has been to bring consistency and uniformity. Different valuers taking different assumptions leading to drastic differences in value conclusions brought to the fore the need for uniformity to build trust.

And it is for this need to bring in uniformity that the Valuation Rules under the Companies Act, 2013 had prescribed valuation standards. Truly, the need of the hour is to implement uniform valuation standards to curtail existing inconsistent approach in valuing businesses and their various aspects in the Indian scenario.

The very reason for the Institute of Company Secretaries of India to develop and establish a separate entity directed towards exploring the wide range of opportunities accorded to the professional fraternity was the need felt to hone and extend the presence of a skilled brigade to pursue the valuation needs of the stakeholders in a hands-on manner. Even further, the recently concluded 1st National Seminar on Valuation conducted by IBBI has portrayed and projected this field of valuation as an arena of opportunities and futuristic developments plentiful.

The recently culminated Classroom Training for connecting professionals with Valuation at 5 different cities across 5 different states of the nation is a dedicated attempt of the ICSI to understand and cater to the needs of the corporates with skilled professionals well suited and attuned to the needs of the corporate arena and the valuation world in particular.

As a support to members initiative for promoting and pursuing the interests of our coveted members, the ICSI RVO has been undertaking multifaceted endeavors like workshops on 'How to prepare for IBBI Examination', online Practice Test etc.

Knowing fully well the fact that Valuation is yet an untapped field, a reservoir of endless opportunities, we at ICSI are committed at providing any and every support possible to keep intact the professional allegiance of the members. However, I would also like to urge the members themselves to commit themselves to the profession with utmost zeal and passion for as they say,

"Allow your passion to become your purpose, and one day it will become your profession.".

Happy Reading!!!

CS Ranjeet Pandey
President
The Institute of Company Secretaries of India

The ICSI RVO greets and congratulates CS (Dr.) Shyam Agrawal on his appointment as Chairman of the Governing Board

CS (Dr.) Shyam Agrawal,
Chairman, ICSI RVO

CS (Dr.) Shyam Agrawal is a Ph.D. (Law), LLM, LLB & FCS. A Practicing Company Secretary having experience of more than 10 years, he has held the posts of President and Vice-President of one of the most prestigious Institutions of the nation, The Institute of Companies Secretaries of India (ICSI). He made his presence felt across associations and organizations of the likes of the Ministry of Corporate Affairs, Ministry of Commerce of Industry, PHD Chambers of Commerce and Industry, ASSOCHAM, CII, NFCG, INSOL International, INSOL India, SEBI, Insolvency and Bankruptcy Board of India, Indian Bank Association, ICAI, Institute of Directors, etc. His noteworthy professional achievements include the fact that it is during his tenure-ship as President, ICSI that the ICSI marked its entry into the Guinness Book of World Records for conducting Largest Taxation Lesson. He also holds to his credit the honour of having held the position of International Secretary at the Company Secretaries International Association (CSIA).

The ICSI President's Meeting of the Committee to Advise on Valuation Matters

The President of ICSI and Nominee Director of ICSI RVO, CS Ranjeet Pandey who is an Ex-officio Member of the Committee to advise on Valuation Matters to IBBI had attended the Eleventh Meeting of the Committee held on Friday, 19th July, 2019. The meeting was fruitful and a number of issues related to Valuation had been discussed among the members of the committee.

MDs/CEOs Meeting with IBBI

The MDS/CEOs of all Registered Valuers Organisations attended the meeting held on 08th July 2019 at IBBI. Some of the major issues which were discussed are on Use of technology, Professional Liability Insurance for Valuers and Transparency etc.

1st National Conference on Valuation

The IBBI organised National Seminar on Valuation in New Delhi in association with ICSI RVO (all eleven RVOs) at Vigyan Bhavan, New Delhi on 8th July, 2019. The Seminar featured discussion on four themes, namely, (i) Valuation Profession in 2030: Challenges, Development and Regulation; (ii) Technology in Valuation; (iii) Professional Conduct: Code of Conduct and Ethics, Best Practices, and Valuation Standards; and (iv) Valuation Frontiers: Plant & Machinery, Land & Building, and Securities or Financial Assets.

Most of the speakers emphasised that the valuers must not be in the business of professional services but they must be in the professional services' business. While noting that the Government had worked on a legislation to regulate valuers in 2008, in his address as the Chief Guest, Mr. Injeti Srinivas, Secretary, Ministry of Corporate Affairs has observed to have a national institute for the valuers. He also stressed on the importance of developing professional competence, conduct and ethics amongst valuers. He further stated that the standards for valuation were likely to be finalised in the near future. While recounting the history of valuation profession, in his welcome address, Dr. M. S. Sahoo, Chairperson, IBBI stated that though the valuation profession has long and rich history in India and considerable expertise and track record, it lacked a comprehensive institutional arrangement for its development and regulation and, consequently, the profession did not enjoy the respectability it deserved, in the absence of an adequate accountability framework. He stated that the current regulatory framework, which is provided under the Companies (Registered Valuers and Valuation) Rules, 2017, provides a holistic institutional arrangement, which is built on ground realities. It provides due role to Registered Valuers Organisations, through the Companies (Removal of Difficulties) Second Order, 2017. He emphasised that a profession stands on two pedestals, namely, competence and conduct. Highlighting the importance of competence, he stated that while the market could go wrong and discover a dirty price occasionally failing to reflect the accurate worth of an asset, a valuer must not go wrong. Dr. Sahoo emphasised collective responsibility of valuers to build and preserve reputation of the fledgling profession.

For details link: **https://ibbi.gov.in//webadmin/pdf/press/2019/Jun/Press%20Note%20Final%20-Valuation%20seminar.pdf**

Article

DISCOUNT FOR LACK OF MARKETABILITY (DLOM) OR LIQUIDITY

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OVERVIEW

Valuation is an imprecise science. May be its imprecise art further. However, Valuers have to stand by their workings/calculations and cannot shelter themselves under the gown of subjectivity. Mathematics is a pure science and declares 2 + 2 will always be 4, while we all agree when management gurus claim 2 + 2 is 5 (say, reflecting the articulation of synergies), bringing in a larger element of subjectivity.

