Divya Jyoti Valuers Foundation

Analysis of valuation reports for the period Oct.2021 to March 2022

Asset Class: Plant & Machinery

While analyzing valuation reports following observations/suggestions are revealed:

1. Though date of appointment and date of valuation is mentioned, report date is missing.
2. In identification of valuer, the COP no. and its validity should be mentioned. It was found missing in report analyzed by us.
3. Caveats and disclaimers must be as per IBBI suggested list. In the case analyzed by us, the valuer has disowned his legal responsibility for losses. This disclaimer should have been avoided by the valuer.
4. Detailed explanations is required for approaches/methods adopted.
5. Depreciation must be taken as per company law for accounting purposes.
6. The liquidation value mentioned is only in figures. It should be both in figures and words.

Asset Class: Land & Building

1. Back ground of the asset is mentioned. It should be in more detail.
2. Purpose of valuation & appointing authority is properly mentioned.
3. Identity of valuer is mentioned, however COP no. is given but validity of cop is not mentioned.
4. Discloser regarding conflict of interest is mentioned properly.
5. All three dates viz appointment date, valuation date and report date are mentioned in the report.
6. The details of Inspection undertaken is mentioned.
7. The proper details of procedure adopted and valuation standard followed is mentioned.
8. The valuer has selectively use caveats and disclaimers which is in order.
Asset Class: Securities or Financial Assets

1. COP no and its validity is not mentioned.
2. The valuer has qualified his report with limitation, limiting his liability to the extent of fees paid to him. This is not in order and not as per the guidelines on caveats, limitation and disclosures of IBBI.
3. The scope of work has not been defined in detail. A good description of scope gives a clarity to reader/user of report about the boundary in which the valuer has performed his duties. Purpose of work and Scope of work are interchangeable where as both are different.
4. Assumptions, Bases of Value and Premise must be discussed. The valuer has concluded his report and provided executive summary/ conclusion. The only point to mention here is that the value apart from figure should be mentioned in words which was missing
5. All the three dates (Date of Appointment, Date of Valuation and Date of Signing the report) was properly mentioned in the report in all the reports. We also observed that there was reasonable gap as well between them.
6. Disclosure of non interest/conflict of interest: The valuer has properly disclose about his non interest/relation with client.

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