



The Chartered Accountant Student

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Farewell Message from the President



Beloved Students,

As I am preparing to lay down my office as the President of ICAI, I look back with immense satisfaction on the reforms and initiatives we could bring about for the benefit of the student fraternity. The joy that engulfed me on elevation as President was due to the reason that I could serve the 350,000 students of ICAI to the best of my ability. Having been associated with the students for more than two decades in various capacities, more particularly as a visiting faculty, I not only knew but could understand their concerns. I sincerely believed that the patronage and prayers of my students made me attain this stature and position and that in turn helped me to translate my dream projects for students into a reality.

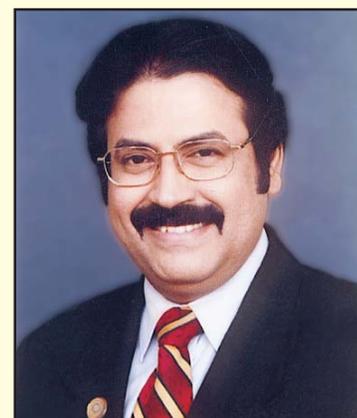
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Chairman's Communication

My Dear Students,

The last twelve months as Chairman Board of Studies has passed as a flash. It is only with your staunch support, warmth and affection that I had set out on this trail which has been earlier lit up by able doyens of our CA Profession. It was an eventful year for the Board of Studies and we were busy from the word go - starting from designing the new C.A. curriculum, working out a smooth transition scheme for the students of PE-I and PE-II, the introduction of the CPT, revamping the information technology training drew our maximum attention. Now that the Common Proficiency Test is in place, we are strengthening the pedagogical aspects.

I have been enriched with memories that I shall cherish always, humbled by the warmth and affection bestowed on me by you, as and when I visited many branches, met many students and each has been a thrilling and wonderful experience. I have been enthused and invigorated by the



(Continued on Page 4.....)



CA. V. Murali, Chairman Board of Studies inaugurating All India Elocution Contest in Jaipur



Siddharth receiving first prize in the Elocution Contest from the Chairman BOS



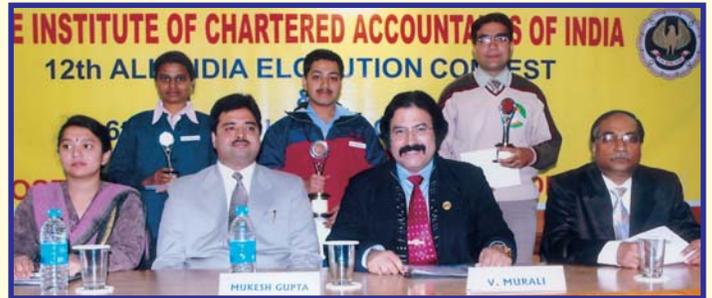
Hitesh Chugani receiving the second prize in the Elocution Contest



Mary Priya Michael receiving 3rd prize from the Chairman. Ms. Anju Sultania, Secretary and CA. Mukesh Gupta, Chairman Jaipur branch standing besides them



CA. V. Murali, Chairman, BOS felicitating Prof. Som Deo



A scene of dias with the prize winners



Participants of 12th All India Elocution Contest with dignitaries



Ms. Anju Sultania, Secretary, Jaipur branch being felicitated by the Chairman, Board of Studies



Dignitaries and other officials at Udaipur branch of CIRC



A view of dias at a meeting held at Udaipur

**Farewell Message from the President
(Continued from Page 1.....)**

Mission 2006

I am giving you an account of the students-related reforms and initiatives as part of Mission 2006 accomplished during this year for your information:

- ◆ New curriculum launched with CPT as the quarterly objective screening mechanism.
- ◆ Got the nomenclature ‘Articled Clerk’ changed to ‘Articled Assistant’.
- ◆ Recommended increase in vacancies for “Articled Assistants” and training up to 7 per CA and 1 for paid assistant for Government’s approval.
- ◆ In order to create awareness about the Course, CD, brochures and uniform literature in regional languages have been distributed in the schools. A film on CA Curriculum is also under production and nearing completion. Advertorials have been released in daily newspapers and magazines.
- ◆ Career counselling programmes organised all over the country.
- ◆ VCDs released on various subjects.
- ◆ Discussions on with IGNOU and other universities across the country for granting exemption from appearance in certain papers in commerce graduation to students who pass PCE/PE-II.
- ◆ Representation made to HRD Ministry for inclusion of Commerce subject in school curriculum from 8th standard onwards.
- ◆ The year started with full-fledged examination centres in 93 cities and ended with centres in 102 cities with the addition of new exam centres at Ahmednagar, Erode, Kumbakonam, Pondicherry, Kollam, Palghat, Patiala, Saharanpur and Sangli. For CPT, new centres opened at Anand, Karnal, Sonapat and Tirupur. New centers are being opened at Rourkela, Tuticorin and Bellary. In addition to existing centres at Dubai and Kathmandu, Abu Dhabi is

being added as a new foreign centre. From November 2007, Tuticorin, Rourkela and Bellary will be full-fledged centres for holding examinations.

- ◆ Introduced the concept of Continuous Professional Learning (CPL) with Regional Centres and Branches organising weekly study circle meetings for students.
- ◆ Initiated the process of setting of a Fund for Education and Welfare of Students (FEWS) to provide scholarships to students on need/merit basis.
- ◆ Launched group insurance by LIC for students for sum assured of Rs. 1 lakh with single premium payment of Rs. 600 for the entire CA Curriculum period of four years.
- ◆ E-learning being launched for PCC course and to be expanded to cover final course in the near future.
- ◆ Examination reforms carried out including enhancement in the honorarium paid to various examination functionaries and synchronising the declaration of result of PE-II/PCE with that of PE-I and Final results date.

You might have benefited out of some of the above measures but the fruits of many of the measures such as new curriculum can be reaped only during the course of time.

Adieu

As I bid you good bye, my heart is with you and my thoughts and good wishes will always be for your well being. The world is awaiting your arrival as a professional. I am confident that you will excel in your examinations and other endeavours to make us feel proud. All the very best for a bright future. May God bless you to be successful students, good professionals and above all, patriotic citizens of India. Jai Hind. Jai ICAI.

Yours sincerely



Date: 21st January, 2007
Place: New Delhi.

**CA. T.N. Manoharan
President, ICAI**

Chairman's Communication (Continued from Page 1.....)

depth of commitment, sense of purpose and dedication of each and every one of you. I pray to the Almighty for your success in all your endeavours and that He shower His choicest blessings on you, your life through.

POINT TO PONDER

“Nothing great is ever achieved without enthusiasm.” This famous quote is a truism uttered by Ralph Waldo Emerson, the great American essayist. He also opined rightly that enthusiasm and success go hand in hand. An enthusiastic person radiates energy. His attitude is upbeat, he uplifts others and is reflected in his speech, talk and manners. A successful person is one who has harnessed a deep-seated belief in himself so that whatever happens, he is sure and knows that in the end he will win. The desire to succeed, achieve and excel, the motivation to reach the top must come from within. You must internalize the desire, empower yourself with a vision of success and equip yourself with the necessary knowledge. Never lose sight of your goals and dreams. Tom Clancy had said **“Nothing is as real as a dream. The world can change around you, but your dream will not. Responsibilities need not erase it. Duties need not obscure it. Because the dream is within you, no one can take it away.”** Remember you are the captain of your ship, you are the master of your soul. In this context, I read a wonderful little Poem about life which I would like to share with you.

BE

Above all, be yourself, BE, but don't just exist.

There's more to life than being just another name on the list.

Be active, alive and adventurous, Boisterous, brave and Bold.

Be confident, cool and Clear headed, Daring, decisive and determined.

Be eager, earnest and eloquent, Free thinking, Fresh and Fun-Loving

BUT, above all BE YOU!.