Say, Mr. A holds 10% shares in ABC Private Limited. Let us assume further, that he was a founding member of the company along with Mr. B and Mr. C. All three of them constituted the Board of Directors/Management Team. Historically, ABC Private Limited has never paid dividends to its shareholders. All the three directors were remunerated based on their contribution to business, i.e., by means of salaries and bonuses. Now Mr. A wants an exit option for his shareholding. All three agree on the enterprise value on going concern basis but the disagreement arose because of the fact that the company never compensated its shareholders (either through dividend and also the fact that capital appreciation was not applicable as there is no way these shares can be sold). While Mr. A wants the enterprise value to be taken in toto (on which his shareholding percentage would be applied) to arrive at his value, the remaining shareholders took a stand that the company historically never compensated their shareholders (and hence, no value per se existed for any of its shareholders because the company did not pay any dividend in the past) and hence, no value accrues to Mr. A.

Doesn't both of them have an argument in favour of their stand? Probably Yes, but both these arguments are at the extreme ends? The answer lies somewhere 'in between' through application of an 'Valuation Adjustment'.

A factor referred to 'Valuation Adjustment' is required to be made on the arrived/agreed enterprise value in most engagements. The fact that there is a need to discount the enterprise value arises because the private limited company's shares cannot be easily marketable i.e., market value cannot be determined and also such value cannot be realized (immediately or at short run). This is called Discount for Lack of Marketability (DLOM) and this fact is recognised in both Valuation Standards and Valuation Practice and has been upheld in court of laws. It is sometimes referred to as Discount for Lack of Liquidity (DLOL) too.

International Valuation Standards, 2017, defines 'DLOM as the concept that when comparing otherwise identical assets, a readily marketable asset would have a **higher value** than an asset with a long marketing period or restrictions on the ability to sell the asset'. For example, publicly-traded securities can be bought and sold nearly instantaneously while shares in a private company may require a **significant amount of time to identify potential buyers and complete a transaction.** Many bases of value allow the consideration of restrictions on marketability that are inherent in the subject asset but prohibit consideration of marketability restrictions that are specific to a particular owner. DLOMs may be quantified using **any reasonable method,** but are typically calculated using option pricing models, studies that compare the value of publicly-traded shares and restricted shares in the same company, or studies that compare the value of shares in a company before and after an initial public offering'.

Now, let us understand what is Marketability Discount (DLOM):

Any engagement has it objective. Now, if we reflect what is the objective of any valuation exercise, then we agree to the fact that it is an independent attempt to estimate the value of the enterprise in the context of 'the purpose of the valuation engagement'. The purpose of the valuation engagement would by and large determine the estimated value (i.e., outcome , say, enterprise value), say, a strategic investor valuing a company for investment purpose is likely to have a different value than a shareholder holding minority interests wanting an exit option.

Hence, DLOM basically, is the discount applied as Valuation Adjustment for the relative absence of marketability of the value of an ownership interest (say, unlisted entity shares) or potential/hypothetical time/efforts/resources required to identify a potential/hypothetical (independent) buyer and complete the transaction.

It is basically, expressed as a percentage to reflect the difference between freely marketable price and a hypothetical price (which could readily be accepted by a hypothetical buyer for the stake offered to him).

Business Valuation Standards – VII of American Society of Appraisers provide a comprehensive framework about 'Valuation Discounts & Premiums', a reading is recommended for the valuation practitioners.

Expert's Detailed Risk Analysis Bolsters Use of Deep Discount in (Law) Firm Valuation (Fredericks Peebles & Morgan LLP v. Assam -Supreme Court of Nebraska) is an interesting case where this DLOM has been explained and clarified in detail.

BRIEF FACTS OF THE CASE:

FPM is a limited liability partnership under the laws of the District of Columbia, composed of legal professionals having a nationwide practice. One of its equity shareholder (Mr. A, holding 7 % of equity value) decided to resign from the company and hence, the firm offered to purchase his stake based on an independent valuer report (Say, 'First Valuer'), who applied a **60-percent discount** to his interest for lack of marketability and consequently valued his interests at a valuation of $590,000.

Mr. A hired an accounting firm ('Second Valuer) which valued his interests at $3,100,000.

Further to this Mr. A hired another valuer (Reviewer) to review and compare both the fair market valuation and provide another opinion. The Review concluded that as regards to the valuation conducted by the Company, he found fault in the capitalization rate as being too high and the discount for lack of control and lack of marketability as being too high. Further, he concluded as far as the second report was concerned that long-term growth rate was too high, and that the capitalization rate was too low. The Reviewer finally concluded that the value of Mr. A first report was understated by $1,235,000 by the first report and that the same was overstated by $1,275,000 by the second report.

The Supreme Court of Nebraska dismissed the appeal of Mr. A, who had appealed on multiple grounds against the judgment of the Lower District Court, which accepted the report of the First Valuer for the following reasons:

1. The First Valuer testified that the income approach is best for valuing law firms.
2. He stated the market-based approach is not useful for valuing law firms, because such **businesses are privately owned** and therefore a firm's private transaction data is not publicly available to be used to compare value with other businesses in the market.
3. As for an asset-based approach, he testified that the firm assets must be adjusted down to their cash value in order to determine the asset's "net realizable value." Without this adjustment, assets such as encumbered assets and uncollectible accounts receivable would be overvalued.
4. He testified that the income approach has several subsets, including the discounted cashflow approach and the "capitalization of economic income" approach. His methodology focused on future cashflows and relied on 5 years of historical income statements which were adjusted to normalize the income stream by removing nonrecurring expenses and adding liabilities not present on income tax forms. His analysis considered economic environment risks, government regulation risks, and risks specific to FPM such as sustainability, infrastructure, and technological and data security risks. He employed the "Ibbotson Build-Up Method" to determine an appropriate discount rate which considered a risk-free rate, an equity premium, systemic environmental risk unique to the legal industry, and specific risks unique to FPM such as aging partners generating the majority of the client revenue and lower-than-average collection rates, coupled with an inability to pursue legal action against non-paying clients.
5. He also emphasized that certain factors limit the control and marketability of a law firm, including that only attorneys can own law firms, that lawyers cannot ethically restrict their ability to serve clients through the use of noncompete agreements, and that most firms have partnership agreements which control compensation and/or admission into the firm.

In considering all of these factors, he had applied a 60-percent discount to Mr. A's interest and provided an estimate valuation of $590,000.

The Supreme Court agreed with the District Court view that FPM as a hypothetical buyer is erroneous. The fair market value is the price that a willing buyer would pay a willing seller. **A willing buyer is presumed to be a hypothetical buyer whose only goal is to maximize his or her advantage. The willing buyer is considered from the viewpoint of an objective hypothetical buyer, rather than a subjective buyer.** In using FPM as the willing buyer, the Second Valuer failed to fully consider discounts for lack of control and lack of marketability.

