



Presentation on “Workshop For Peer Review of Valuation Reports”

21ST APRIL, 2022

Peer Review

- ▶ In general, the term “Peer Review” would mean review of the work done by a professional, by another member (peer) of the same profession with similar standing.
- ▶ Valuers Peer Review is the evaluation of the work by one or more Registered Valuer (RV) member with similar competencies as of the Valuer under review.
- ▶ The key dual objective of Peer Review exercise are to enhance quality of valuation as well as Valuation Reports.

Scope of Peer Review

- ▶ A Valuer's peer review focuses on the performance of Valuers, with a view to improving
 - ▶ quality,
 - ▶ upholding ethical standards,
 - ▶ adherence with valuation standards,
 - ▶ relevant laws, regulations, rules, guidelines and amendments made there under from time to time,
 - ▶ methodologies and approaches adopted for conducting valuation and preparation of valuation report.

Peer Review Exercises in the Past

- ▶ Under the guidance and mentorship of IBBI, all RVOs have been conducting Peer Review exercise for all the asset classes for the past three years.
- ▶ Two Peer Review workshops have been organized by ICAI RVO in association with IBBI to share the findings of the Peer Review of Valuation Reports for the three asset classes:-
 - ▶ On 17th February 2021 through video conferencing
 - ▶ On 14th February 2020.
- ▶ This workshop is the third installment in the series of workshops organized by ICAI RVO to share the findings of the Peer Review of Valuation Reports for the three asset classes.



KEY CONSIDERATIONS
TO BE REFERRED BY
THE REVIEWER

Extent and Scope of Peer Review

Extent & Scope

- Compliance with the provisions to be verified by the Reviewer of
 - Companies (Registered Valuers and Valuation) Rules, 2017
 - ICAI VS and IVS
 - Other applicable rules, regulations and guidelines

Decided by IBBI & RVOs

Communicated to Reviewer

General Terms of Reference (ToRs) for the Reviewers



- ▶ To give **opinion on the quality** of the Valuation Report under review basis the “ **Key Aspects to be reviewed**” as decided by ICAI RVO”
- ▶ To **review compliance with** the
 - ▶ Rule 8 of the Companies (Registered Valuer and Valuation) Rules, 2017
 - ▶ Specific Rules, Regulations and Guidelines issued by related Regulators
- ▶ **Not to give opinion on the Conclusion of Value**
- ▶ To maintain confidentiality;
- ▶ Not to accept any such review assignments where reviewer might have any interest either in the Valuer or the Valuation Report under Review.
- ▶ To provide the Review summary in the format supplied by ICAI RVO.

Key Peer Review Parameters

- ▶ **Key Peer Review parameters** included in Peer Review Report
 - ▶ Name of the Registered Valuer
 - ▶ Assignment received in the name of RV/Partnership/Firm/LLP/Pvt Ltd Co/Ltd Co
 - ▶ Name of the Corporate Debtor under reference
 - ▶ Name of IP/IRP
 - ▶ Date of Receipt of Assignment
 - ▶ Date of submission of Valuation Report
 - ▶ The Valuation Date
 - ▶ Approach/approaches adopted
 - ▶ Method or methods applied
 - ▶ Key inputs used
 - ▶ Fees Received
 - ▶ Any Other Comment by Valuer



Key Aspects Considered in the Peer Review of the Valuation Reports

- ▶ **Valuation Report contains**
 - ▶ Background information of the asset being valued
 - ▶ Purpose of Valuation & Appointing Authority
 - ▶ Identity of Valuers and other experts involved
 - ▶ Disclosure of conflict of interest
 - ▶ Date of Appointment, Valuation Date and Date of Report
 - ▶ Inspections/investigations undertaken
 - ▶ Nature, source of information used or relied upon
 - ▶ Restrictions on use of report, if any
 - ▶ Major factors considered
 - ▶ Conclusions
 - ▶ Caveats, limitations and disclaimers explaining or elucidating the limitations faces by Valuer, without restricting his responsibility for the valuation report



Key Aspects Considered in the Peer Review of the Valuation Reports contd.

