

VALUING YOUR INVALUABLES



- | VALUATION
- | INSURANCE ADVISORY
- | ADVISORY SERVICES
- | CORPORATE FINANCE & DEALS



ABOUT US

RakeshNarula& Co. and RNC Valuecon LLP collectively known as RNC, is a well-known and respected name in providing techno commercial services such as Valuation consulting & allied services, Insurance Survey & Loss assessment and Insurance Advisory services and Corporate Finance & Deal Advisory.

RNC Valuecon LLP is a Registered Valuer Entity (RVE) with the Insolvency Bankruptcy Board of India (IBBI) for all three asset classes, viz. Plant and Machinery, Land and Building and Securities or Financial assets.

Mr.RakeshNarula is accredited as IRDA Licensed Category 'A' Insurance Surveyor and Loss Assessor, which is the top most category of Insurance Surveyors and Loss Assessors in the country, as well as a member of RICS (Royal Institute of Chartered Surveyors, UK). By the virtue of being a member RICS, RNC's reports are accepted in over 150 countries across of the world.

RNC combines strategic knowledge with complete technical and financial capabilities, while our focus on global

best practice and leading-edge thinking ensures we consistently deliver reliable advisory services such as Techno Economic Viability Studies, Independent Engineer Services, Technical & Financial Due Diligence, Chartered Engineer services, etc.

RNC assists clients in sourcing of funds, management of capital structure of organisations and M&A activities aimed at providing support to the decision makers and maximising value for its shareholders.

RNC's clients include publicly traded and privately held companies, Banks, Insurance companies, Audit firms, Law firms, Insurance advisors, Government entities & Investment organizations, etc.

RNC has a large multi-disciplinary team comprising of Valuers, Insurance Surveyors & Loss assessors, Engineers and experts from various disciplines, Chartered Accountants, Management specialists, etc to provide our clients with seamless techno-commercial services.



VISION



To be the best service provider admired for Excellence, Reliability and Thought Leadership.



MISSION



To deliver world class professional services as per the global best practices, setting high quality and service standards for ourselves and the Industry.



PHILOSOPHY



Our company follows a Win-Win-Win philosophy in which the Customer, Team member as well as the business Owner wins!



OUR SERVICES



VALUATION



INSURANCE ADVISORY



ADVISORY SERVICES



CORPORATE FINANCE
& DEALS

VALUATION



The worth of any business or asset is derived from its value. Valuation forms the very basis for business and transaction decisions as well as for regulatory and compliance purposes.

RNC team has a full spectrum of Technical and Financial Experts comprising multi-disciplinary Engineers, Chartered Accountants, Cost Accountants, Management specialists and Sectoral Experts.

RNC has a vast & rich experience of over three decades in providing valuation services from Start-ups to large conglomerates, in sectors like Metal, Mining, Power, EPC & Infrastructure, Chemicals and Fertilizers, Engineering, Real Estate, Cement, Construction, Consumer Goods, Hospitality, Automobile, Logistics, Petrochemical, Oil & Gas, Pharmaceutical, Telecom, Information Technology & Electronics, Textile, etc.

RNC is a preferred service provider for Banks and Financial Institutions, Accounting firms, Insolvency Resolution Professionals, Insurance Companies and Insurance Broking firms, PE/VC funds, M&A advisors, Law firms, Public Sector Undertakings and other Private organisations.

By the virtue of being a member of RICS (Royal Institute of Chartered Surveyors), RNC has provided valuation services to entities in over Twenty countries across the world.

RNC carries out the valuations as per accepted National & International Valuation Standards and Global best practices and offers prompt, fair, reliable, insightful and accurate solutions to its clients.

RNC carries out Valuations for various purposes such as

1. Insolvency and Bankruptcy
2. Banking & Lending
3. Fund Raising
4. Insurance
5. Mergers and Acquisitions
6. Purchase Price Allocations
7. Financial Reporting under IndAS and IFRS
8. Impairment study
9. Taxation
10. Regulatory
11. Disinvestment
12. Amalgamation / Reorganization
13. Transfer Pricing
14. Fairness Opinions
15. IPO and Commercial Papers
16. Management Review / Strategic Decisions
17. Debt Restructuring
18. Litigation and Dispute Resolution
19. Asset retirement & Disposal
20. Portfolio Valuation

VALUATION UNDER INSOLVENCY & BANKRUPTCY CODE, 2016



RNC has been a frontrunner in Valuation of the companies admitted by NCLT as per the Insolvency & Bankruptcy Code, 2016. The subject of Insolvency proceedings is inherently technical and is subjected to constant refinement through new legislations, rules and regulations made by Governments or through court decisions. The professionals at RNC are abreast of all the developments in this domain and provide specialist services to all its clients by adopting methods of value computation in accordance with internationally accepted valuation standards.

Valuation of assets, being an integral process for insolvency proceedings, an independent assessment of the Fair and Liquidation Value is essential to provide an accurate base for strategic review by insolvency professionals, creditors and other stakeholders.

Valuations carried out particularly for Insolvency proceedings require in-depth domain knowledge and expertise. The quality of the valuation report and the expertise of the Valuer becomes extremely important to provide the correct valuation advice to the stakeholders for the Insolvency proceedings.

RNC Valuecon LLP is a Registered Valuer Entity (RVE) with the Insolvency Bankruptcy Board of India (IBBI) for all three asset classes, viz. Plant and Machinery, Land and Building and Securities or Financial assets.

RNC Advantage

- Our RVE being registered across all three asset classes, we thereby provide a single window facility for all valuation requirements of the stakeholders.
- Our large and experienced team duly supported by a panel of senior and experienced domain experts enables the timely completion of mandates.
- We have been a frontrunner in Valuation for the cases admitted by NCLT right from the RBI's first list of large 12 cases and subsequent 40 cases to other large and complex cases for various processes like Corporate Insolvency Resolution Process, Corporate Liquidation Process, Pre-Packaged Insolvency Resolution Process, Group Insolvency, keeping abreast with all amendments to the Code.



VALUATION FOR INSURANCE PURPOSES

Sum insured is an extremely important aspect of a contract of Insurance. Companies suffer substantial financial losses on account of under insurance. Under insurance becomes apparent only at the time of claim settlement. Insurance can provide full protection only when the sum insured is adequate at inception, during the period of policy and at renewals. Adequacy of the sum insured is important to protect the interest of the stakeholders in the insured entity.

RNC has been carrying out assessment of major losses in the country for the past three decades. RNC has been a preferred service provider by Insurance Companies, Insurance Brokers, Banks and Corporate houses to carry out the Valuation for Insurance Purpose.

RNC's diverse and in-depth knowledge, long experience and expertise of both – Insurance and Valuation – enables RNC to provide accurate and precise valuations for Insurance purpose.

By adopting scientific methods of valuations, RNC provides accurate valuations to ensure that the client's assets are neither under insured, so that the client doesn't face a deduction at the time of the claim, nor are they over insured so as to add an unnecessary burden of the additional premium for the increased sum insured for the company's assets.