Though the First Valuer's capitalization and discount rates were significantly higher than those propounded by the other experts, he was able to articulate why law firms should be valued differently from other professional services industries. Therefore, the Higher Court agreed with the district court opinion of First Valuer as to FPM is the most appropriate value.

SUMMARY

Arriving at the Discount for Lack of Marketability is a tricky one when an amount or percentage is to be deducted from the value of an ownership interest to reflect the relative absence of marketability, to be objectively determined. Few pointers here:

a. The primary reason why DLOM applies to the asset being valued must be stated. Of course, every scenario is unique and no generalized opinion may be provided but it should be clearly understood that the valuer should specify all the evidence used in arriving at the conclusion of its applicability.

b. The Valuer's reasoning in arriving at a conclusion regarding the size of the discount applied must be explained clearly in the report. It's the **<u>hypothetical buyer's ability</u>** to convert the **ownership interest to cash** and control the investment in terms of its potentiality, an important criterion to be taken into account in quantifying the discount.

c. As a thumb rule, marketability restrictions that are specific to a particular owner of the asset are not generally considered for discount adjustment.

d. Factors like Size, Nature of Business, Exit Rights and so on are to be considered in arriving at the discount factor.

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Article

CONCEPT OF VALUATION UNDER IBC

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1. OVERVIEW

The need and requirement of valuation under Insolvency and Bankruptcy Code 2016; is an important area for Registered Valuers under all three asset classes- Plant & Machinery, Land & Building and Securities or Financial Assets. IBC along with Rules and Regulations framed thereunder, have laid down the basic regulatory requirement-

As per Regulation 27 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("CIRP" Regulations), the Resolution Professional shall within seven days of his appointment, but not later than forty-seventh day from the insolvency commencement date, appoint two Registered Valuers to determine the fair value and the liquidation value of the corporate debtor in accordance with regulation 35:
CIRP Regulations also specifies that the following persons shall not be appointed as Registered Valuers, namely:

a. a relative of the Resolution Professional;

b. a related party of the Corporate Debtor;

c. an Auditor of the Corporate Debtor at any time during the five years preceding the insolvency commencement date; or

d. a Partner or Director of the insolvency professional entity of which the resolution professional is a partner or director.

2. FRAMEWORK OF VALUATION UNDER IBC

The term Fair Value and Liquidation Value have been defined under CIRP Regulations as follows:

Clause 2(hb): *"Fair Value" means the estimated realizable value of the assets of the corporate debtor, if they were to be exchanged on the insolvency commencement date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion.*

Clause 2(k): *"Liquidation Value" means the estimated realizable value of the assets of the corporate debtor, if the corporate debtor were to be liquidated on the insolvency commencement date.*

It is good that the IBC has defined the terms 'Fair Value and Liquidation Value'; instead of leaving it open ended. However, the concept of Fair Value and Liquidation Value has to be looked at under larger perspective of internationally accepted valuation standards, Accordingly, it is worthwhile to review the standards laid issued by RVO like ICAI RVO as well as well as by IVSC such as IVS 104.

As per Regulation 35 of CIRP Regulations, the Fair Value and Liquidation Value shall be determined in the following manner: -

a. the two Registered Valuers appointed under regulation 27 shall submit to the Resolution Professional an estimate of the Fair Value and of the Liquidation Value computed in accordance with internationally accepted valuation standards, after physical verification of the inventory and fixed assets of the Corporate Debtor;

b. if in the opinion of the Resolution Professional, the two estimates of a value are significantly different, he may appoint another Registered Valuer who shall submit an estimate of the value computed in the same manner; and

c. the average of the two closest estimates of a value shall be considered the fair value or the Liquidation Value, as the case may be.

3. THE CONCEPT OF FAIR VALUE AND LIQUIDATION VALUE

A. International Valuation Standards 2017

As per International Valuation Standards 2017 (IVS 104 Bases of Value), the term Fair Value and Liquidation Value are defined as follows:

Liquidation Value

Liquidation Value is the amount that would be realised when an asset or group of assets are sold on a piecemeal basis. Liquidation Value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation Value can be determined under different premises of value:

a. An orderly transaction with a typical marketing period, or

b. A forced transaction with a shortened marketing period

A valuer must disclose which premise of value is assumed.

Fair Value

(International Financial Reporting Standards)

IFRS 13 defines Fair Value as 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 measurement date.

B. ICAI Valuation Standards, 2018

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.*
It can be seen that the definition of 'Fair Value' is identical to the definition given under Ind AS 113.
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.*

4. FAIR VALUE MEASUREMENT UNDER IND AS 113

Ind AS 113 – Fair Value Measurement throws light on fair value measurement and has given hierarchy of inputs for fair value measurement. The valuer under IBC can draw principles of fair value measurement from Ind AS 113 keeping in mind the differences in the fair value as per IBC vs Ind AS 113.

Key aspects of Fair Value as per Ind AS 113 include:

A. (a) Fair Value is based on the exit price i.e. the price that would be received to sell an asset, not the transaction price or entry price or the price that was actually paid for the asset. Generally, entry and exit prices are different. The idea of exit price is based on expectations about the sale or transfer price from the perspective of market participants as of the valuation date.

(b) Fair Value measurements should consider characteristics of the assets being valued such as the condition, location, restrictions associated with the sale or use of an asset as applicable.

(c) Fair Value emphasizes the concepts of a "principal market" and the "most advantageous market" with respect to the business/asset being valued. The principal market is defined as the market with the greatest volume and level of activity for the subject asset or liability. Ind AS 113, specifies that in the absence of a principal market, the most advantageous market should be considered. The most advantageous market is the market that maximizes the amount that would be received to sell a given asset after taking into account transaction costs and transportation costs.

(d) The highest and best use of a nonfinancial asset or group of nonfinancial assets is the use by market participants that maximises the value of the nonfinancial assets. This Fair Value concept considers:

i. the different ways of utilizing the individual asset/liability, i.e. the highest and best use, and

ii. the valuation premise, whether the maximum value is on a standalone basis or in combination with other assets.

(e) Fair Value measurements should reflect market participant assumptions in pricing an asset. Market participants are assumed to be buyers and sellers in the principal (or most advantageous) market that are knowledgeable independent, unrelated parties willing and able to transact for the asset being Fair Valued without compulsion.