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- ▶ **Requirements of Rule 8** met-utilization of
 - ▶ ICAI VS,
 - ▶ other VS,
 - ▶ Scope of work VS 201 or otherwise covered
- ▶ Reliance placed on Valuation Report conducted by another RV of different asset class- SFA
- ▶ **Variation** from Standards including Relevant ICAI VS referred, if any
- ▶ Comprehensive Narrative Report or Abbreviated Summary Report
- ▶ **Information for intended users** for Valuation Report
 - ▶ Clear and accurate description of
 - ▶ Scope, purpose & intended use of assignment
 - ▶ Disclosure of assumptions including special assumptions, if any
 - ▶ Significant uncertainty impacting valuation
 - ▶ Limiting conditions directly impacting Valuation
 - ▶ Base of Value

Key Aspects Considered in the Peer Review of the Valuation Reports contd.

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- ▶ **Compliance sufficient to communicate** to the intended users
 - ▶ Scope of valuation assignment,
 - ▶ work performed,
 - ▶ conclusions reached,
 - ▶ principal reasons for conclusions reached

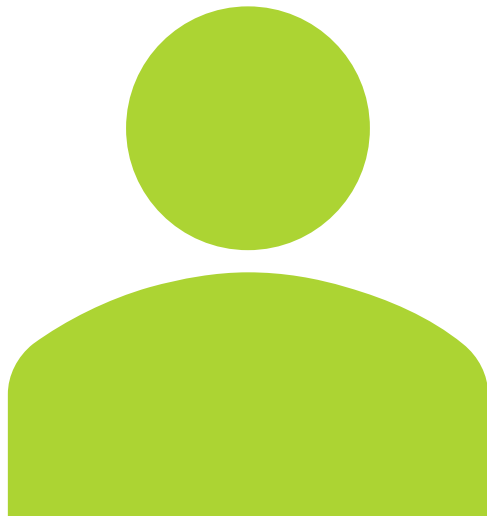


ROLE &
SELECTION

Peer Reviewer

Peer Reviewer- Role & Selection

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- ▶ Identity of the Valuer to the Reviewer to be redacted
- ▶ Peer Reviewer to be experienced in the relevant field and/or methodology/latest updates in the field
- ▶ Reviewer - may not have access to working papers
- ▶ Reviewer to be free of potential bias, and give unbiased, objective and independent opinion about quality of work under Review
- ▶ Reviewer to comment on
 - ▶ Valuation Report – Objective vs Subjective
 - ▶ Justification of Valuation Approach/Methodology
 - ▶ Disclosures
 - ▶ Caveats and Disclaimers used in the Report

OF THE
PEER REVIEW
REPORTS

MAJOR FINDINGS

Peer Review – Findings in the Valuation Reports contd.

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Background information relating to assets valued could be more elaborate.



Purpose of Valuation and Appointing Authority- Incorrect mention of legislation involving Sec. 230 to 232 of the Companies Act, 2013 for infusion of funds. Could have been done under separate head with proper technical name



Identity of the Valuer and any other experts involved in the valuation- Not explicitly declared in some reports



Clear & accurate description of the scope of assignment- Though the scope is provided, conducting a valuation analysis in accordance with the IVS is not mentioned.

Peer Review – Findings in the Valuation Reports contd.

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Date of appointment, Valuation Date, Inspection Date and Date of Report-

The date of engagement/inspection **does not** appear to be disclosed/ inconsistent or seems to be not disclosed some reports



Nature & source of information relied upon- in many cases information not properly disclosed



Valuation approaches, methods and reasoning-

in some cases no clear indication of valuation approach, requires proper reasoning



Restriction on use, distribution and publication of the report- in few cases not properly disclosed

Peer Review – Findings in the Valuation Reports contd.

