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Finance

The Tata – Tetley Leveraged Buyout

Abstract

The case 'The Leveraged Buyout Deal of Tata & Tetley' provides insights into the concept of Leveraged Buyout (LBO) and its use as a financial tool in acquisitions, with specific reference to Tata Tea's takeover of global tea major Tetley. This deal which was the biggest ever cross-border acquisition, was also the first-ever successful leveraged buy-out by any Indian company. The case examines the Tata Tea-Tetley deal in detail, explaining the process and the structure of the deal.

Issues

Leveraged buyouts.

Reference Numbers

ICMR FINC001

ECCH 201-045-1

Organization(s) Tata Tea, Tetley

Countries India

Industry Food, Beverages

Pub/Rev Date 2001

Case Length 6 pages

TN Length 4 pages

Life Insurance Corporation's Future Prospects

Abstract

In 2000, the Insurance Regulatory & Development Authority Bill was passed by the Government of India, throwing open the Indian insurance market to foreign players. The domestic life insurance monopoly, Life Insurance Corporation (LIC) had to take various steps to compete with the new players. The case study 'Life Insurance Corporation's Future Prospects' discusses LIC's moves after the IRDA Act was passed and examines the company's future prospects. The case gives students an insight into the measures taken by LIC to deal with competition after the insurance sector was opened up to the private players.

Issues

Opening of Indian insurance market to foreign players, Incumbent reaction.

Reference Numbers

ICMR FINC002

ECCH 302-049-1

Organization(s) LIC, IRDA

Countries India

Industry Financial Services

Pub/Rev Date 2002

Case Length 5 pages

TN Length 4 pages

The US – 64 Controversy

Abstract

The case 'The US-64 Controversy' provides insight into the problems faced by the Indian mutual fund major UTI's flagship scheme US-64. The case discusses in detail the problems that led to the fund's poor performance and steps taken by UTI to restore the investor confidence and the efficacy of these steps.

The case intends to highlight the importance of portfolio management for a mutual fund. The case explores in details the reasons behind the US-64 controversy and its implication on the stock markets.

Issues

Mismanagement of US-64 portfolio, efforts to revive US-64, functioning of UTI.

Reference Numbers

ICMR FINC003

ECCH 102-024-1

Organization(s) UTI India

Countries India

Industry Financial Services

Pub/Rev Date 2002

Case Length 7 pages

TN Length 4 pages

The GTB – UTI Bank Merger

Abstract

The case 'The GTB-UTI Bank Merger Story' discusses all the circumstances surrounding the proposed merger between UTIB and GTB. The case discusses the various developments that took place from the time the merger was announced. It also focuses on the alleged nexus between GTB's Chief Managing Director, Ramesh Gelli, and the broker Ketan Parekh to rig the price of the GTB scrip to get a favorable swap ratio.

Issues

Failure of attempted merger between two banks, Valuation, Swap ratios.

Reference Numbers

ICMR FINC004

ECCH 302-044-1

Organization(s) UTI, GTB

Countries INDIA

Industry Banking

Pub/Rev Date 2002

Case Length 6 pages

TN Length 4 pages

Finance

The ITC Classic Story

Abstract

The case 'The ITC Classic Story' gives a detailed insight into the failure of the erstwhile financial services major ITC Classic. The case explores in detail the events, which led to Classic's downfall and its subsequent merger with ICICI. The case also examines ICICI's motives behind its decision to merge with Classic and the benefits of the merger for both the parties involved.

Issues

Non-banking Finance Companies in India, Cross holdings.

Reference Numbers

ICMR FINC005

ECCH 102-023-1

Organization(s) ITC Classic, ICICI

Countries India

Industry Financial Services

Pub/Rev Date 2002

Case Length 7 pages

TN Length 5 pages

The JVG Scandal

Abstract

The case 'The JVG Scandal' is intended to give a detailed insight into the frauds committed by the JVG group of companies. The case examines how the JVG group was able to defraud the investors and the regulatory authorities with ease.

Issues

Scams in the non-banking sector, Role of regulators RBI and SEBI in the scams.

