Monthly • Volume XXXVIX • Page 1-41 • No.08 • August, 2020

ICSI-NIRC NEWSLETTER

Insight

MERGERS AND ACQUISITIONS

THE REGIONAL COUNCIL

Chairman	CS SURESH PANDEY
Vice-Chairman	CS VIMAL KUMAR GUPTA
Secretary	CS SUSSHIL DAGA
Treasurer	CS DEVENDER SUHAG
Members (in alphabetical order)	CS AMIT GUPTA
	CS BHUPESH GUPTA
	CS HIMANSHU HARBOLA
	CS GURVINDER SINGH SARIN
	CS MONIKA KOHLI
	CS SAURABH KALIA
	CS SURYA KANT GUPTA
	CS VINAY SHUKLA
Ex-officio Members	CS HITENDER MEHTA
	CS MANISH GUPTA
	CS NPS CHAWLA
	CS RANJEET PANDEY
	CS VINEET K. CHAUDHARY
Regional Director	CS SONIA BAIJAL

Motto

सत्यं वद। धर्मं चर।

speak the truth. abide by the law.

Vision

"To be a global leader in promoting good corporate governance"

Mission

"To develop high calibre professionals facilitating good corporate governance"

Published by :

CS Sonia Baijal, Regional Director for and on behalf of Northern India Regional Council of the Institute of Company Secretaries of India, 4, Prasad Nagar Institutional Area, New Delhi-110005; E-mail: niro@icsi.edu; Phones: 49343000; Published at: NIRC-ICSI, 4, Prasad Nagar instl. Area, New Delhi.

© The Northern India Regional Council of the Institute of Company Secretaries of India

INSIDE :

- From the Chairman, NIRC
- Glimpses
- Recent Initiatives by NIRC
- Articles on Mergers and Acquisitions
- Recent Initiatives by Chapters of NIRC-ICSI
- Announcement of MSoP & OTC
- Online consultation and medical facilities at concessional rates for Members of NIRC-ICSI

NIRC-ICSI NEWSLETTER

- NIRC-ICSI Newsletter is generally published every month.
- Articles on subjects of interest to Company Secretaries are welcome.
- Views expressed by contributors are their own and the NIRC-ICSI does not accept any responsibility.
- The NIRC-ICSI is not in any way responsible for the result of any action taken on the basis of the advertisements published in the Newsletter.
- All rights reserved.
- No part of this newsletter may be reproduced or copied in any form by any means without the written permission of the NIRC-ICSI.
- The write-ups of this issue are also available on the website of the NIRC-ICSI.

"Success is sweet, but the secret is sweat."

- Norman Schwarzkopf

Dear Esteemed Members,

Greetings from NIRC!

We have reached the middle of the year. I am being reminded of each and every moment spent during this first half phase of 2020 that has been like a roller coaster ride in many ways, individual and together, personal and professional, creating an impact on each of us in somehow anyway.

Today, we all have arrived at the same point since jointly we have dealt with this global pandemic and come out as stronger and smarter generation that has earned wisdom.

The month of August marks the beginning of festivals for our country and I am amazed to see how these festivals give us distraction from our exhausting lives and fill our hearts with extreme joy even if we celebrate at 6 ft from each other! I hope this month of August containing many important days for our county like Independence Day, Eid-ul Adha, Janamashtami, Ganesh Chaturthi ends up bringing freedom in our country from corona and blessing us with miracles and good health.

This month NIRC has been full of many activities that it has managed with sincerity, perseverance and hard work while serving its stakeholders.

"WE HAVE ONE ASSET, AND THAT'S PEOPLE." - SYLVIA OSTRY

The NIRC's empanelment initiative with prominent hospitals to provide services at concessional rates has been our main concern to ensure the best of health for our members and their families and ultimately the health of our profession. I hereby mark my appreciation for NIRC team members and my fellow officials who have shown their grit in achieving successful completion and implementation of this initiative.

BUT NIRC DOES NOT STOP HERE…

It's important in any field of life to maintain consistency in your hard and smart work if you truly want to succeed. Having said that, I can proudly count on how many other great works started during my chairmanship by NIRC have continued to be executed with as much enthusiasm as we had when we began. From delivering online lectures through Oral Tuition Classes to organizing our much appraised 4 days Master Class campaign on knowledgeable topics coupled with our much needful Online Campus Placement Program, facilitating online consultation and Hospital facilities at concessional rates for members, creating synergies through academic collaborations, our NIRC's noticeable commitment holds paramount importance for the growth of our CS profession.