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Inspections and/or Investigations undertaken- Though book value approach has been taken with adjustment for fair value of investments, a key investment with a material impact to the valuation has been valued below carrying value - no clarification provided as to whether the said investment has been impaired by the company or if not, what is the rationale for accepting this value



Inspections and/or Investigations undertaken- Where the investment has been considered at a significantly lower than carrying value as per books, no comments on whether the carrying value has been impaired by the company or not is included and the same could have been more elaborate



Inspections and/or Investigations undertaken- Analysis of past financials not presented though the company is in operation for long now. Also, many reports do not contain the details of investigation done.



Procedures adopted in carrying out the valuation standards followed -Rationale for using NAV (cost as per books) and not PECV etc., not clearly explained

Peer Review – Common Findings in the Valuation Reports

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Rule 8: Utilization of ICAI VS- not specifically mentioned in some reports



Rule 8: Utilization of other VS- like FEMA/Rule 11UA of IT Act not specifically mentioned in some reports

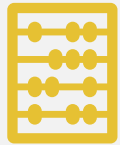


Rule 8: Scope of work VS 201 or otherwise-not explicitly/clearly stated in certain reports.



Fees received for the assignment- not mentioned in some reports

Peer Review – Findings in the Valuation Reports contd.



Clear & accurate description of intended use and users through majorly covered but could have been given more precisely



Limiting conditions impacting valuation- not covered in isolated reports



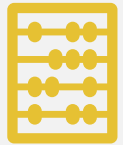
Base of Value- not explicitly stated in certain reports; need to be explicitly stated



Significant uncertainty impacting valuation- should be ideally presented more clearly as a separate header

Peer Review – Findings in the Valuation Reports contd.

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Abbreviated Summary Report-there is in most reports



Variations from Standards-not appearing in certain reports



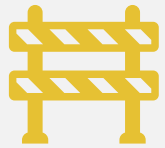
Relevant ICAI VS Standards referred if any- not explicitly stated in some reports



Commentary on material certainty –i.r.t to valuation not properly disclosed in some report.

Peer Review – Findings in the Valuation Reports contd.

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Caveats, limitations and disclosures- the assumption underlying the projections have **not** been reviewed; should be report relevant and not a mere copy paste



Disclosure of special assumptions- Not clearly mentioned- No rationale for why investment not impaired in books; rationale for considering volatility at 0.001% not appropriate and may need to be considered more appropriately. Logic behind assumption not clearly explained.



Limiting Conditions that directly affect the Valuation do **not provide** the affirmative confirmations, as required in some isolated reports.



Disclosure of Valuer interest or conflict, if any- not explicitly stated in isolated reports.

Peer Review – Findings in the Valuation Reports contd.

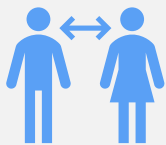
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Major factors taken into consideration during valuation though mentioned could be made more elaborate



Compliance sufficient to communicate conclusions reached – Could be more detailed in some reports



Compliance sufficient to communicate work performed-Analysis of historical information should have been ideally included .



Compliance sufficient to communicate principal reasons for results reached-though implied but could be made more explicit for better understanding of end users.

Extra observations

| S. no. | RVO name | Observations |
|--------|---|---|
| 1. | CVSRTA RVO | Relevant asset standard referred to, if any, should also be mentioned separately. |
| 2. | RVO Estate Managers & Appraisals Foundation | Extent of investigation- There is no annexure as regards to the current price of the similar assets and no annexure was found in the report regarding the current quotation of a similar asset. The asset valuation figures were written in a column just like that. No derivation or logic or market price quote was evident from the report so that one can judge the logic of the methodology |
| 3. | Divya Jyoti Valuers Foundation | Methods & Approaches- L&B- Only one line is written. No details or process is mentioned. Detail explanation not there. Reason of the same is also required. |
| 4. | Divya Jyoti Valuers Foundation | Assumptions made-L&B Class- In assumptions it is written that the assets are valued in-situ. Whereas these are for liquidation. |