BUSINESS VALUATION

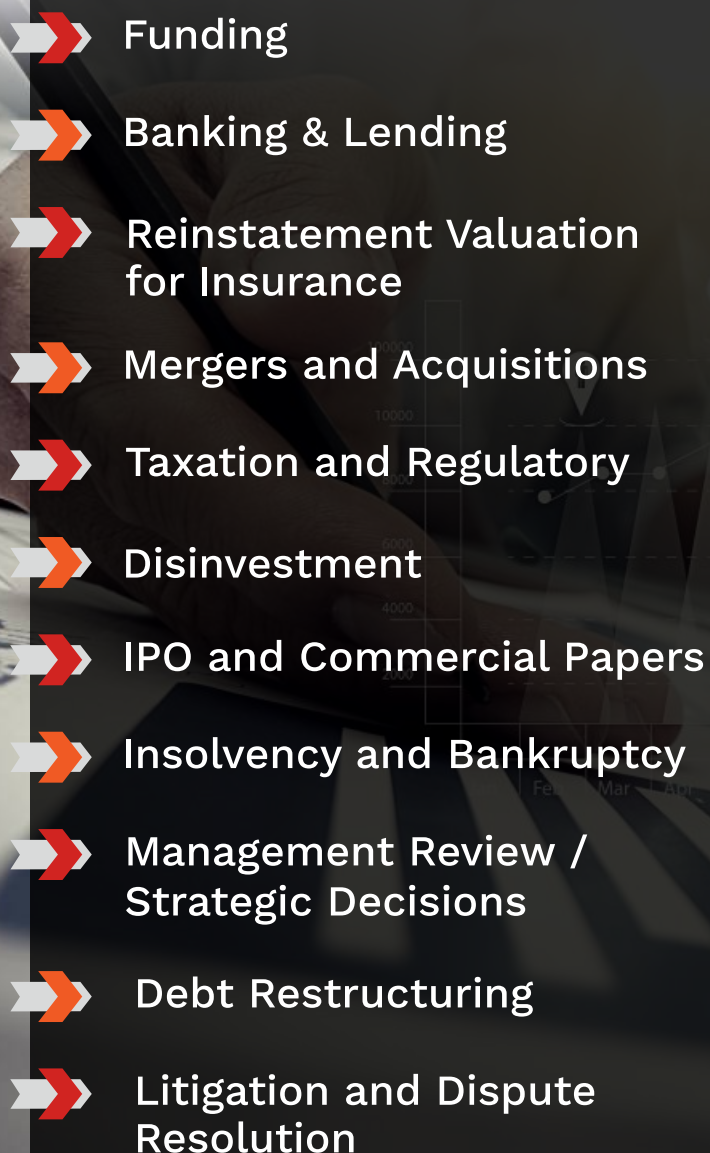
Business valuation is the process of determining the economic value of a company. The valuation of a business is used by various stake-holders or interested parties including investors, creditors, sellers, and buyers evaluating a company.

Accurately estimating value is both an art and a science. We at RNC have well qualified and experienced people who understand the art and science of Business valuations. We consider Asset-based approach, earning potential approach and Market value approach while forming our opinion on business valuation.

RNC has the experience and expertise of valuing companies across the business cycles encompassing Start-ups, Growth stage and Special situations.

RNC has vast experience in providing services for valuation of Businesses in sectors like Technology, Fintech, EduTech, E-Commerce, Metal, Mining, Power, EPC & Infrastructure, Chemicals and Fertilizers, Engineering, Real Estate, Cement, Construction, Consumer Goods, Hospitality, Automobile, Logistics, Petrochemical, Oil & Gas, Pharmaceutical, Telecom, Electronics, Textile, etc.

Business Valuation may be used for the following purposes

- 
- ➔ Funding
 - ➔ Banking & Lending
 - ➔ Reinstatement Valuation for Insurance
 - ➔ Mergers and Acquisitions
 - ➔ Taxation and Regulatory
 - ➔ Disinvestment
 - ➔ IPO and Commercial Papers
 - ➔ Insolvency and Bankruptcy
 - ➔ Management Review / Strategic Decisions
 - ➔ Debt Restructuring
 - ➔ Litigation and Dispute Resolution



VALUATION OF BRANDS, GOODWILL & INTANGIBLE ASSETS

The past decade has witnessed a dramatic shift in the sources of value creation from tangible assets (such as property, plant, equipment and inventory) to intangible assets (such as human capital, patents, business systems, pre-qualifications and brands). This is reflected in the growing divergence between the net asset value of companies and their market capitalisation. Intangible assets have become more important to businesses operating in a wide variety of industries. This, in turn, has put a premium on being able to come up with credible ways to value brands.

We believe that it is useful to identify four broad categories of intangible assets that support the superior market performance of businesses:

Knowledge Intangibles

Patents, Software, Recipes, know-how, information databases etc.



Business Process Intangibles

Business models, manufacturing techniques and supply chain management.



Market Position Intangibles

listings and contracts, distribution rights, licences, government permits and authorisations and raw materials sourcing contracts.



Brand And Relationship Intangibles

Brand names, trademarks and trade symbols, domain names, design rights, trade dress, packaging, copyrights, etc.



VALUATION OF PLANT & EQUIPMENT

Valuation of Plant and Equipment requires in-depth knowledge of machinery and manufacturing processes. This exercise encounters several variables - some of which are generic but most are specific to the assets. Type of plant and Equipment differs from industry to industry and also depends on the product being manufactured. Specific utility of plant and Equipment and its design & applicability to production of intended goods & services, contribute in determining the value of such assets.

Maintenance practices adopted, usefulness, salvage value, cost of import, exchange rate, obsolescence, elapsed and balance life of equipment are factors which influence the Value of the assets.

RNC has a strong techno commercial team comprising of engineers from various disciplines such as Civil, Mechanical, Chemical, Textile, Mechatronics, Electrical, Electronics, etc and Chartered Accountants & Cost Accounts.

RNC has vast experience in providing services for valuation of Plant & Equipment in sectors like Metal, Mining, Power, EPC & Infrastructure, Chemicals and Fertilizers, Engineering, Real Estate, Cement, Construction, Consumer Goods, Hospitality, Automobile, Logistics, Petrochemical, Oil & Gas, Pharmaceutical, Telecom, Information Technology & Electronics, Textile, etc.

Plant & Equipment valuation may be used for the following purposes

- Insolvency and Bankruptcy
- Banking & Lending
- Reinstatement Valuation for Insurance
- Mergers and Acquisitions
- Purchase Price Allocations
- Financial Reporting under IndAS and IFRS
- Impairment study
- Taxation and Regulatory
- Disinvestment
- Transfer Pricing
- Fairness Opinions
- IPO and Commercial Papers
- Management Review / Strategic Decisions
- Debt Restructuring
- Cost Vetting
- Litigation and Dispute Resolution
- Asset retirement & Disposal



VALUATION OF REAL ESTATE

Real estate or Property forms a large part of all investments, businesses, loans and lending activity of most of the economies. Owners of property vary from individuals, families, communities, governments, manufacturing businesses, service industries, investors, etc. Banks and lenders have a large part of their loan portfolios comprising of real estate/property.

Characteristics of properties are varied and so are the valuation needs of each type of owner or stake-holder. Valuers require a deep understanding of the valuation methods and principles for valuation of property.

We offer a wide range of advisory services to customers, we support them in making exemplary real estate decisions by providing them a thorough understanding of the asset, market research, expert advice, and more.

We have been at the forefront of the valuation of Real Estate Investment Trusts (REIT's) by carrying out the valuation of one of the first REITs in India, for Purchase Price Allocation purpose.

Real Estate valuation may be used for the following purposes

- Banking & Lending
- Mergers and Acquisitions
- Purchase Price Allocations
- Financial Reporting under IndAS and IFRS
- Reinstatement Valuation for Insurance
- Impairment study
- Taxation and Regulatory
- Disinvestment
- Fairness Opinions
- Insolvency and Bankruptcy
- IPO and Commercial Papers
- Management Review / Strategic Decisions
- Debt Restructuring
- Cost Vetting
- Litigation and Dispute Resolution
- Asset retirement & Disposal

Additionally, RNC also provides the following services

- Buy side / Sell side Transaction advisory for properties
- Feasibility & Viability Studies for real estate projects
- Highest & Best Use Studies
- Market Research & Analysis of Potential Construction Sites
- Property identification for lease, Lease rental determination, Documentation drafting and negotiation

VALUATION OF FINANCIAL SECURITIES, INSTRUMENTS, & DERIVATIVES



Financial Instruments are contracts for monetary assets that can be purchased, traded, created, modified or settled. There are typically three types of Financial Instruments, cash instruments, derivative instruments and foreign exchange instruments.

