DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

M.A. (CORPORATE LAW)

Academic Year: 2024-2025

Third Semester - End Semester Examination (December, 2024)

2.3.7. Mergers, Amalgamations and Acquisition

Duration of the Examination: 2 ½ hours **Total Marks: 70 marks**

INSTRUCTIONS TO CANDIDATES

- **a) Read the instructions carefully and adhere to the same.**
- **b) Please mention your DDE ID No. date of the exam, name of the programme & subject on the Answer Sheet and the Additional Answer Sheets, if any.**
- **c) The questions to be interpreted as given and no clarification can be sought from the Invigilator.**
- **d) Clearly indicate the question numbers while answering them. Answers without question numbers / wrong question numbers will not be evaluated.**
- **e) Write the answers clearly and neatly. Answers in illegible handwriting will not be taken into consideration.**
- **f) Candidates are prohibited to carry phones or any other electronic devices, books, material etc. in the Examination Hall.**
- **g) Copying is strictly prohibited and is considered as a serious academic mis-conduct and the University will take action as it deems fit.**

SECTION A

Answer FIVE questions out of SEVEN questions and each question carries 10 marks. (5x10 Marks = 50 Marks)

1. International Commercial Arbitration is a widely recognized mechanism for resolving disputes that arise in the context of international Mergers & Acquisitions. Critically analyze the importance of Arbitration Clauses in M& A transactions and considerations while drafting arbitration clauses in M & A transactions.

2.

- **a.** There are a host of factors that drive the business world to opt for mergers and amalgamations for creation of sustainable competitive advantage. Discuss at least five such factors that prompt mergers and amalgamations.
- **b.** Good Planet Pvt. Ltd. wants to become a public listed company without opting for initial public offer (IPO). What is the best strategy available for the company? Distinguish the same from 'strategic alliance'.

3. The Board of directors of Bridge Electronics Ltd. (BEL) has decided to amalgamate with Comfort Electricals Ltd. (CEL) which is the holding company of BEL. In order to fasten their amalgamation process, they approached their secured and unsecured creditors to seek their written consent to the proposed scheme of amalgamation. All the secured creditors of CEL have given their consent in writing but unsecured creditors have raised their doubt on the scheme and they refused to give their consent. The Board of directors of CEL requested the court to grant exemption or waiver from calling the meeting of secured and unsecured creditors of CEL on the ground that the proposed amalgamation would help them to pay off the entire outstanding dues of unsecured creditors. Offer your comments as to whether CEL can get exemption from convening the meeting of secured and unsecured creditors and also explain the procedure to be followed in the above transaction.

4. "Mergers and Acquisitions are vital strategic tools for companies seeking growth, market expansion, and increased competitiveness. They enable business to achieve economies of scale, enhance shareholder value. In the globalized economy, cross border mergers have become particularly significant, offering opportunities for companies to access new markets and improve operational efficiencies" in the above statement critically evaluate issues in cross border M & A transactions and the legal framework in India facilitating cross border M& A.

5. Discuss in brief the provisions regarding carry forward and set-off of accumulated business losses and unabsorbed depreciation by an amalgamated company and also explain the tax aspects on slump sale.

6. "Restructuring is resorted to in various forms with objectives such as profitability improvement, augmenting more resources, relief from competition and methods take the forms like acquisition, merger, takeover, leveraged buy outs, slump sale, overseas acquisitions etc." Illustrate certain instances that have happened in India setting examples of benefits in Corporate Restructuring and also explain various types of Corporate Restructuring.

7. Hari om Resources Ltd., a listed company, is in the process of merging into Acqua Transactions Ltd., which is not a listed Company. As a legal advisor, detail the procedure and additional aspects to be noted for the merger in terms of Companies Act, 2013.

SECTION B

Answer FOUR questions out of SIX questions and each question carries 05 marks. (4x5 Marks =20 Marks)

A. Write a note on Financial Due Diligence

B. The Due Diligence report is a structured document having different chapters. Corporate Chapter is one of the important chapters in Diligence which gives an overview about affairs of the Corporate entity. Elucidate the aim of Corporate Chapter and contents in Corporate Chapter in a Due Diligence report

C. Write a note on "UNCITRAL Model Law on International Commercial Arbitration".

D. Critically evaluate "the enforcement of foreign arbitration award in India"

E. Explain the concept of 'vertical merger' and differentiate between 'forward integration' and 'backward integration'.

F. Distinguish between 'demerger' and 'slump sale'