Extra observations.

| S. no. | RVO name | Observations |
|--------|---|--|
| 5. | IIV India Registered Valuers foundation | "The estimated values of plant / machinery are valid only for 30 days from the date of issue of this report"-In any valuation exercise, the value of asset is tied to the date of valuation. So, after 5 years... even 10 years also - on the particular date, the value of the asset is same. Hence, comment about validity is not reqd. & not valid. |
| 6. | IIV India Registered Valuers foundation | "The Valuer has no responsibility to modify this report , for events and circumstances occurring subsequent to the date of this report". This comment is abundant & excess caution. |
| 7. | IIV India Registered Valuers foundation | "The Valuer has no responsibility to modify this report , for events and circumstances occurring subsequent to the date of this report" This comment is abundant & excess caution and not required too. |

Extra observations.

| S. no. | RVO name | Observations |
|--------|---|--|
| 8. | IIV India Registered Valuers foundation | “The Valuer, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made regarding such additional engagement and which, the Valuer shall be at a liberty to accept or decline “. The valuer doing IBC valuation is bound to answer the related cases in the court of law. He can't decline. For practical reasons, he may seek alternate ways & means... or even alternate dates. But can't decline. |
| 9. | IOV Registered Valuers Foundation | Valuation report should mention about the liabilities also, since valuation of liabilities is more crucial for a company under liquidation. Found to be missing in the reports of all three asset classes. |

Extra observations.

| S. no. | RVO name | Observations |
|--------|-----------------------------------|--|
| 10. | IOV Registered Valuers Foundation | Under assumptions- no specific assumption taking in the COVID impact either in reports or projection factored in by the RV under SFA. |
| 11. | IOV Registered Valuers Foundation | Statement that the report is IVS compliant is found missing in certain reports |
| 12. | IOV Registered Valuers Foundation | Under valuation approaches , most of the valuers under all three asset classes, i.e. L&B, P&M, SFA, did not specify if sufficient data was collected and if necessary adjustments made under Market approach method. |
| 13. | CEV IAF RVO | Proper approach not adopted in Leasehold Properties. In one valuation which is done based on the Comparable sale method is used, but no referred comparable are mentioned, also on what basis the comparison was done is not mentioned. |

Extra observations.

| S. no. | RVO name | Observations |
|--------|-------------|---|
| 14. | CEV IAF RVO | <p>While reviewing <u>Plant & Machinery</u> Valuation Reports following deficiencies were observed such as:</p> <ol style="list-style-type: none"> 1. Improper report headings; 2. Details of investigations conducted for various machines were not provided; and 3. Technical specifications of some machines not provided. |
| 15. | CEV IAF RVO | <p>While reviewing <u>Land & Building</u> Valuation Reports certain deficiencies were observed such as:</p> <ol style="list-style-type: none"> 1. lack of evidence for market survey of prices; and 2. Exact size and directions of the land measured at the time of physical identification not found incorporated in the report any where 3. Either physical measurements were not provided or non-authentication thereof. 4. In some cases valuation was done as Going Concern Value instead of HABU . 5. Actual market survey of auction sales was not done in locality, before adopting arbitrary 15% or 30% deduction for forced sale value. |

Extra observations.

| S. no. | RVO name | Observations |
|--------|----------|---|
| 16. | ICSI RVO | <ol style="list-style-type: none"> 1. Valuation basis- (MV, Equitable Value, Synergistic Value, LV, FV, etc.)- not mentioned in few of the reviewed reports. 2. Premise of Value- (HABU, Current use/existing use, orderly liquidation, forced sale.)- not mentioned in few of the reviewed reports 3. Valuation Approach- CAPM working are missing. |
| 17. | ICSI RVO | <p>Valuation date- Financials as on 9 June used for Cost Approach whereas for Income Approach –DCF method considered from 1 April. Inconsistency in Valuation approach vis-à-vis Valuation date</p> |

