

ICAI Vision



- Recognize the changes in Economy/Business Environment such as focus on value, dynamic business and organization structures, developments in Information Technology and Telecommunication, new Government policies, globalization of business and competitive pressures.
- Recognize the path to success by adapting to the changes, knowledge management and acquiring skills to work with future environment influenced by technological and other changes.
- Recognize the opportunities for Chartered Accountants in the emerging areas such as new audit and assurance needs, performance measurement services, management services, strategy management, general practice specialization and servicing global organizations.
- Recognize the Institute's role as a proactive, innovative and flexible organization, in equipping Chartered Accountants with top quality education and values.
- Recognize the need to be known as World Class Advisor

Course Objective

The complexities in business are rising in the fast changing financial world today. It is becoming increasingly difficult to predict the future, yet financial decisions ought to be taken. The soundness of financial decisions is critical to the success of corporations. Therefore, every financial decision is tested in terms of value creation. The valuation is the epicenter of financial decision-making.

The overall goal of this course is to build skills and improve quality & confidence of the members in carrying out valuation assignment relevant to today's business. Given the current global scenario, it has become extremely important for us to understand what value means, more so as value becomes pervasive even in



accounting with the possibility of IFRS implementation in the foreseeable future.

This course provides a framework for business valuation and gives practical advice on using the framework to value a business. The course is balanced between lectures, presentations, cases, and dissertations. The focus is on integrating key approaches and





methods from each area and applying them to real world problems.

Starting with the basic understanding about the term Value, the course runs through the key approaches of valuation discovering the underlying assumptions of various models, as well as best practices, and their applications in live cases. Once the operational knowledge is gained, in the wide range of valuations tools, the same is applied to case studies. This is an intensive and comprehensive package of face-to-face sessions facilitated by experienced and renowned faculties. This course seeks to empower our members as leaders in global service market.

The objective of the Course is

- To enable the members to gain

acumen, expertise and in-depth knowledge in process of valuation of all kinds including:

- Business Valuation
- Share Valuation
- Asset Valuation
- Brand Valuation
- Goodwill Valuation
- IPR Valuation
- Valuation of other intangibles
- Valuation of mark to market losses/profits
- Derivatives





- Securitized instruments including mortgage based securities
- Liabilities Evaluation
- ESOP/Option Valuation
- Valuation for financial reporting in terms of Indian Accounting Standards, International Financial Reporting Standards and US GAAP including assessment of fair value, Basel II



requirements for Banking Sector.



- All other kind of specialized Valuations
- To empower the members with the technical skills as well as analytical and decision-making discretion in the valuation assignment;
- To provide thorough knowledge of the global best practices as well as procedural and documentation aspects of the valuation assignment;
- To enable members to carry out valuation assignments using a variety of techniques and express an opinion on the valuation;



Apart from giving a comprehensive theoretical grounding, this course is designed to strengthen the expertise and excellence of our members through multiple case studies across the industry and service sectors like pharmaceuticals, retail, manufacturing, banking, insurance, mining, infrastructure, private equity valuation, real estate and cross-border transactions.

- To provide expertise on the legal and regulatory framework of the valuation in the cross-border/ domestic transactions;
- To enable members to act as registered approved valuers providing advisory, financial, consultancy services in terms of valuation.





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Registering for the Course

Who is Eligible?

Members of the ICAI and students who have cleared their CA final examination.

How to Register?

Candidates have to fill in the Registration Form available herein or at the website of the Institute and submit the completed form by mail for the purpose of registration without any fee.

Fees will be paid on the spot on the commencement of the course at the venue itself.



When to Register?

Please refer to our

Website : http://www.icai-org/post.html?post_id=3428&c_id=266)

Fee Structure

At present, the fee payable is:

(a) Registration Fee

Rs. 25000/- (Rupees Twenty five thousand only) including the fees/price for books and first evaluation fee. For Delhi, Mumbai, Chennai and Kolkata.

