

INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR
POST GRADUATE DIPLOMA IN MANAGEMENT
PROJECT AND INFRASTRUCTURE FINANCE (FN609)
CREDIT: Full credit (three credits)
SESSION DURATION: 90 Minutes

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TERM: V
YEAR: 2018
BATCH: PGDM 2017

Course Introduction

Large scale capital investment and financing decisions are perhaps the most strategic decisions for public/private firms and for the government. Their importance stems from three interrelated factors: (i) capital investment involves substantial outlay of funds; (ii) the investment consequences extend far into the future; and (iii) there are risks of project failure to deliver the desired output/results. Financial viability of the investment project depends to a great extent on project's ability to generate adequate cash flows, means and cost of financing, and risk mitigation measures. These needs a special attention in case of infrastructure projects which may have life of 50 years or more. They are therefore designed as separate entities and thus departs from corporate finance decisions.

Course Objectives

This course intends to provide a useful insight into the intricacies of structuring, valuing, financing and managing risk of projects with special reference to infrastructure projects. The students will learn various project structuring and financing options including 'non-recourse' project finance, and learn tools and techniques of risk analysis and mitigation. By the end of the course the student will be able understand and apply concepts relating to

1. Structuring projects
2. Valuing Projects
3. Managing Risky Projects
4. Financing Projects

Course Pedagogy

The course will be delivered through a combination of lectures, presentations and case studies.

Course Readings

1. Project & Infrastructure Finance – Vikas Srivastava; Oxford University Press
2. Modern Project Finance A Case Book: Benjamin C Esty (2004): John Wiley & Sons: USA.
3. Project Financing – Asset Based Financial Engineering: John D Finnerty (2007), Wiley India Pvt Ltd: India
4. Principles of Project Finance: E. R. Yescombe (2002): Academic Press: San Digeo, USA.
5. Infrastructure Development and Financing: Towards Public Private Partnership: G Raghuram (1999): Macmillan, India.

Evaluation Criteria

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| • Class participation: | 10% |
| • Quizzes: | 20% |
| • Group Assignments: | 30% |
| • End Term: | 40% |

Session Plan

Session No	Module	Topic	Readings / Case
1 & 2	Introduction	An Overview	Why Study Large Projects. Infrastructure Financing Instruments and Incentives.
3 & 4	Indian Scenario	Project and Infrastructure Finance in India and PPM Model, Multilateral Agencies	Analysis of Infrastructure Investment In India May 2016 (ASSOCHAM). Public Private Partnership in India: Compendium of Case Studies. Case: Airport Express Metro Link
5 & 6	Structuring Projects	Difference Between Project and Corporate Finance	Case
7 & 8	Valuing Projects	Methods of valuing projects, Social Cost Benefit Analysis	Reading Material
9 & 10	Managing Project Risks	Risk Management: Identification, assessment, mitigation and allocation	Case
11 & 12	Financing Projects	Project Bonds, Agency Loans, Senior, Junior and Subordinated Debt, Loan Syndication- Types, Roles and Pricing	Case
13	Review		

Note: Additional reading and cases may be provided as the course flows to reinforce the concepts.