Peer Review – Experience based Observations

“GIGO”

Purpose of Valuation & Appointing Authority

Management Projections

- Key Assumptions
- Review/Analysis
- Storytelling

Reliance on the work of another expert

Rationale -
Approach/Methodology,
Terminal Growth, Discount
Rate, Comparable,
Weights, Conclusion

***Objectivity vs Subjectivity
and Need to educate the
User of the Report***

REVIEWERS'

RECOMMENDATIONS

Key Common Recommendations by RVOs

- ▶ **Explicit declaration** required under **Rule 8** regarding **compliance with the Valuation Standards** followed in valuation (VS issued by ICAI RVO or any other VS) is required to be mentioned. However, the same has not been mentioned in the valuation reports and needs to be factored in.
- ▶ While **defining purpose of Valuation** and appointing authority, incorrect mention of legislation involving Sec. 230 to 232 of the Companies Act, 2013 for infusion of funds has been done and should be taken care of.
- ▶ **Disclosure of valuer interest or conflict**, if any has not been explicitly stated in certain reports and ideally should be clearly reported. an affirmative statement in this regard will give credibility to report.
- ▶ It may also be prudent for the Registered Valuer member to draw the client's attention to the fact that values change over time, and that a valuation given on a particular date may not be valid on an earlier or later date.

Key Common Recommendations by RVOs

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- ▶ The RV should also include in his report: an **affirmative statement** that information provided, and assumptions used by management/others in developing projections have been **appropriately reviewed**, enquiries made regarding basis of key assumptions in context of business being valued and the industry/economy; and an affirmative statement on adequacy of information and time for carrying out the valuations.
- ▶ The RV should **mention any key factors** which have a **material impact on the valuation**, including inter alia the size or number of the assets or shares of the company, its/their materiality or significance, minority or majority holding and changes on account of the transaction, any impacts on controlling interest, diminution or augmentation therein and marketability or lack thereof; prevailing market conditions and government policy in the specified industry as a disclaimer depending upon the factor.
- ▶ In certain reports, the valuation date is inconsistent throughout or is not disclosed at all. **Date of appointment, valuation date and date of report need to be expressly mentioned in the report.**

Key Common Recommendations by RVOs

- ▶ **Identity** of the **valuer** and any **other expert** involved in valuation should ideally be **explicitly stated**. However, it is unclear as to whether the assignment is executed by the CA firm or the valuer in his/her individual capacity. This is largely because of the letterhead used and the reference used at multiple places.
- ▶ Though in certain reports, the scope is provided, conducting valuation analysis in accordance with IVS is not mentioned.
- ▶ The **base of value used** in the report as communicated to the intended user, though amply clear by interpretation, should ideally be **explicitly stated**.
- ▶ **Relevant ICAI VS referred**, if any, are either not explicitly stated or vaguely referred and the disclosure **could be more express**.
- ▶ **While checking** if **sufficient compliance** done to communicate work performed, analysis of **past historical information should ideally be presented**.

Key Common Recommendations by RVOs

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- ▶ The details of **sources of information relied upon** must be clearly mentioned in report by the RV. The RV must also mention in the report if, wherever applicable, verification is needed on any information or assumption on which the valuation is based.
- ▶ Under **caveats, limitations and disclaimers** to the extent they explain or elucidate the limitations faces by valuer, which shall not be for the purpose of limiting his responsibility for the valuation report, the assumptions underlying the projections have not been reviewed. It has been further observed that Valuers are still not using or incorporating CLDs issued by IBBI properly any deviation beyond the CLDs must be explained with reason/ justification.
- ▶ All generated reports must accompany with caveats, disclaimers and limitations as prescribed by IBBI.
- ▶ In some reports, the **limiting conditions do not provide the affirmative confirmations**, as required.
- ▶ The **key valuation assumptions should ideally be justified** to ensure that the compliance is sufficient to communicate principal reasons for conclusions reached.

