

<b>COURSE TITLE</b>	<b>LAW ON MERGER AND ACQUISITION</b>
<b>COURSE CODE</b>	<b>10BL0701</b>
<b>COURSE CREDITS</b>	<b>4</b>

**Objective:**

- 1 • Corporate restructuring is a collective term for a variety of different business transactions.
- 2 • Mergers, amalgamations, acquisitions, compromises, arrangement or reconstruction are all different forms of corporate restructuring exercises in the corporate world. Corporate restructuring might result in changes like change in share capital or capital structure, change of shareholders, change of control, change of business, change of operating entities, etc.
- 3 • Corporate restructuring serves different purposes for different companies at different points of time. It may take up various forms.
- 4 • The purpose of each of these restructuring activities is different but each one of them is targeted to rebuild or rearrange the corporate structure.
- 5 Mergers, amalgamations, acquisitions, compromises, arrangements, or reconstruction are all different forms of corporate restructuring exercises in the corporate world. Corporate restructuring might result in changes like change in share capital or capital structure, change of shareholders, change of control, change of business, change of operating entities, etc.
- 6 The purpose of each of these restructuring activities is different but each one of them is targeted to rebuild or rearrange the corporate structure.
- 7 Corporate restructuring is a collective term for a variety of different business transactions.
- 8 Mergers, amalgamations, acquisitions, compromises, arrangement or reconstruction are all different forms of corporate restructuring exercises in the corporate world.
- 9 The purpose of each of these restructuring activities is different but each one of them is targeted to rebuild or rearrange the corporate structure
- 10 Corporate restructuring serves different purposes for different companies at different points of time. It may take up various forms.

**Course Outcomes:** After completion of this course, student will be able to:

- 1 Define and classify various types of corporate restructuring.
- 2 Identify the acquisition techniques of takeover.
- 3 Examine and break information relating to the planning, strategy and taxation & Stamp duty relating to the corporate restructuring.
- 4 Evaluate and determine process and documentation -Merger and Acquisition Transactions.
- 5 Interpret the regulatory approvals of Scheme & Appearance before NCLT/ NCLAT
- 6 6. Formulate and discuss the technique of Fast Track Mergers & Cross Border Mergers.

**Pre-requisite of course:**No Pre-requisite

### Teaching and Examination Scheme

Theory Hours	Tutorial Hours	Practical Hours	ESE	IA	CSE	Viva	Term Work
3	1	0	50	30	20	0	0

Contents : Unit	Topics	Contact Hours
1	<b>Types of Corporate Restructuring</b> • Introduction, • Need & Scope, • Legal Framework of Corporate Restructuring, • Types of Restructuring, • Mergers/Acquisitions and Amalgamation/ Consolidation/ Demerger/ Slump Sale /Business Sale/Divestiture / Joint Venture/ Strategic Alliance/ Reverse Merger, • Financial Restructuring, • Debt /Equity/ Alteration of share capital / Reduction of share capital, • Modes of reduction of capital, • Procedure for reduction of capital – a Flow Chart, • Buy-back	7
2	<b>Acquisition of Company/ Business</b> • Meaning, objects kinds of Takeover, • Legal aspects of Takeover, • Takeover of unlisted companies/ listed companies, • Definitions, • Trigger Points under Takeover Regulations, • Open offer thresholds, • Delisting and takeover regulations, • Procedure for making an open offer, • Other Procedures, • Withdrawal of the offer / Conditional offers, • Competing offers, • Exemptions/ General Exemption/ Specific Exemption, • Obligations, • Disclosures, • Takeover Bids, • Defence Strategies to Takeover Bids, • Cross Border Takeovers	7
3	<b>Planning, Strategy and Taxation &amp; Stamp duty</b> • Process of Funding / Funding through various types of Financial Instruments, • Oppression and mismanagement, • Class Action/ Rights of Minority Shareholders during Mergers / Amalgamations/ Takeovers, • Protection of Minority Interest, • Case Laws/ Judicial pronouncements, • Filing of various form in the process of merger / amalgamation, • Family holdings and their management, Taxation & Stamp Duty • Taxation aspects of mergers and amalgamations, Taxation & Stamp Duty: • Carry forward and set off of accumulated loss and unabsorbed depreciation allowance, Taxation & Stamp Duty: • Capital Gains Tax, Taxation & Stamp Duty: • Tax aspects of slump sale/ demerger, Taxation & Stamp Duty: • Tax concession/incentives in case of demerger/demergered company / the shareholders of the demergered company, Taxation & Stamp Duty: • the resulting company, Taxation & Stamp Duty: • Deemed Dividend, Taxation & Stamp Duty: • Stamp duty aspects of merger and amalgamations, Taxation & Stamp Duty: • Constitutional background on levy of stamp duty, Taxation & Stamp Duty: • Stamp Duty payable on a Tribunal Order sanctioning Amalgamation, Taxation & Stamp Duty: • Amalgamation of holding and subsidiary companies – exemption	7

