The Fall of IndyMac Bancorp Inc.

Abstract

In July 2008, the Federal Deposit Insurance Company (FDIC) in the US took control of IndyMac Bancorp Inc (IMB) from its management as the bank's capital adequacy levels fell below the regulatory requirements. IMB, founded in 1985, focused on mortgage lending and securitizing those loans in the secondary markets to generate funds. It lent to Alt-A customers who did not have proper documentation of their incomes and assets. IMB's aggressiveness in lending led to poor underwriting practices as most of the customers' sources of income and their repaying capability was not properly scrutinized. In 2007, the default rates in Alt-A loans started rising and the secondary market for these loans became illiquid.

IMB which mainly relied on secondary markets for its capital requirements faced a severe liquidity crunch. These factors led to fall in its capital adequacy levels by mid 2008.

Issues

Examine the reasons for the fall of IndyMac Bancorp Inc.

Understand the importance of stringent underwriting practices imposed by banks.

Appreciate the significance of diversification of funds sources by a bank.

Analyze the key lessons learned from the fall of IndyMac and how such fiascos can be prevented in future.

Reference Numbers

ICMR .... *FINC 064*
ECCH 110-031-1
Organization(s) ...... *IndyMac Bancorp Inc*
Countries .... *US*
Industry .... *Banking*
Pub/Rev Date *2010*
Case Length .... *20 Pages*
TN Length .... *5 Pages*

The Collapse of Amaranth Advisors

Abstract

Amaranth Advisors LLC (Amaranth) was a US based hedge fund incorporated in 2000 by Nick Maounis (Maounis). Initially, Amaranth used conservative investment strategies like arbitrage. When several hedge funds started using similar investment strategies, the resulting profitability came down. Maounis then shifted Amaranth's focus to energy trading. In mid 2004, Maounis hired Brian Hunter (Hunter), an energy trader who was working for Deutsche Bank energy trading desk. Hunter started generating good profits in energy trading. He generated US$ 1 billion profits in 2005. Hunter's trading strategy in 2005 was believed to be based on historical returns as well as on weather predictions. He used excessive leverage and invested in natural gas derivatives on NYMEX and ICE in 2006. However, his strategy went wrong and prices of natural gas contracts moved in opposite direction to his estimates. That led to margin calls from Amaranth's lenders which it could not meet and eventually had to windup with US$ 6.6 billion losses. As of December 2009, Hunter faced market manipulation charges by natural gas market regulators for some of his trades in 2006.

Issues

Analyze the reasons that led to the collapse of Amaranth Advisors.

Study the importance of portfolio diversification as a risk mitigation strategy.

Examine the risk management and control systems at Amaranth Advisors.

Understand the flaws in debt and liquidity management strategy of Amaranth Advisors.

Critically examine the effectiveness of statistical models like Value at Risk (VaR) in risk management.

Reference Numbers

ICMR .... *FINC 04463*
ECCH 110-019-1
Organization(s) .... *Amaranth Advisors*
Countries .... *US*
Industry .... *Investment Banking*
Pub/Rev Date *2010*
Case Length .... *18 Pages*
TN Length .... *5 Pages*

Tata Motors - Speed Breakers Galore

Abstract

The case discusses the problems faced by Tata Motors Limited, the largest automobile company in India in the domestic and international markets. The company posted a net loss of Rs. 25.05 billion for the financial year ending March 2009, its first loss in eight years. Earlier, in June 2008, Tata Motors had completed the acquisition of Jaguar and Land Rover (JLR). Immediately after the acquisition of JLR, Tata Motors started facing problems as the sales of JLR started decreasing. The global financial crisis impacted the sales of luxury vehicles heavily. Against the expectation of Tata Motors, JLR could not generate the funds for working capital, requiring Tata Motors to pump additional funds to keep the operations going. Things turned for the worse by the end of 2008, with demand shrinking further. To finance the acquisition of JLR, Tata Motors took a bridge loan of US$ 3 billion. To refinance bridge loan, Tata Motors came out with two rights issues. When the rights issues were opened in September-October 2008, the share price of Tata Motors fell drastically, and the rights issue had to be bailed out by the promoters of the company. Then Tata Motors called for deposits from public and issued non-convertible debentures. However, as of May 2009, Tata Motors was yet to refinance US$ 1 billion of the bridge loan. With the global economic slowdown hampering the growth of global automobile industry, Tata Motors had a tough task ahead to bring JLR back on the growth track.

Issues

Analyze the problems faced by Tata Motors and suggest probable solutions.

Evaluate the reasons behind Tata Motors's decision to acquire JLR.

Understand the advantages and disadvantages of JLR's acquisition for Tata Motors.

Deliberate if acquisition is the right method to go global.

Understand the influence of macroeconomic environment on businesses.

Study the reasons for the global financial crisis and its impact on the economies of developed and developing countries.

Analyze the impact of global financial crisis on the automobile industry.

Understand the problems a company could face in financing acquisitions.

Evaluate the importance of global business environment for the success of the organization.