B. Fair Value hierarchy: To promote consistency and comparability in fair value measurements, Ind AS 113 establishes a Fair Value hierarchy that categorises valuation related inputs into three levels, namely:

a. Level 1 inputs - these inputs are quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date. As a quoted price in an active market provides the most reliable evidence of Fair Value, it should be used to measure Fair Value whenever available. Common examples of Level 1 inputs include listed equity securities and open-ended mutual funds with daily published net asset values.

b. Level 2 inputs - these inputs are other than quoted prices included within Level 1 that are observable for the asset either directly or indirectly. Level 2 inputs include:

i. quoted prices for similar assets in active markets;

ii. quoted prices for identical/similar assets in markets that are not active;

iii. inputs other than quoted prices that are observable for the asset, such as interest rates, yield curves, implied volatilities and credit spreads; and

c. market-corroborated inputs. Adjustments to Level 2 inputs vary depending on factors specific to the asset, such as:

(i) condition or location of the asset;

(ii) the extent to which inputs relate to items that are comparable to the asset; and

(iii) the volume or level of activity in the markets within which the inputs are observed.

d. Level 3 inputs - these inputs are unobservable inputs for assets. Unobservable inputs are used to measure Fair Value to the extent that relevant observable inputs are not available. The unobservable inputs should reflect the assumptions that market participants would use when pricing the asset, including assumptions about risk. An entity should develop unobservable inputs using the best information available. In developing unobservable inputs, an entity may begin with its own data, but it should adjust the data to ensure consistency with a market participant view point. Common examples of Level 3 inputs include management prepared business forecasts utilized in a discounted cash flow model.

C. In estimating the Fair Value of an asset, the valuer should use the valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure Fair Value, so as to maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

5. ANALYSIS OF MEASURING OF FAIR VALUE & LIQUIDATION VALUE

The definition of Fair Value and Liquidation Value are not radically different under IBC, IVS and ICAI Valuation Standards. IVS 104 Bases of Value states under para 10.2 that a valuer may be required to use bases of value that are defined by statutes, regulations, private contracts or other documents. Such bases have to be interpreted and applied accordingly.

The definitions under IBC clearly state the 'Valuation Date' which is the 'Insolvency Commencement Date'; thus, restricting the discretion of Insolvency Professional or Registered Valuer in this regard.

6. PRACTICAL CHALLENGES

A. As mentioned earlier, Fair Value and Liquidation Value are to be determined on the insolvency commencement date which is a historical date and to that extent; it is expected from the valuer to collect input and information with reference to that date. It may not be practically possible for the valuer to identify willing buyer on historical date and ascertain the Fair Value. Therefore, the valuer may have to collect market prices, published information and other publicly available data to arrive at Fair Value and Liquidation Value.

B. In large number of cases, IBC companies do not have up to date accounting information, latest audited accounts and fixed asset register. Perhaps for this reason, IBC requires the valuer to conduct physical verification of the inventory and fixed assets of the Corporate Debtor. However, there are several other buckets in which assets may fall which are not physically verifiable such as debtors, claims, loans and advances. It is advisable that in case of incomplete and missing information; the valuer shall mention it in the valuation report along with the reasonable assumptions made to arrive at Fair Value and Liquidation value.

C. In case of debtors, loans and advances and claims against third parties; the verification of following documents could be helpful to arrive at the value:-

i. Balance Confirmation

ii. Correspondence to ascertain efforts already made to collect/realize

iii. Dispute status

iv. Ability of the third party to pay

v. Underlying transaction resulting into such receivables.

D. The valuer is required to furnish both Fair Value and Liquidation Value on the same date, resulting in working on a hypothetical scenario. While benchmark value for Fair Value may be available from the market sources, but finding the benchmark value for Liquidation Value in each case is not feasible. This may necessitate to apply discount on Fair Value to arrive at Liquidation Value on some prudent basis.

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Article

VALUATION: VOLATILITY IN FORECASTING MODELS

Dr. Prasant Sarangi
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INTRODUCTION

Valuation is needed by asset managers to mark their books and hence, appraise their investors of the value of their positions. Valuation is needed by regulators to make sure that bank and other systemically important entities are staying within safe bounds. Hence, valuation had/has gaining importance in the world.

In such an alarming scenario, the need of the hour is a good valuation methodology(ies). Methods not only vary but also often involve making arbitrary adjustments based on gut feeling and limited empirical evidence. There is little agreement among academicians and researchers, investment bankers, and industry practitioners about how to conduct valuations with uniform or universally acceptable method(s). When deciding which valuation method to use to value a business, it's easy to become overwhelmed by the number of valuation techniques available in literature.

THE PROBLEM

One potential concern while using forecasting models in valuation is that these models traditionally include only historical cash flow and earning levels by neglecting the role of volatility in forecasting levels of future cash flows or earnings. Thus, forecasting models that incorporate historical volatility could yield significantly more accurate and less biased forecasts than forecasting models that exclude volatility. Hence, a group of experts suggest, like Minton, Schrand and Walther (2002) in a research publication have suggested that one could expect greater improvements in forecasting performance from incorporating volatility in the forecasting model when a firm is more likely to experience underinvestment. They have simply included 'variance' as the estimate of volatility. This study proposes some models that include volatility in forecasting estimates.

Model-1: Volatility in Forecasting Model

Minton, Schrand and Walther have suggested on the effect of volatility on future cash flow and earnings levels of an organization. They considered two variables such as Quarterly Operating Cash Flow (OPCF) and Operating Income (OPINC) for estimating firm's performance.

OPCF is the operating income after depreciation adjusted for working capital accruals whereas OPINC is the operating income before depreciation. Both the variables are then scaled down by the firm's average assets for the year. The simple models without including volatility are as follows:

$$OPCF_{t+1} = \propto \ + \beta_1 OPCF_t + \beta_2 OPINC_t + \varepsilon \ \ \ldots.(1)$$

$$OPINC_{t+1} = \propto_1 + \ \beta_3 OPCF_t + \beta_4 OPINC_t + \varepsilon_1 \ ..(2)$$

In both equations, on LHS, both the variables are estimated at t+1 period. It can be seen that both the models includes operating cash flow and operating income. Parameters such as ? and ?_1 on RHS of both the equations, represents stochastic disturbance term. Such estimates when estimated do not include volatility in the estimation.