Reference Numbers

ICMR FINC007

ECCH 102-027-1

Organization(s) JVG Group of Industries

Countries India

Industry Financial Services

Pub/Rev Date 2002

Case Length 6 pages

TN Length 4 pages

The Ketan Parekh Scam

Abstract

The case gives a detailed insight into the 2000-01 Indian stock market scams. The case traces the events that led to the scam and also tries to study the role of the regulatory authorities in the scam. The case also analyses the steps taken by SEBI after the scam.

Issues

Scandals in the Indian stock markets.

Reference Numbers

ICMR FINC006

ECCH 102-037-1

Organization(s) SEBI, BSE

Countries India

Industry Financial

Pub/Rev Date 2002

Case Length 9 pages

TN Length 4 pages

CRB Scam

Abstract

The case 'The CRB Scam' is intended to give a detailed insight into the frauds committed by the CRB group of companies. The case examines how the CRB group was able to defraud the investors and the regulatory authorities with ease. The role of RBI and SBI is also explored. The case is so structured as to enable students to understand the way the CRB group of companies defrauded the investors.

Issues

Stock market regulator SEBI and financial scams in India.

Reference Numbers

ICMR FINC008

ECCH 102-029-1

Organization(s) CRB Group, SEBI

Countries India

Industry Financial Services

Pub/Rev Date 2002

Case Length 9 pages

TN Length 5 pages

The Anubhav Plantations Scam

Abstract

The case is intended to give detailed insight into the fraud committed by the Anubhav group of companies. The case examines how the group was able to defraud the investors and the regulatory authorities with ease and provides information regarding the functioning of the plantation schemes. The case is so structured as to enable students to understand how the Anubhav group of companies defrauded the investors.

Issues

Financial frauds, Plantation schemes or scams?

Reference Numbers

ICMR FINC009

ECCH 102-021-1

Organization(s) Anubhav Group, Anubhav Plantations, SEBI

Countries India

Industry Agriculture, Financial Services

Pub/Rev Date 2002

Case Length 11 pages

TN Length 4 pages

Arvind Mills' Restructuring Plan

Abstract

The case provides an overview of the Arvind Mills' expansion strategy, which resulted in the company's poor financial health in the late 1990s. In the mid 1990s, Arvind Mills' undertook a massive expansion of its denim capacity in spite of the fact that other cotton fabrics were slowly replacing the demand for denim. The expansion plan was funded by loans from both Indian and overseas financial institutions. With the demand for denim slowing down, Arvind Mills found it difficult to repay the loans. In the late 1990s, Arvind Mills ran into deep financial problems because of its debt burden. The case also discusses the Arvind Mills debt-restructuring plan for the long-term debts being taken up in February 2001.

Issues

Expansion plans, Debt driven expansion, financial restructuring.

Reference Numbers

ICMR FINC011

ECCH 102-030-1

Organization(s) Arvind Mills

Countries India

Industry Textiles

Pub/Rev Date 2002

Case Length 8 pages

TN Length 4 pages

Coimbatore Bypass Road Project

Abstract

The case introduces the students to the problems confronting the investors in the road sector projects in the country. Without the support and cooperation of the government, and the users of the facility, investments would not be forthcoming in the infrastructure sector.

Issues

Infrastructure projects, BOT projects, Financing infrastructure projects.

Reference Numbers

ICMR FINC010

ECCH 102-022-1

Organization(s) L&T

Countries India

Industry Construction, Infrastructure.

Pub/Rev Date 2002

Case Length 5 pages

TN Length 4 pages

Film Insurance & Financing in India

Abstract

The case examines the developments in the film insurance industry in India in the late 1990s. Studying the experience of the United India Insurance (UII) company, which pioneered film insurance in India, it explores in detail the hurdles faced by the film industry in dealing with the banks/financial institutions (Fis) and insurance companies. While the success of UII's film insurance service encouraged more film producers to adopt transparency and corporate practices, the industry hoped that the recommendations of the Joint Institutional Committee for Financing Entertainment Industry made in December 2000 would herald a new saga for it.

Issues

Film insurance, Film financing in India, Hurdles in film financing.

Reference Numbers

ICMR FINC012

ECCH 102-028-1

Organization(s) United India Insurance Company

Countries India

Industry Financial Services

Pub/Rev Date 2002

Case Length 6 pages

TN Length 4 pages

The Gucci – LVMH Battle

Abstract

The case gives a detailed account of the dispute between two of the world's leading luxury good companies, Gucci and LVMH. The case examines how Gucci managed to thwart the takeover efforts of its rival LVMH. The case is so structured as to enable students to understand the tactics Gucci used to avoid being taken over by its rival LVMH. The case explains how the Gucci management used the ESOP poison pill and the PPR white knight. They should be able to look at the controversy from Gucci's as well as LVMH's point of view.