Reference Numbers

ICMR .... *FINC 062*
ECCH 110-006-1
Organization(s) . *Tata Motors, Jaguar and Land Rover*
Countries .... *India, UK*
Industry .... *Automobile*
Pub/Rev Date *2010*
Case Length .... *26 Pages*
TN Length .... *19 Pages*

UBS and the Subprime Mortgage Crisis

Abstract

The case examines the impact of the subprime mortgage crisis in the US on the Switzerland-based banking major, UBS AG. UBS's exposure to the subprime mortgage market came to the fore in mid-2007 when it announced the closure of its hedge fund, Dillon Read Capital Management. By the end of 2008, UBS's exposure to the subprime mortgage market was valued at Swiss Francs (CHF) 45 billion. In the financial year 2008, UBS reported a net loss of CHF 21.3

billion, the biggest ever annual loss reported by a Swiss company. The case includes a detailed note on the subprime mortgage crisis in the US and how UBS incurred significant losses due to its investments in asset backed securities that included commercial and residential mortgages. It also examines how UBS was bailed out of the crisis by the Swiss government and the Swiss Central Bank.

Issues

Understand the reasons that led to the subprime mortgage crisis in the US and its impact on the financial institutions.

Appreciate the importance of an effective risk management system in the financial institutions.

Study the drawbacks of high leverage in the investment banking business.

Understand how UBS got exposed to subprime mortgage assets.

Examine the bail-out plan for UBS.

Reference Numbers

ICMR .... *FINC 061*
ECCH 110-007-1
Organization(s) .... *UBS AG*
Countries .... *Switzerland, US*
Industry .... *Banking*
Pub/Rev Date *2010*
Case Length .... *23 Pages*
TN Length .... *5 Pages*

Eko India's Financial Inclusion Initiative

Abstract

Eko India Financial Services Pvt Ltd (Eko), a Delhi, India, based financial services company was founded to serve the section of the population which was financially excluded. The company believed that a basic saving account is important for financial inclusion. Eko realized that people from financially excluded communities owned mobile phones and the mobile penetration in India was rising rapidly. The company decided to develop its product based on mobile phone. It chose to use mobile phones as the mode of communication between banks and the end users. Eko developed a platform called Simplibank. It entered into a tie-up with erstwhile Centurion Bank of Punjab to provide no frills accounts to financially excluded people. Eko used neighborhood grocery and pharmacy stores as Customer Service Points (CSP). Under this model, any person could approach a CSP to open a savings bank account. The Know Your Customers norms for those taking no frills accounts were relaxed so that more people could be included into the financial system. CSP would send the new account details to Eko through his mobile phone and the account would get operable in ten minutes. The account holder would be given material with instructions and password to operate the account. Account holders could deposit, withdraw, and transfer to others' no frills account opened through Eko at CSP. The mobile number and password acted as authentication for transactions. Eko designed its system in such a manner that its customer need to be just number literate to avail its services.

The case describes in detail Eko's business model and highlights the need for financial inclusion initiatives.

Issues

Understand Eko India's business model.

Appreciate the importance of financial inclusion and examine Eko's efforts towards financial inclusion of under-banked population.

Appraise the costs involved in the financial inclusion model of Eko.

Analyze the opportunities and challenges in Eko's business model.

Reference Numbers

ICMR .... *FINC 060*
ECCH 109-044-1
Organization(s) .... *Eko India Financial Services Private Limited*
Countries .... *India*
Industry .... *Banking and Financial Services*
Pub/Rev Date *2009*
Case Length .... *18 Pages*
TN Length .... *5 Pages*

A Comparison of Risk and Return Between BSE Sensex and Bank Fixed Deposits

Abstract

This concept note compares the risk-weighted returns generated by the BSE Sensex and bank fixed deposits during the period between March 1992 and March 2007. The objective of the note is to determine whether investment in Indian equities has generated superior risk-weighted returns as compared to fixed deposits over various time periods ranging between one year and fifteen years. It calculates average annualized returns, standard deviation and range of returns at different probabilities generated by BSE Sensex over fifteen year period. Finally, the coefficient of variation is determined across various time horizons to examine how much risk an investor has taken for an extra unit of return generated from the stock markets over bank fixed deposits. This concept note is designed for students of Finance curriculum and can be discussed with the chapter on Security Analysis and Portfolio Management. It can also be discussed in a training program for executives employed in broking firms and mutual fund companies.

Reference Numbers

ICMR .... *FINC 059*
ECCH 109-037-6
Organization(s) Bombay Stock Exchange
Countries .... *India*
Industry .... *Banking and Financial Services*
Pub/Rev Date *2009*
Case Length .... *17 Pages*
TN Length ....

Analyzing the Risk Weighted Performance of Equity Mutual Funds

Abstract

This concept note explains the methodology involved in analyzing the risk weighted performance of a mutual fund. It analyzes the risk weighted performance of Morgan Stanley Growth Fund, a close ended equity mutual fund with its benchmark BSE 200, BSE Sensex and other close and open ended equity mutual funds including IDFC Enterprise Equity Fund, Taurus Star Share Fund, DSPML Tiger and Magnum Multiplier Fund. The note evaluates the fund's performance based on three different measures namely Sharpe's Ratio, Treynor's Ratio and Jensen's Alpha to rank the performance of these equity mutual funds. This concept note is designed for students of Finance curriculum and can be discussed with the chapter on Portfolio Management and Security Analysis. It can also be discussed in a training program for executives employed in Mutual Fund companies.

Reference Numbers

ICMR .... *FINC 058*
ECCH 109-036-6
Organization(s) . Morgan Stanley / IDFC / Taurus / DSPML Tiger / State Bank of India
Countries .... *India*
Industry .... *Banking and Financial Services*
Pub/Rev Date *2009*
Case Length .... *27 Pages*
TN Length ....

