



L	T	P/S	SW/F W	TOTAL CREDIT UNITS
3		-	-	3

COURSE TITLE: CORPORATE RE-STRUCTURING, MERGERS & ACQUISITIONS

Course Code: FIBA703

Level: PG

Credit Units: 03

Course Objectives: Corporate Re-structuring, Mergers and Acquisitions has become topics of great importance in the global corporate arena. The students will learn to examine the reasons to acquire, choice of target and recognition of the anticipated challenges, risks and pitfalls of the approach. They will also study some instances of corporate restructuring, whether they are driven by strategic considerations of external pressures, and again, the potential sources of value creation, risks and challenges.

Pre-requisites: Candidates having basic knowledge of financial management

Student Learning Outcomes: On the successful completion of this course the student will be able to:

- Identify the key issues and concepts of mergers and acquisitions.
- Understand the major strategies that underlie most M&A transactions.
- Examine the necessary conditions for value to be created.
- Assess various case studies to analyze valuation strategies, pre and post merger issues and challenges.

Course Contents/Syllabus:

	Weightage (%)
Module I: Basics of Corporate Re-structuring, Mergers and Acquisitions	20
Descriptors/Topics Meaning of Corporate Restructuring, various forms of Corporate Restructuring, Objectives of mergers, types of mergers, Horizontal, Vertical, Conglomerate. The Merger and Acquisition Process, Theories of Merger, Success and failure of Merger & Acquisition. De-merger, spin offs, split ups, split offs, Reverse Merger. Difference between De-merger and Reverse Merger. Takeover Tactics and Takeover Defenses	

Module II: Negotiation, Deal Structuring and Methods of Payment in Mergers and Acquisitions	15
Descriptors/Topics Introduction, structuring of transactions, regulatory approval, deal making in India, methods of payment in M&A, distinction between stock and cash transactions, types of exchange of shares.	
Module III: Introduction to Acts and policies	15
Descriptors/Topics Amalgamation as per AS-14 and IFRS. Merger Aspects under Competition Law, Competition Bill 2002. SEBI regulations on Takeovers in India (Takeover Code), Role of Merchant Bankers in Mergers & Acquisition.	
Module IV : Valuation of Target Companies	15
Descriptors/Topics Concept of Value of a Company, Firm Valuation Models on Merger & Acquisition: (a) DCF Model, (b) Comparable Company, (c) Book Value, (d) Adjusted Book Value (e) Enterprise Value, (f) Three Stage growth model, Swap Ratio, Valuation Practices in India, LBO, MBO.	
Module V: Taxation Aspects in M&A	15
Descriptors/Topics Tax Implications: Tax Concession to amalgamated company, tax concession to amalgamating company in case of Merger & Acquisition. Tax aspects related to demergers.	
Module VI: Mergers and Acquisitions: Applications and Cases	
Descriptors/Topics Cases on Mergers and Acquisitions: Indian and International context. Post Merger Issues and Challenges.	20

Pedagogy for Course Delivery: Tutorials, Interactive sessions, Case studies, Field visits, Management games, Extensive research projects, Seminars, Weekend experience in companies - the course is covered by adopting a combination of lecture methods, class presentation by groups of students, self study sessions. Each student is required to do the back ground reading from the specified chapters of the prescribed book before coming to class. Cases are also to be analyzed, discussed in groups (teams) outside the class as preparatory work.

Assessment/ Examination Scheme:

Theory L/T (%)	Lab/Practical/Studio (%)	End Term Examination
100		70 Marks

Theory Assessment (L&T):

Continuous Assessment/Internal Assessment					End Term Examination
Components (Drop down)	Class Test	Viva	Assignment	Case Study	End Term Exam
Weightage (%)	10	5	5	5	70

Lab/ Practical/ Studio Assessment:

Continuous Assessment/Internal Assessment					End Term Examination		
Components (Drop down)							
Weightage (%)							

Text & References:

Text:

- J. Fred Weston, Kwang S. Chung, Susan E. Hoag, PHI, Mergers, Restructuring and Corporate Control.

References:

- Rajeshwer C H, 2004, Merger and Acquisition - New Perspectives ICFAI Press

- Sudi Sudarsanam: Creating Value from Mergers and Acquisitions: The Challenge, Pearson Publications
- Prasad G. Godbole: Mergers Acquisitions and Corporate Restructuring, Vikas Publications.
- B Rajesh Kumar: Mergers and Acquisitions, Text and Cases, Tata McGraw Hill.
- A. Ramaiya : Guide to Companies Act, LexisNexis Butterworths, Wadhwa, Nagpur
- M.C. Bhandari : Guide to Company Law Procedures, LexisNexis Butterworths Wadhwa Nagpur
- K. R. Sampath : Mergers/Amalgamations, Takeovers, Joint Ventures, LLPs and Corporate Restructure, Snow White Publications
- S. Ramanujam : Mergers et al, LexisNexis Butterworths Wadhwa Nagpur
- Ray : Mergers and Acquisitions Strategy, Valuation and Integration, PHI

Important Websites

- (a) www.sebi.gov.in
- (b) www.rbi.org.in
- (c) www.finmin.nic.in
- (d) www.dipp.nic.in
- (e) www.mca.gov.in
- (f) www.incometaxindia.gov.in
- (g) www.indiataxes.com