Certificate in Investment Banking

Syllabus

Module 1: Investment Banking Basics

- Role of investment banks in capital markets and the economy.
- Business lines: advisory, equity capital markets, debt capital markets, sales and trading, and research.
- Global bulge-bracket, boutique and Indian investment banks.
- Clients: corporates, promoters, financial sponsors, governments and institutions.
- Revenue models: advisory fees, underwriting spreads and success fees.
- Structure of a deal team and the deal life cycle.
- Investment banking in India: evolution, market size and key players.
- Careers in investment banking, private equity and corporate development.

Module 2: Regulatory Framework for Investment Banking

- SEBI (Merchant Bankers) Regulations, 1992.
- SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- SEBI (Prohibition of Insider Trading) Regulations, 2015.
- Companies Act, 2013: provisions relevant to capital raising and corporate actions.
- Foreign Exchange Management Act, 1999 and foreign investment rules.
- Competition Act, 2002 and merger control.
- Regulation of capital markets in GIFT IFSC.
- Global regulatory frameworks: SEC, FCA and other regulators.

Module 3: Financial Statement Analysis

- Reading the income statement, balance sheet and cash flow statement.
- Ind AS, IFRS and US GAAP: key differences for transactions.
- Normalising earnings: one-off items and adjusted EBITDA.

- Working capital, capital expenditure and free cash flow.
- Net debt and debt-like items.
- Ratio analysis and peer benchmarking.
- Quality of earnings and accounting red flags.
- Analysis of segment, consolidated and standalone financials.

Module 4: Financial Modelling

- Principles of financial model design.
- Building an integrated three-statement model.
- Revenue and cost drivers.
- Debt schedules and interest calculations.
- Scenario, sensitivity and break-even analysis.
- Modelling best practices, error checks and model audit.
- Presenting model outputs.

Module 5: Valuation Principles and Cost of Capital

- Purpose and principles of valuation.
- Enterprise value and equity value.
- Bridging from enterprise value to equity value.
- Cost of equity: CAPM, beta and equity risk premium.
- Cost of debt and capital structure.
- Weighted average cost of capital.
- Country risk and valuation in emerging markets.
- Valuation standards and registered valuers in India.

Module 6: Discounted Cash Flow Analysis

- Projecting unlevered free cash flows.
- Discounting conventions and mid-year adjustment.
- Terminal value: perpetuity growth and exit multiple methods.
- Free cash flow to equity and dividend discount models.
- Sensitivity of value to key assumptions.
- Reverse DCF and implied expectations.
- Common errors in DCF valuation.

Module 7: Comparable Companies Analysis

- Selecting a peer group.
- Calculating equity value and enterprise value.
- Trading multiples: EV/EBITDA, EV/Sales, P/E and P/B.
- Calendarisation and normalisation of financials.
- Benchmarking operating and financial metrics.
- Deriving an implied valuation range.
- Strengths and limitations of trading comparables.

Module 8: Precedent Transactions Analysis

- Selecting comparable transactions.
- Sources of transaction data.
- Calculating transaction multiples.
- Control premiums and minority discounts.
- Adjusting for market conditions and deal terms.
- Deriving an implied valuation range.
- Football field charts and presenting valuation.

Module 9: Asset Class and Specialised Valuations

- Sum-of-the-parts valuation.
- Asset-based and net asset value approaches.
- Valuation of banks, NBFCs and insurance companies.
- Valuation of real estate, infrastructure and natural resource companies.
- Valuation of technology and high-growth companies.
- Valuation of start-ups: venture capital method and scorecards.
- Valuation of brands and intangibles.
- Valuation of distressed companies.

Module 10: IPO, Listing and Equity Capital Markets

- Initial public offerings: rationale and readiness.
- IPO process, timeline and role of book running lead managers.
- Draft red herring prospectus, due diligence and SEBI review.
- Book building, price discovery and anchor investors.
- Valuation and pricing of IPOs.
- SME IPOs and listing on SME platforms.

- Follow-on offers, offers for sale and qualified institutions placements.
- Rights issues, preferential allotments and block deals.
- REIT and InvIT offerings.
- Overseas and GIFT IFSC listings.
- Post-listing obligations and investor relations.

Module 11: Debt Capital Markets and Fund Raising

- Debt financing options for companies.
- Corporate bonds and non-convertible debentures.
- Commercial paper and short-term instruments.
- External commercial borrowings and foreign-currency bonds.
- Syndicated loans and acquisition finance.
- Convertible and hybrid instruments.
- Structured finance and securitisation.
- Credit ratings in debt raising.
- Green, social and sustainability-linked bonds.