A Note on Investment in Bonds - Calculation of YTM

Abstract

This concept note examines the decisions involved while investing in bonds by individual investors. Apart from yield-to-maturity (YTM), other parameters that merit attention for making investments in bonds include safety, liquidity and tax implications.

The note with the examples of NABARD's Bhavishya Nirman Bond and ICICI's Regular Income Bond explains the method to calculate YTM. It also examines the impact of taxes on the net returns earned by the investors of these bonds. The objective of this note is to make readers understand the steps involved in calculating YTM of bonds and study how taxes can impact returns for the bond investors. This concept note is designed for students of Finance curriculum and can be discussed with the chapter on fixed income securities. It can also be discussed in a training program for executives employed in Financial Services companies.

Reference Numbers

ICMR	*FINC 057*
ECCH	109-038-6
Organization(s)	*N/A*
Countries	*India*
Industry	*N/A*
Pub/Rev Date	*2009*
Case Length	*17 Pages*
TN Length	

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Investment Management at Harvard Management Company

Abstract

The case examines the investment management strategies adopted by the Harvard Management Company (HMC). HMC managed Harvard University's endowment funds, the largest in the industry. The case explains the hybrid fund management strategy followed at HMC and how the strategy led to phenomenal growth of Harvard's endowment funds over the decades. The case describes the investment performance of the endowment fund, asset allocation, portfolio mix and risk management strategies under various fund managers of HMC since its inception. The case also explains the recent problems faced by HMC due to the frequent changes in its leadership and the sub-prime crisis that emerged in the US in late 2007 resulting in significant losses for Harvard's endowment fund.

Issues

Analyze the investment management strategies followed at HMC.

Appreciate the importance of asset allocation and portfolio diversification in investment management.

Study the risk management practices at HMC.

Understand the pros and cons of hybrid investment management strategy.

Reference Numbers

ICMR	*FINC 056*
ECCH	109-027-1
Organization(s)	*Harvard Management Company*
Countries	*United States of America*
Industry	*Banking and Financial Services*
Pub/Rev Date	*2009*
Case Length	*19 Pages*
TN Length	*5 Pages*

The 'Bernard Madoff' Financial Scam

Abstract

The case examines the 'Ponzi Scheme' operated by Bernard Madoff (Madoff), a prominent Wall Street trader and former Chairman of NASDAQ, through the investment management and advisory division of his firm, Bernard L. Madoff Investment Securities LLC (BLMIS). During the investigation, it was revealed that Madoff operated the 'Ponzi Scheme' since the 1980s. Though Madoff was supposed to invest the clients' money in securities market, he deposited the entire amount in a bank account in Chase Manhattan Bank. He fulfilled redemption requests of his clients using this money. This fraud that amounted to US$ 50 billion became public with Madoff's confession on December 10, 2008. It was the biggest financial fraud in the history of the US affecting a large number of investors. Industry experts blamed the regulators and investors for neglecting the warning signals which enabled Madoff to carry on with the fraud for decades. The case ends with a discussion about the impact of the scam on the already strained US economy.

Issues

Analyze how Bernard Madoff conducted the fraud.

Understand the events that led to the disclosure of the fraud.

Examine the role of regulatory agencies and the reasons for not detecting the fraud.

Analyze the impact of the fraud on the US economy.

Reference Numbers

ICMR	*FINC 055*
ECCH	109-026-1
Organization(s)	*Bernard L. Madoff Investment Securities LLC*
Countries	*United States of America*
Industry	*Banking and Financial Services*
Pub/Rev Date	*2009*
Case Length	
TN Length	*5 Pages*

Withdrawal of Credit Cover to the UK Retail Industry: A Case on Credit Crisis

Abstract

The retail industry in the UK was hit by a sudden withdrawal of credit cover by trade credit insurers in November 2008. The UK trade credit insurance market was dominated by three major players - Euler Hermes, Atradius and Coface. When within a short duration in November 2008, credit cover was withdrawn to nearly 12000 businesses; the industry saw many players facing severe liquidity crunch. As trade credit insurance was a pre-requisite for obtaining credit, a number of retailers faced withdrawal of credit from their bankers, pushing them into administration and subsequent closure. A few leading retailers weathered the difficulty and there were others that benefited from the closure of these businesses by increasing their market share. However, the prevailing sentiment among retailers was that the UK Government intervention was required to bail the industry out of the crisis. Measures were undertaken by the UK Government in the form of a stimulus package but were considered inadequate by those affected. This case examines the importance of trade credit insurance for retail businesses in the UK and the implications of its withdrawal on these businesses.

Issues

Understand the importance of trade credit insurance in retail businesses.

Assess the impact of external factors such as macroeconomic environment and trade and business financing and insurance on the operations of an organization.

Analyze the importance and adequacy of the support given by the UK government to revive the retail industry.

Examine the impact of global financial meltdown and the resultant credit crisis on the retail industry in the UK.

Reference Numbers

ICMR .... *FINC 054*

ECCH 109-024-1

Organization(s) .. *Euler Hermes / Atradius and Coface / Woolworths*

Countries .... *United States of America*

Industry .... *Retail / Banking and Financial Services*

Pub/Rev Date *2009*

Case Length .... *18 Pages*

TN Length .... *7 Pages*

The Fall of Bear Stearns

Abstract

The case examines how Bear Stearns, the fifth largest investment bank in the US, faced liquidity crisis in March 2008, leading to its collapse. It details the sequence of the events that led to its collapse and the measures taken by the bank to avoid the same. The case covers a detailed note on the sub-prime crisis in the US and how Bear Stearns incurred significant losses in its investments in mortgage backed securities. It also examines the role of the US Fed to bail out Bear Stearns by helping JP Morgan Chase buy the troubled investment bank.