Rs. 20000/- (Rupees Twenty thousand only) including the fees/price for books and first evaluation fee. For other cities.

(b) Examination Fee

Nil for the First Evaluation
and thereafter Rs. 1000/-
each time if a candidate is
required to re-appear for
any subsequent Evaluation Test.



Payment for the Course can be made in favour of "The Secretary, Institute of Chartered Accountants of India" "on the spot by cheque payable at par or demand draft.

Address for Correspondence

**Corporate Laws & Corporate Governance Committee Secretariat
4th, Floor, Administrative Block,
The Institute of Chartered Accountants of India
ICAI Bhawan, Plot A-29, Sector 62,
NOIDA 201309,
Dist: Gautam Budh Nagar
UTTAR PRADESH**

Note:

Please note that Registration fee once paid is non-refundable under any circumstances and the Institute will not entertain any correspondence in this regard.





Course Contents



The Course on Valuation shall be comprised of the following four modules

Module 1 - Overview of Valuation

Module 2 - Valuation Techniques

Module 3 - Corporate Laws &
Income Tax
Implications

Module 4 - Application of
Valuation
Techniques & Project
Presentation.

Detailed Course Contents

Module 1

Overview of Valuation

Part-1

Introducing valuation

- What is value
- Differentiate price and value
- Who values businesses
- Purpose and role of a valuation
- Principles of valuation
- Definition of Standard of value
(basis of valuation)
 - Fair Market value
 - Fair value
 - Investment value
 - Intrinsic value
- Premise of value
 - Going concern
 - Liquidation
- Valuation myths
- Valuation process





Part – 2

Valuation Analysis

Research techniques and planning

Economy and industry research

Historical analysis

Understanding the business

Understanding the

Regulatory framework for the industry

Understanding the value drivers

Accounting analysis

Accounting policy review

Length of financial history

Adjustments to financial statements

Assets and liability analysis including contingent assets and liabilities

Income and expenses analysis

Financial analysis

Valuation Standards

Ethical Issues

Terms of Engagement (TOE)

Valuation Services

Documentation

Valuation Report

Assumptions & Limiting Conditions

Reporting Guidelines

Using work of Expert

Drafting the Valuation Report

Report

Subsequent Events





Ratio analysis
Cash flow analysis
Strategy analysis
Michael Porter's Five Forces
SWOT
PEST
BCG matrix
GE/McKinsey matrix
ADL matrix
Core competencies
Company risk analysis
Prospective analysis –
forecasting
Techniques and elements of
forecasting
Du Pont model and
limitation
Sensitivity analysis
Scenario analysis
Simulation
Regression analysis



Time series model
Stress testing
Others
Financial projection modeling
Types of Due diligence
Effect of due diligence on
valuation

Module 2

Valuation Techniques

Part-1

Valuation Approaches

Discounted cash flow (DCF)
approach
Enterprise value
Equity value
Adjusted present value
(APV)
Relative valuation approach





Price to equity (PER) and
PEG
Price to book
Price to sales
Price to cash flow
Enterprise value to
EBITDA
Income approach
Earning capitalization

EVA (Economic Value
added)
Asset Approach
Real option approach or
contingent claim approach
Selection of valuation approach
Assigning Weight to Approaches
Theory and Practice
Mathematical versus
Subjective Weighting
Valuation of Options
General Principles of Option
Valuation
Specific method for Valuing
Options
Binomial tree method
BSOPM
Black & Scholes valuation
Methodology





Part-2

Cost of capital

Characteristics of cost of capital

Risk and cost of capital

Methods of Development of cost of capital

CAPM (Capital Asset Pricing Model)

APT (Arbitrage Pricing Theory)

DDM (Dividend Discount Model)

Development of WACC

Factors affecting cost of capital

Theory of Modigliani-Miller

Impact of Financial Leverage on Cost of Capital

Forecasting of interest rates and theories of interest rates

Adjusting value through discounts and premiums

Control premium

LOCD (lack of control discount)

LOMD (lack of marketability discount)