I take on record my gratefulness and acknowledgement towards NIRC Team Members, Chapter Chairpersons, Managing Committee Members of Chapters and Officials of Northern Region for continuously walking on the track to live up to the expectations of our stakeholders.

The succeeding pages of this Newsletter this time throw light on one of the most discussed and rising topics in the corporate world – "Mergers and Acquisitions" that has such seeds of hope and scope that grow into big opportunities for the Company Secretaries.

I believe, with NCLT coming in the place and ICSI's initiative of bringing in Valuation courses and certification in Mergers and Acquisitions, the scope of the same has been expanded.

The process of due diligence which is the foremost step of all for scrutinizing the Company routes the CS in for checking the historical data to find shortcomings in compliance, missteps in governance and much more of Company on which the entire M & A process depends.

I feel that every CS should possess such multitasking skills that help him in productive execution of various assignments of M & A like valuation, drafting, deal structuring and even in post M & A assignments.

A CS is required before, during and even after the process of Mergers and Acquisitions.

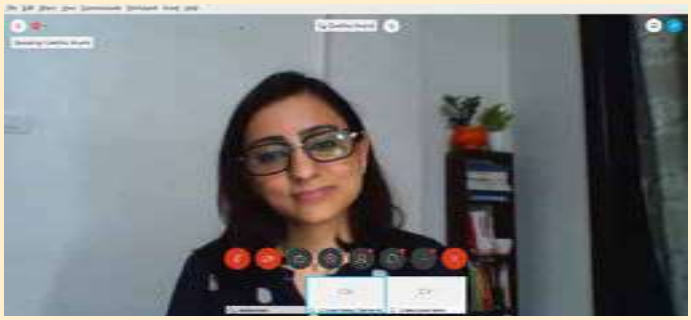
I believe, we, the Company Secretaries who are well equipped with the innumerable laws of our country and abroad as well as with our unquestionable decision making powers possess a great potential and talent to be able to serve the corporate world and be the trust builders in the field of Mergers and Acquisitions.

So let's take a look and get into the Mergers and Acquisitions segments that your Newsletter carries this time...

I look forward to receiving your valuable suggestions and feedback.

CS Suresh Pandey
Chairman-NIRC of ICSI
Chairman.nirc@icsi.edu
Mob. +91 9968300649

4 DAYS ONLINE MASTER CLASS ON RESOURCE MOBILIZATION THROUGH IPO, RIGHTS ISSUE, PREFERENTIAL ALLOTMENT AND SHARE BASED EMPLOYEE BENEFITS (12TH EDITION, YEAR 2020)



CS Geetika Anand, Vice President, Company Secretary & Compliance Officer, Aditya Birla Fashion and Retail Limited addressing the Participants.

Screen View: CS Geetika Anand CS Devender Suhag, Treasurer, NIRC-ICSI, CS Suresh Pandey, Chairman, NIRC-ICSI

CS Pradeep Ramakrishnan, GM, SEBI and CS Shailashri Bhaskar, Practicing Company Secretary addressing the Participants.

Screen View: CS Suresh Pandey, CS G S Sarin, Immediate Past Chairman, NIRC-ICSI, CS Shailashri Bhaskar and CS Pradeep Ramakrishnan

Shri Ramcharan Bohra, Member of Lok Sabha, Special Guest addressing the Participants.

CS B Renganathan, Executive VP - Investment Banking & Group Company Secretary, Edelweiss Financial Services Limited addressing the Participants.

Screen View: CS B Renganathan, CS Suresh Pandey, Shri Ramcharan Bohra, CS Susshil Daga, Secretary, NIRC-ICSI and CS Vimal Gupta, Vice-Chairman, NIRC-ICSI.

GLIMPSES OF INDEPENDENCE DAY CELEBRATIONS

WEBINARS BY CHAPTERS

Screen View of Webinar by Gorakhpur Chapter: Shri Shiv Pratap Shukla, Hon'ble Member of Parliament, Rajyasabha, Chief Guest addressing. Also seen CS Ashish Garg, President, ICSI, CS Suresh Pandey, CS Nagendra D . Rao, Vice President, ICSI, CS Ranjeet Pandey, Immediate Past President & Central Council Member, CS Dev Bajpai, Executive Director, Hindustan Unilever Limited, Key Note Speaker, CS Ragini Gupta, Chairperson, Gorakhpur Chapter of NIRC-ICSI, CS Samreen Zaman, Vice Chairperson, Gorakhpur Chapter of NIRC-ICSI and CS Surendra Pratap Shahi, Immediate Past Chairman, Gorakhpur Chapter of NIRC-ICSI.