Contents : Unit	Topics	Contact Hours
4	<p><b>Process and Documentation -Merger and Acquisition Transactions</b></p> <p>Process • Due Diligence, • Types/ Practical Guide/ Managing , • Contents Report, • Due Diligence Check-list, • Factors Influencing Valuation, • Valuation Approach/ Methods/ Regulatory Aspects, • The Companies (Registered Valuers and Valuation) Rules, 2017, • SEBI (Issue of capital and Disclosure Requirements) Regulations, 2018, • SEBI (Issue of Sweat Equity) Regulations, 2002, • SEBI (Share Based Employee Benefits) Regulations, 2014, • Consolidated FDI Policy (Effective from August 28, 2017), • Approvals in Scheme of Amalgamation, • Record Keeping, • Integration of Businesses and Operations, • Post-merger Success and Valuation, • Human and Cultural Aspects, • Measuring Post-Merger Efficiency, • Measuring Key Indicators, Documentation • Stages involved in Mergers and Amalgamation, • List of documents filed in case of a scheme of amalgamation, • Merger and Amalgamation process at National Company Law Tribunal, • Drafting of Scheme/ Notice/ Explanatory Statement, • Basic principles of Drafting of Application and Petition, • Filing of Rejoinder, • Sample Scheme of merger</p>	8
5	<p><b>Regulatory Approvals of Scheme &amp; Appearance before NCLT/ NCLAT</b></p> <p>Regulatory Approvals • Approvals under Competition Act, 2002, Regulatory Approvals: • Income Tax Act, 1961/ SEBI / Stock Exchange(s)/ RBI/ RD / ROC/ OL/ Sector Regulators such as IRDA, TRAI, etc, Regulatory Approvals: • Master Direction – Amalgamation of Private Sector Banks, Directions, 2016, Regulatory Approvals: • DOT - Merger and Acquisition Guidelines 2014, Appearance before NCLT/ NCLAT • Brief of NCLT Rules, Appearance before NCLT/ NCLAT: • Institution of proceedings, petition, appeals etc., Appearance before NCLT/ NCLAT: • General Procedure, Appearance before NCLT/ NCLAT: • Issuance of Orders and Disposal of Cases, Appearance before NCLT/ NCLAT: • Procedures in respect of matters earlier dealt by other quasi-judicial bodies, etc, Appearance before NCLT/ NCLAT: • Service of Process / Appearance of Respondents and Objections, Appearance before NCLT/ NCLAT: • Fee on Petition or Appeal, Process Fee and Award of Costs, Appearance before NCLT/ NCLAT: • Appearance of Authorised Representative, Appearance before NCLT/ NCLAT: • Disposal of cases and pronouncement of Orders, Appearance before NCLT/ NCLAT: • Brief about National Company Law Appellate Tribunal Rules, 2016, Appearance before NCLT/ NCLAT: • Institution of appeals – Procedure</p>	8

<b>Contents : Unit</b>	<b>Topics</b>	<b>Contact Hours</b>
6	<b>Fast Track Mergers &amp; Cross Border Mergers</b> Fast Track Mergers: • Introduction, Fast Track Mergers: • Merger or amalgamation of certain companies – Section 233, Fast Track Mergers: • Relevant Provisions for Merger & Amalgamation, Fast Track Mergers: • Small company, Fast Track Mergers: • Procedural aspects of fast-track mergers, Fast Track Mergers: • Steps involved in fast-track mergers, Fast Track Mergers: • Post-merger effect, Fast Track Mergers: • Practical insights, Cross Border Mergers: • Type of mergers, Cross Border Mergers: • Section 234 of Companies Act, 2013, Cross Border Mergers: • Rule 25A of Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, Cross Border Mergers: • Drivers and returns behind cross border mergers, Cross Border Mergers: • Valuation of cross border firm, Cross Border Mergers: • Regulatory, competition and taxation aspects, Cross Border Mergers: • Recent judgements, Cross Border Mergers: • Post-merger performance evaluation, Cross Border Mergers: • Practical Insights, Cross Border Mergers: • Foreign Exchange Management (Cross Border Merger) Regulations, 2018	8
<b>Total Hours</b>		<b>45</b>

#### Suggested List of Experiments:

<b>Contents : Unit</b>	<b>Topics</b>	<b>Contact Hours</b>
1	<b>Issues related to Merger and Acquisition</b> Issues related to Merger and Acquisition	15
<b>Total Hours</b>		<b>15</b>

#### Textbook :

- 1 Law And Procedure for Mergers/ Amalgamations, Takeovers, Joint Ventures, LLPs & Corporate Restructure 11th Edition, K.R. Sampath, Snow White Publications Pvt. Ltd., 2018

#### References:

- 1 Guide to the Companies Act 19th Edition, Guide to the Companies Act 19th Edition, A Ramaiya, LexisNexis, 2020

#### Suggested Theory Distribution:

The suggested theory distribution as per Bloom's taxonomy is as follows. This distribution serves as guidelines for teachers and students to achieve effective teaching-learning process

Distribution of Theory for course delivery					
<b>Remember / Knowledge</b>	<b>Understand</b>	<b>Apply</b>	<b>Analyze</b>	<b>Evaluate</b>	<b>Higher order Thinking / Creative</b>
10.00	10.00	30.00	10.00	20.00	20.00

**Instructional Method:**

- 1 Classroom Teaching
- 2 Seminar
- 3 Tutorial Experiences
- 4 Expert Lectures
- 5 Research Project

**Supplementary Resources:**

- 1 <https://www.businessmanagementideas.com/business/merger/merger-scheme-and-its-contents-business-integration-financial-management/16633>
- 2 [https://www.nishithdesai.com/fileadmin/user\\_upload/pdfs/Research %20Papers/Mergers\\_\\_\\_Acquisitions\\_in\\_India.pdf](https://www.nishithdesai.com/fileadmin/user_upload/pdfs/Research%20Papers/Mergers___Acquisitions_in_India.pdf)
- 3 <https://www.icsi.edu/media/webmodules/CSJ/May/17ArticleJayBhaveshParekh.pdf>
- 4 <https://www.britannica.com/money/mergers-and-acquisitions-strategy>
- 5 <https://www.lexisnexis.com/en-gb/glossary/mergers-acquisitions>
- 6 <https://www.wolterskluwer.com/en/expert-insights/the-different-types-and-methods-of-mergers-and-acquisitions>