

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of question : 6

Total number of printed pages : 7

NOTE : 1. Answer **ALL** Questions.

2. **All** references to sections relate to the Companies Act, 2013 unless stated otherwise.

PART—A

1. (a) “Measuring the shareholders’ value” is the objective of Good Corporate Governance.

Comment on the statement, how buy back of shares achieves it.

(5 marks)

- (b) A scheme of Merger of Happy Limited with Lucky Pvt. Ltd. was filed with the National Company Law Tribunal (NCLT). The Regional Director raised objections that the additional filing fees and stamp duty on the increased share capital of the Lucky Pvt.Ltd. is to be paid and also against the changing name of the transferee company, for not complying with Section 61 of the Companys Act 2013.

Will the objection of the Regional Director hold good ? Explain.

(5 marks)

: 2 :

- (c) Discuss “Strategic Alliance” and “Joint Venture” as corporate restructuring strategies.
(5 marks)
- (d) How the rights of the minority shareholders are protected during merger/amalgamation/ takeover ?
(5 marks)

Attempt all parts of either Q. No. 2 or Q. No. 2A

2. (a) What are the obligations of the Committee of the Independent Directors of a target company in connection with providing reasonable recommendation on the open offer made by the acquirer ?
(5 marks)
- (b) Enumerate the common mistakes made by the corporate leading to pitfalls in mergers and acquisition ?
(5 marks)
- (c) What is a “Voluntary Offer” as per Regulation 6 of Takeover Code 2011 ?
(5 marks)

OR (Alternate question to Q. No. 2)

- 2A. (i) M/s Brite Instruments Pvt. Limited is acquiring M/s Sunshine Pvt.Limited. You are the Company Secretary of M/s Brite Instruments Pvt Limited. Help your management (Board of Directors) to prepare a checklist in this regard.
(5 marks)

: 3 :

(ii) In case of Takeover, what are the cases in which the amount is released from Escrow Account ?

(5 marks)

(iii) Scheme of Reconstruction pursuant to order of competent authority does not trigger, an open offer under SEBI (SAST) Regulations. Discuss the regulation citing the case laws.

(5 marks)

3. Examine and explain the following statements citing relevant provisions of laws :

(a) The reduction of share capital can result in extinguishment of class of shares.

(3 marks)

(b) The amalgamated company has to issue new shares to Non-resident Indians in amalgamation and for that it has to obtain permission of Reserve Bank of India under the provisions of the Foreign Exchange Management (FEMA) Act, 1998.

(3 marks)

(c) Name various documents which requires Stamping in case of merger.

(3 marks)

(d) M/s Happy Exports Limited was merged with M/s Smart Exports Limited. The order passed by High Court was filed with the Registrar of Companies (ROC). But the same was not taken on record by ROC. Will the scheme still be effective ?

(3 marks)

- (e) The Tribunal can modify transfer date proposed in a scheme of amalgamation.

(3 marks)

PART—B

4. (a) What is the Valuation documentation and what is the objective of this ?

(5 marks)

- (b) Write a note on International Valuation Standards Council.

(5 marks)

- (c) “Valuation is an important aspect in merger and acquisition and it should be done by a team of experts.” Comment on the statement, mentioning which type of experts should be in the team.

(5 marks)

5. (a) Bell Limited is planning to merge with (take over) Ring Limited. The following is the data regarding both the companies :

	Bell Ltd.	Ring Ltd.
Paid up Capital	₹ 40,00,000	₹ 24,00,000
(Fully Paid Up Equity Shares of ₹ 10 each)		
Market Price of Shares	₹ 40	₹ 24
(Latest traded in Stock Exchange)		
Profit After tax (PAT)	₹ 20,00,000	₹ 14,40,000

What should be the basis of exchange ratio so that the Bell Limited gains ?

(5 marks)

: 5 :

- (b) Swan Limited is the holding company of Duck Limited. Swan Limited wants to merge Duck Limited with it.

Swan Limited holds 30,000 Equity Shares of ₹ 10 each fully paid up in Duck Limited.

The following details are available with us :

	(Value in ₹)	
	Swan Ltd.	Duck Ltd.
Paid up Equity shares (₹ 10 each)	50,00,000	40,00,000
Market value of shares (Latest traded in Stock Exchange)	50	25
Profit After Tax (PAT)	25,00,000	12,00,000

Calculate the no. of shares Swan Ltd. will issue to the shareholders of Duck Ltd. If exchange ratio is on the basis of :

- (i) Earning Per Share (EPS)
(ii) Market Price.

(5 marks)

- (c) The method of valuation of a business, however, depends to a great extent on the acquisition motive. What are those motives of valuation ?

(5 marks)

PART—C

Attempt all parts of either Q. No. 6 or Q. No. 6A

6. (a) Explain the steps to be followed for the “Corporate Insolvency Resolution” process with timelines. (8 marks)
- (b) Explain the different functions of Insolvency professionals. (6 marks)
- (c) Explain “Property” under Recovery of Debts (and Bankruptcy) Act 1993. (4 marks)
- (d) Explain “Financail Asset” under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002. (2 marks)

OR (Alternate question to Q. No. 6)

- 6A. (i) Measures to be taken by Assets Reconstruction or Securitisation Company for the purpose of Assets Reconstruction. (5 marks)

: 7 :

(ii) Assistance to take possession of secured assets from the Chief Metropolitan Magistrate or the District Magistrate under (SARFAESI) Act, 2002.

(5 marks)

(iii) Right to lodge a “Caveat” under (SARFAESI) Act, 2002.

(5 marks)

(iv) “Demand Notice” under Security Interest (Enforcement) Rules 2002.

(5 marks)

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