



# ICMAI REGISTERED VALUERS ORGANISATION

## WEEKLY VALUATION NEWS

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Azadi Ka  
Amrit Mahotsav



### Valuation question holds up SPV for land, asset monetisation of PSUs

The launch of the special purpose vehicle (SPV) for monetising land and other surplus assets of public sector undertakings (PSUs) has been delayed as the government is yet to finalise the methodology to value land parcels while transferring them to the new entity. The land SPV -- dubbed the National Land Monetisation Corporation -- will be able to rent, lease, and develop assets to monetise them. It may also be empowered to acquire and develop idle land assets of PSUs that can't be sold; it may look at converting such land parcels into revenue-generating, financially-viable.

**Source: Business Standard**

**Please read the full news at**

[https://www.business-standard.com/article/companies/valuation-question-holds-up-spv-for-land-asset-monetisation-of-psus-122010300021\\_1.html](https://www.business-standard.com/article/companies/valuation-question-holds-up-spv-for-land-asset-monetisation-of-psus-122010300021_1.html)

### Record number of unicorns in 2021 as race for such valuation takes longer

Unicorns, contrary to popular perception, took slightly longer than in previous years to get to a billion-dollar valuation in 2021. The record-breaking year saw more than 40 unicorns, shows the data from start-up data provider Tracxn Technologies. This was the highest number in the data, which goes back over a decade.

**Source: Business Standard**

**Please read the full news at:**

[https://www.business-standard.com/article/companies/record-number-of-unicorns-in-2021-as-race-for-such-valuation-takes-longer-121123101118\\_1.html](https://www.business-standard.com/article/companies/record-number-of-unicorns-in-2021-as-race-for-such-valuation-takes-longer-121123101118_1.html)

## Is Indigo Paints stock's valuation still pricey?

Early this year, the stock of Indigo Paints Ltd saw a stellar listing, closing at ₹3,117 per share on its listing day on 2 February on the NSE. This meant the stock had appreciated by 109% from its issue price of ₹1,490 apiece.

**Source: Live Mint**

**Please read the full news at:**

<https://www.livemint.com/market/mark-to-market/indigo-paints-stock-s-valuations-still-pricey-11640803606091.html>

## Assumptions Used In Equity Valuation

Equity valuation is about guessing what the value of an organization is expected to be a decade from now or an even bigger time horizon. Obviously, the financial future, just like future in general is difficult to predict. However, in equity valuation, one cannot proceed further until some assumptions are made about the future. Every analyst report that we read is therefore making some assumptions about the future. Some of these assumptions will be explicitly stated whereas others will be implied in the report.

**Source: Management Study Guide**

**Please read the full news at:**

<https://www.managementstudyguide.com/assumptions-used-in-equity-valuation.htm>

## Gordon Growth Model: Pros and Cons

The Gordon growth model is a well-known and widely known model for valuing equity securities. However, as with every model, there are some pros and cons that need to be understood before this model is applied. Understanding of these pros and cons will help differentiating between situations wherein it would be prudent to apply the Gordon growth model and situations wherein that would not be the case.

**Source: Management Study Guide**

**Please read the full news at:**

<https://www.managementstudyguide.com/pros-and-cons-of-gordon-growth-model.htm>

**Registered Office**

**The Institute of Cost Accountants of India  
4th Floor, CMA Bhawan 3, Institutional Area,  
Lodhi Road, New Delhi – 110003**

<https://www.rvoicmai.in/>