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**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF LAW
MID TERM EXAMINATION - APR 2023**

Semester : Semester VIII -2019

Course Code : LAW406

Course Name : Sem VIII - LAW406 - Laws Relating To Mergers and Acquisition

Program : BAL,BBL,BCL

Date : 17-APR-2023

Time : 11:30AM - 1PM

Max Marks : 60

Weightage : 30%

Instructions:

- (i) Read all questions carefully and answer accordingly.*
 - (ii) Question paper consists of 1 part.*
 - (iii) Scientific and non-programmable calculator are permitted.*
 - (iv) Do not write any information on the question paper other than Roll Number.*
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ANSWER ALL THE QUESTIONS

(6 X 10 = 60M)

1. Write a Short note on the Evolutionary stages of Mergers and Acquisition. (CO1) [Comprehension]
2. Write a short note on Demerger and its types with examples. (CO1) [Comprehension]
3. Discuss about the impact of Mergers on different Stakeholders. (CO2) [Comprehension]
4. Give an analysis of Byjus acquisition of Aakash. (CO2) [Comprehension]
5. Rocky Inc is a Mumbai based gold trade and export company with Raja Krishnappa Bairya, who owns 90% shares as the promoter. They have a Market Capital of Rs 25,000cr and market share of 20%. Desai Associates is a Bangalore based gold trade and export company with Rajendra Desai as the Promoter. Rajendra Desai owns 30% and his daughter Reena Desai owns 21% of the Desai Associates which has a market capital of Rs 34,000 cr and Market share of 25%. Both these companies are supplied gold by Kolar Gold Fields, in Karnataka. Other companies like Bharghav and Sons in Chennai, Andrews Exports in Mangalore, Guru Pandian Enterprise in Delhi are also supplied by KGF with a market share of 5%, 15%, 5% each respectively. Rocky Inc. and Desai Associates decide to merge with Raja Krishnappa Bairya remaining as the Promoter of the merged company for initial 5 years. Draft a Term Sheet with the given information and using your Imagination to fill in any missing elements. (CO2) [Application]

6. *Bloody Sweet* is a chocolate Manufacturing one person company owned by Leo. The company has its Manufacturing unit in Chennai and supplies all around South India. The total asset capital of *Bloody Sweet* is Rs 7,200cr with an annual turnover of Rs 21,030cr. *Rolex Inc.* is a public listed Sugar manufacturing company located in Mumbai with supply all over India with Rolex as the promoter who owns 51% of the shares. The total asset capital is Rs 10,800cr and turnover of Rs 30,500cr. *Bloody Sweet* used to procure Sugar from *Santhanam and Brothers*, a distributor of Rolex Inc, based on a 5-year supply agreement signed in 2020. The agreement can be terminated with 6 months' notice. Vikram is an investor in Rolex Inc. with Rs. 1,000cr investment. Rolex Inc. has taken a loan of Rs. 2,000cr from *Dilli Bank*. *Amar Finance* has supplied and installed modern machinery worth Rs. 300 cr. to *Bloody Sweets* and the payment for the same is pending. *Adaikalam and Anbudas Co.* is another chocolate company getting sugar supply from Rolex Inc. and has its manufacturing unit in Trichi, Tamil Nadu and supplies all over south India. Now Rolex Inc. and *Bloody sweet* has decided to merge to form *Bloody Rolex* Analyse the effect on different stake holders of both the companies. Identify the different stakeholders and analyse the effect of Merger on different stake holders of both the companies.

(CO2) [Application]