

# IICA Valuation Certificate Programme - Batch III

First Campus Immersion | September 16-21, 2023

School of Finance, IICA successfully conducted first campus immersion of IICA Valuation Certificate Programme Batch III from September 16-21, 2023. Total 31 participants attended the programme along with others who joined virtually.



The main objective of campus immersion was to develop competencies in handling practical valuation cases and get networking opportunities with participants and experts. The session plan was designed with industry perspective and covered the practical nuances of valuation. Total 20 sessions were delivered by domain experts from industry and participants were exposed to case studies on advance financial modelling, discount and premium, income approach and market approach as detailed below.

**Financial Modelling:** Financial modelling is very crucial and important representation to anticipate the company's future financial performance. *Mr Vikas Gangwal, (Financial Modelling & Valuation expert)*, discussed about various financial modelling phases with participants. Professionals and executives may use the financial modelling to estimate and forecast the valuation of any business or asset. Total 16 sessions (*12 sessions online and 04 sessions during campus immersion*) were conducted on Financial Modelling. Participants were exposed to comprehensive case study comprises of revenue cost, working capital modelling, capex phasing & depreciation modelling, equity financing & debt modelling, integrated financial statements & ratio analysis, creating dashboards & outputs, discounted cash flow working in financial model & valuation functions and financial model auditing.

**Discount and Premium:** FCA Rajiv Singh, (*renowned Valuation expert*) delivered 12 session (*06 sessions online and 06 sessions during campus immersion*) on Discount and Premium. He covered topics in detail like Types of Discounts & Premiums (D&P), Bases of Value (BOV) and D&P, Levels of value and D&P, Blockage Discount, Key Person Discount, ESOPs and Discounts and Premiums, Holding Company Discount or Conglomerate discount or Diversification discount, Quantification of D&P and Common errors in D&P. He also conducted comprehensive case studies on Quantification of D&P using Black Scholes Option Pricing Model, Chaffe Model, Long Staff, Finnerty Model and Ghaidarov Model. During session, he demonstrated option pricing model using macro in excel.

**Behavioural Finance:** FCA Rajiv Singh delivered two sessions on Behavioural Finance. He discussed the importance of Behavioural Finance with respect to investors perspective. He discussed the topics in detail like Hyper-Rationality, Heuristics, Mathematical Maximizers, Artificially Conceived Species-Homo Economicus which affects the behavior of investors. He discussed how information perception is aligned to information processing and decision making. He has also covered the topics like Herding- Emotional Bias with the help of case studies such as “The Dot Com Bubble”, Anchoring Bias, Confirmation Bias, Regency Bias, Ambiguity Aversion, Myopic Loss Aversion, Framing Bias, Cognitive bias.



**Income Approach:** There are three approaches to value an asset or business in valuation namely; income, market and cost approach. All these approaches are used in accordance with the requirement of particular asset or business. Mr Aviral Jain, (*Managing Director, Valuation Advisory Services, Kroll India*), covered the Income approach which is most widely used method in the industry. School of Finance, IICA conducted 10 sessions (*07 sessions online and 03 sessions during campus immersion*) on Income approach. Participants were exposed to various steps in income approach in detail like estimation of future cash flows, discount cash flows to present value, estimate terminal value of cash flows and combine present value of terminal cash flows with the discrete projection period. Most importantly, three primary methods of income approaches were discussed namely; discounted cash flow method, capitalized cash flow method and excess cash flow method along with live case studies demonstrated in excel.

**Market Approach:** Market Approach is one of the important technique of Valuation. CA Arpit Thakkar, (*Partner at Grant Thornton Bharat LLP*), covered the Market approach and methods in detail. He discussed about the market approach which consists of market price method, comparable companies method, comparable transaction method and price of recent of investments. Total 13 sessions were conducted (*10 sessions online and 03 sessions during campus immersion*) on Market approach. Mr Arpit Thakker also covered 4-5 caselets during online sessions and also covered one comprehensive case study of more than three hours during campus immersion.

**Value Enhancement through Health & Well Being:** In today's business world, professionals or employees health and wellbeing is a key focus area. In this regard, School of Finance, IICA conducted one session on value enhancement through health and well being. Dr Shriyoti interacted with participants and apprised the importance of holistic and healthy lifestyle in the current pressure-driven environment. He also discussed about how to improve personal and professional life style through yoga, meditation and diet which will impact on the work productivity and engagements.

During valedictory session of first campus immersion, Shri Praveen Kumar (**DG & CEO, IICA**) interacted with participants and motivated them for their future endeavour. Dr Naveen Sirohi (**Course Director**) emphasized on holistic approach of the course and importance of valuation in current economic scenario.