Valuation includes determining the Fair Value of equity instruments, debt instruments, derivatives (option and future contracts) and embedded derivatives (convertible bonds / preference shares). Financial Instruments may require valuation for commercial, financial reporting, Tax or regulatory purposes.

RNC has deep experience with the full range of equity and derivative valuation techniques as per guidance given under IND AS 109, Debt instruments as per Fixed Income Money Market and Derivatives Association of India (FIMMDA) guidelines, including:

Closed form Black-Scholes model;

Binomial lattice models, customised to capture key features such as early exercise option;

Monte Carlo simulations, incorporating performance and/or market conditions and other complexities in the analysis;

Back Solve Models to derive the value of common stock benchmarking with the pricing of Preferred stock

Option Pricing Models to value Derivatives.

We can help you in

- Equity Instruments valuations
- Debenture valuations of Non-convertible (NCD's) Optionally Convertible (OCD's); Fully Convertible (FCD's)
- Options, Warrants, Grants and Rights and other derivatives valuations
- Hybrid Instruments valuation
- Financial Liabilities valuation
- Preferred stock for tax and financial reporting purposes valuation
- Credit derivatives such as CDS contracts and swap options valuation
- Valuation of Corporate guarantees

VALUATION FOR MERGERS & ACQUISITIONS

Valuation of assets is an integral & important exercise for pre-acquisition due diligence as well as purchase price allocation post-merger & acquisition.

RNC provides valuation advisory services to PE / VC Funds, merchant bankers, corporates, deal advisors and other interested entities on the valuation of the assets and businesses which are part merger or acquisition.

In an event of a Merger or Acquisition, the Acquirer company purchases the stake in the Target company by paying a consideration. This purchase price needs to be allocated to Tangible & Intangible assets. Hence, there is a need to estimate the fair value of the tangible assets. The excess of the purchase price paid over the Fair Value of the tangible assets is the intangible assets or goodwill that is acquired through the transaction.

RNC has an in-depth understanding of Business Combinations and the valuations required for it as per the requirements of the Companies Act, SEBI Regulations and FEMA enabling us to offer practical insights into key issues of concerns of the clients, auditors and regulators.

In case of valuation for amalgamation, the emphasis is on arriving at the “relative” values of the shares of the transferor and transferee companies to facilitate determination of the “Equity Share Swap ratio”.

Ind AS, US GAAP (Generally accepted accounting principles) as well as IFRS (International Financial Reporting Standards) requires the purchase price allocation (PPA) to be carried out for all M&A deals.

PPA gives clarity to the stakeholders about the deal in the form of appropriate reporting of the Fair Value of assets into the books of accounts.

RNC has been a part of complex and technically challenging high value transactions and has carried out valuations for numerous cross border transactions across the globe namely Africa, America, Europe, South East Asia & Middle East. RNC has been a preferred partner for valuation of assets for Multinational firms having business interests in India and Indian Multinationals having business interests across the globe.



VALUATION FOR IMPAIRMENT TESTING

Various accounting and reporting standards stipulate that an entity should ensure that its assets are carried at no more than their recoverable amount. To comply with this stipulation valuation for impairment testing has to be carried out as per applicable standards. Impairment testing is also a desirable tool to maintain the confidence of investors and other stake holders in a business.

Impairment testing calls for across the board expertise to test the impairment of Goodwill, Brand value, other intangible assets as well as tangible assets.

Impairment Analysis provides re-measurement of tangible assets, intangible assets or goodwill pursuant to the financial reporting requirement under Ind AS, IFRS or US GAAP.

RNC, with its extensive knowledge and globally-recognized valuation methods, has carried out numerous complex and challenging assignments for Impairment Testing.



VALUATION OF STOCKS & INVENTORY

These assets fall in the broad category of Securities and Financial Assets. Valuation of these assets is required for compliance with accounting standards, providing comfort to creditors and other purposes like mergers and acquisitions, sale or liquidation of assets or business.

Following are typical assets included in Stocks & Inventory

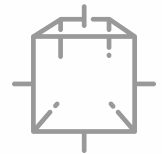
01 Inputs like Raw material, Fuel, stores and spares



02 Finished goods, Stocks for sale, By-products, Scarps, Rejects & Wastes, etc.



03 Work In Progress – Comprising of Under construction units for Real Estate, Goods under manufacturing, Semi-finished goods, etc.



RNC has executed several complex and challenging assignments covering diverse industries like Pharmaceutical, Engineering, Real Estate, EPC & Infrastructure, Ship Building, etc.



VALUATION OF MINES & MINING RIGHTS

Mines and Mining rights fall into the category of both tangible and intangible assets. Valuation of mines and mining rights is called for whenever there is a need for trade, purchase or dispose of mineral properties. An understanding of inherent value is required for valuation of these assets.

The valuation of exploration properties is often considered to be a subjective rather than an objective exercise, significantly influenced by the qualifications and experience of the valuer.

RNC has an in-depth understanding of the valuation of Mines & Minerals and Mining rights. We take cognizance of the contracts, relevant rules and regulations regarding royalties and environment protection obligations along with other factors such as Captive capacity, Extraction capacity, Permission to sell, Quality of deposits, Extraction and Logistics cost, etc. to estimate the value of the Mines and mining rights.



VALUATION FOR FINANCIAL REPORTING, STRATEGIC DECISIONS & MANAGEMENT REVIEW

Financial Reporting

To ensure transparency in financial reporting, most financial reporting standards such as Ind AS (Indian Accounting Standards), US GAAP (Generally accepted accounting principles) as well as IFRS (International Financial Reporting Standards) require Fair Value reporting of the company assets.

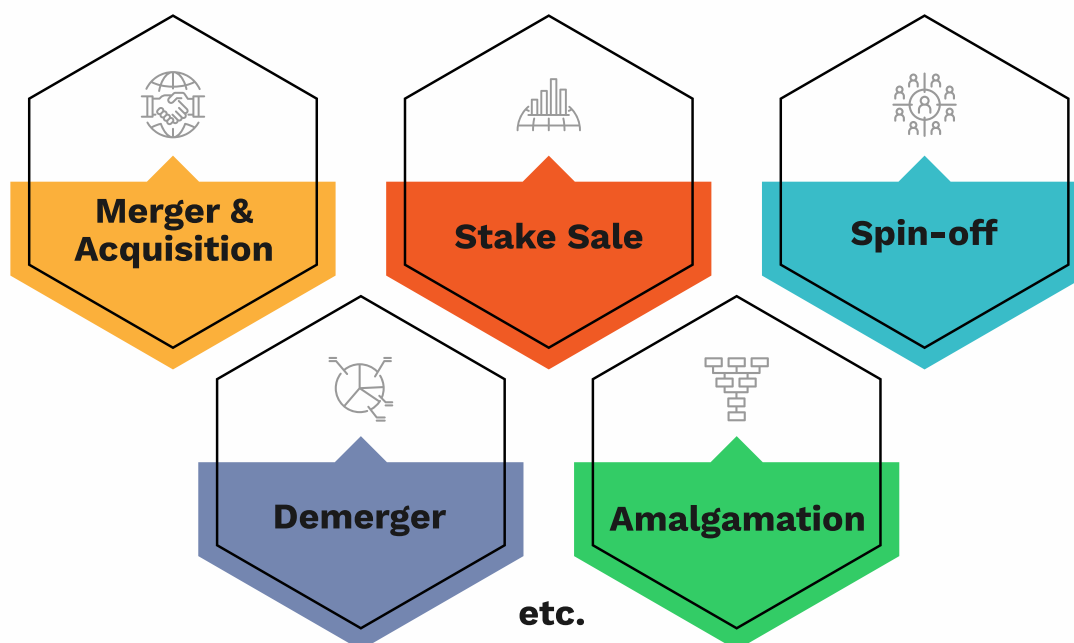
Valuations are increasingly being scrutinized by stakeholders, auditors and regulatory bodies. In many cases, independent fair valuations are required in order to obtain audited financial statements and meet this increasing scrutiny.

