

PROFESSIONAL PROGRAMME

CORPORATE RESTRUCTURING, VALUATION & INSOLVENCY

Restructuring is an established economic, social and political process. It occurs at different rates, at different times and in different places, taking some forward on the wave and leaving others behind in the wake. Globalisation, fast-moving technological change, and the driving role played by financial markets have all contributed to making today's economy one which accelerates change. Corporate restructuring is a permanent feature of this change and can take different forms such as amalgamation, merger or acquisition and takeover,

In terms of restructuring at company level, although there may be sector and/or company-specific driving forces behind and reasons for restructuring, companies always restructure to improve their performance and profitability. However, restructuring operations in private and public companies not only have an impact on economic and financial performance but also on the quantity and quality of employment, as well as on the environment.

There are a number of situations in which a business or a share or any other property may be required to be valued. Valuation is essential for strategic partnerships, mergers or acquisitions of shares of a company and/or acquisition of a business. The main objective in carrying out a valuation is to conclude a transaction in a reasonable manner without any room for any doubt or controversy about the value obtained by any party to the transaction.

The failure of some business plans is integral to the process of the market economy. When business failure takes place, the best outcome for society is to have a rapid renegotiation between the financiers, to finance the going concern using a new arrangement of liabilities and with a new management team. If this cannot be done, the best outcome for society is a rapid liquidation. When such arrangements can be put into place, the market process of creative destruction will work smoothly, with greater competitive vigor and greater competition. In this backdrop, Parliament enacted Insolvency and Bankruptcy Code, 2016.

In the light of above, this study material has been prepared to provide an understanding of Corporate Restructuring, Valuation and Insolvency which have direct bearing on the functioning of companies. The study material has been divided into three parts consisting of twenty-six study lessons. Part I dealing with Corporate Restructuring consists of Study Lessons I to XI and Part II dealing with Valuation consists of Study Lesson XII to XIII and whereas Part III dealing with Insolvency, Liquidation & Winding Up consists of Study Lesson XIV to XVI.

This study material has been published to aid the students in preparing for the Corporate Restructuring, Valuation and Insolvency paper of the CS Professional Programme. It has been prepared to provide basic understanding of the Corporate Restructuring, Valuation, Insolvency, Liquidation and winding Up which have a bearing on the conduct of corporate affairs. It is part of the educational kit and takes the students step by step through each phase of preparation stressing key concepts, principle, pointers and procedures.

The legislative changes made upto May 31, 2024 have been incorporated in the study material. In addition to Study Material students are advised to refer to the updations at the Regulator's website, supplements relevant for the subject issued by ICSI and ICSI Journal Chartered Secretary and other publications. Specifically, students are advised to read "Student Company Secretary" e-Journal which covers regulatory and other relevant developments relating to the subject, which is available at academic portal <https://www.icsi.edu/student-n/academic-portal/>. In the event of any doubt, students may contact the Directorate of Academics at academics@icsi.edu.

The amendments to law made upto 31st May of the Calendar Year for December Examinations and upto 30th November of the previous Calendar Year for June Examinations shall be applicable

Although care has been taken in publishing this study material yet the possibility of errors, omissions and/or discrepancies cannot be ruled out. This publication is released with an understanding that the Institute shall not be responsible for any errors, omissions and/or discrepancies or any action taken in that behalf.