



Analysis of Valuation Reports by Committee of Experts

Dated 23rd February, 2022

The findings and observations of Committee of Experts after reviewing sample valuation reports are placed below for further reference of the Registered valuers.

Objectives

- ❖ To harmonise work done by Registered Valuers.
- ❖ To enhance the quality of professional work.
- ❖ To comply with the regulatory requirements.
- ❖ Upfront understanding of “common mistakes and issues” in reports to help existing and new members.

Findings and Observations on the Valuation Reports

1. Background information of the asset being valued are mentioned in all reports evaluated.
2. Purpose of valuation motioned in valuation reports.
3. Scope of work found in all reports under review.
4. Valuation basis –(MV, Equitable Value, Synergistic Value, LV,FV etc.) are found to be not mentioned in some reports.
5. Premise of Value - (HABU, Current use/existing use, orderly liquidation, forced sale) are observed to be missing in some reports.
6. Intended user /limitation on use of Report is found in all reports reviewed.
7. Appointing authority are found in all reports reviewed.
8. Date of appointment–(Date of passing the Resolution) found in all reports reviewed

9. Identity of the valuer observed in all reports
10. Any other experts involved in the valuation (say Valuation report from Registered Valuer P&M) not specifically mentioned in few reports.
11. Disclosure of valuer interest or conflict found in reports.
12. Date of report (Date on which the valuation report has been signed by the Valuer) found in almost all reports.
13. Inspections and/or investigations undertaken found to be present in the reports.
14. Nature and sources of the information used or relied upon found in reports
15. Working on Business interest, ownership characteristics found in reports
16. Key Inputs received from the managements observed to be present in reports
17. Assumptions & review of Business Plan not found in majority of reports
18. Valuation Approach –Income Approach, Market Approach and Cost Approach (CAPM working is missing in one report)
19. Valuation standards followed IVS VS by majority valuers.
20. Caveats, Limitations and Disclaimers mentioned as per IBBI guidelines.
21. Signature /Name /Registration Number/Date /Place mentioned in reports.

For ICSI Registered valuers Organisation

(Dr. Prasant Sarangi)