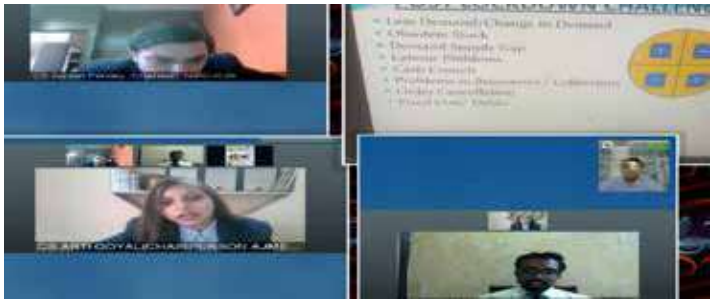
Screen View of Webinar on MOU for Academic collaboration of ICSI with IIM- JAMMU: CS Suresh Pandey, CS Ashish Garg, CS Nagendra D . Rao, Prof. B.S. Sahay, Director IIM Jammu along-with other dignitaries.

Screen View of Webinar by Ghaziabad Chapter: CS Suresh Pandey, CA Mohit Golcha, Speaker of the Webinar, CS Pranav Kumar, Moderator of the Webinar, CA Anshul Agarwal, Speaker of the Webinar and CS Pooja Bhasin, Secretary, Ghaziabad Chapter of NIRC-ICSI.

Screen View of Webinar by Udaipur Chapter: CS Suresh Pandey, Special Guest, CS Nagendra D. Rao, Vice President, ICSI, Guest of Honour, CS Bharat Choudhary, Chairperson, Udaipur Chapter of NIRC-ICSI, CS Rahul Jain, Eminent Speaker, CS Pawan Talesara, Vice-Chairman Udaipur Chapter of NIRC-ICSI.

Screen View of Webinar by Panipat Chapter: CS Suresh Pandey, Sri. Sanjay Bhatiaji, Member of Parliament, Loksabha (Panipat-Karnal), CS Abhishek Sharma, Treasurer, Panipat Chapter of NIRC-ICSI, CS Sumit Grover, CS Raman Sharma, Member of Management Committee Panipat Chapter of NIRC-ICSI, CS Yawar Usmani, Speaker, Company Secretary & Legal Counsel Stellapps Technologies. Pvt Ltd.

Screen View of Webinar by Panipat Chapter: CS Suresh Pandey, Mr. Sumit Wadhwa, Eminent Speaker, Corporate Lawer, Founder and Managing Partner Abott Law Office, CS Sumit Grover, Chairman Panipat Chapter of ICSI, CS Aseem Juneja, Moderator, Company Secretary, Aakash Edutech Pvt, Ltd.



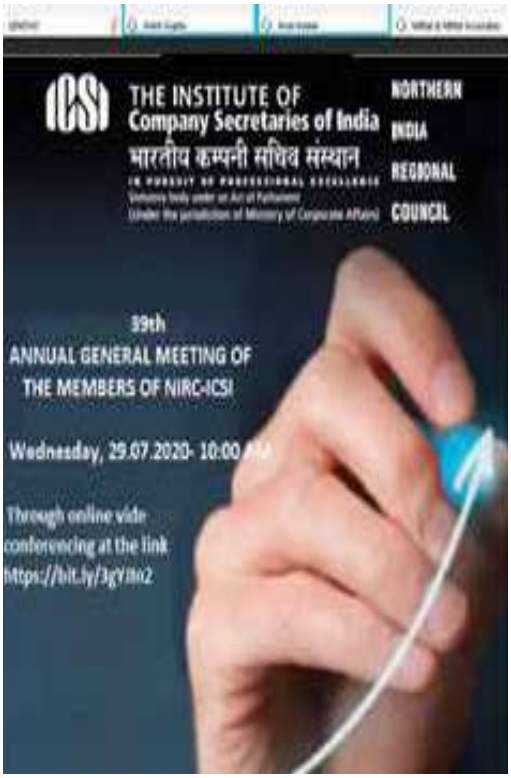
Screen View of Webinar by Ajmer Chapter: CS Suresh Pandey, CA Ankit Somani, Practising Chartered Accountant, Guest Speaker, CS Arti Goyal, Chairperson- Ajmer Chapter of NIRC-ICSI.

