



Course Title: CORPORATE CRISIS AND STRATEGIC RESTRUCTURING

Course Code: ENTR734

Credit Units: 3

Course Level: PG

L	T	P/S	SW/FW	TOTAL CREDIT UNITS
3	-	-	-	3

Course Objectives:

- The focus of this course is on how companies make mistakes that lead to crises, and what strategies they can use to manage these situations. Companies have been failing for some time, and most of the time the reasons come down to misguided strategy, weak leadership, and inept corporate communication.
- The course has the objective of appreciation that the underlying reasons for corporate crises, mistakes, and failures have not been well documented. Much less attention has been directed toward worst practices, despite the common intuition that some of the best learning comes from understanding why mistakes occur, and if it is appreciated that successful turnaround stories are documented, it will help industry/lenders and society as well.
- Course will be able to stress that, in addition to the distressed assets; these techniques can also be used for improving the health of otherwise healthy units. This course is designed to address this need of emerging science of turnaround management

Pre-requisites:

Every industry follows a trade cycle and these lead to situations when unit becomes difficult to operate and turnaround expertise is required for sustainability and waiting for the time when cycle again becomes positive again. Entrepreneurs should be educated about the trade cycles, strategies to handle tough environment and corporate restructuring exercise enabling the unit to again become healthy. They should also be aware of the RBI policies /SICA act, government policies and the rights of entrepreneurs to get concessional finance and help from lenders. Success stories of sick units also will help the students to remain positive even in adverse situations.

The course is very suitable for students who want to make a career as turnaround specialists/ Experts.

Student Learning Outcomes:

By the end of this course, students will be able to:

- Appreciate that all industries face trade cycles and its impact.
- Justify if corporate restructuring is required even in healthy units.
- Demonstrate that Turnaround management is an emerging /beneficial science.

- Explain that Government has provided for institutions for protecting sick units and its awareness is a prerequisite for all entrepreneurs.
- Demonstrate that the sick units have become healthy units because of early diagnosis, treatment by way of relief and concessions and with the help of stakeholders.
- Justify that for Lenders, early diagnosis of signs of sickness is for betterment of their own health.

Course Contents/Syllabus:

	Weightage(%)
Module I Introduction	10%
*Reasons of rise and fall of companies, * Why Smart Executives Fail, *Hubris hypothesis, *Mistakes in Innovation and Change, *Learning from Mistakes.	
Module II- Interest of stakeholders in corporate restructuring.	20%
*NPA's and its impact on national economy, *Health of banking /capital market is dependent on health of its units *Various signs of sickness and its detection. * Early diagnosis techniques for relief and concessions	
Module III- Corporate restructuring	30%
*Introduction to corporate restructuring, *Role of HR/Marketing /financial restructuring and the need for messaging to all Stakeholders that unit can be revived. *Force driving the Corporate Restructuring, * Restructuring Debt & Equity to create corporate value.	
Module IV Techniques of Financial Restructuring	20%
Financial restructuring techniques divestitures, *Spin-offs, equity carve outs, tracking stock, rollups, leveraged recapitalizations, and leveraged buyouts (LBOs). *Resheduling /rehabilitation/One time settlement, management transfer *Use of SARFAESI Act vs. Management Transfer.	
MODULE V----Policies of lenders/government for protection to sick units.	20%

*working of BIFR/AAIFR. *NPA management techniques adopted by banks and financial institutions *Turnaround stories *Role of merger/amalgamation in restructuring of stressed assets.	
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Pedagogy for Course Delivery:

The course will have to be designed in order to include theoretical framework and practical example by turnaround specialists who have successfully restructured distressed assets. So in addition to lectures, two way communication will be encouraged, experts will be invited to talk to students, practical turnaround cases will be discussed and its impact on national economy and the interest of all stakeholders will be discussed.

Assessment/ Examination Scheme:

Theory L/T (%)	Lab/Practical/Studio (%)	Total
100%	-	100%

Theory Assessment (L&T):

Continuous Assessment/Internal Assessment					End Term Examination
Components	Midterm test	Case Presentation	Class Participation	Attendance	
Weightage (%)	15%	5%	5%	5%	70%

Text book

- Patrick A. Gauham Merger, Acquisition & Corporate Restructuring, John Willey & Sons

Reference book

- Das Ranjan, Basu Udayan Kumar),Corporate Restructuring, Enhancing the share holder value, Tata McGraw Hill Kumar,
- Ranjana , A New Beginning – The turnaround story of Indian bank, Tata McGraw Hill Bidani, S. N and Mitra P.K (1982),: Industrial sickness VISION books, New Delhi.

Reports, online, websites

- RBI journal, SICA guidelines and Banks NPA management and journal.

Any other Study Material:

- Cases on Actual Turnaround