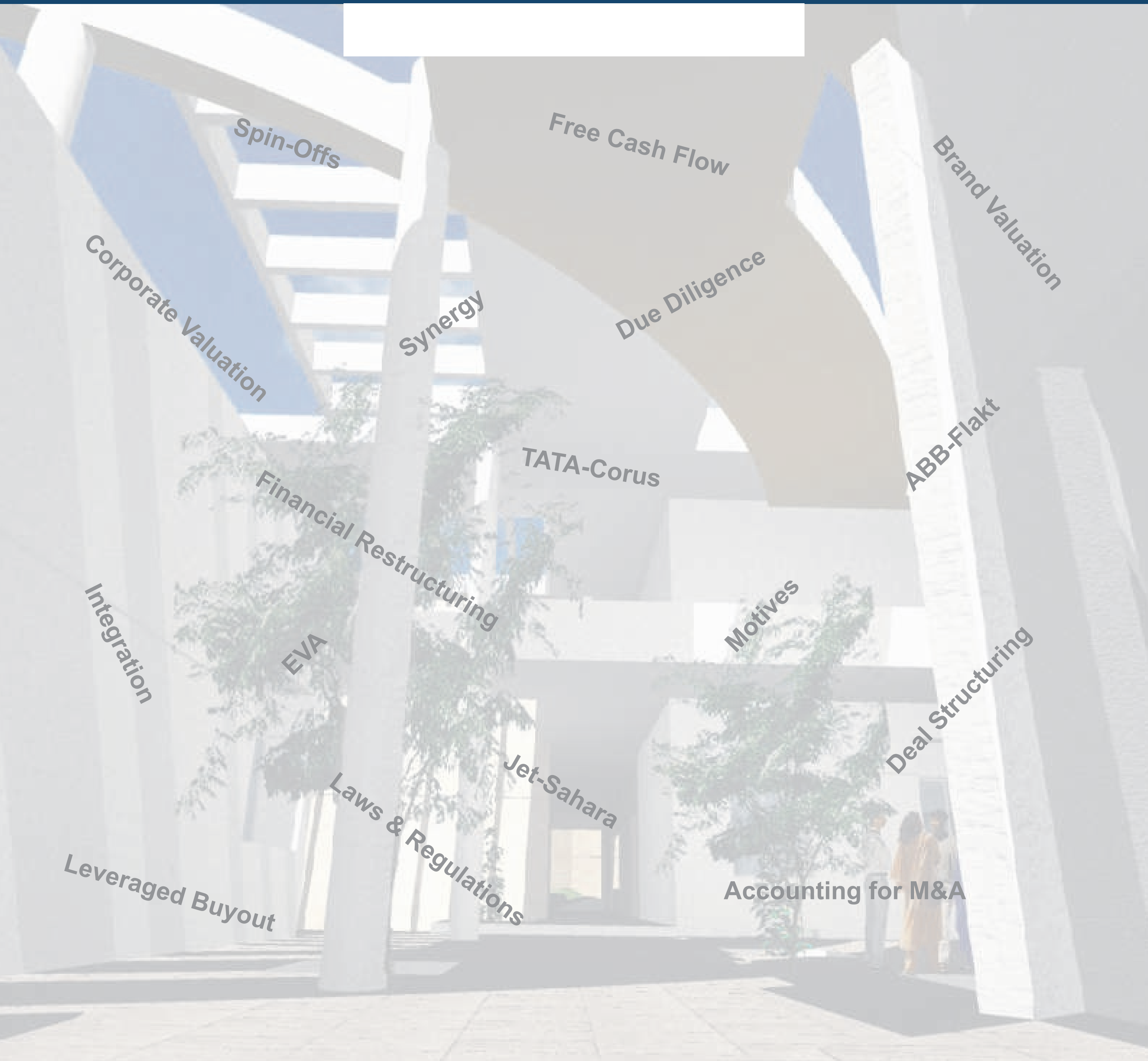
CERTIFICATE PROGRAMME FOR EXECUTIVES
ON
MERGERS & ACQUISITIONS



TAMASŌMA JYOTIRGAMAYA

VIGNANA JYOTHI INSTITUTE OF MANAGEMENT

(Approved by All India Council for Technical Education, Ministry of Human Resource Development, Government of India)

HYDERABAD

Introduction

Mergers and Acquisitions (M&A) are century old phenomena for corporate survival or death. In the United States, the wave of mergers emerged at the beginning of the 20th century, which was characterised by wider diversifications leading to formation of conglomerates. But the Great Depression of 1929 aborted this wave abruptly. During 1960s, the subsequent waves strengthened stability of M & A due to long lasting recovery of the world economy. The current M & A wave has begun in the early 1990's in the wake of globalization and liberalization of foreign investment norms by a large number of countries, leading to phenomenal rise in cross-border acquisitions. Today, there exists clearly a market for M & A and corporate control. The total value of global M & A in 2007 was more than US$ 4 trillion and the US market alone accounted for almost 40% of it. Experts profess for further phenomenal growth around the world.