GARCH model builds on advances in the understanding and modeling of volatility in the last decade. It takes into account excess kurtosis (i.e., fat tailed behaviour) and volatility clustering, two important characteristics of financial time series. It proves accurate forecasts of variances and covariances of asset returns through its ability to model time-varying conditional variances. To explain the model, let us start with the error process discussed as:

$$\varepsilon_t = b_t\sqrt{h_t}$$
$$where\,\sigma_b^2 = 1 \qquad \ldots(3)$$
$$and\; h_t = k + \sum_{i=1}^{p} G_i h_{t-i} + \sum_{j=1}^{q} A_j \varepsilon_{t-j}^2$$

Since $\{b_t\}$ is a white-noise process which is independent of past realizations of $\{\varepsilon_{t-i}\}$ the conditional and unconditional means of $\{\epsilon_t\}$ are equal to zero. By taking the expected value of $\{\varepsilon_t\}$, it is easy to verify that:

$$E\varepsilon_t = Eb_t\sqrt{h_t} = 0 \qquad \ldots(4)$$

The key feature of GARCH (p,q) model is that the conditional variance of the disturbances of the 'y_t' sequence constitutes an Autoregressive Moving Average (ARMA (p,q)) process. Hence, it is to be expected that the residuals from a fitted ARMA model should display this characteristic pattern. To make the interpretation more clear let us explain as, suppose one estimate 'y_t' as an ARMA process. If the model of 'y_t' is adequate, the Auto Correlation Function (ACF) and the Partial Auto Correlation Function (PACF) of the residuals should be indicative of a white-noise process. However, the ACF of the squared residuals can help to identify the order of the GARCH (p,q) process. Since $E_{t-1}\varepsilon_t = h_t$ it is possible to rewrite the derived equation (4) as follows:

$$E_{t-1}\varepsilon_t^2 = k + \sum_{i=1}^{p} G_i h_{t-i} + \sum_{j=1}^{q} A_j \varepsilon_{t-j}^2 \qquad \ldots(5)$$

The above derived equation (5) looks much like an ARMA (q,p) process in the $\{\epsilon_t^2\}$ sequence. The parameters estimated in the study measures as defined usual.

By using the GARCH model as discussed above, the new model will be:

$$\boldsymbol{OPCF_{t+1} = \propto + \beta_1 OPCF_t + \beta_2 OPINC_t + G_1 + A_1 + \varepsilon} \;\; \textbf{....(6)}$$
$$\boldsymbol{OPINC_{t+1} = \propto_1 + \beta_3 OPCF_t + \beta_4 OPINC_t + G_2 + A_2 + \varepsilon_1} \;\; \textbf{...(7)}$$

Where G1 and A1 are GARCH and ARCH parameters estimated over a period of time and G2 and A2 are GARCH and ARCH values respectively estimated for OPINC.

If It is also observed that the sum of all the GARCH specifications is very close to one which indicates a long persistence of shocks in volatility. This implies a 'long memory' and the large values of Gi's indicate that shocks to conditional variance may take a long time to die out. The low values of error coefficients Aj's for all the GARCH specifications suggests that market surprises induce relatively small revisions in future volatility.

Model-2: Incorporating Macroeconomic Variables

James and Koller (2000) have focused on incorporating macroeconomic variables into cash flows as a means of valuation. They have identified some major macro economic variables that need to be considered, these are: inflation rate, growth in the gross domestic product, foreign-exchange rates, and, interest rates. These variables must be linked in a way that reflects economic realities. It is also required to determine how changes in macroeconomic variables drive each component of the cash flow. Since cash flow items likely to be affected are revenue, expenses, working capital, capital spending, and debt instruments, these items need to be linked in the model to the macro economic variables so that when the macro economic scenario changes, cash flow items adjust automatically.

CONCLUSION

There is no doubt that forecasting models that are incorporating volatility as an independent variable while estimating valuation will definitely be more accurate and less biased than corresponding models that excludes volatility as an explanatory variable. Furthermore, GARCH model as a model of estimating volatility takes into account excess kurtosis (i.e., fat tailed behaviour) and volatility clustering, two important characteristics of financial time series. It proves accurate forecasts of variances and covariances of asset returns through its ability to model time-varying conditional variances. However more detailed empirical research in this regard is required to get at a concrete conclusion.

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Members who Successfully Completed CoP Training

HELD AT NEW DELHI ON 10.06.2019		
S. No.	COP NO.	NAME
1	ICSIRVO/SFA/28	VARUNIKA
2	ICSIRVO/SFA/29	RANJIT BINOD KEJRIWAL
HELD AT BENGALURU ON 29.06.2019		
S. No.	COP NO.	NAME
1	ICSIRVO/SFA/30	SHITAL DARAK MANDHANA
2	ICSIRVO/SFA/31	GURUDUTT DOISHY
3	ICSIRVO/SFA/32	PRAKASH ADIGA B
4	ICSIRVO/SFA/33	VEDAGIRI GNANAPRASAD
5	ICSIRVO/SFA/34	MIR MAAZULLA WARSI

Registered Valuers

Sl. No	Name of the RVs	Registration No.	Date of Registration
01	Kushal Bharat Bagadia	IBBI/RV/03/2019/10943	6-Mar-19
02	Rajeev Vinay Varma	IBBI/RV/03/2019/11017	18-Mar-19
03	G Rajagopalan	IBBI/RV/03/2019/11047	25-Mar-19
04	Dilip Kumar Jain	IBBI/RV/03/2019/11048	25-Mar-19
05	Yashlok Dubey	IBBI/RV/03/2019/11087	27-Mar-19
06	Senthil Kumar Venkatasamy	IBBI/RV/03/2019/11175	29-Mar-19
07	S Palanikumar	IBBI/RV/03/2019/11178	29-Mar-19
08	Muthuswamy Doraiswami Selvaraj	IBBI/RV/03/2019/11179	29-Mar-19
09	Jayashree S Iyer	IBBI/RV/03/2019/11180	29-Mar-19
10	Varunika	IBBI/RV/03/2019/11487	3-May-19
11	Shital Darak Mandhana	IBBI/RV/03/2019/11506	3-May-19
12	Ranjit Binod Kejriwal	IBBI/RV/03/2019/11612	16-May-19
13	Gurudutt Joishy	IBBI/RV/03/2019/11764	12-Jun-19
14	Prakash Adiga B	IBBI/RV/03/2019/11780	13-Jun-19
15	Vedagiri Gnanaprasad	IBBI/RV/03/2019/11790	14-Jun-19

Glimpses of Educational Courses Held

EIRC, KOLKATA

ICSI RVO has successfully concluded 50 Hours of Educational Course at EIRC, Kolkata between 5th -7th July, 2019 and 11th to 14th July 2019