Issues

Takeovers, Acquisitions.

Reference Numbers

ICMR	FINC013
ECCH	302-045-1

Organization(s) Gucci, LVMH, PPR

Countries India

Industry Luxury Goods

Pub/Rev Date 2002

Case Length 7 pages

TN Length 5 pages

Modi Rubber Vs the Financial Institutions

Abstract

The case provides a detailed insight into the events during a decade-long dispute between Modi Rubber (Modi) and its lender/owners financial institutions (FI). It examines the FI's threat to sell their stake in Modi in the open market, which led to a major debate regarding the role of FIs in the companies in which they had an equity stake.

Issues

Dual role of Financial Institutions as owners and lenders, Corporate Governance.

Reference Numbers

ICMR	FINC015
ECCH	102-032-1

Organization(s) Modi Rubber, UTI

Countries India

Industry Automotive, Financial Services

Pub/Rev Date 2002

Case Length 9 pages

TN Length 6 pages

The Case of Insider Trading (HLL – BBLIL Merger)

Abstract

The case study analyses the issues related to the insider trading charges against HLL with regard to its merger with Brooke Bond Lipton India Ltd. The case focuses on the legal controversy surrounding these charges. The controversy involved HLL's purchase of 0.8 million shares of BBLIL two weeks prior to the public announcement of the merger of the two companies (HLL and BBLIL). SEBI, suspecting insider trading, conducted enquiries, and after about 15 months, in August 1997, SEBI issued a show cause notice to the Chairman, all Executive Directors, the Company Secretary and the then Chairman of HLL. Later in March 1998 SEBI passed an order charging HLL with insider trading. Later HLL filed an appeal with the appellate authority, which ruled in its favor.

Issues

Mergers, Insider trading, Role of regulatory bodies.

Reference Numbers

ICMR	FINC014
ECCH	702-010-1

Organization(s) HLL, BBLIL, SEBI, UTI

Countries India

Industry FMCG

Pub/Rev Date 2002

Case Length 8 pages

TN Length 6 pages

Reliance Petroleum TOCD Issue (A)

Abstract

The case Reliance Petroleum's TOCD issue analyzes an innovative convertible security TOCDs issued by Reliance Petroleum Limited in September 1993 to finance its grassroots refinery project at Jamnagar, Gujarat. It provides a detailed explanation of the instrument and the various options available to the investor which was evaluated on the basis of their yield to maturity. The case also provides a concept note highlighting the various methods of raising finance from public investors by an organization.

Issues

Convertible securities, Public Issues, Financing.

Reference Numbers

ICMR	FINC016
ECCH	102-055-1

Organization(s) Reliance Petroleum Limited

Countries India

Industry Petroleum

Pub/Rev Date 2002

Case Length 7 pages

TN Length 6 pages

Reliance Petroleum TOCD Issue (B)

Abstract

The case Reliance Petroleum's TOCD issue (B) analyzes the new option provided to the TOCD holders after an extra ordinary general meeting of RPL held in April 1998. It provides a detailed explanation of the alternatives and the options available to the investor, which were evaluated on the basis of their yield to maturity.

Issues

Convertible securities, Public issues, Financing.

Reference Numbers

ICMR	FINC017
ECCH	102-056-1
Organization(s)	Reliance Petroleum Limited
Countries	India
Industry	Petroleum
Pub/Rev Date	2002
Case Length	7 pages
TN Length	7 pages

Buyback of Shares by MNCs

Abstract

The case analyzes the buyback option introduced by the Government on India in 1998. It provides a detailed understanding of the Buyback ordinance and its salient features. The case sets out the objectives of the buyback ordinance and the reasons given by the MNCs for pursuing a buyback. It also highlights the grievances expressed by the small investors against misuse of the buyback option by the MNCs through a set of examples.

Issues

Buyback of shares, MNC's in India, Rights of minority shareholders.

