**UNIT I: Strategic Mergers – The Case of Disney and Pixar**

**Background:**
In 2006, The Walt Disney Company acquired Pixar Animation Studios for $7.4 billion in stock. This merger exemplifies a strategic horizontal merger to synergize creativity and technology in the film industry.

**Motives Behind the Merger:**

1. **Synergy Creation:** Disney aimed to combine Pixar's cutting-edge animation technology with its distribution network and marketing expertise.
2. **Operating Synergy:** Both companies capitalized on their creative storytelling capabilities.
3. **Financial Synergy:** The merger reduced redundant production costs and created a unified creative pipeline.

**Value Creation:**

* **Horizontal Synergy:** By combining Disney's resources with Pixar's innovation, the merger resulted in blockbuster films like *Frozen* and *Inside Out*.
* **Change Forces:** The merger was driven by external competition and the need for internal technological advancement.

**Strategic Perspective:**
Analyzing the life cycles, Disney recognized that Pixar’s innovation could revitalize its animated films, aligning with the growth phase of the industry life cycle.

**UNIT II: Corporate Restructuring – Tata Motors and Jaguar Land Rover (JLR)**

**Background:**
In 2008, Tata Motors acquired Jaguar Land Rover (JLR) from Ford for $2.3 billion. The acquisition was part of Tata Motors' restructuring efforts to diversify and strengthen its global footprint.

**Methods of Restructuring:**

1. **Divestiture:** Ford sold JLR to Tata Motors to streamline its operations and focus on core products.
2. **Leveraged Buyout (LBO):** Tata Motors financed the deal using a mix of debt and equity.

**Employee Engagement:**

* Tata Motors implemented an Employee Stock Ownership Plan (ESOP) to motivate JLR employees, aligning their goals with the company’s performance.
* JLR’s operational turnaround post-acquisition became a benchmark in successful corporate restructuring.

**UNIT III: Hostile Takeover and Defense – The Case of Cadbury and Kraft**

**Background:**In 2010, Kraft Foods initiated a hostile takeover of Cadbury, a British confectionery giant, for $19 billion.

**Dynamics of M&A Process:**

1. **Target Identification:** Kraft identified Cadbury to expand its presence in emerging markets.
2. **Negotiation:** Initial resistance by Cadbury’s management led to higher bid offers from Kraft.
3. **Closing:** After prolonged negotiations and public debates, the deal was finalized.

**Takeover Defense Strategies:**

* **Poison Pill:** Cadbury implemented measures to make the takeover expensive for Kraft.
* **Public Opinion Campaign:** Cadbury appealed to stakeholders to resist the hostile bid.

**Challenges Post-Merger:**
Integrating the organizational cultures of Cadbury and Kraft proved challenging, with employee resistance and brand identity concerns.

**UNIT IV: Valuation and Financing – Reliance and Alok Industries**

**Background:**In 2020, Reliance Industries acquired Alok Industries through an insolvency process under the Indian Insolvency and Bankruptcy Code (IBC) for ₹5,050 crores.

**Valuation Approach:**

* **Discounted Cash Flow (DCF):** Reliance assessed Alok's future cash flows and present value to determine the bid.
* **Relative Valuation:** The market value of similar companies in the textile industry was used for benchmarking.

**Financing the Deal:**
Reliance opted for a cash offer, using its strong financial reserves to fund the acquisition.

**Accounting for Amalgamation:**
The acquisition followed the **purchase method** as per the Indian Companies Act, ensuring transparent reporting of assets and liabilities.

**Outcome:**
The acquisition enabled Reliance to expand its footprint in the textile industry and utilize Alok's operational assets efficiently.