Other premiums and discounts

Business damages vs. Business valuation

Valuation in special situations;

1. Valuation of unlisted shares
2. Valuation of distressed company
3. Valuation of early stage company
4. Valuation in M & A
5. Valuation in buy-sell agreement
6. Valuation of Investment Company
7. Valuation of Intangibles
8. Valuation for financial reporting under IFRS





9. Valuation of real assets and real estate
10. Valuation for cross border mergers
11. Valuation of bonds, warrants and convertibles

Module 3

Corporate Laws & Income Tax implications

Part-1

Corporate Laws Aspects

Mergers and Amalgamations
De-Mergers
Acquisitions / disposal of business / slump sale
Liquidation
Internal & External
Restructuring

Legal aspects including
litigation and contingencies
VAT and other indirect taxes

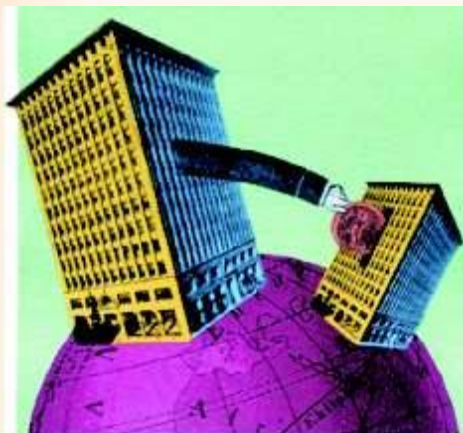
Financial instruments
Equity investments
Preferential shares
Cross Border Taxation Issues
Implication of Stamp Duty
Regulatory overview
Regulating Valuers/Valuation Professionals
SEBI regulations including
Takeover Code
Capital Market Controls
Reserve Bank Regulations

Part-2

Income Tax implications

Capital gains / losses under tax treatment
Taxation on transfer of business/ securities
Treatment of business losses
Statutory Valuation
Wealth Tax
Carry forward of losses





Losses of closely
held companies
Transfer pricing
issues
ESOP

Module 4

Application of valuation techniques & Project Presentation

Multiple case studies across
industries/sectors like
Pharmaceutical, Retail,
Manufacturing, Banking,
Insurance, Aviation, Mining,
Infrastructure, private equity
valuation, real estate etc.

Evaluation of Project through
Dissertation and/or viva-
voice/presentation





Frequently Asked Questions (FAQs)

Certificate Course on Valuation

1. Who is eligible to join this Course?

All the members would be eligible to join the Course. The students who have cleared their CA. final examination can also join the course. The Committee reserves the right to permit others including Government officials to join this course on the terms & conditions that it may decide.

2. Where this Course will be launched?

This course will be launched at New Delhi Mumbai, Kolkata, Chennai, Hyderabad, Pune, Ahmadabad and in other cities as may be decided by the Committee.



3. When will the Classes Commence?

The Committee reserves the right to fix dates for commencement, keeping in mind the number of Registrations and other factors.

4. Where will the classes be conducted?

The Committee will announce the venue at the time of confirmation of Registration or at least 7 days before the commencement of the course.

5. What will be the duration of the classes?

Classes will generally be held from 10:00 A.M. to 05:00 P.M. on weekends Saturdays/Sundays. However, the Committee reserves the right to re-schedule the programme as well as timings for any centre or all the centers.



6. Whether the participants, who are registered at one centre, will be allowed to join classes at another centre?

The participants registered at one centre will be allowed to attend the classes at another centre if the corresponding classes are going on at that other centre.

A candidate will have to attend a minimum of 45 hours of classes failing which, he will not be entitled to appear in evaluation test. However, the Committee may, at its discretion, allow the candidate to appear in the next session, (not as a right), but subject to such terms & conditions as it may deem fit to enforce

7. What will be the duration of the Course?

The duration of the course will be 300 Hours comprising of:

Self Study- 200 hours

Class room teaching- 50 hours

Case Study in Groups and project preparation - 50 hours

The candidates will be required to devote time to the self-study and case study given to them. Participants will be grouped (with not more than 5 course participants in one group) for preparing the case study and project report. They will be required to devote specified number of hours (see Course duration at 7 above) to Self-study and case study for appearing at the Evaluation Test.