NEW SCHEME OF EDUCATION

The new scheme of education was successfully launched on September 13, 2006. Students have responded positively to the new scheme. This is evident from the number of registrations and the conversions that took place from the PE-I course. Growing interest of the senior secondary students in various career counseling programmes organized by the Board of Studies reflects the popularity of the new scheme which is a simplified entry norm to the chartered accountancy course.

During the course of my interaction with the existing students a common question is raised by the students of PE-I “whether they should still continue or switch over to CPT.” Two more PE-I examinations will be held - May & November , 2007 . PE-I is not an objective test like CPT. Moreover, CPT is held four times in a year while PE-I examination is held twice in a year. An existing student of PE-I should evaluate these aspects before taking a decision. Barry Spilchuk's pro active advice comes to mind **“When faced with a decision – decide, When faced with a choice- choose. Sitting on the fence will leave you too tense, because you neither win nor lose.”**

KUDOS AND CONGRATULATIONS

My warm congratulations to all those who have been successful in the recently conducted CA Exams- Final, PE1, PE2 and CPT. My best wishes for a bright and professionally fulfilling career as a Chartered Accountant. This is the time for you to decide on your career option – which is your choice – further study, practice or industry. Whatever your choice I wish you best of luck and exhort you to not only become a success, but also do your bit for the society as well “Give to the world the best you have, the best will come back to you.” Fine tune your skills, focus and sharpen your core areas, update yourself to keep ahead in life.

To those who could not make it don't lose heart. I urge you to put your heart and soul into your study. After all failures are but the Stepping stones to

success. Napoleon Hill said ***“In every adversity, there is the seed of an equivalent or greater benefit. Defeat is never permanent, unless you accept it as such.”*** Great men like Robert Bruce, Abraham Lincoln and Mahatma Gandhi went through trials and tribulations before they triumphed. Thomas Alva Edison failed ten thousand times before perfecting the electric lightbulb. So recoup yourself, don't worry or despair or moan, but pull your socks up, put your head down to your books and victory will be yours. Don't let skeptical people and their opinions about the course, your inability to succeed change your mind about a Career as a Chartered Accountant. Epictetus the teacher of Marcus Aurelius had written about the Art of Living in 94AD and he had this to say – ***“Once you have deliberated and determined that a course of action is wise, never discredit your judgment. Stand squarely behind your decision.”*** Thomas Alva Edison had a wonderful piece of advice and it could apply to every sphere of life – ***“Many of life's failures are people who did not realize how close they were to success when they gave up.”*** Problems are like trees seem through a running train. As you approach them they grow bigger. Once you pass them they become smaller. That's life

HOW TO ENSURE SURE SUCCESS

If you follow scrupulously the following Five 'T's and Five 'C's then success is yours both in your C.A. exams and C.A. career.

Five 'T's: Interest, Intelligence, Initiative, Innovation and Integrity.

Five 'C's: Concentration, Creativity, Communication, Commitment and Confidence.

Build a positive self esteem, stop the habit of procrastination, stay away from negative influences and negative people. This will take you to the doors of success.

FINAL (NEW) COURSE

The study materials are ready for the Final (New) Course. Existing students of final course may switch over to this course. Also those who passed PE-II

examination and who have passed intermediate examination but not yet joined final course may join the Final (New) Course. It was an uphill task to make the study materials ready for the new course within a short span of time immediately after developing study materials of CPT and Professional Competence Course in September 2006. This has become possible due to the dedicated team of faculty members of the BOS and other resource persons. They have been supportive, their inputs have been a great value addition and I sincerely acknowledge their commendable contribution.

100 HOURS INFORMATION TECHNOLOGY

A new set of course materials has been released for this new programme. Work is in progress to offer course material in an interactive CD such that a student can take demo of various chapters in a self-study mode. This CD is proposed to be released in February 2007. As we live in a knowledge era, we would like to equip our CA students with the latest and best information technology education and hence, we have made the course practical, useful and easily digestible. It is important that in a work environment you are not flummoxed by the technical jargon and we hope that this will be a foundation for you to build your knowledge and expertise.