Reference Numbers

ICMR	FINC018
ECCH	103-028-1
Organization(s)	SEBI
Countries	India
Industry	
Pub/Rev Date	2002
Case Length	12 pages
TN Length	5 pages

The Indian Housing Finance Industry at the Crossroads

Abstract

The case examines the developments in the housing finance industry in India. The reasons for the rapid growth in the industry that gathered pace during the late-1990s are explored in detail in the light of the entry of many commercial banks and other private sector companies into the business. The case also describes the reasons behind the emergence of marketing initiatives as a tool for competitive advantage in the industry. The case also provides information about a few basic concepts related to housing finance.

Issues

Floating and fixed interest rate loans, Housing finance.

Reference Numbers

ICMR	FINC019
ECCH	103-032-1
Organization(s)	Indian Government, HDFC
Countries	Indian
Industry	Financial Services
Pub/Rev Date	2003
Case Length	15 pages
TN Length	No

Essar Steel's FRN Controversy

Abstract

The case examines the financial crisis faced by Essar Steel (Essar), the leading Indian sponge iron manufacturer and the flagship company of the Essar Group, during the late-1990s and the early 21st century. It discusses how the company issued floating rate notes (FRNs) in the mid-1990s to finance its Hazira HRC plant and examines in detail the reasons why it defaulted in repaying the FRN-holders on the maturity date. The case critically analyzes the measures taken by the company to come out of its financial problems, the role of the Fis and the promoters.

Issues

Suitability of FRNs in the capital structure of long-term project.

Reference Numbers

ICMR	FINC020
ECCH	103-030-1
Organization(s)	Essar Steel
Countries	India
Industry	Steel, Financial Services
Pub/Rev Date	2003
Case Length	13 pages
TN Length	No

Co-operative Bank Scams in India

Abstract

The case, "Cooperative Bank Scams in India" gives an insight into the various scams and malpractices in cooperative banks in India and their implications on the Indian financial sector. The case begins with a history of cooperative banking in India. It briefly describes the structure of cooperative banks and their characteristics. The case then discusses in brief the scams that surfaced in four cooperative banks, viz., Madhavpura Mercantile Cooperative Bank (MMCB), Krushi Cooperative Urban Bank (KCUB), Charminar Cooperative Urban Bank (CCUB) and Nagpur District Central Cooperative Bank (NDCCB) in 2001-02. The case also discusses how to revive the functioning of cooperative banks in India.

Issues

Scams in the cooperative banks in India, Banking regulation.

Reference Numbers

ICMR	FINC021
ECCH	103-006-1

Organization(s) Various cooperative banks in India

Countries India

Industry Financial Services

Pub/Rev Date 2003

Case Length 7 pages

TN Length 4 pages

The WorldCom Accounting Scandal

Abstract

The case discusses the accounting frauds committed by the leading US telecommunications giant, WorldCom during the 1990s that led to its eventual bankruptcy. The case provides a detailed description of the growth of WorldCom over the years through its policy of mergers and acquisitions. The case explains the nature of the US telecommunications market, highlighting the circumstances that put immense pressure on companies to project a healthy financial position at all times. The case also describes the events that led the company to file for reorganization under Chapter 11 of the U.S. Bankruptcy Court in 2002. The role of the company's top management in the scandal has also been discussed.

Issues

Accounting scandals, Unethical business practices.

Reference Numbers

ICMR	FINC022
ECCH	103-033-1

Organization(s) WorldCom, Arthur Anderson, MCI

Countries USA

Industry Telecom, Financial Services

Pub/Rev Date 2003

Case Length 19 pages

TN Length No

Bangladesh Grameen Bank – Pioneers in Microfinance

Abstract

The case gives an overview of microfinance and its use as an effective tool for poverty reduction, with specific reference to Bangladesh Grameen Bank. The case also discusses Grameen Bank's microfinance model and its application in Bangladesh. The case discusses the success of the Grameen Bank model and also the problems it faced in the late 1990s, due to increased loan overdues. The case provides detailed information about the steps taken by the Grameen Bank to overcome the loan overdue problems.

Issues

Microfinance, Lending in poor communities.