Issues

Understand the reasons that led to the subprime crisis in the US and its impact on financial institutions.

Appreciate the importance of risk management in financial institutions.

Examine the need for strict regulations for controlling OTC derivatives market.

Study the drawbacks of high leverage in the investment banking business.

Analyze the role played by the US Fed to bail out Bear Stearns.

Reference Numbers

ICMR .... *FINC 053*

ECCH 109-022-1

Organization(s) .... *Bear Stearns*

Countries .... *United States of America*

Industry .... *Banking and Financial Services*

Pub/Rev Date *2009*

Case Length .... *17 Pages*

TN Length .... *5 Pages*

The Société Générale Fiasco - Lessons in Risk Management

Abstract

The case discusses in detail the fraud that took place at Société Générale, second largest bank in France, leading to losses of € 4.9 billion. The bank held Jérôme Kerviel (Kerviel), a trader, for creating fraudulent trading positions that led to the losses. Kerviel, an arbitrage trader, was required to purchase a portfolio of stock index futures and at the same time, sell a similar mix of futures, with slightly different value. His job was to take bets on small price differences between futures contracts and not to place directional bets. However, in the year 2005, he began taking directional bets and concealed them using fake counter portfolios, to make it appear that the transaction was hedged. He took small positions initially, but continued to increase directional bets far exceeding his trading limits. During mid-January 2008, the compliance officers at the company found abnormalities in Kerviel's trades and after being confronted by the higher authorities, Kerviel admitted conducting unauthorized trades. Then, Société Générale began unwinding Kerviel's positions, in the markets that were falling rapidly due to growing concerns about the impact of subprime crisis in the US, leading to a net loss of € 4.9 billion to the bank. The case discusses in detail, how Kerviel began taking directional positions, how his supervisors failed to keep a check on his fraudulent activities, how Kerviel admitted the fraud and different methods used by him to conceal the fraud. The case details the main reasons that include lack of internal controls, inadequate supervision and risk taking culture due to which the fraud occurred.

Issues

Analyze the fraud at Société Générale.

Study different methods used by Kerviel to conceal the fraud.

Understand the importance of proper internal controls and supervision mechanisms.

Discuss the main reasons due to which the fraud occurred.

Understand the role of risk taking culture in organizations that encourage such frauds.

Analyze how Société Générale handled the fraud once it was revealed.

Reference Numbers

ICMR .... *FINC 052*

ECCH 109-023-1

Organization(s) .... *Société Générale*

Countries .... *France*

Industry .... *Banking and Financial Services*

Pub/Rev Date *2009*

Case Length .... *21 Pages*

TN Length .... *7 Pages*

The Collapse of Lehman Brothers

Abstract

The case discusses the rise and fall of Lehman Brothers Inc (Lehman Brothers) from a small dry goods store to one of the leading investment banks in the US. It examines in detail the reasons that led to the subprime crisis since the year 2007 in the US and how it led to the collapse of 158 year old Lehman Brothers. The case highlights the role of several stake holders in the mortgage business that contributed to the crisis. It examines the various factors that contributed to the fall of Lehman Brothers including leadership issues, excessive leverage, failure of risk measures employed like 'Value at Risk' and poor regulation of the investment banking industry. It also explains the role of certain OTC derivative instruments that led to the collapse of the company.

Issues

Understand the reasons that led to the subprime crisis in the US and its impact on financial institutions.

Analyze the aggressive strategies that Lehman Brothers followed in the mortgage business.

Study the role of leadership at Lehman Brothers behind the company's rise and subsequent collapse.

Appreciate the significance of risk management and the drawbacks of excessive leverage.

Examine the innovations in financial instruments primarily derivatives.

Analyze the consequences of lack of supervision on OTC derivatives and mortgage lending mechanism in the US.

Debate on the role played by the US policy makers for adopting liberal credit driven economic growth policy that eventually led to the subprime crisis.

Reference Numbers

ICMR .... *FINC 051*

ECCH 109-020-1

Organization(s) .... *Lehman Brothers*

Countries .... *United States of America*

Industry .... *Banking and Financial Services*

Pub/Rev Date *2009*

Case Length .... *17 Pages*

TN Length .... *6 Pages*

Tata Motors - Financing the Acquisition of Jaguar and and Rover

Abstract

In June 2008, India-based Tata Motors acquired Jaguar and Land Rover (JLR) from the US-based Ford Motors for US$ 2.3 billion. To finance the acquisition, Tata Motors raised a bridge loan of US$ 3 billion from a consortium of banks. Tata Motors planned to raise Rs. 72 billion through three simultaneous but unlinked rights issues. However, the rights issue ran into problems as the share price of Tata Motors

continued to slide down, after the issue opened. The shares were available in the stock market at a much lower price compared to the price offered by the company. Other options to obtain funds like divesting stake in the group companies, floating international equity related issues were also scrapped, due to adverse market conditions. At this juncture, in order to obtain funds, Tata Motors announced public deposit scheme in December 2008. Through all the fund raising efforts, the company was able to repay only US$ 1 billion by the end of 2008. Tata Motors was required to repay the entire amount of bridge loan by June 2009. Due to adverse financial conditions and credit freeze, Tata Motors announced that it was planning to roll over the bridge loan, which was estimated to further add to the debt burden of the company.