ALL INDIA QUIZ AND ELOCUTION CONTESTS

The series of quiz and elocution contests that started in the middle of this year has reached its final round. It began with branch level contests followed by regional level contests. The winners of regional level contests participated at All India level contests that were held on 15th and 16th of January in Jaipur. The cold nights did not deter the contestants who were enthusiastic, well-prepared and raring to go. Amidst much fanfare the students displayed their true mettle. The elocution contest was an enriching experience knowledge-wise and I was thoroughly impressed by the superlative oratory skills of our contestants. In the quiz contest, through their razor sharp replies, the students displayed their in depth knowledge in subjects of study. It was also heartening to observe that the level of general awareness was simply

outstanding. The hospitality of the Jaipur Branch of CIRC who hosted the contests was exemplary and we had a wonderful time. The Chairman, Managing Committee members and the students of the Students Association of CIRC need to be thanked for the meticulous arrangements.

VIDEO CASSETTES

Although nothing can replace classroom lectures, a close alternative to that is to view the video cassettes of the lectures delivered by renowned experts. This will help you prepare for the examination in a better manner. Under this project, we have already published a series of lectures details of which are available elsewhere in this newsletter. I hope that you will derive maximum benefit out of these lectures.

SELF CONFIDENCE

It is common view that the CA course is a tough one and the failure rate is high. A prerequisite for CA students is self-confidence. The path of the CA students may be fraught with hurdles, may be an uphill task, but it is important to face them with a positive frame of mind. It is extremely important that you should develop confidence in your ability to succeed. Regular study, review and repetition are the three R's of success. To get through the CA course requires dogged hard work, dedication and determination. Consistent study, perseverance and persistence will bring you success. The right frame of mind and confidence borne out of hard work will help you stay clear of exam related problems and worries.

I read a poem which I thought apt for the CA Students which I share with you:

**“If you think you are beaten, you are
If you think you dare not, you don't
If you'd like to win, but think you can't
Its almost a cinch you won't
If you think you'll lose, you're lost
For out in the world we find
Success begins with a fellow's will
It's all in the state of mind.**

**Full many a race is lost
Before even a step is run
And many a coward falls
Before even his work has begun.**

**Think Big and your deeds will glow
Think small and you'll fall behind
Think that you can, and you will –
Its all in the state of mind.**

**Life's battles don't always go
To the stronger or faster man;
But sooner or later, the man who wins
Is the one who thinks he can.”**

C.A. CAREER AWARENESS AND COUNSELLING PROGRAMMES

At Jaipur we had a house-full Career Awareness programme that was conducted on a grand scale. The Chief guest was the Past President of ICAI, Shri Sunil Goyal who gave an inspiring address that would have motivated many students there to take up CA as a career. On 20th and 21st January we had a Two Day Joint National Seminar on Global Convergence and Commerce Education with Mohanlal Sukhadia University, Udaipur which was well attended. On 23rd January we had a Joint Seminar with Vikram University, Ujjain wherein we have expounded the importance of CA as a career choice. On 31st January we are having a mega programme at New Delhi where Hon'ble Shri K.Rahman Khan, Deputy Chairman Rajya Sabha will be the Chief Guest. The Programme has top notch renowned faculty as speakers and I request all students of the CA course in and around Delhi to use this golden opportunity to hear them in person and gain wisdom.