8. What will be the Overall Scheme for the Certificate Course on Valuation?

The candidates registered for the Course will have to attend the classes on Saturdays/Sundays.

They will be expected to prepare comprehensive project case studies and submit them to our evaluation team for appropriate marks allocation to be considered as part of the overall evaluation process.



9. What will be the Course fee for this Certificate Course on Valuation?

Total amount to be paid for this Certificate Course on Valuation is Rs. 25000/- (Rupees Twenty five thousand only) for Delhi, Mumbai, Chennai and Kolkata. This amount is inclusive of fee/price of reference book and first evaluation fee payable at the time of Registration.

Total amount to be paid for this Certificate Course on Valuation is Rs. 20000/- (Rupees Twenty thousand only) for other cities. This amount is inclusive of fee/price of reference book and first evaluation fee payable at the time of Registration.

Report of the Case study allotted to the group of participants. Each participant of the group will also be evaluated individually. Adequate consideration in individual evaluation will be given to

10. What will be the Evaluation process?

Participants who have successfully completed Course modules are eligible to appear at the Evaluation Test. A Board of Evaluators will examine and evaluate the presentation, dissertation and

the performance, conduct and the quality of the outcome of the group task. Actual marks secured will not be disclosed to the participants and Only

Successful candidates' name will be declared. In case a candidate has to re-appear for evaluation, assessment shall be done on individual basis only and such a participant may not be allowed to join another group for case study purpose.

11. What will be the Periodicity of

Examinations?

The Committee reserves the right to decide periodicity of examinations.

12. What will be the Eligibility to qualify for the evaluation test?

The Committee reserves the right to formulate the criterion for the assessment of quality, level of knowledge and expertise of the participants and its evaluation by Board of Evaluators. The project reports prepared as case study will be having maximum evaluation level of 100 and the





Written objective cum write up test will also have evaluation level of 100. Existing experience will also be considered as an important parameter. Participants are encouraged to share their actual real time valuation case studies after obtaining consent of their clients, where needed. Case Studies on no name basis will also be acceptable. The database of case studies will be available to the "Valuers Guild" through web-access in due course of time.

13. Is there any limit on the number of attempts for the evaluation test?

There will be no limit on the number of attempts for the evaluation test. The reappearance fee for each attempt will be Rs. 1000/-. The candidate will be allowed to re-appear for the evaluation test only after six months of the previous attempt.

The case study marks will be carried forward for calculating pass marks.

14. How many participants will be admitted at each Centre?

A batch will have a minimum 40 participants and a maximum of 100 participants.

15. Whether Background Material would be provided to the participants?

A list of Reference books would be provided to the participants, which the participants will be expected to study for deeper understanding of the concepts. All these books are available in the Central Council Library, Institute Head Quarter, and New Delhi and at the Regional Council Library at Mumbai, Chennai, Kolkata and Pune.

Participants are expected to do extensive self study for which, either before and/or during the sessions, Books would be provided to the candidates to support the learning process. It may be clearly understood that valuation is a high ended and practical area of technical expertise and is continuously evolving in the ever changing economic scenario. No



reference book or back ground material can provide such comprehensive practical knowledge which would be inculcated in the participants through the expert faculty, group based learning, interaction amongst participants, live case study.

16. Whether a Certificate will be given on completion of the Course?

On successful completion of the Course, a certificate will be awarded to the participants.

17. Who will be the faculty for this course?

Eminent Chartered Accountants and other professionals in practice and industry, eminent academicians from IIT, Universities and top management institutions including IIMs will be invited to lecture and interact with the participants.