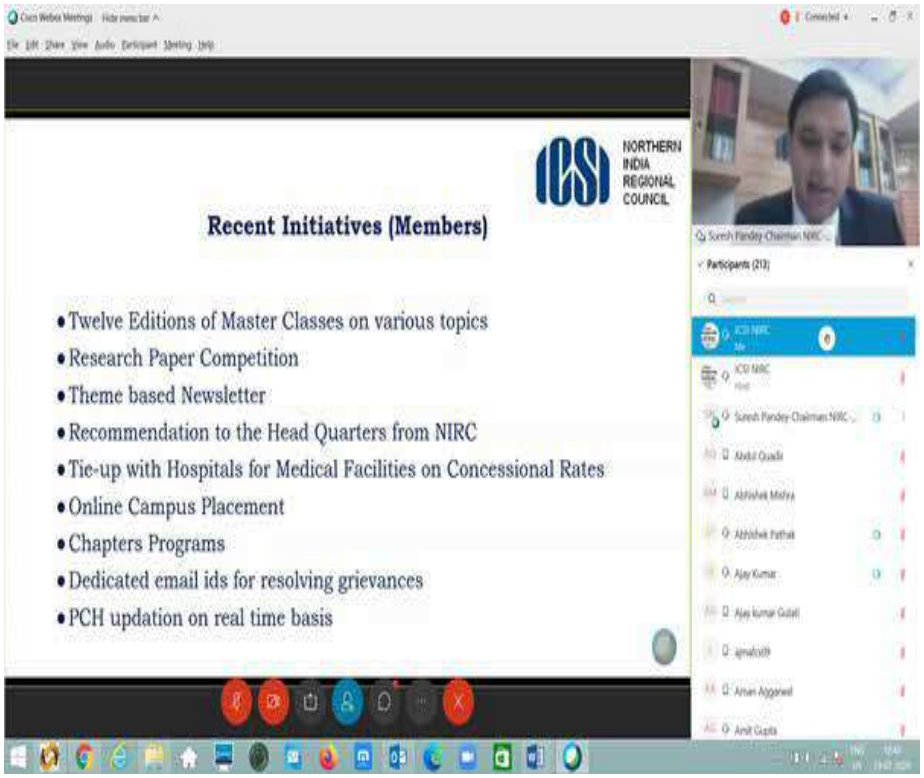
39TH ANNUAL GENERAL MEETING OF NORTHERN INDIA REGIONAL COUNCIL

39th Annual General Meeting of Northern India Regional Council of the Institute of Company Secretaries of India held on 29th July 2020 at 10:00 am through online video conferencing (webex software). CS Susshil Daga, Secretary, NIRC-ICSI welcomed the members in attendance. CS Suresh Pandey, Chairman-NIRC, highlighted the performance of NIRC for the financial year 2019-20 and also elaborated in detail on the recent initiatives taken by NIRC with effect from January 19, 2020 till the date of AGM, particularly, arranging for online consultation and Empanelment of Hospitals for providing medical facilities to members and students on concessional rates pan India, online placement drive, organization of master classes for developing skill sets of members, theme based newsletters of ICSI, Extension of NIRC Oral Tuition Classes for students across India, launch of crash courses for students etc.

Chairman-NIRC, further assured that NIRC shall continue to serve with full commitment and dedication to its members and students on the following:

- Providing quality education by organizing online Oral Tuition Classes.
- Organizing CRASH courses for Students.
- Online MOCK Test for students to prepare them exam ready.
- Increase in the number of student enrolments by aggressively conducting career awareness Programs, career fair etc. through physical and online mode.
- Moot AGM and Moot Board Meetings for students through physical and online mode.
- Debate Competitions, Oratory Sessions and Soft Skills Development
- Creation of Online specified cell to counsel and guide students.
- Moot NCLT for members & students.
- E-library of students of NIRC.
- Strengthening training framework.





