



L	T	P/S	SW/FW	PSDA	TOTAL CREDIT UNITS
2	-	-	2	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

**Course 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.

Infer and interpret 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 (%)
<b>Module I: Basics of Corporate Re-structuring, Mergers and Acquisitions</b>	20
<b>Descriptors/Topics</b> 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	

<b>Module II: Negotiation, Deal Structuring and Methods of Payment in Mergers and Acquisitions</b>	<b>15</b>
<b>Descriptors/Topics</b> 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.	
<b>Module III: Introduction to Acts and policies</b>	<b>15</b>
<b>Descriptors/Topics</b> 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.	
<b>Module IV: Valuation of Target Companies</b>	<b>15</b>
<b>Descriptors/Topics</b> 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.	
<b>Module V: Taxation Aspects in M&amp;A</b>	<b>15</b>
<b>Descriptors/Topics</b> Tax Implications: Tax Concession to amalgamated company, tax concession to amalgamating company in case of Merger & Acquisition. Tax aspects related to demergers.	
<b>Module VI: Mergers and Acquisitions: Applications and Cases</b>	
<b>Descriptors/Topics</b> Cases on Mergers and Acquisitions: Indian and International context. Post-Merger Issues and Challenges.	<b>20</b>

**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 background 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.

PSDA 1: Take any merger and analyze negotiation, deal-structuring and methods of payment in that merger.

PSDA 2: Take any recent merger of your choice and present pre and post-merger scenario report.

PSDA 3: Present Case Study on any recent merger (complete dissection)

**Assessment/ Examination Scheme:**

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

**Theory Assessment (L&T):**

Continuous Assessment/Internal Assessment (40 %)					End Term Examination (60 %)
Components (Drop down)	Class Test	Assignment	PPT/Case	Attendance	End Term Exam
Linkage of PSDA with Internal Assessment Component, if any		Take any merger and analyze negotiation, deal-structuring and methods of payment in that merger.  Take any recent merger of your choice and present pre and post-merger scenario report.	Present Case Study on any recent merger (complete dissection)		
Weightage (%)	10	15	10	5	60

**Lab/ Practical/ Studio Assessment:**

	Continuous Assessment/Internal Assessment	End Term Examination

<b>Components (Drop down</b>							
<b>Weightage (%)</b>							

### Mapping Continuous Evaluation components/PSDA with CLOs

Bloom's Level >	Understanding	Analysing	Evaluating	Creating
Course Learning Outcomes	CLO1	CLO2	CLO3	CLO4
Assessment type/PSDA				
Assessment Component 1	✓	✓	✓	✓
Assessment Component 2	✓	✓	✓	
Assessment Component 3	✓	✓	✓	✓

#### **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. Ramanujan: Mergers et al, LexisNexis Butterworths Wadhwa Nagpur

**Important Websites**

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