RNC's experienced valuation professionals work with Auditors, CFOs & other financial personnel of both publicly traded and privately held companies to ensure compliance with evolving financial reporting valuation standards.

Strategic decisions & Management Review

Prime objective of any business is to create and unlock value for the benefit of the stakeholders.

In the fast-evolving economic climate, companies may explore to go through one or more of the restructuring processes mentioned below:



Any strategic decision involving the above processes requires valuation services of a specialist on whom they can rely.

RNC provides valuation consultancy services to clients and their financial advisors or Auditors, Chartered Accountants, enabling them to make well thought of and calculated decisions, which are in the best interest of the company.

VALUATION FOR LITIGATION & DISPUTE RESOLUTION



Litigation and Dispute resolution of matters can be a daunting task for any organization or Legal firm. Legal disputes pertaining to the value of assets and businesses requires valuations by a specialist since each business and its assets have intrinsic attributes which are distinctive from others which needs to be factored in, for determination of its value.

Valuations carried out particularly for legal purpose require in depth domain knowledge and expertise since it has to stand the scrutiny of the opposing parties and judiciary. Hence, the quality of the valuation report and the expertise of the Valuer become extremely important to provide the correct valuation advice to the client for the legal proceedings.

RNC are domain experts having extensive knowledge and expertise in valuation of assets and businesses. RNC has rendered valuation services to several clients and is a preferred partner for the legal firms and corporates.



VALUATION FOR TRANSFER PRICING

Transfer pricing, is a mechanism adopted by Multinational Enterprises (MNEs) for valuing the goods and services traded with their subsidiaries or Associate Companies situated in different tax jurisdictions. When goods, intangibles and services are transferred across borders within the MNEs, transfer pricing becomes an important issue for both the MNEs as well as for the Income Tax and Customs Authorities.

Transfer Pricing Regulations are applicable to all enterprises that enter into an International Transaction with an Associated Enterprise. The aim is to arrive at the comparable price as available to any unrelated party in open market conditions and is known as the Arm's Length Price.

The transfer pricing procedure can be exhausting and requires a lot of legal, technical, and economic knowledge, which our team at RNC offers to our clients.



VALUATION FOR FAIRNESS OPINION

A fairness opinion is required in M&A Transactions to give an independent objective and financial analysis, as to the fairness of Share exchange ratio / Share entitlement ratio in case of a merger/ amalgamation or purchase consideration payable in case of an acquisition. Fairness opinion is either mandated under regulatory provisions or is undertaken as a good corporate governance practice.

While issuance of a fairness opinions, a professional evaluation is required to ensure that public shareholders or minority shareholder of the transferor and transferee companies are not being prejudiced by the valuation so arrived and that the valuer has applied valuation methods on relative basis. The objective is to eliminate any biasness towards and favour to the Promoters or their associated entities.

In case of Listed Companies, the Fairness Opinion is required on the valuation of assets/equity shares of the listed as well as the unlisted company by the valuers from an independent merchant banker under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RNC can provide independent fairness opinion to the Board of Directors / Management of the companies in connection with their proposed transaction. Our professionals experience includes providing fairness opinion for mergers and acquisitions, amalgamations, demergers and scheme of arrangements (through our associated entity which is a SEBI registered Category I Merchant Banker)



VALUATION FOR BANKING PURPOSE

There has always been a focus on the measurement and analysis of bank loan portfolios. Commercial and consumer loans represent the largest asset on bank's balance sheets, and the application of fair value accounting to bank loan assets has become an important trend in the industry.

Banks and financial institutions get valuations done to get a clear understanding of the collateral value that is being pledged against the loans, enabling them to take lending decisions thereupon. Valuation for banking purpose includes the valuation under various stages of the life cycle of a company such as Borrowing, One-time settlement, Restructuring, Insolvency & Bankruptcy, etc.

RNC has been at the forefront for providing valuation services to Banks, ARCs, Financial institutes and other investors. RNC is empanelled as Government Registered and Approved Valuers with multiple Banks, Financial Institutions, Government and Semi Government bodies, Public Sector Units, Asset Reconstruction Companies, etc., for valuation of Immovable Properties as well as Plant & Machinery.

RNC is a Registered Valuer Entity, registered with Insolvency and Bankruptcy Board of India (IBBI) for all 3 asset classes – Plant & Machinery, Land & Building, Securities or Financial Assets.



VALUATION FOR ASSET RETIREMENT & DISPOSAL PURPOSE

There are various scenarios when an asset needs to be retired, disposed or otherwise written off. Valuation of such assets is required for the actual disposal as well as for updating the accounting records.

Typical scenarios are, when

- An asset is fully depreciated or no longer productive and must be disposed of.
- An asset is no longer useful or needed due to change in product, technology or becomes obsolete for any other reason.
- An asset must be removed from the books due to unforeseen circumstances.



RNC provides valuation services for Retirement and Disposal of assets, enabling the Stakeholders such as Government institutions, Listed and Unlisted entities, Corporates, Banks and Financial Institutions, etc to take informed decisions thereupon.

VALUATION OF ESOP'S AND SWEAT EQUITY

An Employee Stock Option Plan (ESOP) allows a company to award/compensate its employees in form of stock options, based on their performance. With an increased number of ESOP schemes, the requirement of valuations of ESOPs for regulatory, compliance and tax purposes has also increased many folds.

Alongside ESOPs, employees are also being awarded with sweat equity shares. Sweat equity shares are issued by a company to its directors or employees at a discount or for consideration other than cash, for providing their know-how or Intellectual Property.

ESOP valuation is required for accounting purposes for booking compensation loss in Profit and Loss account by a company issuing ESOPs. The ESOP accounting valuation is performed at the date of grant of options and compensation loss is apportioned over the vesting period. Further, the tax impact on the perquisite value of ESOPs needs to be determined at the time of exercise of options. Also, the compensation expenses result in the fall of EPS of the company and the probability of higher tax pay out by employees may turn the ESOP scheme unattractive. Thus, proper planning of ESOP is inevitable and valuation plays a critical role here.

RNC has deep experience with the full range of Option valuation techniques, including:

Equity Valuation (Intrinsic Value)

- Fair Valuation (Option Pricing Models)
 - Closed form solutions such as the Black-Scholes formula
 - Binomial lattice models, customised to capture key features such as early exercise behaviour
- Monte Carlo simulations, incorporating performance and/or market conditions and other complexities in the analysis.
- Valuation for repricing and other award modifications



REGULATORY VALUATIONS

Regulatory Valuations are required under Companies Act, Income Tax Act, FEMA, SEBI Regulations, Insolvency & Bankruptcy Code, IND-AS (Financial Reporting).

Different regulators in India have prescribed different, and at some places even contradictory, valuation requirements to be applied in specific situations. In addition to applicable laws & regulations, more recently, some regulators have also prescribed valuation to be conducted as per internationally accepted valuation guidelines. Some regulators have put in additional requirement of following with international valuation standards. Despite being highly regulated, there are also certain situations wherein t valuation is required but no valuation methodology is prescribed by any regulator or under applicable law and same is left to the judgement of the valuer.

