

## Greetings!!!

Credible valuations are vital to the efficient working of the capital markets, businesses, government and all its stakeholders. With emergent shareholder's activism, importance of independent valuations is arising all over the world including India. Business/Asset valuation is critical for strategic business decisions including Fund Raising, M&A, Sale/Liquidation of businesses, Strategic business decisions like Family or Shareholders disputes, Voluntary value assessment or may be just to comply with certain regulatory or accounting requirements in India under RBI, Income Tax, Companies Act, SEBI Laws etc. Better Corporate Governance is also leading to requirement of Independent Business Valuations. Different Regulators in India have prescribed different valuation methodologies for different purposes. More recently, a few regulators have prescribed Fair Value methodology to be computed as per internationally accepted valuation guidelines. However in most of the cases, there is neither any guidance on the basis for selection of a particular methodology nor much of details on its manner of application including its technical nitty-gritty.

## Companies Act 2013, Sec. 247 (Registered Valuers)

The Companies Act 2013 is one of the landmark legislations enacted in recent years to bring forth transparency, ease of doing business and protecting minority shareholders. Section 247 of the Companies Act, 2013 contains provisions exclusively regarding registered valuers. Effective valuation will not only help in eliminating doubts relating to arbitrary valuation and window dressing but will also act as an assurance to the concerned stakeholders and regulators regarding the authenticity of the valuation of the asset or liability under consideration and consequently helps in ease of doing business.

A Cost Accountant is now recognised as a 'Registered Valuer' under the new valuation rules issued by the Corporate Affairs Ministry (under section 247 read with sections 458, 459 and 469 of the Companies Act, 2013 (18 of 2013). The notification of these rules -- Companies (Registered Valuers and Valuation) Rules 2017 is expected to bring clarity regarding various aspects of valuation and registered valuers and has major impact on industry, professionals, stakeholders and the government as well.

Introduction of valuation standards will ensure that

the valuation reports disclose a true, fair and complete view and result in greater objectivity in valuation procedures. The increased transparency and fairness in the valuation system would also boost stakeholders' confidence alongside improving government revenues by way of plugging of loopholes in valuation.

The requirement of registered valuers will definitely enhance professional opportunities for both the Cost Accountants and other professionals as well. Cost Accountant being recognised as a valuer presents enormous opportunity to practising members of the Institute to exhibit their expertise and knowledge in this field acquired over time.

This year, India has leapfrogged into the 100th rank in the World Bank's Ease of Doing Business rankings, jumping 30 notches from last year, in an endorsement of the string of reforms implemented by the government that lead to better business conditions. India is the only large country this year to have achieved such a significant shift. Moreover, with implementation of a series of reforms including enactment of Insolvency and Bankruptcy Code (IBC), India has climbed to 4th position in protecting interest of minority investors and in "resolving insolvency" parameters. To facilitate the Government to boost up the ranking in the forthcoming years, CMAs can act as a registered valuer of properties and assets of liquidation estate under the Code and Regulations being framed under Insolvency and Bankruptcy Code (IBC)-2016.

This issue presents a good number of articles on the cover story theme 'Registered Valuers and Valuation' by distinguished experts and authors. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at [editor@icmai.in](mailto:editor@icmai.in). We thank all the contributors to this important issue and hope our readers enjoy the articles.