List of Candidates

S.No.	NAME	ICSI RVO REGISTRATION NO.
1	Binay Kumar Pandey	CS-020719
2	Shant Kumar Bathwal	CS-030719
3	Bishwanath Choudhary	CS-030918
4	Arpan Sengupta	CS-080719
5	Rakesh Chandak	CS-110719
6	Mohammad Tausif Shamim	CS-120719
7	Santinanth Sarkar	CS-140719
8	Abhishek Kumar Pandey	CS-220719
9	Mohammad Ishtiyaque Ansari	CS-230719
10	Minu Tulsian	CS-240719
11	Anil Kumar Dubey	CS-270719
12	Vikram Kumar	CS-280719
13	Birendra Kumar Tripathi	CS-370719
14	Deepak Swain	CS-380719
15	Gautam Kumar	CS-410719
16	Deepak Pandey	CS-420719
17	Disha Dugar	CS-460719
18	Tulsi Ram Tibrewala	CS-470719
19	Ratan Kumar Sharma	CS-480719

THANE CHAPTER OF WIRC

ICSI RVO has successfully concluded 50 Hours of Educational Course at Thane Chapter of WIRC between 5th -7th July, 2019 and 11th to 14th July 2019

List of Candidates

S.No.	NAME	ICSI RVO REGISTRATION NO.
1	Pankaj Avinash Jalisatgi	CS-060719
2	Chandrashekhar Shamsundar Adawadkar	CS-070719
3	Dolly Dipesh Shah	CS-090719
4	Rajesh Kumar Mittal	CS-100719
5	Vipin Mehta	CS-260119
6	Maikal Bhupendra Raorani	CS-130719
7	Amol Chandrakant Bongale	CS-150719
8	Pawan Kumar Gattani	CS-160719
9	Asha Manajit Ghoshal	CS-170719
10	Vikas Ramchandra Chomal	CS-180719
11	Subrata Monindranath Maity	CS-200719
12	Alok Omprakash Khairwar	CS-210719
13	Sohan Jayant Ranade	CS-250719
14	Jignesh Keshavji Savla	CS-260719
15	Rajkumar Chandulal Gupta	CS-330719
16	Hiresh Udaykumar Desai	CS-340719
17	Ashish Ashok Saraf	CS-350719
18	Aarti Ameet Karwande	CS-360719
19	Rahul Padmakar Sahasrabuddhe	CS-390719
20	Punit Kumar Goyal	CS-400719
21	Balyottu Durgaprasad Rai	CS-430719
22	Avani Monarch Gandhi	CS-440719

List of Candidates

NOIDA CHAPTER OF NIRC

ICSI RVO has successfully concluded 50 Hours of Educational Course at Noida Chapter of NIRC between 12th -14th July, 2019 and 18th to 21st July, 2019

S.No.	NAME	ICSI RVO REGISTRATION NO.
1	Sunil Kumar Pathak	CS-010719
2	Anshul Jain	CS-040719
3	Priyank Kukreja	CS-190719
4	Shivam Rastogi	CS-300719
5	Richa Dhamija	CS-310719
6	Uma Shankar Acharya	CS-320719
7	Gurdeep Saluja	CS-450719
8	Swati Chaturvedi	CS-490719
9	Natarajan Sridhar	CS-500719
10	Nikhil Gupta	CS-510719
11	Atima Khanna	CS-530719
12	Baldev Raj Sachdeva	CS-540719
13	Deepanshi Jain	CS-550719
14	Surender Singh	CS-560719
15	Vishal Kohli	CS-590719
16	Ranjeet Kumar	CS-600719
17	Mohini Sharma	CS-610719
18	Kashif Ali	CS-650719
19	Prashanth Kumar Gupta	CS-660719
20	Lovkesh Batra	CS-670719
21	Suman Kumar	CS-690719
22	Naveen Kumar Chhabra	CS-700719

23	Lovi Mehrotra	CS-720719
24	Aanchal Jain	CS-730719
25	Amit Sharma	CS-740719
26	Sahive Alam Khan	CS-760719
27	Hemant Kumar Singh	CS-770719
28	Renu Aggarwal	CS-780719
29	Saurabh Khosla	CS-790719
30	Sanjiv Rathi	CS-800719
31	Parveen Kumar	CS-040918
32	Priyanka Saxena	CS-820719
33	Santosh Kumar	CS-840719
34	Arun Kumar Singh	CS-860719
35	Mukul Gupta	CS-870719
36	Prashant Kumar	CS-900719
37	Pawan Kumar Mahur	CS-910719
38	Akhil Baluja	CS-920719
39	Aishwarya Mohan Gahrana	CS-930719
40	Pramod Prasad Kothari	CS-960719
41	Kamal Ahuja	CS-850719

CONGRATULATIONS

CS Vummenthala Ahalada Rao, FCS, Council Member, Former Vice President of The ICSI & Valuer Member of The ICSI RVO on being Awarded Doctor of Philosophy (Ph.D) in the Faculty of Management Science by Jawaharlal Nehru Technical University, Hyderabad, Telangna with effect from 19.07.2019. The Title of his thesis is "Valuation of Intangible Assets in Indian Companies - an Emperical Analysis"