Apart from valuation methodology, the eligibility to perform valuations also varies under different regulations wherein chartered accountants and/or SEBI-registered merchant bankers and w.e.f. 1 February 2019 Registered Valuers can conduct Valuations in India. However, under the applicable provisions of the Companies Act, 2013, The Insolvency and Bankruptcy Code and SEBI ICDR Regulations, 2018 and SEBI (REIT and InvIT) Regulations, 2016 it is mandatory to get the Valuations done from a Registered Valuer only.

Regulatory environment is becoming increasingly complicated and specially M&A Transactions are rigorously scrutinized by Tax and other regulatory authorities in India and worldwide. Many Regulations now stipulate that a valuation is required before implementation of Transaction.

RNC helps companies to navigate this environment of changing laws and regulations by offering skilled expertise for forming strategy and defending valuation positions by working in closely with Companies' Board and Management and their tax and legal advisors to provide valuations services required under various laws and regulations.



We may help you in

- Valuation for issue and transfer of shares and convertible or redeemable instruments of Indian companies under section 56 of the Income Tax Act
- Valuation for determination of Capital Gains tax under section 50CA of the Income Tax Act
- Valuation for Indirect transfer of shares of foreign company where significant business operations lie in India under section 9 of the Income Tax Act
- Valuation of Indian / Foreign Company as per Transfer pricing norms under section 92C of the Income Tax Act
- Valuation for issue of shares and convertible instruments of Indian companies under Companies Act 2013
- Valuation for issue of shares and fully convertible instruments of Indian companies under RBI FDI Regulations
- Valuation for Acquisition / Investment into shares of foreign companies under RBI ODI Regulations
- Valuation M&A under Section 230-232 of the Companies Act for the purposes of Business Combinations
- Purchase Price Allocation in case of Acquisition of Assets for Financial reporting purposes
- Valuation for preferential allotment and Takeover code as per SEBI Regulations
- Valuations under SEBI Alternate Investment Fund Regulations
- Valuation of Sweat Equity Shares
- Valuation for Assets of Corporate Debtor (Liquidation Value and Fair Value) as per Insolvency & Bankruptcy Code
- Valuations for financial reporting purposes under IND AS (Purchase Price Allocation, Fair Value under IND AS 113, Impairment Assessment under IND AS 36, Financial Instruments under IND AS 109, Ind AS 32 and Ind AS 107 etc.)



PORTFOLIO VALUATION

The increased focus on independence and governance along with regulatory changes are forcing a wide range of alternative asset investors and managers, including private equity firms, hedge funds, business development companies, limited partners, corporations and pension and endowment funds to seek objective valuation advice. Independent reviews of fair value policies, procedures and results provide comfort to investors, fund administrators and accounting managers as well as auditors regarding the entity's valuation assessment.

Private equity Investors are required to carry out periodic valuations of Investments as part of their reporting process. International Private Equity and Venture Capital (IPEV) Valuation guidelines represent current best practice, on the valuation of private equity Investments in Debt and Equity instruments and their reporting at 'Fair Value' assisting the Investors to make better informed decisions.

IPEV Valuation Guidelines are applicable to Alternative Investment Funds (seed and start-up venture capital, buyouts, growth/development capital, credit etc.; hereafter collectively referred to as Private Capital Funds) and financial instruments commonly held by such Funds. They also provide a basis for valuing Investments by other entities, including Fund-of-Funds, in such Private Equity Funds.

RNC specializes in assisting clients with the valuation of alternative investments, specifically securities and positions for which there are no "active market" quotations.



INSURANCE ADVISORY



RNC has over three decades of rich experience of providing Insurance Advisory services to Insurance companies, Insurance Brokers and Insureds. RNC has handled various complex, high value and challenging losses spanning across various industries.

The practical approach and experience at RNC is most unique as it extends across multiple sectors of the trade and industry. RNC's experienced team and external sectoral experts work collectively to deliver unprejudiced, equitable and timely solutions to the stakeholders.



INSURANCE SURVEY AND LOSS ASSESSMENT



Mr. Rakesh Narula is accredited as IRDA Licensed Category 'A' Insurance Surveyor and Loss Assessor, which is the top most category of Insurance Surveyors and Loss Assessors in the country.

RNC has carried out innumerable high value Insurance Survey and Loss Assessment assignments encompassing Trade, Industrial Sectors, Equipments and Business Interruptions to the full satisfaction of all the concerned.

RNC team comprises of skilled and experienced multidisciplinary Engineers, Chartered Accountants & Cost Accountants, who ensure speedy, reliable and accurate claim settlements.

The perfect blend of a strong Technical and Financial Team enables RNC to carry out both - Material Damage as well as Business Interruption Losses with an in depth understanding and expertise.

RNC has a panel of Industrial Experts from various industries who have spent most part of their lives in a particular sector. The vast and focused experience and expertise of these associates gives RNC an unmatched advantage.

RNC renders unparalleled Techno Commercial services to facilitate the settlement of insurance claims for various categories such as



Fire



Marine Cargo



Engineering



Motor



Loss of Profit (LOP) / Business Interruption



Miscellaneous

RISK INSPECTION AND MANAGEMENT

A risk assessment is a method used to identify weaknesses which might prevent a business unit from achieving its goals and objectives. Part of the process is to identify the activities of the business unit and determine what could prevent the area from achieving its goals or mission.

Awareness of exposure allows for a better understanding of the risks involved and the manner in which these risks can be mitigated, both, in pre and post incident scenarios

A risk assessment is a process that assigns a score to risk based on impact and probability. Risk assessments can be performed on a single function within a major function, or they can be performed on a major function within a larger division.

Risk Inspection Covers



Fire Hazards



Electrical Hazards



Process Related Hazards



Machine and Material Handling Hazards



Storage & Warehousing



Probable Maximum Loss Estimation



**Prevention and Risk Mitigation
Preparedness Against Natural Calamities**



INSURANCE POLICY AUDIT

RNC has over three decades of rich experience of providing Insurance Advisory services to Insurance companies, Insurance Brokers and Insured parties. RNC has handled various complex, high value and challenging losses spanning across various industries.

Insurance Policy Audit is a preventive exercise and a risk mitigating technique which require the expertise of an insurance domain specialist. By the virtue of our experience of over three decades of Insurance survey and Loss assessment and Insurance policy reviewing and being well abreast with the latest Insurance policy warranties & wordings and Add-on covers, we are well positioned to provide Insurance Policy audit services to our clients.



INSURANCE CLAIM CONSULTANCY

Insurance Planning Study

An insurance planning study is required by all organizations to review their Risk Management strategies and then avail insurance covers etc.

An unbiased study by a third party help us in identifying & measuring risk as well as can save on insurance cost. The same study would be a helpful tool while negotiating for premium.