18. Is a senior member of the profession having expertise in valuation, exempted from the Classes?

Very senior members of the profession who have already established their excellence in valuation exercise may send copies of at least 10 valuations

(Without disclosing the identity of clients/entities) of good quality to the Evaluation

Directorate, who may, at its discretion, fully or partially exempt them from classroom study. The decision of Evaluation Directorate shall be final in this regard.

19. How this course will help the candidates?

Members completing the course will immensely be benefited out of the course, while implementing fair value concept in forming an opinion on financial accounts under IFRS. This course will provide an in-depth and comprehensive knowledge of theoretical as well as practical aspects of valuation at national and international level.



20. Key areas of Valuation

Mentioned herein are certain key areas where valuation plays a key role and qualified valuers who undergo this course are expected to act as experts for issuing an independent valuation report. Members in the industry can utilize these technique for internal decision making.

- i) Sell-side and buy-side mandate
- ii) Going public-IPO
- iii) Going private- LBO and MBO
- iv) Corporate restructuring and turnaround
- v) Secured lending including project finance
- vi) Securitization
- vii) Implementation of Basel II
- viii) Financial Derivatives
- ix) Portfolio management- Mutual fund, Hedge funds and professional investors
- x) Long term and medium term investment decisions- M&A, takeovers, strategic investments, financial investment including exit (disinvestment) valuation, capital budgeting, private equity investment, venture capital investments, buyback of shares and others
- xi) Profit and dividend distribution decision.
- xii) Borrowing decisions
- xiii) Financial risk management decisions
- xiv) Court case related valuation
- xv) Tax related valuation
- xvi) Development projects valuation
- xvii) Intangibles
- xviii) Financial reporting valuation
- xix) Equity research area
- xx) Insurance product valuation
- xxi) Estate and personal financial planning
- xxii) Corporate planning
- xxiii) Property valuation
- xxiv) Value based performance measurement
- xxv) Credit rating

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
CERTIFICATE COURSE ON VALUATION



Registration Form

Affix recent
passport sized
photograph

1) Full Name in block letters (as per Institute records)

First Name	<input type="text"/>
Middle Name	<input type="text"/>
Surname	<input type="text"/>

Father's/Husband's Name:

2) Gender (put ✓ mark)

Male	<input type="checkbox"/>	Female	<input type="checkbox"/>
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3) Member Details:

a) Membership Number

b) Membership status (put ✓ mark)

ACA	<input type="checkbox"/>	FCA	<input type="checkbox"/>
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c) Practice/Industry/others d) Any other Qualifications

4) Professional Details:

a) Designation

b) Organization

c) Address

d) Nature of Duties

e) Experience in Valuation



5) Address for Correspondence

a) House Number	<input type="text"/>
b) Street / Road	<input type="text"/>
c) Area	<input type="text"/>
d) City / Town	<input type="text"/>
e) PIN code	<input type="text"/>
f) State	<input type="text"/>

6) Centre opted: New Delhi/Mumbai/Chennai/Kolkata/Kanpur/Hyderabad/pune/
Bangalore/Coimbatore/ Ahmedabad
(Please give the Option)

7) Phone No. with STD code Mobile no.

8) e-mail address--- Official
Personal

Date:

Place:

(Signature of the applicant)

Note :

1. Fees Structure : Rs. 25000 for Delhi, Mumbai Chennai and Kolkata. Rs 20,000 for other cities (Including the fees/price for reference book first evaluation fee, lunch, tea, snacks etc.) for the complete course.
2. Enclose One Passport Sized Photograph.
3. Enclose self attested photocopy of the Institute I-card or Membership letter or Membership Certificate.
4. Fees to be paid on the spot in the name of The Secretary, The Institute of Chartered Accountants of India payable by cheque payable at par or by demand draft on the starting of the course at the venue.



Acknowledgment

(for office use only)

We acknowledge the receipt of the Registration Form for the Certificate Course on

Valuation from Mr. / Ms.....

on...../...../20--- longwith the Demand Draft/Pay Order

no.....for Rupees.....

Date:

Place:

Nodal Officer
Certificate Course on Valuation