Team ICSI RVO

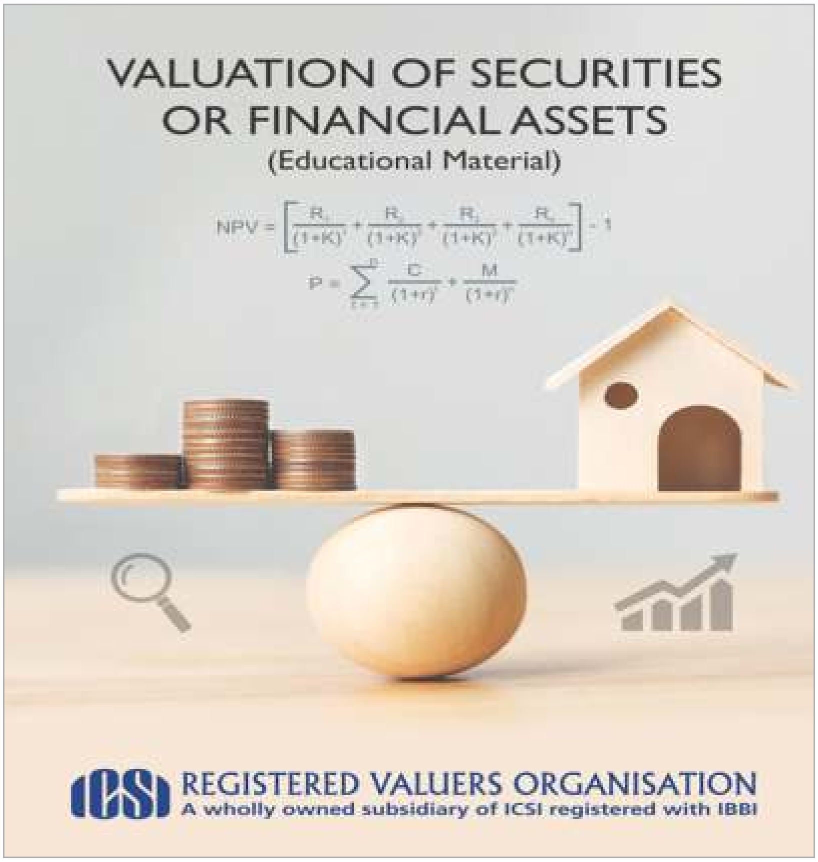
Release of Educational Material

In pursuance of Rule 5 of the Companies (Registered Valuers and Valuation) Rules, 2017, the Insolvency and Bankruptcy Board of India ("IBBI"), being the Authority, has specified the curriculum of Educational Courses for the Asset Class "Securities or Financial Assets".

We are pleased to share with you that the Educational Material on Valuation of Securities or Financial Assets has been released.

Topics

- Macroeconomics
- Finance and Financial Statement Analysis
- Professional Ethics and Standards
- General laws
- Financial Reporting under Indian Accounting Standards (Ind AS)
- Overview of Valuation
- Valuation Approaches
- Valuation Application
- Regulations relevant to Financial Assets Valuation
- Judicial Pronouncements on Valuation
- Case Studies



For details, visit: http://www.icsirvo.in/Home/BookStore.

Unveiling Value through valuation

The concept of 'Registered Valuer' was introduced under section 247 of the Companies Act, 2013 to carry out 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 the Companies (Registered Valuers and Valuation) Rules, 2017, notified by MCA on 18th October, 2017

About ICSI RVO

The field of valuation, as an area of activity is still untapped, demanding the presence of experts possessing the right knowledge and capabilities Company Secretaries as professionals in India can provide the much needed support both as members of ICSI as well as by forming a significantly strong army of Valuation members.

In order to enable the members of ICSI, as well as other professionals and eligible persons to register as Registered Valuers, the ICSI on November 22, 2017 incorporated a not-for-profit private limited company under Section 8 of the Companies Act, 2013, by the name ICSI Registered Valuers Organisation (ICSI RVO).

ICSI RVO intends to enrol, educate, train and promote the profession of Registered Valuers as per the Companies (Registered Valuers and Valuation) Rules, 2017.

About ICSI

ICSI is a statutory body constituted under the Company Secretaries Act, 1980 to regulate and develop the profession of Company Secretaries. The Institute has been contributing in all initiatives of Govt. of India having potential to excel socio-economic growth of the nation and in one such initiative has delved into developing Registered Valuers by establishing its wholly owned subsidiary **ICSI Registered Valuers Organisation.**

SYLLABUS FOR VALUATION OF SECURITIES OR FINANCIAL ASSETS *(AS NOTIFIED BY IBBI)*

EDUCATIONAL QUALIFICATION & EXPERIENCE

1. Member of the ICSI or ICAI the ICMAI

2. Full Time MBA/PGDBM specialisation in finance or;

3. Full Time Post Graduate Degree in Finance

3 Years of experience in the discipline

REGISTRATION

Any individual willing to register himself as a Valuer Member may send an application in the form available at the website: **www.icsirvo.in** along with the requisite fees.

FEE FOR THE COURSE

- Enrolment Fee: Rs.7,500 + GST@18%
- Course Fee: For Metro Cities: Rs. 20,000/- + GST@18%
  Non-Metro Cities: Rs. 17,500/- + GST@18%
- Educational course Fee (for members who have successfully completed the online Course on Valuation conducted by ICSI): Rs. 15,000/- + GST@18%

OPPORTUNITIES FOR REGISTERED VALUERS

Companies Act, 2013

- Private placement of shares
- Issue of Shares on Preferential basis
- Issue of Shares for consideration other than cash
- Issue of Sweat Equity Shares
- Non cash transaction involving directors
- Mergers and Amalgamations
- Demergers
- Scheme of compromise or arrangement with creditors/members
- Submission of report by company liquidator
- Purchase of minority shareholding

SEBI Regulations

- SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008
- SEBI (Real Estate Investment Trusts) Regulations, 2014
- SEBI (Infrastructure Investment Trusts) Regulations, 2014
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
- SEBI (Appointment of Administrator and Procedure for refunding to the Investors) Regulations, 2018
- Regulation 10 (1)(d)(ia) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Insolvency and Bankruptcy Code, 2016

- Determination of Value of assets, Realisable value, Fair value and Liquidation value, as the case may be

PROCEDURE TO BE FOLLOWED

1. Meet eligibility requirements, qualification and experience prescribed under Rule 4 of the Companies (Registered Valuers and Valuation) Rules, 2017
2. Seek enrolment as a valuer member of ICSI RVO
3. Complete 50 hours educational course
4. Register and pass computer based Examination conducted by IBBI
5. Submit requisite Form along with fee in favour of IBBI and supporting documents to ICSI RVO
6. ICSI RVO shall verify Form & other requirements and forward the same along with its recommendation to IBBI
7. On receipt of Form along with recommendation of ICSI RVO, fee and other documents, IBBI shall process the application for registration
8. After registration with IBBI, take up CoP training with ICSI RVO
9. On completion of training, ICSI RVO shall issue a Certificate of Practice to the registered valuer
10. Valuation certificate can be issued only after obtaining Certificate of Practice

IBBI EXAMINATION REQUIREMENTS

a. The Candidate may enrol for the examination on payment of the fees as prescribed by IBBI

b. Online examination with objective multiple-choice questions

c. The duration of the examination is 2 hours

d. Wrong answer attracts a negative mark of 25% of the marks assigned for the question

e. A candidate needs to secure 60% of marks for passing.