The scope of the study will include the following:

Review of existing risk control measures and offering comments

Identification of all major internal and external pure risks including the natural risks and analysis of the impact of above risks

Rationalization of basic rate of premium and widening of covers

Application of suitable clauses, warranties and conditions

Identification of possible areas for refund of premium and suggestions regarding procedure for the same

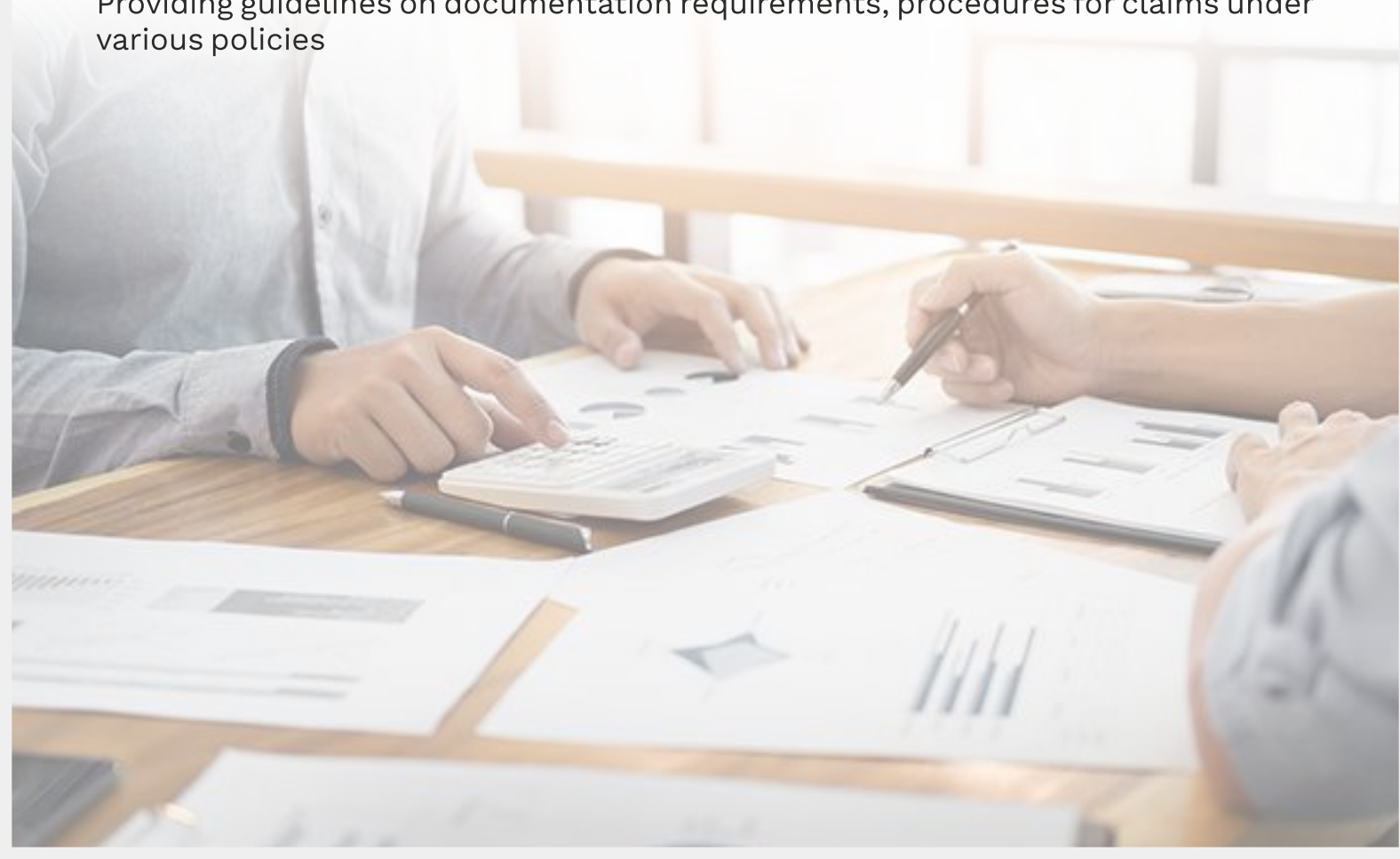
Applicability / eligibility of discounts in premium

Selection of insurance coverage on the basis of risk analysis

Providing guidelines for fixation of sum insured and illustrate the same on a selected equipment

Evaluation of business interruption exposure due to identified risks

Providing guidelines on documentation requirements, procedures for claims under various policies



While scouting various insurance providers and policies, a business must be aware of its insurance needs to make necessary plans. RNC helps in devising the perfect insurance plan that overlooks the various characteristics of availing insurance covers accordingly.

RNC aims to study the various insurance-yielding sectors of a business to reassess all the pre-existing risk control measures and management. Studying and reassessing helps formulate the perfect insurance claim policy for each client's requirements and financial background.

An insurance consultant protects you from fraud and questionable insurance methods. RNC makes sure that its clients are equipped with the proper knowledge regarding their choices in insurance claim policies and features. We deliver guidelines and instructions paired with appropriate documentation to select the insurance policy and claim amount the client desires to claim over some time.

RNC also helps identify risks and shortcomings in their clients' financial records, including natural risks concerning past debts and mergers. All these details are summarised in the report prepared by RNC's team of financial experts and accountants.

Apart from the aforementioned tasks, RNC is also urged to carry out a few instructions and actions that further solidify their client's insurance expectations.

- RNC connects you with an expert panel of surveyors and lawyers. They could also help through the IRDA and legal system if need be.
- Manage and plan communication with all stakeholders, lawyers, insurers, and surveyors on their client's behalf

With the demanding need to acquire insurance policies and safety, businesses are compelled to look into the insurance industry with no prior knowledge of the latest trends in the market. Here is where RNC can help. RNC's teams of financial experts, chartered accountants, and engineers work towards providing their clients and partners with the most suitable insurance partnerships and policies.



PROJECT MONITORING SERVICES FOR ALOP INSURANCE



ALOP (Advance loss of profit) also called Delay in Start-up (DSU) insurance is purposed to provide coverage for financial losses due to delays in Industrial, Construction and Infrastructure projects. This policy provides a compensation if the insured faces lost profits when a project takes longer than expected to complete due to any insured peril.

The surveyor periodically inspects the insured project and provides a detailed report to the insurance company covering the progress of the project and its time and cost over runs, if any.



PRE-DISPATCH INSPECTION

Cargo pre-dispatch Inspection is carried out to check the condition of cargo, the condition of packing and packaging, quantity, weight, etc. These activities are aimed at preventing the damage and / or loss caused to the goods before loading time and during loading.

Pre-dispatch inspection services are carried out by us on behalf of owners/ insurers for domestic and international shipments.

ADVISORY SERVICES

Organisations require specialised advisory services during the course of their business, which are essential for them to take informed decisions for reaching their aspirations and achieving their goals.

We combine strategic knowledge with complete technical and financial capabilities, while our focus on global best practice and leading-edge thinking ensures we consistently deliver reliable advisory services.

RNC has a blend of experienced Technical and Financial experts offering the following Techno Commercial services

- 1 Techno Economic Viability Studies
- 2 Independent Engineer Services
- 3 Due Diligence
- 4 Asset Tagging & Mapping and FAR Preparation
- 5 Componentization
- 6 Chartered Engineer

TECHNO ECONOMIC VIABILITY STUDIES

A risk assessment is a method used to identify weaknesses which might prevent a business unit from achieving its goals and objectives. Part of the process is to identify the activities of the business unit and determine what could prevent the area from achieving its goals or mission.

Awareness of exposure allows for a better understanding of the risks involved and the manner in which these risks can be mitigated, both, in pre and post incident scenarios

A risk assessment is a process that assigns a score to risk based on impact and probability. Risk assessments can be performed on a single function within a major function, or they can be performed on a major function within a larger division.



INDEPENDENT ENGINEER SERVICES

RNC's Independent Engineer services aims at providing assurance to the Lenders / Investors regarding the progress of the execution of the project. RNC is continually rendering services to various Lenders / Investors for their clients for Infrastructure and Industrial projects.

The Team at RNC consists of professionals having experience for both Technical and Commercial evaluation of a project and have in-house strength to provide insights and support to the stakeholders for verification of the proper utilization of the funds.

RNC Offers the Following Services as Independent Engineer

Review of physical progress of work as against the project cost and schedule in the Detailed Project Report / Feasibility report

Verify Government and other statutory approvals

Monitoring the progress of the execution of the project to ascertain timely completion

Providing regular feedback reports about progress of the work and application of funds.