- Developing online feedback mechanism for members and students.
- Continuous knowledge enhancement of Members through Online/offline Master Class series on relevant and concurrent topics.
- Bringing out NIRC Publications on related topics.
- Efforts for securing recognitions for the members in newer areas.
- Carrying out extensive research activities covering various economic spheres.
- Making representations for raising the standard and status of the profession.
- Organizing online/offline Campus placement for Fresher and Young CS members.
- Organizing HR Conclaves.
- Collaboration with various Institutions and Organizations for conducting joint seminars.
- Building capacities of members & students in newer areas.
- Connect to senior members of the profession.
- Creation of opportunities for members who got disconnected due to various reasons.
- Organizing Quarterly Members' Meet to enable them to meet, discuss and suggest on various emerging issues related to profession.
- Support in providing basic infrastructure in all the Chapters of the Northern Region and upgrading physical and virtual infrastructure in NIRC.
- Tie-up with various renowned Hospitals for providing concessional medical services for members and students & Tie-up with Various Organizations for Brand building of Profession.
- Further enhancing belongingness and togetherness in Team NIRC.
- Providing Conducive environment to employees and keep them motivated.
- Real time assistance to all stakeholders including vendors and service providers.
- Reinvention and innovation of website of NIRC.

The Chairman also replied on the various queries received from Members on financial accounts and functioning of NIRC.

The Chairman concluded his address with the assurance that NIRC to provide updated concurrent knowledge and best facilities to members and students through various quality Master Classes, Professional Development Programs and training programs for members & students respectively.

He further added that NIRC shall continue to strive for welfare of members and students, development of NIRC infrastructure and students facilities in addition to building of capacities of members and students

The Chairman also encouraged the members to provide suggestions for betterment of NIRC and CS profession.

The resolution for appointment of auditor and accounts of NIRC were also got approved. The Chairman expressed his thanks and gratitude to all stakeholders.

Recent Initiatives taken by NIRC

Dear Friends,

I am pleased to enlist the recent initiatives for your kind information and ready reference:-

NIRC-ICSI IS ORGANIZING 1ST ONLINE MANAGEMENT SKILL ORIENTATION PROGRAMME (MSOP)

NIRC-ICSI is organizing 1st Online Management Skill Orientation Programme (MSOP) (305th Batch of NIRC) from 7th September, 2020 to 23rd September, 2020. There will be Real time online lectures in which one can directly Interact with the faculties. Special Doubt clearing session is arranged at end of every lecture. This will ultimately lead to Group building and feeling of togetherness. There will be two Academic sessions in a day. Admission for MSOP will be taken through stimulate portal - http://stimulate.icsi.edu/ . Details are given elsewhere in the Newsletter.

4 DAYS ONLINE MASTER CLASS ON RESOURCE MOBILIZATION THROUGH IPO, RIGHTS ISSUE, PREFERENTIAL ALLOTMENT AND SHARE BASED EMPLOYEE BENEFITS (12TH EDITION, YEAR 2020)

4 Days Online Master Class on Resource Mobilization through IPO, Rights Issue, Preferential Allotment and Share Based Employee Benefits by ICSI-NIRC from 28th July, 2020 to 31st July, 2020. Shri Ramcharan Bohra, Member of Lok Sabha was Special Guest on 31st July, 2020. CS Pradeep Ramakrishnan, GM, SEBI ,CS Geetika Anand, Vice President, Company Secretary & Compliance Officer, Aditya Birla Fashion and Retail Limited, CS Shailashri Bhaskar, Practicing Company Secretary and CS B Renganathan, Executive VP - Investment Banking & Group Company Secretary, Edelweiss Financial Services Limited were the Guest Speakers at Master Class.

CELEBRATIONS OF 74TH INDEPENDENCE DAY

74th Independence Day was celebrated on Saturday, the 15th August, 2020. Flag hoisting ceremony was done at NIRC Premises with Social Distancing but keeping in view of the Pandemic Situation and Social Distancing norms we did not invite the members and students. CS Ashish Garg, President, ICSI, CS Nagendra D . Rao, Vice-President, ICSI, CS (Dr.) Shyam Agrawal, Past President, ICSI, CS Hitender Mehta, Council Member, ICSI, CS Manish Gupta, Council Member, ICSI, CS Satwinder Singh, Past Council Member, ICSI, CS Deepak Kukreja, Past Chairman, NIRC-ICSI addressed the Participants. Further a special performance of Shri Shambhu Shikhar, Renowned Poet was arranged through Weblink only. As a token of our appreciation, we acknowledged honorary academic services provided by Faculties for NIRC-ICSI during the year 2019-20 at the Independence Day Celebrations scheduled through weblink.

MEDICAL FACILITIES TO ICSI MEMBERS ON CONCESSIONAL CHARGES FOR OPD AND IPD TREATMENTS

Keeping the present Pandemic situation in mind the NIRC of ICSI arranged tie-ups with few hospitals. These Hospitals have agreed to provide the Medical Facilities to ICSI Members on concessional charges for OPD and IPD treatments. Each Hospital has a dedicated contact person for facilitating ICSI Members.

