



Gujarat Technological University

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Graduate School of Management Studies

A Report on the Discounted Cash flow Analysis and M&A

Title	: Discounted Cash flow Analysis and M&A
Type of Event	: Expert Session
Date	: 18 th November, 2024
Time	: 2:00 PM to 5:00 PM
Venue	: GTU-GSMS
Experts	: Dr Prashant Sharma

On November 18, 2024, GTU School of Management Studies organized an expert session on "Discounted Cash Flow (DCF) Analysis and Mergers & Acquisitions (M&A)" led by the esteemed Dr. Prashant Sharma. A financial expert with a wealth of experience from organizations such as Citi Bank, HSBC, Kotak, and other notable financial institutions, Dr. Sharma delivered a session that was both informative and interactive. He started on a positive note by engaging the audience with a simplified explanation of valuation, emphasizing that valuation provides the baseline for measuring an organization's progress and serves as a fundamental tool in financial analysis. He elaborated on the three primary approaches to valuation: the Asset Approach, which focuses on the tangible and intangible assets of a company; the Market Approach, which relies on comparable market data to assess value; and the Income Approach, which he discussed in great detail. The Income Approach, particularly



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the DCF method, was explained thoroughly, with Dr. Sharma defining DCF in simple terms as a process to evaluate the present value of a company's future cash flows. He emphasized that the DCF method revolves around three essential components: cash flow, growth, and risk. For cash flow, he explained the significance of selecting between Free Cash Flow to Firm (FCFF) and Free Cash Flow to Equity (FCFE) depending on the context of analysis. He further detailed the importance of forecasting growth accurately, distinguishing between the explicit forecast period and terminal value to ensure a comprehensive valuation. On the subject of risk, he explained how discount rates play a pivotal role in reflecting uncertainties in future cash flows. Dr. Sharma's ability to break down complex financial formulas and processes into accessible explanations made the session particularly engaging for the students. Transitioning to the second part of the session, Dr. Sharma delved into the role of DCF in Mergers and Acquisitions (M&A). He highlighted how the valuation techniques discussed earlier are crucial in assessing the strategic and financial viability of potential M&A deals. Through visual aids, such as charts and case examples, he demonstrated how companies use DCF to determine whether an acquisition will create value for shareholders. He also discussed the importance of synergies, risk assessment, and integration planning in ensuring successful M&A outcomes. The session was enriched with real-world insights, offering students a practical understanding of the financial and strategic considerations involved in M&A transactions. The interactive nature of the session encouraged students to participate actively, asking questions that allowed Dr. Sharma to elaborate further on key points. He addressed queries ranging from the practical challenges in forecasting cash flows to the role of economic conditions in determining valuation inputs. This lively Q&A session added depth to the learning experience, making it both comprehensive and engaging. Dr. Sharma's emphasis on bridging academic knowledge with industry practices resonated well with the attendees, who appreciated his approach to making complex financial concepts relatable. Overall, the expert session proved to be an invaluable learning opportunity, equipping students with a deeper understanding of DCF analysis and its application in valuation and M&A. It underscored the importance of such



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industry-oriented sessions in preparing students for real-world challenges and decision-making in finance. GTU School of Management Studies once again demonstrated its commitment to providing its students with practical knowledge and exposure to industry practices, ensuring they are well-prepared for successful careers in finance.

Photograph of the Event :





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Flyer of the Event:

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Expert Session
on

Discounted Cash Flow Analysis and M&A

with Eminent Speaker

Dr. Prashant Sharma

18-11-2024

GTU-SMS

02:00 PM

Invitee
Dr. Pankajray Patel
Director - GSMS

Coordinator
Dr. Priyanka Bhatt
Associate Professor - GSMS

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