

# NATIONAL LAW UNIVERSITY, DELHI

LL.M., Semester-I (Batch of 2021)

End Semester Assessment, December-2021

Paper: Mergers and Acquisitions

Total Marks: 50

## Instructions:

1. Mail your assignments only to **submissions.llm@nludelhi.ac.in**
2. All questions are compulsory.
3. This is an open book exam. Students are free to consult their class notes as well as assigned reading materials.
4. No clarification shall be sought on the question paper.
5. Mention ONLY your Name, Roll No. and Subject Paper on the Cover/First page. Start writing your answers from the next/second page only. **Do not** mention your name and roll no on any other page.

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Q.1) Elucidate the different reasons for takeover bid resistance by the target companies. Considering the impact and effectiveness of different takeover defence strategies, analysis whether takeover resistance is beneficial or not for the company?

(Marks 10) (Approx. 1200 words)

Q.2) Answer the following questions: (Marks 2\*5=10) (Approx. 500-600 words each)

- a) Write an analysis of the neoclassical and the behavioural hypothesis of merger waves and which according to you is a better hypothesis in the present context.
- b) “Divestitures, Assets Sale and Recapitalization are different and unconventional approaches to corporate restructuring and takes different forms for the benefit of the company.” Explain.

Q.3) Tea-ales Pvt Ltd.(Transferor Company) has its registered office at New Delhi with the authorized share capital of Rs 1,00,00,000 ( Rs One Crore) including equity and preference shares and Chai-time Company Ltd.(Transferee Company) has its registered office at Ghaziabad with the authorised share capital of Rs 1,50,00,000 (Rs. One Crore and Fifty Lakh) propose to merge/ amalgamate with each other. Tea-ales is involved in the business of setting up tea catering chain in different cities, tea catering and serving at its tea cafes, manufacturing cookies and tea time snacks. Chai-time is engaged in the similar business along with manufacturing and serving a variety of green teas and flavoured coffee. With these facts, draft a scheme of merger/ amalgamation between both the companies. What are the legal compliances under the Companies Act 2013 to give effect to such a merger/amalgamation between both the companies? What are the rights of the dissenting shareholders & creditors in this case?

(Marks 10) (Approx. 1200 words)

Q.4) “The Indian courts and the Company Law Tribunal have played a pivotal role in evolving the jurisprudence related to the ‘appointed date’ and ‘effective date’ in schemes of mergers and amalgamations.” In the light of the above mentioned statement, write an analysis of the significance of ‘appointed date’ and ‘effective date’ as highlighted by the courts in various cases.

(Marks 10) (Approx. 1200 words)

Q.5) ABC Pvt Ltd is a subsidiary of PQR Ltd. ABC Pvt Ltd holds 17% shares and voting rights in XYZ Pvt Ltd. On 1<sup>st</sup> Nov 2021, ABC Pvt Ltd entered into an agreement with XYZ Pvt Ltd to buy 9% of shares & voting rights of XYZ Pvt Ltd. None of companies have notified the Competition Commission of India about the acquisition on the ground that the acquisition of shares was purely and solely made for investment purpose. In the lights of the above facts, mention the obligations of the companies involved under the Competition Act 2002 as well as under the SEBI (SAST) Regulations 2011. Support your answer with relevant case laws.

(Marks 10) (Approx. 1100-1200 words)