Sr. No.	Name and Address of Hospital	Discount Allowed	Contact Person at Hospital (In case of any difficulty)	Online Consultation	Remarks
1.	**Fortis Healthcare Limited** (Offer applicable for all 26 hospitals for fortis group across India)	**OPD Services -20%** **Online Consultation-20%** **IPD Services - 10%**	Mr. Tabish Cell no. 9811735642	For video/ tele consultations and e-prescriptions, Members can register a request for Video consult at https://bit.ly/2DO9s7O Please use coupon code **FORTISMA20** to avail discounts on MyFortis App or on fortis Portal for all OPD Consultations	Members are required to show their Identity Card issued by ICSI at billing counter/reception before registration and make request for discounted rates at registration counter. ***The Institute has moved over to Digilocker platform and I-card of members are also available there. The Members not having Physical Identity Card issued by ICSI may use the ID card available on Digilocker.***
2.	**Max Hospital (Max Healthcare)** (Offer applicable for all 7(seven) Hospitals of Max Healthcare in National Capital Region (NCR)	**OPD Services -20%** **IPD Services - 10%**	Mr. Abhilash Gaurav Cell no. 9911063557	**No discount on Online Consultation**	
3.	**Venkateshwar Hospital** Sector 18, Dwarka, New Delhi -110075	**OPD Services - 20%** **IPD Services - 15%**	Mr. Deepak Kumar Jaiswal Cell no.: 8178894808 Mr. Rahul Gupta Cell no. 8826411919	**Not Available**	
4.	**Medeor Hospital** (Offer applicable for all three units of Medeor Hospital situated at Qutab Institutional Area, New Delhi, Dwarka, New Delhi, IMT Manesar, Gurgaon Haryana)	**OPD Services - 25%** **IPD Services - 15%**	Mr. Deepak Ghildiyal Cell no. 9818156966	**Not Available**	
5.	**LHDM & Dr. Prem Hospital Pvt. Ltd.** Panipat	**OPD Services - 20%** **IPD Services - 20%**	Mr. Rohit Pannu Cell No. 8685047942	**Not Available**	

This facility of discounted rates would not be available in case of TPA or Insurance Claims and other empanelment.

The empanelment letters as received from aforesaid hospitals are placed at **https://www.icsi.edu/niro/medical-facility/** for ready reference of members.

ANNUAL GENERAL MEETING 2020 OF NIRC

39th Annual General Meeting of Northern India Regional Council of the Institute of Company Secretaries of India held on 29th july 2020 at 10:00 am through online video conferencing (webex software). The Chairman highlighted the performance of NIRC for the financial year 2019-20 and also elaborated in detail on the recent initiatives taken by NIRC. The various queries received from Members on financial accounts and functioning of NIRC were replied. The details are covered elsewhere in the Newsletter.

MOU FOR ACADEMIC COLLABORATION WITH IIM- JAMMU

NIRC is making efforts for Academic Collaboration with the Universities and Institutions across the Northern Region. The Schemes includes ICSI Signature Award, ICSI Study Centre Scheme, Empanelment of Faculties as Trainers, ICSI Library Scheme, National and International Seminars and workshops, Faculty Development Programmes and Other aspects. This will help to build synergies between the two. ICSI signed MOU with IIM Jammu on Tuesday, the 11th August 2020. This ceremony was graced by CS Ashish Garg, President, ICSI, CS Nagendra Rao, Vice President, ICSI, CS Suresh Pandey and Prof. B.S. Sahay, Director IIM Jammu. We are also exploring further with other Universities. Further, If you know reputed Universities/ Institutions who are willing to collaborate with ICSI, please write us with details of concerned person at niro@icsi.edu .

INSTALLATION OF SOLAR PANELS EQUIPMENT'S AT NIRC PREMISES

The NIRC with the support of the Headquarters has started the installation of Solar Panels equipment's at the NIRC premises. This will help in ensuring cost saving in the long run and conservation of non-renewable sources of energy. The completion of process will take few months.

SUPER SENIOR CITIZEN DAY ON 21ST AUGUST 2020

NIRC with support of Head office celebrated The World Senior Citizen's Day on 21st August by connecting them individually. NIRC reaches out to all its current members who are above the age of 80 years to recognize and acknowledge their cumulative skills and knowledge that they have contributed over the years during their lifetime for the growth, development and regulation of the profession in particular in the country and for their contributions to the society in general.

