

MBA411: CORPORATE RESTRUCTURING

Teaching Scheme	Examination Scheme
Lectures: 4 hrs./Week Tutorials: 1 hrs./Week Credits: 4	Class Test -12Marks Teachers Assessment - 6Marks Attendance – 12 Marks End Semester Exam – 70 marks

Course Objective:

- The course would start with cost management issues- making students aware that cost consciousness is vital to sustain profitability.
- It would discuss several value creating strategies- creating shareholder value to unlocking shareholder value.
- Finally, we would study the linkage between employee performance and corporate objective- how employees can be motivated to act as owners.

Hours: 40

UNIT I (6 Hrs):


Corporate Restructuring and today's dynamic world, Need, Scope and Modes of Restructuring, Historical Background, Emerging Trends, Planning, Formulation and Execution of Various Corporate Restructuring Strategies - Mergers, Acquisitions, Takeovers, Disinvestments and Strategic Alliances, Demerger and Hiving off, Expanding Role of Professionals.

UNIT II(12 Hrs):

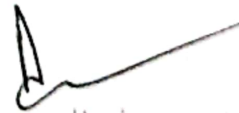
Legal, Procedural, Economic, Accounting, Taxation and Financial Aspects of Mergers and Amalgamations, Merger Aspects under Competition Law, Amalgamation of Banking Companies and Government Companies, Cross Border Acquisition and Merger. Corporate Demerger and Reverse Merger, Modes of Demerger, Tax Aspects and Reliefs Disclosure and open offer Requirements, Bail Out Takeovers and Takeover of sick units,, Takeover Defences, Cross Border Takeovers.

UNIT III(10 Hrs):

Funding of Merger and Takeover, Financial Alternatives; Merits and Demerits, Funding through various Types of Financial Instruments including Equity and Preference Shares, Debentures, Securities with Differential Rights, Swaps, Stock Options; ECBs, Funding through Financial Institutions and Banks, Rehabilitation Finance, Management Buyouts/Leveraged Buyouts, Factors involved in Post-Merger Reorganization, Integration of Businesses and Operations, Assessing Accomplishment of Post -Merger.


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UNIT IV (12 Hrs):

Approaches to Valuation & Identifying Value Drivers, Estimating the discount rates, Growth rates and Cash flow, dividend discount model , FCFE Model,

Valuation Techniques- Historical Earnings Valuation, Asset Based Valuation, Market Based Valuation.

Valuations for Different Strategies: Merger & Acquisition, Demerger, Slump Sale, Liquidation and Corporate Insolvency, Internal & External Restructuring, Valuation of Intangibles, Valuation of Securities.

Suggested Readings:

1. Guide to Companies Act, A.Ramaiya, LexisNexis Butterworths, Wadhwa, Nagpur
2. Guide to Company Law Procedures, M.C. Bhandari, LexisNexis Butterworths Wadhwa Nagpur
3. ICSI, Handbook on Mergers Amalgamations and takeovers.
4. Mergers/Amalgamations, Takeovers, Joint Ventures, LLPs and Corporate Restructure, K. R. Sampath, Snow White Publications
5. S. Ramanujam, Mergers et. al., Lexis Nexis Butter worths wadhwa Nagpur
6. Mergers and Acquisitions Strategy, Valuation and Integration Ray, , PHI

Course Outcomes: At the end of this course students should be able to:

COURSE OUTCOMES DESCRIPTION	
CO1	<i>Able To know current theory and knowledge in the field of finance</i>
CO2	<i>Able To master valuation techniques and skills to deal with financial data</i>
CO3	<i>Able To develop the ability to apply theory and analytical skills in finance to real-world financial decisions</i>
CO4	<i>Ability to Analyze bond prices and yields and fixed-income portfolios.</i>
CO5	<i>Able to develop global and regional outlook re- grading corporate investment strategy</i>
CO6	<i>Ability to identify and apply the knowledge of subject practically in real life situations</i>

Employable Skills	Measuring Tools
Ability to identify and apply the knowledge of subject practically in real life situations	Exercise Workshop Quiz Classroom Discussions

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