Reference Numbers

ICMR	FINC023
ECCH	103-055-1

Organization(s) World Bank, Bangladesh Grameen Bank

Countries Bangladesh

Industry Banking and Financial Services

Pub/Rev Date 2003

Case Length 12 pages

TN Length 4 pages

Takeover Tussle – Grasim Vs L& T

Abstract

The case examines how Grasim, a leading Indian business conglomerate, gained control over the cement business of another business group, L&T through stock market mechanizations. It discusses the rationale for Grasim's acquisition of stake in L&T and also examines the acquisition tactics adopted by Grasim to increase its share in L&T. It covers the role of India's stock market regulatory authorities in the issue with respect to insider trading at L&T, the open offer chaos and takeover code violations by Grasim. The case critically examines L&T's decision to demerge the cement division to prevent a takeover by Grasim. The case explores the moves and counter moves adopted by both the companies in this tussle. Finally, it details the settlement plan accepted by both the parties.

Issues

Takeovers, management and shareholders.

Reference Numbers

ICMR	FINC024
ECCH	103-054-1

Organization(s) Grasim, L & T, SEBI

Countries India

Industry Financial Services

Pub/Rev Date 2003

Case Length 15 pages

TN Length 5 pages

The Fall of Barings Bank

Abstract

The case discusses how Nicholas William Leeson's (Leeson) unauthorized trading in derivatives led to the fall of Barings Bank, the oldest and one of the most reputed banks in the UK. It describes the complete sequence of events leading to the fall of the bank. The case also highlights the reasons for the fall, including the lack of proper managerial supervision and operational control systems, and the mismanagement of the bank's derivatives trading operations.

Issues

Importance of proper supervision and control systems in a bank.

Reference Numbers

ICMR	FINC025
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ECCH	104-043-1
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Organization(s)	Barings Bank
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Countries	UK
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Industry	Banking & Financial Services
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Pub/Rev Date	2004
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Case Length	10 pages
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TN Length	6 pages
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Derivatives Trading in India

Abstract

The case discusses the introduction and growth of the derivatives market in India. It describes in detail the reasons that led to the introduction of derivatives trading in India and why it faced opposition by a section of industry analysts and media. The case then describes the issues that still remain to be addressed by the regulatory authorities to accelerate the long-term growth of the derivatives market. Finally, the case mentions a few steps taken by the concerned authorities in early 2004.

Issues

Factors that can accelerate/suppress the growth of the derivatives market.

Reference Numbers

ICMR	FINC026
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ECCH	104-044-1
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Organization(s)	Bombay Stock Exchange/ National Stock Exchange
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Countries	India
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Industry	Banking & Financial Services
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Pub/Rev Date	2004
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Case Length	13 pages
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TN Length	No
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MRPL and RPL – Analyzing Risk and Returns

Abstract

The case examines the financial performance of two petroleum refineries – MRPL and RPL – established by the private sector in India during the mid-1990s. Though the shares of both these refineries were oversubscribed by investors during their public issue, the financial performance of these companies was very different during the period 1999-2002. The case studies the returns provided by the shares of both these companies and compare them with the overall stock market returns during the period 1996-2002. It analyzes the systematic risk (Beta) involved when investing in the shares of these companies.

Issues

Analyzing returns and risk on the shares of MRPL and RPL.

Reference Numbers

ICMR	FINC027
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ECCH	104-046-1
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Organization(s)	Mangalore Refinery and Petrochemicals Limited, Reliance Petroleum Limited.
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Countries	India
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Industry	Petroleum & Finance
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Pub/Rev Date	2004
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Case Length	12 pages
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TN Length	8 pages
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Parmalat – The Fall of a Dairy Giant

Abstract

The case deals with the financial scandal at Parmalat, one of the biggest companies in Italy. Towards the end of 2003, it was revealed that the company had been resorting to fraudulent accounting practices from the late-1980s and had been in the habit of transferring large amounts of money from the Parmalat group to several other overseas subsidiaries or companies owned by the Tanzi family. The Parmalat case was one of the biggest scandals to hit Europe and many analysts took to calling Parmalat 'Europe's Enron'.

Issues

Accounting scandals.

Reference Numbers

ICMR	FINC028
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ECCH	104-045-1
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Organization(s)	Parmalat Finanziaria SpA
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Countries	Italy
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Industry	Dairy Products
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Pub/Rev Date	2004
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Case Length	12 pages
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TN Length	5 pages
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Sumitomo Corporation of Japan – The Commodity Derivatives Fiasco

Abstract

The case discusses how Yasuo Hamanaka (Hamanaka), the chief copper trader at Japan's Sumitomo Corporation caused major losses to the company through his unauthorized trading activities in the physical and futures market in copper at the London Metal Exchange. It traces the complete sequence of events leading to the revelation of the scandal. The case also highlights the reasons for the copper debacle, including the lack of proper managerial supervision and operational control systems and the misuse of authority by Hamanaka.