Key Common Recommendations by RVOs

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- ▶ An executive summary to understand the valuation report shall be provided, it shall include the methodology used, the value, which is arrived, important dates, valuation standard followed and purpose of valuation etc.
- ▶ The valuation report should also elaborate how the information/ data obtained by the RV has been further processed in terms of discount/ premium factors, indexation etc. The report under review has missed including these aspects
- ▶ A **particular case** observed by RVO Estate Managers:
 - ▶ CIRP announcement date- January 2019
 - ▶ Valuation date is given same as CIRP commencement date
 - ▶ AND, inspection date is September 2019
 - ▶ **Inference:** Generally, it becomes very difficult for the valuer to assume the situation of the asset in any previous date. Here is a gap of 9 months that may show a wrong opinion and increase degree of uncertainty.

Additional Individual Recommendations

| S. No | RVO | Recommendations |
|-------|----------|---|
| 1. | ICAI RVO | Where the investment has been considered at a significantly lower than carrying value as per books, no comments on whether the carrying value has been impaired by the company or not are included and should ideally form part of the report. |
| 2. | ICAI RVO | Analysis of past financials not presented though the company is in operation for long now. Report needs to include historical financials and analysis. This is critical considering that a large portion of the value is coming due to working capital release in year 1 which is not explained. Even as a good practice, historic analysis may be included as part of the investigation into the entity. |

Additional Individual Recommendations

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| S. No | RVO | Recommendations |
|-------|---------------------|--|
| 3. | ICAI RVO | Rationale for using NAV (cost as per books) and not PECV etc., not clearly explained. Why other methods such as PECV not used should be explained |
| 4. | ICAI RVO | Rationale for a high terminal growth rate of 8% when the discount rate used itself is 9.85% is not explained-Ideally the key valuation assumptions must be justified |
| 5. | RVO Estate Managers | The RV must declare the relevant IVS No. |
| 6. | RVO Estate Managers | Success fee charged by a RV in a one-off case and in an ideal case scenario should not be so charged. A success fee should be allowed to be charged with more stringent rules like the usage of proposed Unique number (UVRIN). |

Additional Individual Recommendations

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| S. No | RVO | Recommendations |
|-------|---------------------|---|
| 7. | RVO Estate Managers | As the definition of Fair Value and Liquidation Value do not fall under IVS per IBBI, the RV may declare that the overall valuation has been done per IVS and mention deviation, wherever appropriate |
| 8. | RVO Estate Managers | <u>Ambiguity on liquidation value-</u> It is observed that the liquidation value of all assets are more or less flat 70% of the corresponding fair values of each asset. This flat rate percentage deduction to arrive at the liquidation value is imprudent and the process of arriving at liquidation value must form part of the report |
| 9. | RVO Estate Managers | The assignment/engagement letter must form part of the valuation report and should include the minimum points set forth by the RVO in its sample letter |

Additional Individual Recommendations

| S. No | RVO | Recommendations |
|-------|---------------------|---|
| 10. | RVO Estate Managers | Approach and Methodology considered for lease hold property not properly reflects the methodology of leasehold valuation. Appropriate and suitable methodology not been used. The appropriate method of valuation to be considered. Direct Market Comparison Approach , Income Approach, Cost Approach. |
| 11. | RVO Estate Managers | Did not find use of HABU in any report. This is a suggestion on the use of the same asset, most importantly this alternative use of the asset would fetch maximum value, which should be legally, financially and technically possible and highest and best use is the use, from a participant perspective, that would produce the highest value for an asset. Although the concept is most frequently applied to non-financial assets as many financial assets do not have alternative uses, there may be circumstances where the highest and best use of financial assets needs to be considered. |

