

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 3

- NOTE :** 1. Answer SIX questions including Question No.1 which is compulsory.  
2. All references to sections relate to the Companies Act, 1956 unless stated otherwise.

1. (a) Explain the term 'reverse merger' and the circumstances where reverse merger takes place or is recommended. Also highlight the special provisions to be incorporated in a scheme of reverse merger.  
(10 marks)
- (b) State, with reasons in brief, whether the following statements are correct or incorrect :
- (i) A decree-holder unsecured creditor is a separate class.
  - (ii) If a scheme of arrangement is rejected by secured creditors, then it is deemed to be rejected by all the creditors.
  - (iii) A worker has no right to oppose scheme of arrangement.
  - (iv) In the scheme of amalgamation, the transferor company is supposed to be dissolved without winding-up.
  - (v) In all the schemes of arrangement, a clearance of the Competition Commission of India is must.
- (2 marks each)
2. (a) What are the stages in strategic planning ? How does strategic planning differ from long-range planning ?  
(8 marks)
- (b) Explain how consideration for amalgamation is paid.  
(4 marks)
- (c) "In amalgamation, for transfer of property from transferor company to transferee company, a deed of conveyance is required to be executed." Do you agree with this statement ? Explain with relevant provisions of the law.  
(4 marks)
3. Attempt the following citing relevant legal provisions and case law, if any :
- (i) The scheme of amalgamation can be refused by the High Court on the ground that the transferee company does not have sufficient authorised capital on the appointed day.

- (ii) The compromise or arrangement should be within the powers of the company and not *ultra vires*. If it is beyond the company's objects or powers, the court will have no jurisdiction to sanction it.
- (iii) Separate meeting of members and secured and unsecured creditors cannot be dispensed with in amalgamation even if written consent to the proposed scheme is granted by all the members and secured and unsecured creditors.
- (iv) When an order of winding-up is made by the High Court under section 20(2) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the Board for Industrial and Financial Reconstruction (BIFR) ceases to have any power to pass any orders or give any directions.

(4 marks each)

4. (a) What do you understand by 'strategic alliance' ?  
(2 marks)
- (b) What are the benefits and problems of cross culture alliances ?  
(4 marks)
- (c) What are the safeguards incorporated in the takeover process so as to ensure that shareholders get their payments under the offer/receive back their share certificates?  
(4 marks)
- (d) What are the common mistakes made by the corporates which lead to pitfalls in mergers and acquisitions ?  
(6 marks)
5. (a) Explain special powers of the Central Government to order amalgamation.  
(6 marks)
- (b) Explain whether any person other than the shareholders and creditors have right to intervene in the proceedings concerning scheme of amalgamation/reconstruction.  
(6 marks)
- (c) Briefly state the need and importance of the following :  
 (i) E-Form 21; and  
 (ii) E-Form 33.  
(2 marks each)
6. (a) Explain the process of buy-back of shares through stock exchange.  
(6 marks)
- (b) Draft a special resolution for alteration of articles of association of the company for including an article authorising buy-back of securities.  
(5 marks)

- (c) State the provisions of SICA with regard to powers of BIFR to direct the sale of assets of a company. (5 marks)
7. (a) Elaborate 'takeover bids'. (4 marks)
- (b) Draft a resolution for offer to be made by a company to other company for acquisition. (4 marks)
- (c) Explain the method of valuation of shares based on earnings. (4 marks)
- (d) Explain the terms 'partial bid' and 'competitive bid'. (4 marks)
8. (a) Draft an advertisement of petition of amalgamation. (8 marks)
- (b) Draft declaration of solvency to be filed before buy-back of shares. (8 marks)

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