ONLINE ORAL TUITION CLASSES (OTC) FOR THE STUDENTS OF CS EXECUTIVE PROGRAMME FOR DECEMBER, 2020 EXAMINATIONS

Keeping in mind the upcoming CS examinations. NIRC of ICSI is starting its Online Oral Tuition Classes (OTC) for the students of CS Executive Programme for December, 2020 Examinations w.e.f 26th August, 2020. The details of the same are mentioned in the Newsletter.

ONLINE CAREER AWARENESS PROGRAMS IN SCHOOLS/COLLEGES

NIRC has organized Online Career Awareness Programs in Schools which includes DLF Public School, Sahibabad, Surajkund International School, Faridabad, Mira Model School, Janakpuri, Delhi, Khaitan Public School, Sahibabad, Evergreen Public School, Delhi, Tagore International School, Delhi, BVM Public School, Najafgarh, Delhi for students of Class XI & XII. If you know schools/colleges who are willing to organize Online Career Awareness Programs on Career as a Company Secretary for their students, please write us with details of schools/colleges at himanshu.sharma@icsi.edu .

Friends, let me assure you that your feedback and participation is always welcome and is truly valued, as it is only your feedback that will help us to improve further and emerge as ICSI brand. I look forward for your valuable suggestions and feedback. Feel free to interact with me at chairman.nirc@icsi.edu

Looking forward for your invaluable support.

I am just a phone call away!

Yours own,

CS Suresh Pandey
Chairman-NIRC of ICSI
Chairman.nirc@icsi.edu
Mob. - +91 9968300649

ARTICLES ON THEME

MERGERS AND ACQUISITIONS

LEVERAGING M&A FOR VALUE CREATION

CS (DR.) S K GUPTA, FCS
cbst.skgupta@gmail.com

The hallmark of a masterful M&A is the identification of synergistic capabilities and assets. Yet, impulsive decisions and excessive valuations of target companies prevent sound deals from being made.

THE PERSPECTIVE

M&A strategy is using the process of mergers and acquisitions to expand your business. Leveraging M&A as a business growth strategy is wise since we currently live in a world where the economy and technology are ever-changing. This strategy, when executed correctly, can provide powerful results fairly quickly. M&A has always been viewed as a crucial tool for companies to drive growth. Whether it is gaining access to a new market, technology, customer set or product, or simply adding complementary products and services, the role of M&A cannot be downplayed. A coherent M&A strategy strikes a balance where the right vision and strategic intent is clearly articulated, communicated, and executed at every step of the M&A lifecycle – whether in strategy mode, targeting/screening, valuation, diligence, execution, or value-realization stages.

DEFINING AND PUTTING IN PLACE A SOUND M&A STRATEGY

A company's M&A strategy should be a subset of its overall corporate growth strategy. This includes assessing the need to acquire or divest; how the M&A alternatives align with the company's vision, objectives, and strategy to enhance its competitive advantage and management's capacity and ability to execute an M&A strategy. Every deal should be linked to strategic goals, such as: • Transferring core strengths to the target business(es) • Acquiring or expanding products or markets • Transferring skills to new or non-core business(es) • Consolidating products or markets consolidation • Building new capabilities.

It has become more important that a company's M&A strategy and integration plan are in sync with the disruptive business models and the changing mechanics of value creation, like shifting customer demands, interaction models and the economic logic for transacting. In other words, companies need to transform their strategic business plans into a set of drivers, which the M&A strategy should address.

STEPS IN M&A PROCESS

1. **Understand the objectives:** The whole idea of M&A strategy planning is to achieve certain predetermined objectives at the corporate enterprise level, ranging from orderly redirection of the firm's activities to deploying surplus cash from businesses to finance profitable growth, to exploiting the interdependence between present or prospective businesses within corporate portfolios, and risk reduction.

2. **Evaluate and choose from strategic alternatives:** Based on the nature of an organization's competitive strength, its financial strength, industry strength and environmental stability, the organization may choose from various strategic alternatives. The selected strategy may be aggressive, conservative, defensive or competitive.

3. **Consider decision factors:** A variety of factors may affect the choice of strategy. These may be grouped in two broad categories—objective and subjective factors. Objective factors are those which arise from a rigorous analysis of various strategic alternatives, while subjective factors include an organization's past strategies, personal factors, attitudes towards risk, internal policy considerations, timing considerations and competitive reaction. Thus, the choice of an M&A strategy is a trade-off between risk and opportunity.