DUE DILIGENCE

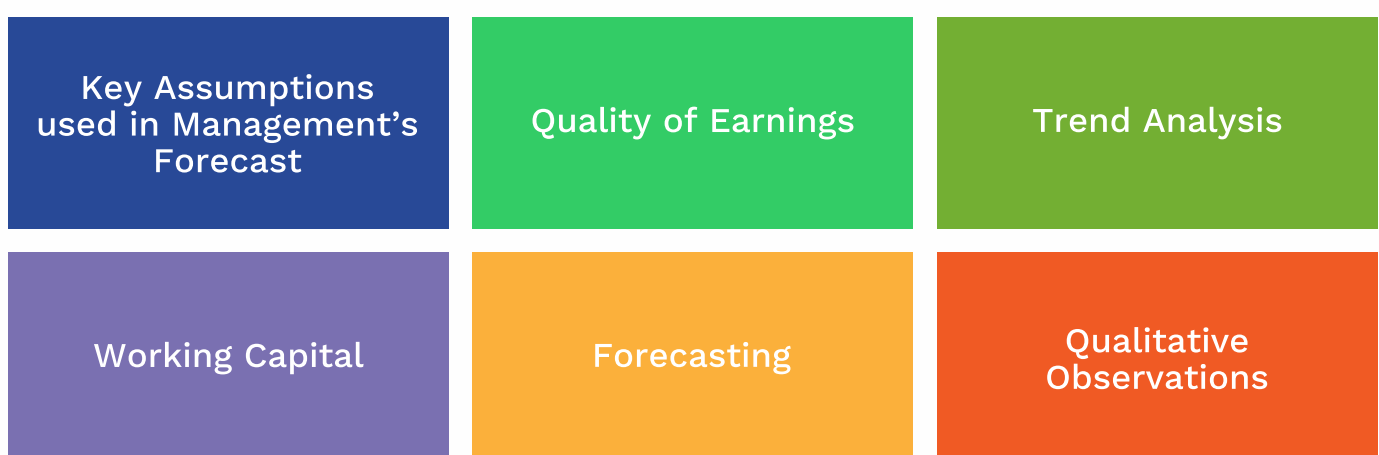
Due Diligence is the process of systematic review, analysis and discovery in which a prospective purchaser or an existing stakeholder gathers, through independent consultant, the information about the qualitative characteristics of the assets. Due Diligence facilitates an informed assessment of the risks associated with the transaction.

Due Diligence gives the proponents an independent, third-party assessment and evaluation of the technical and financial aspects of the company.

RNC's Technical Due Diligence study includes, but not limited to, the following



RNC's Financial Due Diligence study includes, but not limited to, the following



ASSET TAGGING & MAPPING AND FAR PREPARATION



Asset Tagging & Mapping

In asset-intensive businesses, particularly those that rely heavily on their assets to generate revenue, tracking physical items and equipment through the use of an asset tagging process is essential.

Asset Tagging is the process of affixing tags or labels to assets to identify each one individually. These tags can be designed to track data from real-time location to maintenance history. These tags can be assigned to both fixed and moveable assets that are spread across multiple sites and warehouses. Asset Tagging enables businesses to achieve a holistic view of all their owned assets.

RNC's Asset Tagging & Mapping services includes, but not limited to, the following:

- Keep track of the changing locations of your physical assets.
- Implementation of time effectiveness optimisation and inventory control processes.
- Perform simpler analysis and mapping for fixed assets.
- Adhere to maintenance and repair schedules.

Fixed Asset Register (FAR) Preparation

Fixed asset register contains the list of all the fixed assets a business owns. The purpose behind maintaining is to keep track of book value of assets and depreciation. It can be equally used to maintain identification of each asset which can serve the purpose at the time of fixed asset verification. An FAR typically contains details like its date of purchase, cost, purchase date, salvage value, depreciation rates, its specifications etc.

Preparing and Maintaining a Fixed Asset Register assists in, but not limited to, the following:

- Comply with statutory requirements.
- Track and identify the asset.
- Calculate Depreciation annually.
- For Insurance Purpose.
- Maintain Gross Book Value and Net Value of Assets.
- Assists in Conducting Audit of Assets and Asset Verification.
- Helps in estimating the repairs and maintenance cost.
- Assists in estimating the future capital investment in fixed assets.

COMPONENTIZATION

Componentization is an approach generally used for Property, Plant and Equipment, where fixed assets have major identifiable components with substantially different useful lives are identified and these assets are treated as separate components and depreciated over their different useful lives.

Componentization makes it easier to manage the accounting aspects of asset renewal, and may reduce the amount of residual value that needs to be assigned to complex assets. Componentization requires each part of a fixed asset with a cost that is significant in relation to the total cost of the item to be depreciated separately.

Need for componentization of assets:

1. To comply with the requirements under Companies Act
2. IFRS requires a 'Component Approach' when accounting for Property, Plant and Equipment

RNC provides Techno Commercial advisory for componentization of the assets enabling the Investors and Auditors towards their compliances.



CHARTERED ENGINEER

A Chartered Engineer works independently in various disciplines of engineering. Chartered Engineers are required to be certified members of various of recognised associations or board of Engineers.

Their services are required in various fields like Inspection works, Technical Assessments & Audits and issuing certificates for compliance with government regulations, etc.

Chartered Engineering is the process of review, analysis and discovery in which an Investor or a Lender gathers the information about the technical characteristics of the assets.



CORPORATE FINANCE & DEALS

Corporate Finance refers to activities and transactions related to raising capital for the creation, development and acquisition of a business. It is directly related to company decisions which have financial or monetary impact.

Our corporate finance team assists in sourcing of funds, management of capital structure of organisations and M&A activities, by using tools and analysis aimed at providing support to the decision makers and maximising value for its shareholders.

Our Services Include



**Fund Raising –
Debt Syndication &
Equity Financing**

**Deal Advisory -
Sell-Side & Buy-Side**

**Distressed
M&A**

FUND RAISING - DEBT SYNDICATION & EQUITY FINANCING



Fund Raising is the process of aggregating debt from Banks and Financial Institutions or raising capital by selling shares to investors or a combination of the both - depending upon the needs and requirements of the company.

Debt Syndication

Debt syndication is a service used by corporates for various business reasons that include funding for mergers, acquisitions, buyouts, and other capital expenditure projects. These types of capital projects often require amounts of capital that typically exceed a single lender's resource or underwriting capacity.

Equity Financing

Equity finance is a means of raising capital by selling shares to the public, Institutional investors, Venture capitalists or Financial Institutions.

RNC works closely with its clients to build fund raising capacity especially in green and brown field projects and strategic assets acquisitions. RNC's domain knowledge and financial expertise helps in understanding and matching the client and financial lender's needs based on debt size, sector approach and optimal cost structures.



DEAL ADVISORY - SELL-SIDE AND BUY-SIDE



Sell-Side Advisory

As an M&A advisory firm, we provide Sell-side advisory by advising the Sellers and managing the entire process of Divestments of businesses, Disposal of assets and Identifying strategic partners and Joint Ventures.

As end-to-end deal advisors, our objective is to drive forward the transaction and conclude it timely and effectively, while maximising value creation for the stakeholders.