Issues

Understand acquisition of JLR as an example of Tata Motors' inorganic growth strategy.

Understand the impact of macroeconomic factors on the global automobile industry.

Understand the implications of global credit crisis on the availability of funds for corporates.

Analyze different modes of finance available to finance cross border acquisitions.

Reference Numbers

ICMR	*FINC 050*
ECCH	109-021-1
Organization(s)	*Tata Motors*
Countries	*India / United Kingdom*
Industry	*Auto and Ancillaries*
Pub/Rev Date	*2009*
Case Length	*21 Pages*
TN Length	*12 Pages*

Tata Steel's Acquisition of Corus

Abstract

On January 31, 2007, Tata Steel Limited (Tata Steel), one of the leading steel producers in India, acquired the Anglo Dutch steel producer Corus Group Plc (Corus) for US$ 12.11 billion (€ 8.5 billion). The process of acquisition concluded only after nine rounds of bidding against the other bidder for Corus - the Brazil based Companhia Siderurgica Nacional (CSN). This acquisition was the biggest overseas acquisition by an Indian company. Tata Steel emerged as the fifth largest steel producer in the world after the acquisition. The acquisition gave Tata Steel access to Corus' strong distribution network in Europe. Corus' expertise in making the grades of steel used in automobiles and in aerospace could be used to boost Tata Steel's supplies to the Indian automobile market. Corus in turn was expected to benefit from Tata Steel's expertise in low cost manufacturing of steel. However, some financial experts claimed that the price paid by Tata Steel (608 pence per share of Corus) for the acquisition was too high. Corus had been facing tough times and had reported a substantial decline in profit after tax in the year 2006. Analysts asked whether the deal would really bring any substantial benefits to Tata Steel. Moreover, since the acquisition was done through an all cash deal, analysts said that the acquisition would be a financial burden for Tata Steel.

Issues

Gain an in-depth knowledge about various corporate valuation techniques.

Critically examine the rationale behind the acquisition of Corus by Tata Steel.

Understand the advantages and disadvantages of cross-border acquisitions.

Understand the need for growth through acquisitions in foreign countries.

Study the regulations governing mergers & acquisitions in the case of a cross-border acquisition.

Get insights into the consolidation trends in the Indian and global steel industries.

Reference Numbers

ICMR	*FINC 049*
ECCH	108-010-1
Organization(s)	*Tata Steel Limited / Corus Group Plc*
Countries	*India / United Kingdom*
Industry	*Metal and Mining*
Pub/Rev Date	*2008*
Case Length	*27 Pages*
TN Length	*22 Pages*

A Note on Adjustable Rate and Fixed Rate Mortgage Plans in the US

Abstract

This technical note provides insights into the adjustable rate mortgage (ARM) and fixed rate mortgage (FRM) products. It describes the different parts of ARM, types of ARMs, points that should be taken into account before opting for an ARM, circumstances under which ARM is advisable, and the advantages and risks involved in ARM. The latter portion of the note talks about the FRM. It also discusses the positive and negative attributes of FRM. The note also includes a few numerical examples to illustrate the concept of ARM and FRM.

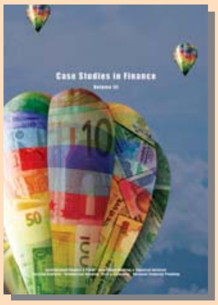
Issues

Understand the concept of adjustable rate mortgage loans

Understand the concept of fixed rate mortgage loans

Reference Numbers

ICMR	*FINC 048*
ECCH	107-062-6
Organization(s)	*N/A*
Countries	*USA*
Industry	*Banking and Financial Services*
Pub/Rev Date	*2007*
Case Length	*14 Pages*
TN Length	



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Paperback; 270 Pages,
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ISBN No: 81-314-0202-9
INR 2000/-

UBS and Islamic Banking

Abstract

Switzerland based UBS, one of the largest wealth management companies in the world, launched Noriba Bank in May 2002 in Bahrain, to establish its presence in the Islamic Banking industry. Noriba exclusively provided products which were designed according to the Shariah, the Islamic Laws, which prohibited receiving or paying interest or investments in industries such as alcohol, tobacco, pork etc.

The case describes the challenges faced by Noriba in the course of its operations.

It examines various innovative Islamic Banking products like Shariah-Compliant Deposit (which provided returns through investment in commodity transactions), Shariah-complaint FX Bloc (which provided returns through commodity transactions and foreign exchange transactions) and Personal Shariah Trust, which provided complete wealth management solutions to its clients. Since March 2006, UBS started providing both strictly Islamic products as well as conventional financial products to its Islamic clients.

Issues

Examine the growth of UBS in Islamic banking industry

Understand and critically evaluate how UBS redesigned its financial products in line with Shariah principles

Analyze the characteristics of Islamic banking vis-à-vis conventional banking

Reference Numbers

ICMR ...... *FINC 047*
ECCH ......
Organization(s) ...... *UBS AG*
Countries ...... *Switzerland / Bahrain*
Industry ...... *Banking and Financial Services*
Pub/Rev Date *2007*
Case Length ...... *17 Pages*
TN Length ......

