

# Pranav Singh

## ***Education***

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Ph.D. in Finance	Gies College of Business, University of Illinois at Urbana-Champaign	2019 (expected)
MBA	Indian Institute of Management Calcutta, India	2004
B. Tech. (Electrical Engineering)	North Eastern Regional Institute of Sciences and Technology, India	2001

## ***Research***

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### **- The Inside Job: Share pledges by Insiders and Earnings Management** (*Job Market Paper*)

The study creates the first comprehensive database of share pledges by insiders in the U.S. to reveal the prevalence of this practice and its role in encouraging earnings management. The hand-collected dataset reveals that during the fiscal years 2006 to 2014, insiders at one of every three S&P1500 firms pledged their ownership in the firm as collateral to obtain loans. I exploit a 2012 market-wide advisory against share pledges by Institutional Shareholder Services, the largest proxy advisory firm, as a quasi-natural experiment. A difference-in-differences estimation reveals that after the shock, insiders curtailed share pledge activity by approximately 40% and firms with share pledges reduced earnings manipulation by an average 15% of their reported profits. These results suggest that share pledges distort the incentives of insiders and motivate them to inflate earnings.

### **- On the Value Implications of Insider Pledging of Shares**

*(Outstanding Doctoral Student Paper Award, Southern Finance Association 2018)*

Insiders often pledge their ownership in the firm to offer collateral for either their personal loans or loans to the firm. Pledging of shares modifies their payoff structure without altering their control rights. This modification in the payoff structure can influence the incentives of controlling shareholders and have real effects on firm's performance and value. Using hand-collected data from India, the study finds that share pledges can have contrasting effects on firm value and performance. Share pledges for personal loans reduce the effective ownership of controlling shareholders and destroy firm value. In contrast, share pledges for firm's loans increase the firm's access to external credit and add value to firms with limited access to debt finance or high growth opportunities.

## ***Awards and Honors***

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Carey Fellowship	2017
Zwisler Fellowship	2015
Graduate Fellowship	2013
Paul M. Van Arsdell Sr. Award in Finance for Excellence in Teaching	2015

## ***Teaching Experience***

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Fin 512: Financial Derivatives, Teaching Assistant	2018
Fin 513: Financial Engineering, Teaching Assistant	2018
Fin 501: Financial Economics, Teaching Assistant	2018
Fin 561: Financial Intermediation, Teaching Assistant	2016, 2017, 2018
Fin 221: Corporate Finance, Teaching Assistant - Instructor	2014, 2015

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## ***Work Experience: Academic Research***

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- HKUST, Finance Department, Research Assistant

2011-2012

Through my work as a research assistant to Prof. Rik Sen at the Hong Kong University of Science and Technology, I got exposed to the entire gamut of work that empirical research in finance entails – coming up with research ideas, formulating empirical testing strategies, identifying data sources, collecting data manually when needed, and conducting empirical analysis. A major project was to explore the relationship between the voluntary and involuntary equity ownership of the CEOs and firm performance.

## ***Work Experience: Industry***

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I have professional experience of approximately 7 years in the domains of:

- Credit research and appraisal of small and medium enterprises
- Credit rating of structured finance (securitization) transactions
- Project finance and debt syndication

- Ernst & Young: Transaction Advisory (Debt), Associate Vice President

2010-2011

I worked on appraising, structuring and placing transactions for raising debt and structured finance. These transactions covered a wide spectrum and primarily comprised Project Finance, Acquisition Finance and Financial Restructuring across industries in India.

- Kotak Bank: Debt Capital Market, Associate Vice President

2006-2009

(Joint Venture of Goldman Sachs and Kotak Mahindra Bank)

I worked on appraising and executing loan syndication and structured finance transactions. I contributed in successfully executing debt and preferred return transactions in real estate, telecom tower, renewable energy and print media sectors. In addition, I managed the process of acquiring and subsequently selling-down/securitizing Corporate and Retail Loan Portfolios amounting to US\$ 200 mn.

- ICRA Limited: Credit Ratings (Structured Finance), Senior Analyst

2005-2006

(Subsidiary of Moody's Corporation)

My initial responsibilities were credit research on various industry sectors and performance appraisal of small enterprises. Later, I joined Structured Finance Ratings division, where I undertook quantitative analysis of securitization transactions. As a member of the credit ratings team, I prepared rating cases across sectors and defended my recommendations in front of the rating committee. I was instrumental in devising "Cumulative Loss to Amortized Principal (CLAP) Analysis", a new methodology with superior ability to predict default risk of Asset Backed Securities. The rating agency published my note explaining the advantages of CLAP Analysis and adopted the methodology to assign ratings to Asset Backed Securities.

## ***References***

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### **George Pennacchi**

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### **Frank Partnoy**

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