

17MB216 FINANCIAL ENGINEERING

Course Objective

To acquire knowledge of the procedural and practical aspects of Corporate Restructuring in detail.

Course Outcomes

At the end of the course students should be able to understand

- How to analyze capital allocation options
- Evaluate pros & cons of M& A Deals
- Evaluate financing options

UNIT - 1

Introduction and Concepts: Meaning, Need, Scope and Modes of Restructuring; 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

Merger and Amalgamation: Legal, Procedural, Economic, Accounting, Taxation and Financial Aspects of Mergers and Amalgamations including Stamp Duty and Allied Matters; Interest of Small Investors; Merger Aspects under Competition Law; Amalgamation of Banking Companies and Government Companies; Cross Border Acquisition and Merger

UNIT - III

Corporate Demerger and Reverse Merger: Concept of Demerger; Modes of Demerger - by Agreement, under Scheme of Arrangement; Demerger and Voluntary Winding Up; Legal and Procedural Aspects; Tax Aspects and Reliefs; Reverse Mergers – Procedural Aspects and Tax Implications

UNIT - IV

Takeover: Meaning and Concept; Types of Takeovers; Legal Aspects – SEBI Takeover Regulations Disclosure and Open Offer Requirements; Bail Out Takeovers and Takeover of Sick
UNIT - s; Takeover Defenses; Cross Border Takeovers

UNIT - V

Financial Restructuring: Financial Alternatives; 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; Management Buyouts/Leveraged Buyouts; Reduction of Capital; Reorganization of Share Capital; Buy-Back of Shares;

Skill Development:

(These activities are only indicative, the Faculty member can innovate)

1. Project on capital allocation
2. Report financing options
3. GD on financial topics regards to subject
4. Analysis of financial instruments

TEXT BOOKS:

1. K. R. Sampath, Mergers/Amalgamations, Takeovers, Joint Ventures, LLPs and Corporate Restructure, Snow White Publications
2. Ray, Mergers and Acquisitions Strategy, Valuation and Integration, PHI

REFERENCE BOOKS:

1. S. Ramanujam, Mergers et al, LexisNexis ButterworthsWadhwa, Nagpur
2. ICSI : Handbook on Mergers Amalgamations and takeovers
3. Strategic Financial Management by Prasanna Chandra (PC), Mcgraw Hill
4. Financial Markets and Corporate Strategy by Sheridan Titman, 2nd Edition (Irwin/McGraw-Hill, 2002).