For further information contact:

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REGISTERED VALUERS ORGANISATION
(A Wholly owned subsidiary of ICSI and registered with IBBI)

New Syllabus for Valuation of Securities or Financial Assets

S. No.		Hours of Training	Weight (%)
1.	**Macroeconomics** - National Income Accounting - Basics of Fiscal Policy - Basics of Monetary Policy - Understanding Business cycles	2	4
2.	**Finance and Financial Statement Analysis:** • **Finance** - Basic concepts of Finance - Decisions in Finance • **Financial Statement Analysis** - Assets, Liabilities & Equity and Income & Expenses - Performance Analysis - Capital Structure Analysis - Credit Analysis - Cash Flow Analysis	3	6
3.	**Professional Ethics and Standards** - Model Code of Conduct for Registered Valuers as notified by Ministry of Corporate Affairs (MCA) under the Companies (Registered Valuers and Valuation) Rules, 2017 - Ethical considerations under terms of engagements	2	4
4.	**General Laws:** • **The Companies Act, 2013** - Chapter IV - Share Capital and Debentures - Chapter XV - Compromises, Arrangements and Amalgamations and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 - Chapter XVII- Registered Valuers: The Companies (Registered Valuers and Valuation) Rules, 2017 - Chapter XX -Winding Up • **The Indian Contract Act, 1872** - Offer, Acceptance and Revocation - Legal Contract, Void and Voidable Contracts - Contingent Contracts - Performance of Contracts - Consequences of Breach of Contract - Agency Agreements	9	18

New Syllabus for Valuation of Securities or Financial Assets

S. No.		Hours of Training	Weight (%)
	• **The Sale of Goods Act, 1930** - Contract of Sale - Definition of Goods - Price of Goods - Conditions and Warranties - Unpaid Seller • **The Transfer of Property Act, 1882** - Definition of Immovable Property - Transfer and Sale of Property - Rights and Liabilities of Buyer and Seller - Mortgage of Property - Rights and Liabilities of Mortgager and Mortgagee - Gift of Immovable Property - Lease • **The Indian Stamps Act, 1899** - Basics of Indian Stamp Act - Valuation for Duty - Instruments on which duty is levied • **The Income Tax Act, 1961** - Taxes on Individuals - Taxes on Companies - Heads of Income- Income from Salary, Income from House Property, Income from Profits and Gains of Business or Profession, Income from Capital Gains and Income from Other sources - Clubbing and Set off provisions - Double Taxation Avoidance Agreement (DTAA) - Taxation on transfer of business - Transfer pricing issues - Employees' Stock Option Plan or Scheme • **The Insolvency and Bankruptcy Code, 2016 (IBC) and Regulations** - Part I of IBC: Preliminary - Part II of IBC: Insolvency Resolution and Liquidation for Corporate Persons - The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 - The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 - The Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 • **The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002)**		

New Syllabus for Valuation of Securities or Financial Assets

S. No.		Hours of Training	Weight (%)
5.	**Financial Reporting under Indian Accounting Standards (Ind AS)** - Indian Accounting Standard (Ind AS) 113, Fair Value Measurement	2.5	5
6.	**Overview of Valuation** - Meaning of Value - Premise of Valuation - Purpose of Valuation - Valuation Standards - Valuation Engagements-Scope of Work - Valuation Process - Valuation Report - Documentation	2	4
7.	**Valuation Approaches** - Cost Approach - Market Approach - Income Approach	1.5	3
8.	**Valuation Application** • **Equity / Business Valuation** - Analysis of Business Environment - Entity's Business Strategy Analysis - Business Combinations- Amalgamation, Merger, Demerger, Arrangement & Restructuring - Forecasting - Cash flow Analysis - Appropriate Cost of Capital / Rate of Return - Valuation Adjustments • **Fixed Income Securities** - Types of Fixed Income Securities - Types of Different Debt Instruments - Terms used in Fixed Income Securities - Credit Rating of Bonds - Embedded Options - Interest Rate Derivative Products - Related Fixed Income Money Market and Derivatives - Association of India (FIMMDA) Circulars • **Option Valuation** - General Principles - Option Valuation Models: Black and Scholes Valuation Methodology, Black and Scholes Merton Option Pricing Method, Binomial Tree Method, Monte Carlo Simulation • **Valuation of other Financial Assets and Liabilities** • **Intangible Assets** - Nature and Classification of Intangibles - Identification of Nature of Intangible Assets	16.5	33

New Syllabus for Valuation of Securities or Financial Assets

S. No.		Hours of Training	Weight (%)
	- Purpose of Intangibles Valuation - Valuation Approaches • **Situation Specific Valuation** - Distressed Asset Valuation - Start-up Entities Valuation - Valuation of Small and Medium Enterprises - Valuation of Cyclical Firms - Valuation of Investment Entities - Valuation for Insurance Coverage		
9.	**Regulations relevant to Financial Assets Valuation:** • **The Securities and Exchange Board of India Regulations** - The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009- Chapter VI-A and Chapter VII - The SEBI (Prohibition of Insider Trading) Regulations, 2015 - The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - The SEBI (Delisting of Equity Shares) Regulations, 2009 - The SEBI (Share based Employee Benefits) Regulation, 2014: Employee stock option schemes, employee stock purchase schemes and stock appreciation rights schemes • **RBI and FEMA Regulations** - FEMA (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2017 - Foreign Direct Investment (Pricing Guidelines) - Direct Investment by Residents in Joint Venture/ Wholly Owned Subsidiary abroad. - Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks - Guidelines on Sale of Stressed Assets by Banks	2	4
10.	**Judicial Pronouncements on Valuation** - Miheer H. Mafatlal Vs. Mafatlal Industries Ltd. (1997) 1 SCC 579 - Hindustan Lever Employees' Union Vs. Hindustan Lever Limited and Ors. - Brooke Bond Lipton India Ltd.td. [1999] 98 Comp Cas 496 (Cal) - Dinesh Vrajlal Lakhani Vs. Parke Davis (India Ltd.) (2005) 124 Comp Case 728 (Bom HC) - Dr. Mrs. Renuka Datla Vs. Solvay Pharmaceutical B.V. & Ors. - G.L. Sultania and Another Vs. The Securities and Exchange Board of India	1.5	3
11.	**Case Studies** This section will have two case studies to test the ability to apply valuation techniques. There will be two comprehensions narrating transaction based on which questions will be asked.	8	16
	TOTAL	**50**	**100**

Motto

सत्यं वद। धर्मं चर।

speak the truth. abide by the law.

Vision

"To be a global leader in promoting good corporate governance"

Mission

"To develop high calibre professionals facilitating good corporate governance"

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