ICICI Bank's "Get up to 100% Cash Back" Offer

Abstract

This case is about the "Get up to 100% Cash Back" promotional offer announced by ICICI Bank, the largest private sector bank in India, in October 2006. According to this offer, a customer could get back cash ranging from a minimum of 1% to a maximum of 100% of the transaction amount for any purchase transaction of over Rs. 2,000 made on his/her ICICI Bank credit card. This case will enable students to discuss the impact of the "Get up to 100% Cash Back" offer on ICICI Bank's credit card business. Students can also discuss the pros and cons of the scheme from the consumer's perspective

Issues

Understand the impact of a cash back promotional offer on the credit card issuer

Discuss the pros and cons of the cash back scheme from the consumer's perspective

Reference Numbers

ICMR ...... *FINC 046*
ECCH 107-045-1
Organization(s) ...... *ICICI Bank*
Countries ...... *India*
Industry ...... *Banking and Financial Services*
Pub/Rev Date *2007*
Case Length ...... *8 Pages*
TN Length ...... *4 Pages*

Grameen Bank of Bangladesh - The Grameen General Credit System

Abstract

The case explains Bangladesh based Grameen Bank's two microfinance models - Grameen Classic System and Grameen General System (GGS). For over two decades, Grameen Bank extended loans to poor people in Bangladesh under its Grameen Classic credit system. In 1998, the floods ravaged the country which led to many poor people default on their loan payments. This led to the need for a new, more flexible credit system. The result was Grameen General System which allowed the borrowers to remain as the member of the bank even when they were unable to pay their loan installments. The case gives an overview of the GGS and the success Grameen Bank achieved after implementing the new credit system.

Issues

Study and compare the Classic and General microfinance models of Grameen Bank

Examine the reasons that prompted the bank to introduce a new, more flexible credit system

Analyze the advantages and disadvantages of Grameen General microfinance model

Reference Numbers

ICMR ...... *FINC 045*
ECCH 106-053-1
Organization(s) ...... *Bangladesh Grameen Bank*
Countries ...... *Bangladesh*
Industry ...... *Banking and Financial Services*
Pub/Rev Date *2006*
Case Length ...... *14 Pages*
TN Length ......

Royal Ahold NV: The US Foodservice Accounting Fraud

Abstract

The Netherlands based retailer Ahold, derived more than half of its revenues from its US subsidiary - US Foodservice (USF). In early 2003, the company reported an accounting fraud at USF amounting to US$ 850 million. This led to a significant fall in Ahold's share price and its market capitalization. USF depended heavily on promotional allowances from its vendors and the system of accounting for these allowances was not proper. It was also reported that the balance sheet items of USF were not reconciled. The case describes in length on how the accounting fraud was committed, how it was unearthed and the findings of investigations conducted by the SEC and PricewaterhouseCoopers. The case highlights the poor financial control systems at the USF and Ahold and examines the corrective measures taken by Ahold to prevent such losses in the future.

Issues

Study how an accounting fraud was committed at USF and draw lessons from it

Examine the role played by the top management at Ahold and USF in the accounting fraud

Appreciate the importance of financial control systems in preventing such frauds

Analyze the corrective measures taken by Ahold in the aftermath of the accounting fraud.

Reference Numbers

ICMR ...... *FINC 044*
ECCH 107-027-1
Organization(s) ...... *Royal Ahold NV*
Countries ...... *Netherlands, US*
Industry ...... *Retailing*
Pub/Rev Date *2007*
Case Length ...... *17 Pages*
TN Length ...... *N/A*

SBI's Microfinance Initiatives

Abstract

The case presents an overview of State Bank of India's (SBI) microfinance programs. SBI is the largest bank in India with over 9,000 branches and is also the largest player in the microfinance sector in India with a market share of around 20%. The bank has been an active participant in the microfinance programs initiated by NABARD since 1992. SBI has taken several initiatives to expand its microfinance portfolio covering one million SHGs. The case discusses some of the unique programs undertaken by SBI to spread its microfinance activities.

Issues

Role played by SBI in the microfinance sector in India

Process of Formation and functions of self-help groups (SHGs)

Rural banking and microfinance programs of SBI.

Reference Numbers

ICMR	*FINC 043*
ECCH	*106-012-1*
Organization(s)	*SBI*
Countries	*India*
Industry	*Banking*
Pub/Rev Date	*2005*
Case Length	*17 Pages*
TN Length	*N/A*

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 polices 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

Trends and new developments in microfinance Industry in India.

Reference Numbers

ICMR	*FINC 042*
ECCH	
Organization(s)	
Countries	*India*
Industry	*Microfinance*
Pub/Rev Date	*2005*
Case Length	*24 Pages*
TN Length	*N/A*

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 discusses how ICICI Bank has made microfinance a viable business proposition for banks.

Issues

Need and benefits of microfinance in developing countries like India.

Reference Numbers

ICMR	*FINC 041*
ECCH	
Organization(s)	*ICICI Bank*
Countries	*India*
Industry	*Microfinance*
Pub/Rev Date	*2005*
Case Length	*15 Pages*
TN Length	*N/A*

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	*FINC 040*
ECCH	
Organization(s)	*SHARE Microfin Ltd*
Countries	*India*
Industry	*Microfinance*
Pub/Rev Date	*2005*
Case Length	*20 Pages*
TN Length	*Yes*

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 consequences for misleading the investors.