Back home, corporate India is re-shaping itself from conglomerate structure to focused organizations in order to become core competent. M&A has been a powerful tool to accomplish this objective so as to build globally competitive enterprises. Between 2002 and 2006, there has been a compounded annual growth rate of 28% in the value of M&A deals. Indian M&A transactions are primarily driven by the desire for growth. Indian companies are leveraging their low-cost advantage to create efficient global business models. They are seeking entry into the Western markets. At the same time Western companies are looking for entering low-cost emerging markets like India. This is resulting in in-bound and out-bound M & As simultaneously. Major growth of Indian M&As has taken place over the last two/three years with the volume of M&A deals touching US$ 21.4 billion in 2006 from US$ 9.5 billion in 2004. Tata Steel's acquisition of Anglo-Dutch Corus for US$ 12.1 billion and Hindalco's acquisition of Novelis for US$ 6 billion have accelerated the out bound M&A deals. Vodafone's US$ 1.1 billion acquisition of the Hutchison's 52% controlling stake in Essar spelt out a good beginning of in-bound investments towards M&A.

Today, corporate managers must understand the nitty-gritty of M&As including divestment, spin-off, takeover, leveraged buy outs (LBO), corporate control, etc. This 3½ day certificate programme for executives is aimed at imparting knowledge and skills ranging from conceptual framework to the execution of successful mergers. In the competitive environment, every one in the corporate world needs to broaden the understanding of M&A, from the viewpoint of strategic, financial, legal and HR issues, in order to sustain competitive advantage.

Learning Objectives

On completion of the programme, the participants would be able to:

- Understand the prime motives for M & A and how the synergies are perceived and realized
- Learn the strategy formulation for growth and finding out the right target
- Understand complex corporate valuation and determination of swap ratio and
- Know, how to make M & A a success

Who Should Attend

This 3½ day Executive programme has been designed for executives from any functional area at any level who want to gain knowledge on the complex subject of M &As. As the programme has holistic focus on M & A, Business Planners, Corporate Research Analysts, Professional Accountants, Corporate/Financial Consultants and freshers would also find the programme informative, enriching and value adding.

Programme Contents

Diversification and Restructuring

- Emergence of conglomerates, need for diversification and restructuring, Types of Restructuring
- Overview of mergers, acquisitions, strategic and equity alliances, takeovers and corporate control-friendly & hostile, divestments, disinvestments, spin-offs, leveraged buy-out (LBO), management buy-out (MBO), cross-border M & A, reverse merger, etc.

Strategic Considerations & Motives for M & A

- Framework for M & As
- Major types of M & As
- Motives & justification for M & As
- Approaches to formulate M & A strategy: analysis of BCG Matrix, value-Chain, Porter's five force model, etc.
- Strategy for alliances

Acquisition Search and Approach to Deal Structuring

- Search criteria
- Building effective search process

Synergy Perception & Realization

- Theory of synergy, sources and categories of synergy
- Valuing synergies, risks in synergy assessment & synergy trap
- Cost-benefit analysis of M & A

Corporate Valuation in M & A (Target & Acquiring Companies)

- Overview of company valuation/business valuation/ equity valuation / debt valuation/valuation at liquidation
- Valuation process
- ESOPs and firm valuation in M&A
- Intellectual capital in M&A and its impact on corporate valuation

Corporate Valuation Techniques

- NAV Method : book value & replacement value
- Optimised deprival valuation method
- P/E Method
- Comparable Company Method
- Free Cash Flow Method

    Estimating free cash flow

    Capital asset pricing model to estimate cost of equity

    Estimating cost of debt

    Estimating weighted average cost of capital

    Estimating explicit period value and terminal value
- Economic Value Added (EVA)® Method
- Adjusted Present Value (APV) Method
- Valuation of Brands, Goodwill and Human Resources
- Valuation disputes and resolution
- Exchange ratio determination
- Measuring post-merger shareholder value addition, understanding economic success and failure of M&A

Leveraged Buyout (LBO) & Management Buyout (MBO)

- Motivation for LBO
- Identifying LBO candidates
- LBO through MBO
- Risk Evaluation for LBOs
- Sources of fund for LBOs
- Exit option for LBOs

Payment for M & A and Accounting for Business Combination

- Methods of payment for M & A - cash or paper
- Financing M & A deal : Various Sources
- Accounting for business combination: critical analysis of "purchase method" and "pooling-of-interest method"
- Implications of US GAAP

Due diligence and Legal Aspects of M & A

- Due diligence process & purchase investigation
- Legal aspects of M & A deal

    Companies Act, 1956

    Competition Act, 2002

    Income Tax Act, 1961

Post-merger Integration

- Integration as a tool for M & A success and the problems associated with it People integration, process integration, system integration, cultural integration, etc.