ROLE MODELS

Benjamin Frankin the founder of the University of Pennsylvania during his life time found time to establish a circulating library, organize the Federal Post system and build the first business franchise – a string of printing shops. He was a great inventor and philosopher and he lived by a code of conduct which according to me is relevant even today:

1. Lose no time with unrealistic expectations and concentrate on the highest priorities.
2. Resolve to perform what you ought and perform without fail what you resolve
3. Let all your things have their places, let each part of your business have its time.
4. Eat not to dullness, drink not to elevation
5. Listen carefully to your associates and family lest relationships wither all around you.
6. Appearance Counts
7. Sincerity of manner, genuine interest and sense of purpose will see you through
8. Be not disturbed by trifles or at accidents and failures that are common or unavoidable.
9. Review and Appraise your self, recognize and emphasize your strengths and work hard to improve areas which need a boost.
10. Never substitute excuses for hard work, persistence and procrastination is the key to success.

Management Gurus and Achievement workshops today emphasize these very statements as a credo to live by. The words and jargon used may be different but the mantra is still the same. After all the world evaluates a Man as good based on certain perception of him as he portrays himself.

SAFA STUDENT EXCHANGE PROGRAMME

It is said that **“Travel broadens the mind.”** I love to travel to different places, meet different people, interact with them, eat their cuisine, visit their historic monuments, museums etc. There is a wonderful opportunity for you CA Students. The SAFA student exchange programme which is aimed at improving cross - cultural understanding, knowing the academic pattern and professional practices in the SAFA region. The Institute of Chartered Accountants of Pakistan has invited the students of the ICAI in exchange programme to be held in Karachi in the second week of March . I request you to utilize this chance and wish that many of you will participate in the programme. Do contact the BOS for further details.

WRAP UP POINT

Alexander Graham Bell had said **“When one door closes, another door opens; but we so often look so long and so regretfully upon the closed door, that we don’t see the ones which open for us.”**

Hence, look for opportunities that are hidden in the temporary failures of life. The only time a person runs out of chances is when he stops taking them. An obstacle in your mind is worse than an obstacle on the path. If you think you can’t, you can’t. With a positive frame of mind, you can work miracles and success will be yours. It is said that before opportunity crowns you with great success, it usually tests your mettle with adversity. Always remember behind every cloud there is a silver lining. **“Keep your head and heart going in the right direction and you will not have to worry about your feet. The winds and waves are always on the side of the ablest navigator”**. I firmly believe in Swami Vivekananda’s saying **“Don’t look back – look forward ! Infinite energy, infinite enthusiasm, infinite daring and infinite patience – then alone can great deeds be accomplished”**.

A small poem to live life by is something I’d like to share with you:

“You will never be sorry for:

Doing your level best, being kind to the poor,

Hearing before judging, thinking before speaking,

Standing by your principles, stopping your ears to gossip

Being generous to an enemy, being courteous to all,

Asking pardon when in error, being prompt in keeping promises

Giving an unfortunate person a lift in life and for putting the best meaning on the actions of others.”

I am ever the optimist who has unshakable faith that

there is a great future in store for all the C.A. students and the words of Oliver Wendell Holmes come to me **“Greatness is not in where we stand and in what direction we are moving, we may sail sometimes with the wind and sometimes against the wind, but we must sail and not drift , nor lie at anchor”**.

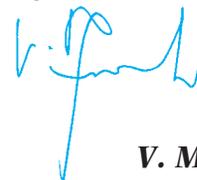
As I sign off, bidding adieu to you, my heart is heavy and I shall miss the regular and wonderful interaction with you students, but I shall be positive and I look forward to a continued interaction when you become a member of the CA Fraternity.

Wishing each and every one of you a life filled with academic fulfillment, Prosperity, a wonderful career and bliss at home.

Good bye and Good Luck.

With warm professional regards,

Forever, yours in service,



V. Murali
Chairman, Board of Studies

All India Elocution and Quiz Contests Venue: Jaipur Branch of CIRC of ICAI January 15 & 16, 2007

In the distant education methodology of the Institute, often the students feel a lingering need for interacting with the faculty and subject experts to know the contemporary developments. To address this requirement the Board of Studies conducts a series of programmes such as contests, seminars and conferences. In this light 12th All India Elocution Contest and 6th All Quiz Contest were held on 15th and 16 of January in Jaipur. Such contest also benefit the students to inculcate competitive spirits, public speaking skills and overall development of the personality. The two day contests displayed strong knowledge as well as oratory skills on the part of students.