Issues

Importance of proper supervision and control systems in a trading firm.

Reference Numbers

ICMR	FINC029
ECCH	104-053-1

Organization(s)	Sumitomo Corporation
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Countries	Japan
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Industry	Financial Trading, Minerals
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Pub/Rev Date	2004
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Case Length	12 pages
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TN Length	No
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The Polaris Orbitech Merger

Abstract

The case describes in detail, the merger of India-based Polaris Software Lab with the US-based OrbiTech Solutions, owned by the Citi Group. The case describes the rationale for the merger on the basis of key financial data. It also examines the reasons for revising the swap ratio of the merger. Finally, the case discusses the future prospects of the merged entity.

Issues

The concept of swap ratio and the way it is computed.

Reference Numbers

ICMR	FINC030
ECCH	104-052-1

Organization(s)	Polaris Software Labs, Orbitech Solutions
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Countries	USA, India
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Industry	Software, IT, Finance
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Pub/Rev Date	2004
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Case Length	12 pages
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TN Length	5 pages
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Valuing Sify's Acquisition of Indiaworld

Abstract

The case provides details of Sify's acquisition of IndiaWorld, including the structure of the deal, its perceived synergies and the criticisms leveled against the huge amount paid for the acquisition. The case also highlights the problems faced when valuing dotcom companies using traditional models of valuation. It describes certain valuation models that were devised for valuing dotcom companies. The case also illustrates the application of one of these models to determine whether the acquisition was overvalued or undervalued.

Issues

Concept of valuation and valuation models for dotcom companies.

Reference Numbers

ICMR	FINC031
ECCH	103-027-1

Organization(s)	Satyam Infoway Ltd., Indiaworld Communications Private Ltd.
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Countries	India
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Industry	Software, IT, Finance
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Pub/Rev Date	2003
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Case Length	12 pages
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TN Length	6 pages
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Allied Irish Banks – The Currency Derivatives Fiasco

Abstract

The case discusses how John Rusnak (Rusnak), a trader at Allfirst Financial Inc. (Allfirst), the US subsidiary of Ireland's leading bank – Allied Irish Banks (AIB), lost \$750 mn in foreign exchange trading operations. It describes in detail how the fraudulent trading activities and manipulation of records by Rusnak resulted in major losses. The case brings out the complete sequence of events and also highlights the reasons for the loss, including inadequate supervision, control system deficiency and failure to review policy and procedures.

Issues

Risk Management in Banks, Value at Risk (VAR) Model.

Reference Numbers

ICMR	FINC032
ECCH	104-071-1

Organization(s)	Allied Irish Banks
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Countries	Ireland/US
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Industry	Banking
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Pub/Rev Date	2004
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Case Length	11 pages
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TN Length	No
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The Google IPO

Abstract

Google went public on August 19, 2004, using the "Dutch Auction" method. Ever since the announcement of the IPO was made in April 2004, the IPO became mired in some controversy or other. Most investment bankers had expressed their concerns about the IPO and had declared it to be a failure even before its launch. Many bankers said that though Google was profitable at that point, it would not remain so for very long. Google's dual share system also came in for criticism. This system, considered antiquated, was described by most investors as unfair. Just a week before the launch of the IPO, Google's founders, Sergey Brin and Larry Page violated the rules of the Securities and Exchange Commission by breaking the "quiet period". Another violation that SEC discovered was Google's failure to report the shares that it had issued to its employees. These issues heightened the controversies surrounding the IPO. However, all these controversies notwithstanding, the Google IPO performed exceedingly well. It helped the company to collect \$1.4 billion, and put Google's valuation at nearly \$30 billion.

Issues

Dutch Auction method of launching an IPO, Features of the IPO that are generally under the scrutiny of investors.