We assist our clients by

- Preparing information memorandum and other marketing documents
- Identifying and approaching potential partners
- Providing Valuation Advisory
- Providing assistance in Due diligence and Negotiations
- Facilitating closure of transaction

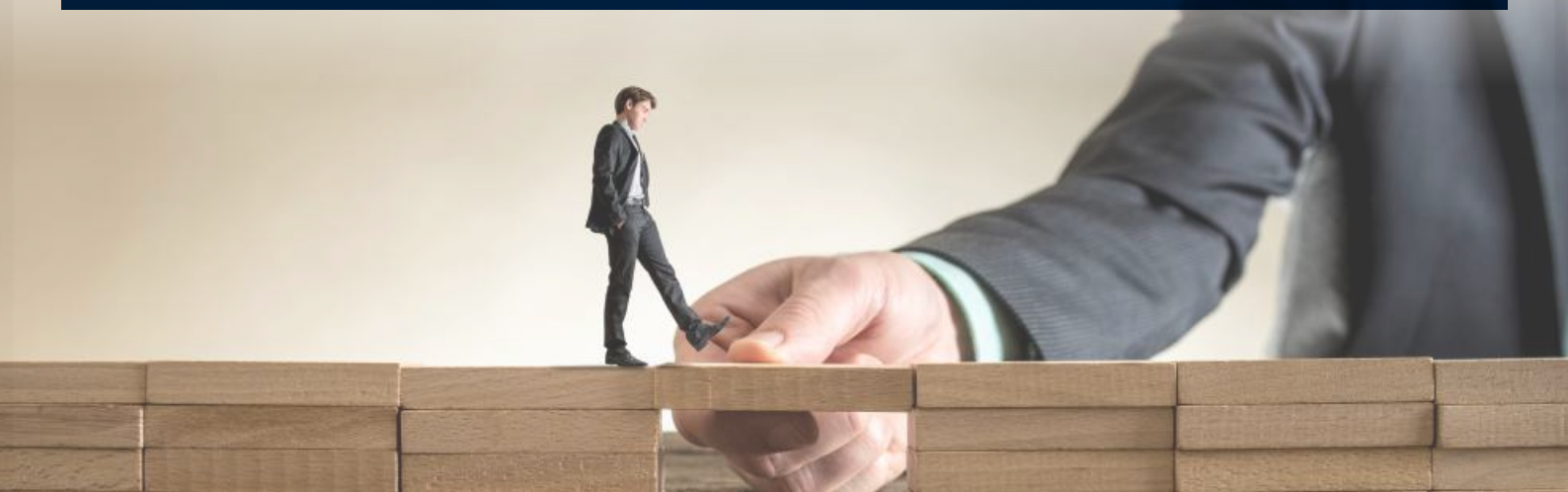
Buy-Side Advisory

As an M&A advisory firm, we provide Buy-side advisory by advising the buyer and managing the entire process of acquisition of businesses, buying of assets and identifying strategic partners and Joint Ventures.

Being actively involved in the distressed assets space and special situations, RNC also provides M&A advisory services for acquisition of distressed assets/businesses.

We assist our clients by

- Identifying the target company/ business/ assets
- Assisting in Legal and Statutory matters
- Providing Valuation Advisory
- Assisting in Due diligence and Negotiations
- Facilitating closure of transaction



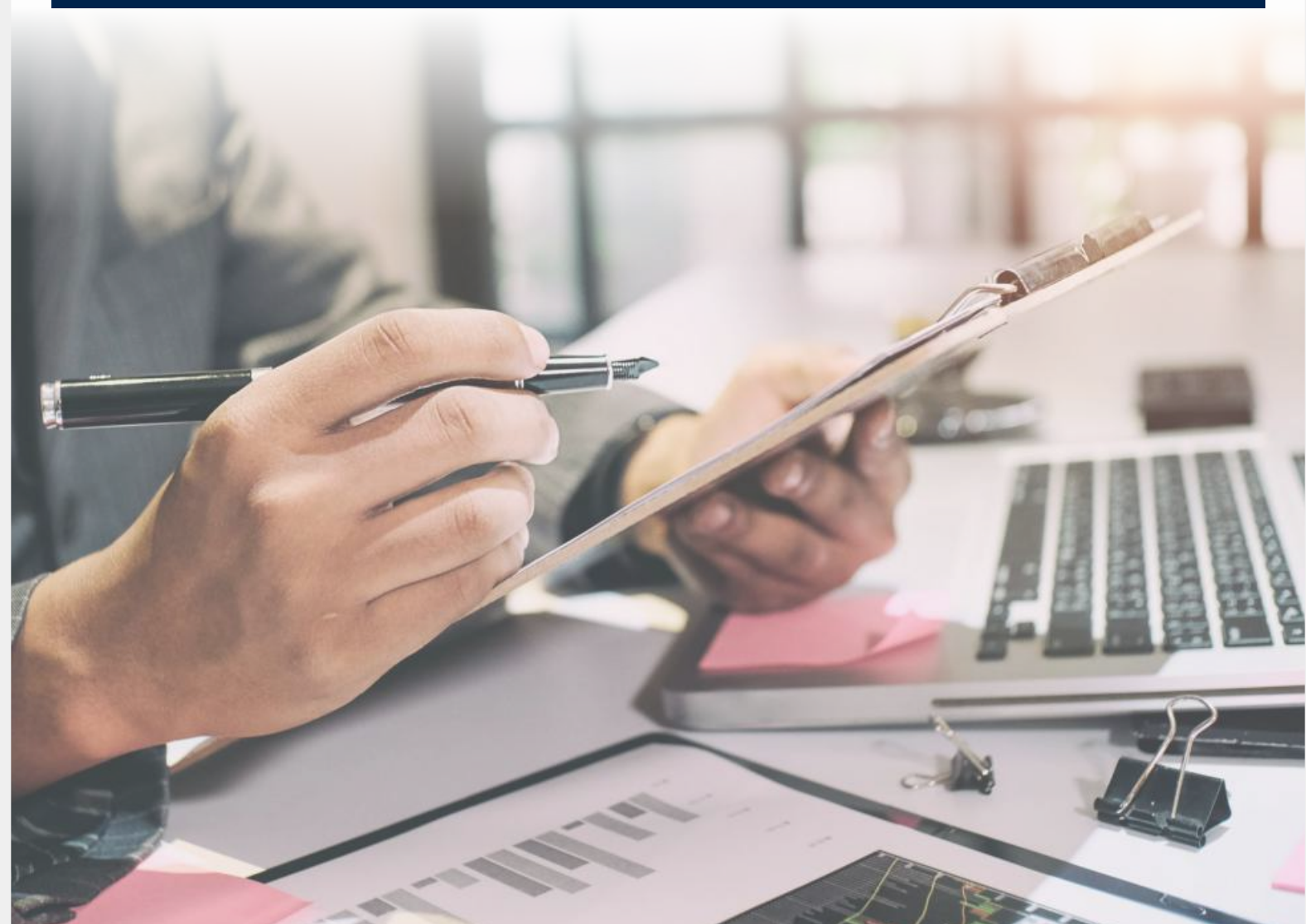
DISTRESSED M&A ADVISORY

This service entails evaluation of investment opportunities and risks across asset classes and capital structures in bankruptcy proceedings and other special situations. M&A advisory services include takeover reorganization procedures, bidding strategies, compensation and benefits, as well as post-M&A closing issues.

RNC by virtue of being at the forefront in the Valuation for Insolvency Resolution and valuing assets in special situations, we have a wide out-reach and connect with various stakeholders and are well positioned to offer advisory on M&A of businesses and assets in distress or in special situations.

RNC's Distressed M&A Advisory services include the following steps

- Developing a transaction strategy to maximize value for all stakeholders
- Reviewing and finalizing the business plan
- Preparing information memorandum and other marketing documents
- Identifying and approaching strategic partners
- Finalizing the structure of MoU
- Negotiating terms and valuation
- Managing the due diligence process
- Reviewing and finalizing the transaction documents
- Facilitating closure of transaction



SELECT CLIENTELE



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Zydex
Innovating for Sustainability



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RUBAMIN PRIVATE LIMITED

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ASAL
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