On the first day, the 12th All India quiz contest began with lighting of lamp and playing of motto song of the Institute. CA. V Murali, Chairman, Board of Studies, in his inspiring address advised students to have positive attitude and move with change. He also highlighted the importance of emotional quotient over intelligence quotient.

In the contest, in all 19 student gave content rich deliberations on the following topics:

- ◆ Full convertibility of rupee – 6 student
- ◆ Global convergence of Capital Market– 1 student
- ◆ Clause 49 of the Listing Agreement and Enterprise Risk Management – 6 student
- ◆ Fair Value Accounting : A New Financial Reporting Framework – 2 student
- ◆ Reduction of personal tax rates – 1 student
- ◆ Strategic Acquisitions *Versus* Compromising Shareholders' Value – 3 student

There were no speakers on the topic Employees' Stock option: Comparative Accounting Norms. The contest ended with distribution of prizes.

On the second day the All India quiz contest was held wherein CA. Anuj Goel motivated the contesting teams. The programme ended with distribution of prizes by CA. Sunil Goyal, Past President of the Institute.

Other dignitaries who inspired the students on both the days with their thoughts included CA. Mukesh Gupta, Chairman, Jaipur Branch, CA. Anju Sultania, Secretary, Jaipur Branch, CA. Natwar Sharda, Past Chairman, Jaipur Branch and CA. Satish Gupta, Chairman,

CICASA, Jaipur Branch. They were instrumental in giving the contests their final shape as members of host branch. The contestants and the prize winners are as follows:

12th All India Elocution Contest

First Prize

Siddharth, *Central Region*

Second Prize

Hitesh Chugani, *Central Region*

Third Prize

Mary Priya Michael, *Southern Region*

Other Participants

Western Region

Ruchita V. Chhatralia

Smithin G. Nair

Nidhi Agrawal

Southern Region

Ramanujam Raghavan

K. Swapna

C.A. Vijaya Kumara

Eastern Region

Sonu Agarwal

Richa Modi

Nilesh Kumar

Abhishek Agarwal

Central Region

Sudhanshu Pandey

Kunal Purohit

Northern Region

Anjani Kumar Sharma

Shailesh Gupta

Avinash

Amar Pal Sehgal

6th All India Quiz Contest

First Prize, Southern Region

E. Kathirvel

Ranjit Bansali

Runners-up Prize, Eastern Region

Sumit Kr. Dhanuka

Ashish Jalan

Other participating teams

Western Region

Preeti S. Gupta

Bhavdeep B. Vora

Central Region

Santosh Kumar Verma

Palak Bhargava

Northern Region

Rakesh Arora

Atul Garg

November, 2006 Examinations — Top Performers

Professional Education (Examination – I)



Shivangi Patni, Kota
First Rank



Megha Gupta
Second Rank



Arun Gupta
Third Rank

Professional Education (Examination – II)



Dixita Tubhyam Mehta, Dombivli East
First Rank



Shilpi Jain, New Delhi
Second Rank



Krantinath Yerukola, Kasibugga
Third Rank

Final Examination



Vineet Sodhani, Jaipur
First Rank



Mangaram Hiralal Suthar, Vadodara
Second Rank



Abhishek Dinesh Agarwal, Chennai
Third Rank

Our Heartiest Congratulations!

Mergers & Acquisitions by Indian Companies

Arpit Chouksey

The first three quarters of the year 2006 have resulted in 115 acquisitions by Indian firms overseas with a total value of \$ 7.4 billion. Merger & Acquisition deals in 2000 valuation of outbound deals was about \$ 1 billion, against \$ 6 billion for inbound deals. In the first nine months of the year 2006, the gap has narrowed with inbound deals at a little under \$ 8.5 billion and outbound deals at \$ 7.4 billion.