Module 12: Private Capital Raising

- Private equity and venture capital funding.
- Growth, pre-IPO and structured equity rounds.
- Private credit and special situations funding.
- Preparing teasers, information memoranda and financial models.
- Investor targeting and outreach.
- Term sheets: valuation, preference shares, anti-dilution and governance rights.
- Shareholders' agreements and exit rights.
- Family offices and strategic investors as sources of capital.

Module 13: Mergers and Acquisitions

- Strategic rationale for mergers and acquisitions.
- Types of M&A: horizontal, vertical, conglomerate and acquihires.
- Buy-side advisory: target screening and approach.
- Sell-side advisory: preparation, marketing and auction processes.
- Negotiated sales and competitive auctions.
- Letters of intent, exclusivity and binding offers.
- Negotiation strategy and tactics.

- Post-merger integration and value capture.
- Reasons M&A deals fail.
- Landmark M&A deals in India and globally.

Module 14: Transactions Analysis

- Accretion and dilution analysis.
- Synergy estimation: revenue and cost synergies.
- Contribution analysis.
- Purchase price allocation and goodwill.
- Financing mix: cash, stock and debt.
- Ability-to-pay analysis.
- Fairness opinions.
- Pro forma financial statements.

Module 15: Deal Structuring, Documentation and Tax

- Share purchase versus asset purchase.
- Slump sales and business transfers.
- Mergers, amalgamations and schemes of arrangement before the NCLT.
- Consideration structures: earn-outs, deferred payments and escrows.
- Share purchase agreements and shareholders' agreements.
- Representations, warranties and indemnities.
- Warranty and indemnity insurance.
- Tax implications of transactions under the Income-tax Act, 2025.
- Stamp duty and indirect tax considerations.
- Pricing guidelines under foreign exchange regulations.

Module 16: Takeovers, Open Offers, Buybacks and Delisting

- SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- Triggers for open offers and offer pricing.
- Open offer process and timelines.
- Hostile and competing offers.
- SEBI (Buy-back of Securities) Regulations, 2018.
- SEBI (Delisting of Equity Shares) Regulations, 2021.
- Minimum public shareholding and promoter reclassification.

Module 17: Leveraged Buyouts

- Concept and economics of leveraged buyouts.
- Characteristics of a strong LBO candidate.
- Financial sponsors and private equity investment strategies.
- LBO financing structures: senior debt, mezzanine and equity.
- Building an LBO model.
- Returns analysis: IRR and money multiple.
- Value creation levers: growth, margins, leverage and multiple expansion.
- Exit strategies.
- Management buyouts and buy-ins.
- LBOs in India: regulatory constraints and structures.

Module 18: Corporate Actions and Restructuring

- Corporate actions: splits, bonuses, dividends and rights.
- Demergers, spin-offs and carve-outs.
- Holding company and group restructuring.
- Capital reduction and reorganisation of share capital.
- Divestitures and asset monetisation.
- Promoter and family group restructuring.
- Distressed M&A under the Insolvency and Bankruptcy Code, 2016.
- Acquisition of stressed assets and the role of ARCs.

Module 19: Due Diligence

- Purpose and scope of due diligence.
- Financial due diligence and quality of earnings.
- Legal and regulatory due diligence.
- Tax due diligence.
- Commercial and operational due diligence.
- ESG, cyber and technology due diligence.
- Virtual data rooms and management presentations.
- Red flags and their impact on valuation and deal terms.

Module 20: Cross-Border Transactions

- Inbound investment into India: routes, sectoral caps and approvals.

- Investment from land-border countries.
- Outbound investment under the overseas investment rules.
- Cross-border mergers.
- Currency, country and political risk.
- Cross-border tax and treaty considerations.
- Global merger control and foreign investment screening.
- Case studies of cross-border deals.

Module 21: Pitching, Execution and Client Management

- Building a pitch book.
- Teasers, information memoranda and management presentations.
- Origination and client relationship management.
- Deal execution and project management.
- Working with lawyers, accountants and other advisers.
- Communicating with boards and investment committees.
- Closing a transaction.

Module 22: Ethics, Conduct and Emerging Trends

- Ethical responsibilities of investment bankers.
- Conflicts of interest and information barriers.
- Handling unpublished price-sensitive information.
- Fiduciary duties and fairness to stakeholders.
- Case studies in investment banking misconduct.
- Technology and AI in investment banking.
- ESG and sustainable finance in transactions.
- Emerging trends: SPACs, private markets and new listing routes.