Additional Individual Recommendations

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| S. No | RVO | Recommendations |
|-------|--------------------------------|---|
| 12. | Divya Jyoti Valuers Foundation | <p>Approaches & methods- SFA Class- conceptual errors observed like</p> <ul style="list-style-type: none">• Risk Free Rate has to be taken up according to Government Bond• Provisional balance sheet balances (Cash/ Loan) must be adjusted in PV of FCFF.• Growth rate must be taken according to the industrial growth and GDP. Growth rate of 1 % seems low as compared to India's GDP growth or Industry growth.• Company Specific Risk Premium is used by the Valuer.• Valuers must apply ratio analysis on projections provided by client to test the sensibility of projections.• It seems like valuer is confused with pre money and post money concept. The valuer is required to mention if the valuation is based on pre money or post money. |

Additional Individual Recommendations

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| S. No | RVO | Recommendations |
|-------|--------------------------------|---|
| 13. | Divya Jyoti Valuers Foundation | Approaches & methods- L&B Class- conceptual errors observed like <ul style="list-style-type: none">• Only one line is written. No details or process is mentioned. Detail explanation not there. Reason of the same is also required.• Loading of 3% but why was this done is not made clear. If any change is there, it has to have a logic as per the IVS.• As per the expert of L&B, the model must accompany with proper explanation and the model must be explained in detail so that the user of report must keep rely on the calculations done. |
| 14. | Divya Jyoti Valuers Foundation | Rf, Rm, Beta, Growth must be appropriate. The selections must come from Govt Bond yield, industry norms, peer companies or GDP and proper explanation in using the factors must be mentioned. |

Additional Individual Recommendations

| S. No | RVO | Recommendations |
|-------|-----------------------------------|--|
| 15. | IOV Registered Valuers Foundation | <p><u>For Land & Building: Following were found to be missing and should ideally form part of the report</u></p> <ol style="list-style-type: none">1. No evidence of market survey/sale comparisons was found2. Disclosure of other experts not forming part of reports explicitly.3. Compliance with valuation standards not mentioned specifically4. Reasons to justify extent of liquidation discount applied not recorded.5. Title deeds of properties not verified at Registrar's office.6. The RV has endeavored to visually identify the land boundaries and dimensions. A RV, however, is not a surveyor and thus where there is a doubt about the precise position of the structures, it is recommended that a licensed Surveyor be contacted.7. The sale of the subject property is assumed to be on cash basis. Financial arrangement costs would affect the price of the property, if placed in market. |

Additional Individual Recommendations

| S. No | RVO | Recommendations |
|-------|-----------------------------------|--|
| 16. | IOV Registered Valuers Foundation | <p><u>Land & Building: Following were found to be missing and should ideally form part of the report</u></p> <ol style="list-style-type: none"><li data-bbox="996 782 2150 882">1. Reports found non-compliant with IVS 101, 102, 103,104,105<li data-bbox="996 896 1972 943">2. Reports have followed general formats<li data-bbox="996 958 2201 1058">3. Justification for adoption/rejection of a valuation approach not properly documented.<li data-bbox="996 1072 2135 1172">4. Remarks given need to be more precisely and accurately worded.<li data-bbox="996 1186 2288 1286">5. Investigation not done properly to determine the fair value and liquidation value |

Additional Individual Recommendations

| S. No | RVO | Recommendations |
|-------|-----------------------------------|--|
| 17. | IOV Registered Valuers Foundation | <p><u>Securities or Financial Assets: Following were found to be missing and should ideally form part of the report</u></p> <ol style="list-style-type: none">1. Economy and industry analysis not provided in the reports2. Assumptions and limitations were not justified and pertinent to the valuation in hand and did not cover points stipulated by IBBI like RV responsibility, Value estimate etc. <u>Limitations and disclaimers could be more descriptive in nature and in compliance with IBBI guidelines.</u>3. Where the Company is a wholly-owned subsidiary (WOS), Valuation Report does not mention the layers of shareholding. |

THANK YOU!!!

