

## Syllabus for MERGERS, ACQUISITIONS & CORPORATE RESTRUCTURING

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| School: School of Business Studies (SBS)     |                       | Batch : 2019 -21  |
| Program : M.B.A.                             |                       | Current Academic Year: 2020 -21   |
| Branch: Finance (Dual), IB –(Dual & Single ) |                       | Semester: IV  |
| 1  | Course Code           | <b>DSC054</b>   |
| 2  | Course Title          | <b>MERGERS, ACQUISITIONS &amp; CORPORATE RESTRUCTURING</b>  |
| 3  | Credits               | 03  |
| 4  | Contact Hours (L-T-P) | 3-0-1   |
|  | Course Status         | Elective  |
| 5  | Course Requisite      | <b>Attendance:</b> Students are required to have a <b>minimum of 65%</b> regular attendance in this course during the term. Those who fall short of attendance are not able to clear this course. Those students who do not meet the attendance requirement will not be allowed to sit in examinations.   |
| 6  | Course Description    | Mergers and Acquisitions (M &As) is a comprehensive course which explores the core concepts of mergers & acquisitions and corporate restructuring and the challenges encountered in implementing them. Beginning with the conceptual framework of corporate restructuring, the course goes on to discuss takeovers and M & A, the concept and process of due diligence and legal issues in M & As. The key issues relating to valuation and accounting will be explained. This course will also be discussing the post-merger issues, the human aspects of M &As and cross-border acquisitions. |
| 7  | Course Objective      | The objective of this course is to acquaint the students with the <b>applications of various concepts and techniques of valuation and standards actually applied in real life M &amp; As cases and challenges in any contemplated M &amp; A transaction so that it enhances the chances of success.</b>   |

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| 8 | Course Outcomes   | <p>On completion of this module the student will be able to :</p> <p>CO 1 classify the different forms of mergers &amp; corporate restructuring.</p> <p>CO 2 analyse how a company can create value by adopting different forms of restructuring.</p> <p>CO 3 value how, when and what valuation techniques are to be applied to determine optimum swap ratio.</p> <p>CO 4 deal with the accounting and legal issues in a merger &amp; acquisitions</p> <p>CO 5 assess how to plan post- merger integration.</p> |
| 8 | Outline syllabus  | CO Mapping   |
|   | <b>Unit 1</b>   | <b>An Introduction to Mergers, Acquisitions and Other Restructuring Activities</b>   |
|   | <b>A</b><br><i>Understanding Mergers &amp; Acquisitions</i> | <ul style="list-style-type: none"> <li>• Introduction</li> <li>• Meaning of Merger, amalgamation, acquisition, takeover.</li> <li>• Types of Mergers, reverse merger,</li> <li>• Motives and Benefits of Mergers and Acquisitions</li> <li>• divestiture, de merger, Diversification etc.</li> <li>• Reasons for failure of M &amp; As. Process of M &amp;A.</li> </ul>  |
|   | <b>B</b><br><i>Corporate Restructuring</i>                  | <ul style="list-style-type: none"> <li>• , Introduction</li> <li>• Corporate Restructuring –Meaning, types.</li> <li>• Causes of Corporate Restructuring.</li> <li>• Barriers of Restructuring</li> <li>• Key elements of Restructuring Process and Strategies for restructuring</li> <li>• Implications of Corporate Restructuring</li> </ul>   |
|   | <b>C</b><br><i>Takeovers</i>                                | <ul style="list-style-type: none"> <li>• Introduction</li> <li>• Forms of Takeover, Takeover Defences</li> <li>• Benefits and disadvantages of Takeovers</li> <li>• Buyback of Shares and its process</li> </ul>   |
|   | <b>Unit 2</b>   | <b>Corporate Valuation</b>   |
|   | <b>A</b><br><i>Corporate Valuation :</i>                    | <ul style="list-style-type: none"> <li>• Basics of Value, Various Expressions of Value.</li> <li>• Relationship among different types of value</li> </ul>  |

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|  | <b>Concepts and Principles</b>                        | <ul style="list-style-type: none"> <li>• Purposes of Valuation and Impacts on the Value estimates;</li> <li>• <b>Methods of Valuation</b></li> <li>• <b>Principles of Business Valuation</b></li> </ul>   |          |
|  | <b>B</b><br><b>Corporate Valuation: Techniques</b>    | <ul style="list-style-type: none"> <li>• Valuation as a cause of M &amp; A Failure.</li> <li>• <b>Right Valuation to determine Right Price.</b></li> <li>• <b>Approaches to Corporate Valuation</b></li> <li>• <b>Economic Gains and Costs of M &amp; A.</b></li> <li>• <b>The Share Exchange Ratio.</b></li> </ul> <p>Problems and Cases on Valuation of firms.</p>                | CO2, CO3 |
|  | <b>C</b><br><b>Valuing Synergy</b>                    | <ul style="list-style-type: none"> <li>• Introduction</li> <li>• <b>Benefits from Synergy</b></li> <li>• <b>Types of Synergy</b></li> <li>• <b>Synergy and Value Creation in M &amp; A</b></li> <li>• Synergy and Merger Success</li> </ul>   | CO2, CO3 |
|  | <b>Unit 3</b>   | <b>Corporate Strategy &amp; Organizing for M&amp;A</b>  |          |
|  | <b>A</b><br><b>Corporate Restructuring Strategies</b> | <ul style="list-style-type: none"> <li>• <b>Strategies for entering a New Market;</b></li> <li>• <b>Tools for Strategy Analysis – SWOT etc</b></li> <li>• Framework for M &amp; A Strategies</li> <li>• <b>Formulating Strategies for M &amp; A.</b></li> <li>• Alternative perspectives on mergers, sources and limits of value creation in different forms of mergers.</li> </ul> | CO2,     |
|  | <b>B</b><br><b>Strategic Alliance</b>                 | <ul style="list-style-type: none"> <li>• Cross-border acquisitions – Needs, Benefits and difficulties in Cross Border Acquisitions.</li> <li>• Strategic alliances as an alternative to M&amp;As.</li> </ul>  | CO2,     |
|  | <b>C</b><br><b>Leveraged Buyouts</b>                  | <ul style="list-style-type: none"> <li>• Leveraged buyouts (LBO) &amp; LBO Sponsors and Mode of LBO</li> </ul>  | CO1, 2,  |