Reference Numbers

ICMR	*FINC 039*
ECCH	*105-014-1*
Organization(s)	*Lucent*
Countries	*US*
Industry	*Telecom*
Pub/Rev Date	*2005*
Case Length	*13 Pages*
TN Length	*N/A*

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	FINC 038
ECCH	105-014-1
Organization(s)	GTB
Countries	India
Industry	Banking
Pub/Rev Date	2005
Case Length	14 Pages
TN Length	N/A

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	FINC 037
ECCH	104-109-1
Organization(s)	Google
Countries	USA
Industry	Search Engine
Pub/Rev Date	2004
Case Length	14 Pages
TN Length	4 Pages

Securities and Exchange Board of India: Role as a Regulator

Abstract

The case discusses the role played by the Securities and Exchange Board of India (SEBI) as a regulator of Indian capital markets. The case discusses in depth the capital market reforms initiated by SEBI. In spite of these reforms and increasing regulatory powers over the years, SEBI has been largely unsuccessful in controlling capital market scams. The case examines the strengths and weaknesses of SEBI as a regulatory organization. It describes the recent initiatives by SEBI to promote investor education and corporate governance, transparency and abidance of regulations among corporates.

Issues

Study and analyze the structure of capital markets in India and the role of SEBI.

Reference Numbers

ICMR	FINC 036
ECCH	104-092-1
Organization(s)	SEBI
Countries	India
Industry	Finance, Stock Exchange
Pub/Rev Date	2004
Case Length	15 Pages
TN Length	N/A

TISCO: The EVA Journey

Abstract

The case discusses the implementation of economic value added (EVA) framework in Tata Iron & Steel Company Limited (TISCO), the largest private sector steel company in India. It covers in detail the reasons for implementing the EVA framework in TISCO and the benefits derived from it. The case then describes the limitations of EVA implementation in a cyclical industry. It examines the possible options under consideration by TISCO to ensure that the company posts a positive EVA figure in future.

Issues

Implementation of EVA.

Reference Numbers

ICMR	FINC 035
ECCH	104-080-1
Organization(s)	TISCO
Countries	India
Industry	Iron & Steel
Pub/Rev Date	2004
Case Length	9 Pages
TN Length	N/A

Godrej Consumer Products Limited: Implementing EVA

Abstract

The case discusses the implementation of economic value added (EVA) framework in Godrej Consumer Products Limited (GCPL), a leading FMCG company in India. It covers in detail the reasons for implementing the EVA framework in GCPL and the benefits derived by the company from it. The case then examines the link between the implementation of EVA framework and improvement in the financial performance of a company. It ends with a debate on the effectiveness of EVA and highlights its limitations.

Issues

Implementation of EVA.

Reference Numbers

ICMR	FINC 034
ECCH	104-081-1
Organization(s)	Godrej Consumer Products Limited
Countries	India
Industry	FMCG
Pub/Rev Date	2004
Case Length	11 Pages
TN Length	N/A

Daiwa Bank: Lessons In Risk Management

Abstract

The case discusses how Toshihide Iguchi (Iguchi), the Executive Vice-President of Daiwa's New York branch caused a major loss to the bank through his trading activities in US Treasury bonds. It describes the complete sequence of events leading to the revelation of the forgery and fraud committed by Iguchi. The case also highlights the reasons that led to the scam and its aftermath.

Issues

Risk Management in Banks; Financial Scams.

Reference Numbers

ICMR	FINC 033
ECCH	104-070-1
Organization(s)	Daiwa Bank
Countries	Japan, US
Industry	Banking
Pub/Rev Date	2004
Case Length	7 Pages
TN Length	N/A

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 ...... *FINC 032*
ECCH *104-071-1*
Organization(s) ...... *Allied Irish Banks*
Countries ...... *Ireland, US*
Industry ...... *Banking*
Pub/Rev Date *2004*
Case Length ...... *11 Pages*
TN Length ...... *N/A*

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 ...... *FINC 031*
ECCH *103-027-1*
Organization(s) ...... *Satyam Infoway Ltd., Indiaworld Communications Private Ltd.*
Countries ...... *India*
Industry ...... *Software, IT, Finance*
Pub/Rev Date *2003*
Case Length ...... *12 Pages*
TN Length ...... *6 Pages*

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 ...... *FINC 030*
ECCH *104-052-1*
Organization(s) ...... *Polaris Software Labs, Orbitech Solutions*
Countries ...... *USA, India*
Industry ...... *Software, IT, Finance*
Pub/Rev Date *2004*
Case Length ...... *12 Pages*
TN Length ...... *5 Pages*

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 ...... *FINC 029*
ECCH *104-053-1*
Organization(s) ...... *Sumitomo Corporation*
Countries ...... *Japan*
Industry ...... *Financial Trading, Minerals*
Pub/Rev Date *2004*
Case Length ...... *12 Pages*
TN Length ...... *N/A*

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 ...... *FINC 028*
ECCH 104-045-1
Organization(s) ...... *Parmalat Finanziaria SpA*
Countries ...... *Italy*
Industry ...... *Dairy Products*
Pub/Rev Date *2004*
Case Length ...... *12 Pages*
TN Length ...... *5 Pages*

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.

"So much of what we call management consists in making it difficult for people to work."

– Peter Drucker

Reference Numbers

ICMR .... *FINC 027*
ECCH *104-046-1*
Organization(s) ...... *Mangalore Refinery & Petrochemicals Limited, Reliance Petroleum Limited.*
Countries .... *India*
Industry .... *Petroleum*
Pub/Rev Date *2004*
Case Length .... *12 Pages*
TN Length .... *8 Pages*

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 .... *FINC 026*
ECCH *104-044-1*
Organization(s) Bombay Stock Exchange/ National Stock Exchange
Countries .... *India*
Industry .... *Banking & Financial Services*
Pub/Rev Date *2004*
Case Length .... *13 Pages*
TN Length .... *N/A*

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 .... *FINC 025*
ECCH *104-043-1*
Organization(s) .... *Barings Bank*
Countries .... *UK*
Industry ..... *Banking & Financial Services*
Pub/Rev Date *2004*
Case Length .... *10 Pages*
TN Length .... *6 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 .... *FINC 024*
ECCH *103-054-1*
Organization(s) .... *Grasim, L&T, SEBI*
Countries .... *India*
Industry .... *Cement*
Pub/Rev Date *2003*
Case Length .... *15 Pages*
TN Length .... *5 Pages*

Bangladesh Grameen Bank: Pioneer 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 problems.