Reference Numbers

ICMR	FIN037
ECCH	104-109-1

Organization(s) Google

Countries USA

Industry Search Engine

Pub/Rev Date 2004

Case Length 14 pages

TN Length 4 pages

The Rise and Fall of Global Trust Bank

Abstract

The case describes the growth and collapse of Global Trust Bank, a leading private sector bank in India. Since 2001, GTB's name was associated with scams and controversies. Due to the over exposure to capital markets and huge NPAs, the bank was in a financial mess. When GTB tried to cover up its monumental NPAs through under provisioning, RBI the regulatory authority for banks in India, appointed an independent team to review the finances of the bank. The review revealed various financial discrepancies kept covered by the bank. RBI imposed a three month moratorium on GTB on the ground of "wrong financial disclosures" and within two days the bank was merged with OBC, a public sector bank. With the merger becoming effective, GTB's identity came to an end and it became a part of OBC.

Issues

Analyze the reasons that led to the fall of Global Trust Bank.

Reference Numbers

ICMR	FINC038
ECCH	105-014-1

Organization(s) GTB

Countries India

Industry Banking

Pub/Rev Date 2005

Case Length 14 pages

TN Length No

The Lucent Accounting Scandal

Abstract

The case discusses the accounting frauds committed at the US-based telecommunications giant, Lucent Technologies Inc. (Lucent) during early 2000. It provides an insight into the ways by which the financial statements were manipulated at Lucent. It examines the loopholes in the financial management of the company and the price it had to pay for circumventing the provisions of law. The case examines the allegations against Lucent and its officers with reference to the Securities Exchange Act, 1934. Finally, the case throws light on the damage control measures taken up by the new CEO to improve the company's performance and restore investor confidence.

Issues

The need for sufficient internal control measures and transparency in the financial statements of a company.

The provisions of the laws with regard to finance-related scandals and the rigorous consequences for misleading the investors.

Reference Numbers

ICMR	FINC039
ECCH	105-014-1

Organization(s) Lucent

Countries US

Industry Telecom

Pub/Rev Date 2005

Case Length 13 pages

TN Length No

Share Microfin Limited: India's Largest Microfinance Organization

Abstract

Within just over a decade, SHARE Microfin Limited (SML) grew from a small society into India's largest microfinance organization. During the initial years, the organization faced many challenges with regard to customer acceptance, fund mobilization, government regulation, and other operational issues. However the organization adapted the Grameen model to the local conditions and even transformed its constitution from that of a society to a public limited company to attract funds from commercial banks. The organization sustained its growth momentum, over the years, through innovative fund mobilization efforts using partnership models with private sector banks and structured deals like securitization. The organization also planned to source cheaper funds through bond issues and external commercial borrowings. The success of SML attracted funding from venture capitalists.

Issues

understand the nature of the challenges faced by microfinance institutions in India, especially during the growth phase

Reference Numbers	
ICMR	FINC040
ECCH	
Organization(s)	SHARE Microfin Ltd
Countries	India
Industry	Microfinance
Pub/Rev Date	2005
Case Length	20 pages
TN Length	Yes

ICICI Bank - Innovations in Microfinance

Abstract

The case describes microfinance initiatives of ICICI Bank, the largest private sector bank in India. In spite of being a new entrant, ICICI Bank has been highly successful in the microfinance sector, primarily because of its innovative microfinance business models. The case discusses some of these models including Bank led & Partnership model. Other microfinance ventures of ICICI Bank are also explained in detail. The case presents how ICICI Bank has made microfinance a viable business proposition for banks.

Issues

Understand the need and benefits of microfinance in developing countries like India.

Reference Numbers

ICMR FINC041

ECCH

Organization(s)

Countries India

Industry Microfinance

Pub/Rev Date	2005
Case Length	15 pages
TN Length	No

The Microfinance Industry in India

Abstract

This industry report presents a detailed overview of the microfinance industry in India. The advent of new millennium witnessed significant developments in the Indian microfinance industry, which attracted the attention of several private sector and foreign banks. The report analyzes the potential of Indian microfinance industry and examines the recent policies of Indian government to boost the growth of the industry. It describes various microfinance models popular in India and includes a note on the leading players in the Indian microfinance industry. Finally, the report examines the challenges facing the industry in the near future.

Issues

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Reference Numbers

ICMR FINC042

ECCH

Organization(s)

Countries India

Industry Microfinance

Pub/Rev Date 2005

Case Length 24 pages

TN Length No