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|  |   | <ul style="list-style-type: none"> <li>• Criteria for Selecting LBO Candidate</li> <li>• Concept of Financial Leverage and Risk</li> <li>• Theories of LBO</li> <li>• Exit Strategies for LBO</li> </ul>  |       |
|  | <b>Unit 4</b>                                 | <b>Accounting &amp; Legal Issues</b>  |       |
|  | A<br><i>Accounting for M &amp; A</i>          | <ul style="list-style-type: none"> <li>• Accounting treatment as per Ind. AS.</li> <li>• Controversies and Dilemma in Accounting for M &amp; A.</li> </ul> <p>Problems and Cases on Purchase Consideration.</p>   | CO4   |
|  | B<br><i>Due Diligence</i>                     | <ul style="list-style-type: none"> <li>• Scope and Types of Due Diligence, Transactions requiring Due Diligence</li> <li>• Due Diligence Process. Parties interested in Due Diligence</li> <li>• Due Diligence in Cross-border Deals.</li> </ul>                                      | CO4   |
|  | C<br><i>Legal Aspects of M &amp; A.</i>       | <ul style="list-style-type: none"> <li>• Procedural aspects under the Companies Act/Rules. Scheme of Amalgamation.</li> <li>• Statutory obligations and SEBI (Substantial Acquisition of Shares &amp; Takeovers) Regulations 2011</li> </ul> <p>Tax issues relating to M &amp; A.</p> | CO4   |
|  | <b>Unit 5</b>                                 | <b>Post – Acquisition Integration –</b>   |       |
|  | A<br><i>Post-Merger integration</i>           | <ul style="list-style-type: none"> <li>• Types of Integration, Tools for Integration</li> <li>• Issues involved in Integration</li> <li>• Role of HRM in M &amp; A Integration</li> <li>• Integrating Cross-border Acquisitions</li> </ul>  | CO2,5 |
|  | B<br><i>Corporate Culture</i>                 | <ul style="list-style-type: none"> <li>• Integrated Organisation.</li> <li>• Corporate Culture Due Diligence.</li> <li>• Redesigning Post Merger Cultural Process.</li> </ul>   | CO2,5 |
|  | C<br><i>Integration for M &amp; A Success</i> | <ul style="list-style-type: none"> <li>• Meeting the challenges of M&amp;As.</li> <li>• Post-Merger Growth Strategies</li> <li>• Strategies for Post-merger Success</li> </ul>  | CO2,5 |



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|-----|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| CO1 | 2        | 2        | 2        | 1        | 1        | -        | 2        | 2        | 1        | 1        |
| CO2 | 2        | 3        | 2        | 1        | -        | -        | 2        | 2        | 1        | 1        |
| CO3 | 2        | 3        | 1        | -        | -        | -        | 1        | 2        | 1        | 2        |
| CO4 | 2        | 3        | 2        | 1        | -        | -        | 1        | 2        | 2        | 2        |
| CO5 | 2        | 2        | 1        | 2        | 2        | 2        | 1        | 2        | 1        | 1        |
|     | <b>2</b> | <b>2</b> | <b>2</b> | <b>1</b> | <b>1</b> | <b>-</b> | <b>1</b> | <b>2</b> | <b>1</b> | <b>1</b> |

**1-Slight (Low)**

**2-Moderate (Medium)**

**3-Substantial (High)**

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### **Industry Linked Projects –**

1. Lakshmi Vilas Bank with DBS India Ltd.
  2. Gruh Finance and Bandhan Bank Merger
  3. Dena Bank, Vijya Bank with Bank of Baroda merger
  4. Flipkart and Walmart merger
  5. Vodafone Indian Subsidiary and Idea Cellular Merger
  6. Dr. Reddy Laboratories Ltd acquires Imperial Credit Private Ltd
  7. Sony Corporation acquires TEN Sports from Zee
  8. Bharti Airtel acquires Telenor India
  9. Havells India acquires Lloyd Electric's Consumer Durable Business
  10. Housing.com merges with PropTiger
  11. Flipkart's acquisition of eBay India
  12. Airtel-Telenor merger
  13. Jaiprakash Associates – Ultra Tech Cement
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