

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 6

NOTE : 1. Answer ALL Questions.

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

PART-I

1. (a) Elucidate the requirement of registration of offer of schemes involving transfer of shares under the Companies Act, 2013.
- (b) The accounting treatment of Mergers and Acquisitions has undergone a drastic change with the introduction of IND-AS 103 — Business Combination. Comment.
- (c) It is generally accepted that all mergers and acquisitions have one common goal regardless of their category or structure. Give your opinion indicating the benefits that companies can derive upon by merging.
- (d) Draft a checklist for a transferee company in the process of Takeover.

(5 marks each)

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

2. (a) Discuss the provision relating to appeal by a person aggrieved by the orders of National Company Law Tribunal.

(5 marks)

: 2 :

- (b) Differentiate between Inbound merger and Outbound merger. What are the laws governing Cross-border mergers in India ?

(5 marks)

- (c) XYZ Ltd. is a company listed on the National Stock Exchange. The latest audited financial position of XYZ Ltd. is as under :

(Amount in ₹ crore)

Paid up equity capital	442
Free Reserves	20,347
Total secured and unsecured debts	1,275

The company intends to buy-back its fully paid up equity shares of ₹ 5 each not exceeding 20,585,000 equity shares at ₹ 950 per equity share payable in cash for aggregate consideration not exceeding ₹ 1,955.57 crore.

Examine whether the above buy-back offer through tender route can be approved by the Board of Directors, keeping in view the provisions of the relevant SEBI Regulations and Companies Act, 2013.

(5 marks)

OR (Alternate question to Q. No. 2)

- 2A. (i) What is the entitlement of dissenting shareholders in case of amalgamation between banking companies ? What are the information and documents required to be submitted by the banking companies to the Reserve Bank of India for determination of the value of shares by the Reserve Bank of India ?

(5 marks)

: 3 :

(ii) “A business valuation involves logical application/analysis of historical/future tangible and intangible attributes of business”. Do you agree with this statement ? What are the aspects involved in the preliminary study of valuation ?

(5 marks)

(iii) You are the Company Secretary of PQR Ltd. The Board of the company is opting for reduction in the share capital of the company without seeking the approval of the Tribunal. How would you advise the Board ?

(5 marks)

3. (a) What are the details to be disclosed under the explanatory statement of the notice of the meeting in respect of the scheme of compromise or arrangement ?
- (b) What are the various stages involved in the merger of a company under the Companies Act, 2013 ?
- (c) How goodwill and capital reserve are differentiated as per AS-14 ?
- (d) What are the kinds of Takeovers practiced in the business world ?
- (e) Define capital assets as per Income Tax Act, 1961.

(3 marks each)

PART-II

4. (a) What are the contents of the report to be submitted to the Tribunal by the Company Liquidator against the winding up order issued by the Tribunal under section 281(1) of the Companies Act, 2013 ?

(5 marks)

: 4 :

(b) Explain the procedure to be followed by the Adjudicating Authority on receipt of an application by the financial creditor for initiation of corporate insolvency resolution process.

(5 marks)

(c) The moratorium shall not apply to a surety in a contract of guarantee to a corporate debtor. Do you agree with this ? What is the effect of the order of moratorium ? What are the purposes served by the declaration of moratorium ?

(5 marks)

(d) Explain the objective and procedural requirements for issuance of Public Notice under section 102 of the Insolvency and Bankruptcy Code, 2016.

(5 marks)

5. (a) Under what circumstances the Certificate of Registration of an Asset Reconstruction Company issued under SARFAESI Act, 2002 can be cancelled ?

(3 marks)

(b) Explain the changes brought about in section 30 of Insolvency and Bankruptcy Code, 2016 by the Insolvency and Bankruptcy (Second Amendment) Act, 2018.

(3 marks)

(c) Sun Finserve Ltd., a financial-cum-operational creditor to a corporate debtor is aggrieved by the action of the resolution professional. Suggest the measures available to the company under the Insolvency and Bankruptcy Code, 2016.

(3 marks)

: 5 :

(d) X Ltd., a corporate debtor owes to Y Ltd. ₹ 100 lakh on account of unsecured loan @ 10% per annum and ₹ 35 lakh towards raw material supplied by Y Ltd. Determine status of Y Ltd. in relation to the corporate debtor. Also, state the status under which Y Ltd. can make representation on the committee of creditors ?

(3 marks)

(e) The liquidator shall ordinarily sell the assets of the corporate debtor through auction method. Opine whether the liquidator can sell assets by a route other than auction method ?

(3 marks)

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

6. (a) The procedure to be followed for voluntary liquidation proceedings is largely similar to the procedure to be followed for insolvent liquidation. However, there are differences between them. What are such marked differences ?

(b) The Resolution Professional has reported cases of undervalued transactions during resolution process to the Adjudicating Authority. What orders can be passed by the Adjudicating Authority in this regard ?

(c) An insolvency professional shall be eligible to be appointed as a liquidator if he, and every partner or director of the insolvency professional entity of which he is a partner or director is independent of the corporate person. How will you judge that a person is independent of the corporate person ?

(5 marks each)

OR (Alternate question to Q. No. 6)

- 6A.** (i) As per section 25(2) of the Insolvency and Bankruptcy Code, 2016, the Resolution Professional shall undertake actions in order to preserve and protect the assets of the corporate debtor. Briefly explain the duties of the Resolution Professional.
- (ii) Discuss the provisions dealing with cases involving cross-border insolvency under the Insolvency and Bankruptcy Code, 2016.
- (iii) You are the liquidator of ABC Ltd. which is currently undergoing liquidation process. As a liquidator, indicate how you will handle the priority of claims for distribution of liquidation proceeds of ABC Ltd. as enumerated in the Insolvency and Bankruptcy Code, 2016.

(5 marks each)

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