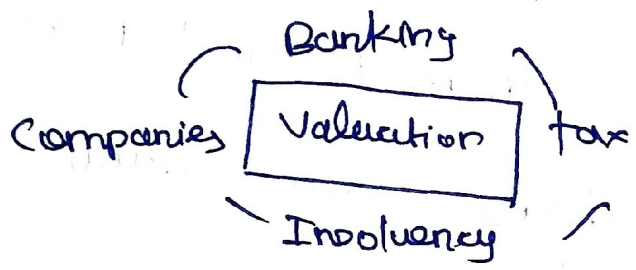


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Do you think that there is need to institutionalise the valuation profession in the country? Comment.

The retail investors in India was up by 55% this year. The full benefits of investments can be felt once valuation profession is institutionalised.



Importance of valuation

Valuation reflects the true worth of an asset. It helps the banking system in projection of loans and acts as a reference of liquidation of a firm.

Companies' shares can be issued with proper insights and no investor pays less or more. It also helps the government in investing the public sector.

X wrong valuation can lead to miscallocation of resources and wrongful recovery process.

Efforts in the direction

The valuation and profession itself was mooted and died out due to lack of institutional mechanism. The Companies act was subsequently amended and Registration of Value Organisations was given institutional status.

The valuation system helps greatly the corporate insolvency that requires fair value and liquidation value.

The Registered Valuers can also contribute to Nation Asset Reconstruction company limited.

Thus, aligning domestic valuation with International Valuation Standard Council can propel the profession of valuation.