Issues

Microfinance; Lending to poor communities.

Reference Numbers

ICMR .... *FINC 023*
ECCH *103-055-1*
Organization(s) .... *World Bank, Bangladesh Grameen Bank*
Countries .... *India*
Industry ..... *Banking & Financial Services*
Pub/Rev Date *2003*
Case Length .... *12 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 .... *FINC 022*
ECCH *103-033-1*
Organization(s) .... *WorldCom, Arthur Anderson, MCI*
Countries .... *India*
Industry .... *Telecom, Financial Services*
Pub/Rev Date *2003*
Case Length .... *19 Pages*
TN Length .... *N/A*

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 ...... *FINC 021*
ECCH *103-006-1*
Organization(s) ...... *Cooperative Banks*
Countries ...... *India*
Industry ...... *Financial Services*
Pub/Rev Date *2003*
Case Length ...... *7 Pages*
TN Length ...... *4 Pages*

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 2000s. 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 ...... *FINC 020*
ECCH *103-030-1*
Organization(s) ...... *Essar Steel*
Countries ...... *India*
Industry ...... *Steel*
Pub/Rev Date *2003*
Case Length ...... *13 Pages*
TN Length ...... *N/A*

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 ...... *FINC 019*
ECCH *103-032-1*
Organization(s) ...... *HDFC*
Countries ...... *India*
Industry ...... *Financial Services*
Pub/Rev Date *2003*
Case Length ...... *15 Pages*
TN Length ...... *N/A*

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 ...... *FINC 018*
ECCH *103-028-1*
Organization(s) ...... *SEBI*
Countries ...... *India*
Industry ......
Pub/Rev Date *2002*
Case Length ...... *12 Pages*
TN Length ...... *5 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 ...... *FINC 017*
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*

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 grassroot 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 ...... *FINC 016*
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*

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	*FINC 015*
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	*FINC 014*
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*

The Gucci: LVMH Battle

Abstract

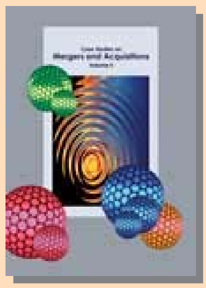
The case gives a detailed account of the dispute between two of the world's leading luxury good companies, Gucci and LVMH. The case examines how Gucci managed to thwart the takeover efforts of its rival LVMH. The case is so structured as to enable students to understand the tactics Gucci used to avoid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

Issues

Take over bid of Gucci by LVMH

Reference Numbers

ICMR	*FINC 013*
ECCH	*302-045-1*
Organization(s)	*Gucci, LVMH, PPR*
Countries	*France*
Industry	*Luxury Goods*
Pub/Rev Date	*2002*
Case Length	*7 Pages*
TN Length	*5 Pages*



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Film Insurance and 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.

Issues

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

Reference Numbers

ICMR	*FINC 012*
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*

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	*FINC 011*
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 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 .... *FINC 010*
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*

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 to understand how the Anubhav group of companies defrauded the investors.

Issues

Financial frauds; Plantation schemes or scams?

Reference Numbers

ICMR .... *FINC 009*
ECCH *102-021-1*
Organization(s) ...... *Anubhav Group, SEBI*
Countries .... *India*
Industry .... *Agriculture, Financial Services*
Pub/Rev Date *2002*
Case Length .... *11 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 .... *FINC 008*
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 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 .... *FINC 007*
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 .... *FINC 006*
ECCH *102-037-1*
Organization(s) .... *SEBI, BSE*
Countries .... *India*
Industry .... *Financial Services*
Pub/Rev Date *2002*
Case Length .... *9 Pages*
TN Length .... *4 Pages*

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 .... *FINC 005*
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 GTB – UTI Bank Merger

Abstract

The case 'The GTB-UTI Bank Merger Story' discusses 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.

The case helps students understand the different problems associated with mergers of banks. They are expected to understand the concept of swap ratios. Students are also expected to study the circumstances surrounding the merger to determine whether Gelli and Ketan Parekh had formed a nexus to rig the price of the GTB scrip to get a favorable valuation.

Issues

Proposed merger between UTIB and GTB; Call off of the merger; valuation of swap ratios.

Reference Numbers

ICMR .... *FINC 004*
ECCH ....
Organization(s) .... *UTI, GTB*
Countries .... *India*
Industry .... *Banking*
Pub/Rev Date *2002*
Case Length .... *7 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 detail 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 .... FINC 003
ECCH 102-024-1
Organization(s) .... UTI
Countries .... India
Industry .... Financial Services
Pub/Rev Date 2002
Case Length .... 7 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 .... FINC 002
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 Tata Tea – Tetley Leveraged Buyout

Abstract

The case 'The Tata Tea - Tetley Leveraged Buyout'' provides insights into the concept of Leveraged Buyouts (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 Indian 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 .... FINC 001
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