® Stern & Stewart

Methodology

Facilitation through lectures/presentations, showing movie on M & A, case discussion, real life examples, model building, group discussion & experience sharing and take-home assignments etc.,

Programme Director and Lead Faculty:

Dr.Kamal Ghosh Ray

He is a professor of Finance and Risk management and Director of VJIM, having 31 years of rich blend of corporate, academic, research and corporate training experiences. He held senior positions in various MNCs. He is a visiting professor of Strategic Finance in Ecole Superiere de Commerce (Burgundy School of Business), Dijon, France. He has expertise in the areas of M&A, Strategy, Corporate Governance, Corporate Finance and Risk Management. He presented his research paper on M&A in Massachusetts Institute of Technology, Cambridge and Syracuse University, New York, USA.

Programme Fee: Rs.30,000 per participant which includes Study material/Book, tea/coffee/snacks & Lunch. For International Participants U.S. $ 1000

Duration: 3½ days

Timings:

Thursday	-	9.00 am to 6.30 pm
Friday	-	9.00 am to 6.30 pm
Saturday	-	9.00 am to 6.30 pm
Sunday	-	9.00 am to 1.00 pm

Venue: This non-residential programme would be held at VJIM Main Campus at Bachupally, Hyderabad.

Enquiry/Registration

Please send the filled-in application form or Contact :

Dr.Martina
Associate Professor-Finance
Co-ordinator-Management Development Programmes
at Main Campus

VIGNANA JYOTHI INSTITUTE OF MANAGEMENT,

Vignana Jyothi Nagar, Bachupally (via), Kukatpally,
Hyderabad 500072. e-mail: dr.martina@vjim.edu.in
Ph: (91) 40-2304 4953, Mobile: 99495 39263
Fax: (91) 040-2780 5222 / 2304 4901

About Us

Vignana Jyothi Institute of Management is one of the leading Business Schools in India since 1991 and is well known for imparting value based management education. In addition, VJIM regularly undertakes Management Development Programmes for Corporate Executives, Research and Consultancy. The institute is a pioneer in terms of curriculum design and teaching methodology in Management Education. It has highly qualified research oriented faculty members intellectually supported by dedicated, selfless and knowledgeable governing body members.

The institute has scheduled the following MDPs at VJIM Main Campus Bachupally, Hyderabad, for the academic year 2008-09 :

Sl.No	Title	Date	Programme fee
1.	Planning for Efficiency and Effectiveness	17-18 October 2008	12,000/-
2.	Integrating soft skills for effective performance	17-18 October 2008	8,000/-
3.	Mergers & Acquisitions for Corporate Growth	24-25 October 2008	14,000/-
4.	Strategy for Small and Medium Enterprises	7-8 November 2008	12,000/-
5.	Enhancing Personal Selling Skills	14-15 November 2008	12,000/-
6.	Financial Derivatives and Risk Management	21-22 November 2008	12,000/-
7.	Leadership Skills Development	5-6 December 2008	12,000/-
8.	Financial Intelligence for non-finance Executives	19-20 December 2008	10,000/-
9.	Managing Key Performance Drivers in Service Marketing	9-10 January 2009	10,000/-
10.	Mergers and Acquisitions: HR Issues	23-24 January 2009	12,000/-
11.	Practical workshop in Team Building and Assessment: Drive, Strive, 'Thrive, Arrive and Revive	30-31 January 2009	12,000/-
12.	Management of HR in Organisation	6-7 February 2009	12,000/-
13.	Globalization for Survival	9-10 February 2009	12,000/-
14.	Integrating Soft skills for Effective performance	20-21 February 2009	8,000/-
15.	Globalisation of HR Practices: Developmental Dimension	2-3 March 2009	12,000/-
16.	Relationship Marketing for Customer Loyalty	9-10 March 2009	10,000/-
17.	Financial Derivatives and Risk Management	13-14 March 2009	12,000/-
18.	Financial Intelligence for non-finance Executives	20-21 March 2009	10,000/-
19.	Pricing Strategies for Value creation	27-28 March 2009	10,000/-
20.	Enhancing Personal Selling Skills	6-7 April 2009	12,000/-
21.	Financial Derivatives and Risk Management	13-14 April 2009	12,000/-
22.	Financial Intelligence for non-finance Executives	17-18 April 2009	10,000/-
23.	Practical workshop in Team Building and Assessment: Drive, Strive, 'Thrive, Arrive and Revive	20-21 April 2009	12,000/-
24.	Pricing Strategies for Value creation	27-28 April 2009	10,000/-