Top Overseas Acquisitions by Indian Companies

Acquirer	Acquisition	Value (in \$ million)
Dr Reddy's	Betapharm	570
Suzlon Energy	Eve Holdings	520
Ranbaxy Lab	Terapia	324
Reliance	Flag	207
Videocon	Daewoo Electronics	700
S. Kumars	Amoicab Pacific	100

Apart from above, Bharat Forge has acquired 6 companies since 2004 in four countries to emerge as the world's second largest forger. Wipro has acquired three overseas companies in 2006, Ranbaxy has bought two. In September, 2006 Mahindra & Mahindra made the biggest overseas acquisition in auto component space by acquiring a majority stake in German Forging company Jeco Holding AG.

TATA CORUS DEAL

Tata Steel with a puny domestic production of 5 million tonnes—is currently the 56th largest Steel Co. in the world. On 17th October, 2006 Tata made an announcement for an all cash bid of 455 pence a share for 100% of Anglo-Dutch Steelmaker Corus Group. In November, 2006 Brazilian steelmaker CSN Ltd had made a bid of 475 pence a share. The underlying message is clear. This is just the beginning like the Mittal-Arcelor bid earlier in the year 2006. The bidding for Corus will certainly not close at 455 or even at 475 pence.

The betting is that once the Tatas complete their discussions with Corus, a company more than three times the size of Tata Steel, the final price could be anywhere between 550-600 pence.

If at 455 pence, the bid values Corus at \$ 10 billion, 550 pence will take the valuation to \$ 12.09 billion making it the largest ever Indian acquisition ever.

The Offer Price

Initially Tatas had made an offer of 455 pence a share. Remember, Lakshmi Mittal had to fork out 40% more than

what he had offered for Arcelor shares initially. On January 27, 2006 Mittal Steel offered \$ 23.3 billion for Arcelor. On May 19, 2006 this was raised by 38.7% to \$ 32.4 billion. On June 25, 2006, the offer was further sweetened for shareholders to \$ 50.68 per share to buy the company.

Mittal's offer for Arcelor was 4.56 times the Luxembourg based company's Earnings before Interest, Taxes, Depreciation & Amortisation or EBITDA. Tata's offer is 4.84 times Corus's EBITDA, based on the UK steelmaker's earnings in the 12 months through June 30.

How it Helps Tata Steel ?

- ◆ The merger gives a foothold in Europe and access to valuable Corus customers such as automobile firms who buy high grade steel.
- ◆ Corus has production capacities of 18 million tonne per annum much larger than Tata Steel. This automatically takes Tata Steel to a higher orbit in the world steel order.
- ◆ A purchase of Corus propels Tata to fifth position from 56th in world rankings, giving the new company a combined capacity of 23 million tonnes a year.

What it gives Corus ?

- ◆ Tatas easy access to raw materials should help Corus bring down its cost of production.
- ◆ One clear attraction for anyone looking at the Indian market is the availability of cheap iron ore. India has the world's fifth largest deposit of iron-ore, the main steel-making ingredient.

The EPS Calculus

- ◆ Tata Steel had a debt: equity ratio of just 3 times as on 31st March, 2006.
- ◆ Tata Sons will be allotted 2.7 crore Tata Steel equity shares at Rs. 516 each on a preferential basis and also 2.85 crore shares to be issued against warrants after April, 2007. The pricing is based on SEBI formula, leading to a cash inflow of Rs. 2,900 crore.
- ◆ This leaves scope for the company to raise debt up to Rs. 10,000 crore which takes its debt-equity ratio to 1:1. Remember the company has already taken approval of shareholders to raise up to Rs. 20,000 crore.
- ◆ Based on calculations, the net outflow of interest, post the deal, works out to Rs. 2,170 crore.
- ◆ Adjusting for this the net profit addition (Corus Rs. 3,000 crore minus Rs. 2,170 crore) works out to Rs. 830 crore.
- ◆ Considering the 10% equity dilution due to the preferential offer, the deal would still be viable.

The author is a student of the Institute.