THE IMPORTANCE OF 360-DEGREE DUE DILIGENCE

Value creation in a deal depends on knowing the opportunity well before buying and buying at the right price. Understanding upsides and risks can help in making the right decision and create the maximum

*The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI.

value on a deal. It can help a bidder bid higher for a desired asset with upside as well as help negotiate or even walk away from a deal with risks outside the comfort zone. Due diligence, the cornerstone of planning and execution of a deal, equips a bidder to develop his bidding strategy. Balancing integration between securing the new value (to make 1 + 1 > 2) and protecting the old (to ensure 1 + 1 = 2) is imperative for continued success. The success of a deal is defined by the achievement of strategic, financial and operational objectives. However, the integration process—an important lever to achieve these goals—often does not find adequate space in the priority calendars of dealmakers, thus resulting in less-than-optimum value realization.

M&A AND VALUE CREATION

Almost 50 percent of the time, due diligence conducted before a merger fails to provide an adequate roadmap to capturing synergies and creating value. Typically compiled in haste, and concentrated on determining fair market value, this outside view often ignores critical sources of additional value offered by synergies between merging companies.

The primary aim for which any business is set up is to create value. Value creation can have multiple definitions for owners or shareholders and for other stakeholders. Owner returns: At a fundamental financial level, an entrepreneur may seek to create value for himself when he starts a business by generating returns that not only exceed his cost of capital, but also meet his target return on investment (that is, the opportunity cost). Other stakeholders: As the business grows, there are other stakeholders whose expectations of value creation also need to be considered. Strategically, the business strives to meet its customers' value expectations and hence achieve higher sales of its products and services. s. Operationally, the business also needs to meet other stakeholder expectations, including those of its employees, regulators and society at large.

LAYERS OF VALUE CREATION

• Protect the base business: efforts to preserve pre-merger value and maintain the core business.

• Capture combinational synergies: traditional value creation efforts to achieve economies of scale and enhanced efficiency.

• Seek select transformational synergies: often ignored, often capability-based opportunities to create value by radically transforming targeted functions, processes, or business units.

LEVERS OF VALUE CREATION

• Cost: capture cost savings by eliminating redundancies and improving efficiencies.

Capital: improve the balance sheet by reducing such things as working capital, fixed assets, and borrowing or funding costs.

• Revenue: enhance revenue growth by acquiring or building new capabilities (e.g., cross-fertilizing product portfolios, geographies, customer segments, and channels). Of course, cost, capital, and revenue opportunities differ by value creation layer. But mapping the full range of opportunities reveals the entire landscape of synergies that a merger might tap to create value.

INTEGRATION IS THE KEY IN M&A

Often, at the negotiating table, dealmakers underestimate the importance of cultural integration. The overriding sentiment is that the companies involved are largely similar and hence, there will be no issues in integration. However, companies are seldom culturally similar. A company's work culture, which includes its leadership style, talent management, degree of autonomy, decision making, the extent to which it holds employees accountable or its approach to innovation, employee engagement, building and maintaining internal or external relationships and other such parameters, defines and shapes its performance.

Integrations can seem overwhelming, with conflicts of opinions, cultures and personal incentives, surrounded by uncertainty. However, focusing efforts on the right fundamentals can help streamline the process and drive the team to success. A well-selected integration team orchestrates the pursuit of value creation opportunities, manages the deal complexity and builds robust, yet simple, processes that resolve sticky issues. In fact, it can serve as the litmus test to reveal the 'leadership of tomorrow'—one that is capable of dealing with tight timelines, tough decisions and conflict management. Thus, the emphasis on having a dedicated integration team, which runs the integration as an independent business process, is absolutely essential.

FINAL THOUGHTS

To summarize, creating value through M&A is more 'science' than 'art'. Well-thought-out target identification, comprehensive due diligence and structured integration processes are the critical elements that lead to value creation in deals. Poor integration planning, weak communication, and cultural clashes can ruin the best deals. Using M&A as a growth strategy can allow companies to grow faster than they would organically by entering new markets, thus eliminating or surprising competitors and acquiring talent and technology. When companies are prepared for the intricacies of M&A, specifically integration, they can leverage synergies for financial gain as well.

LIMITS ON CREEPING ACQUISITION BY PROMOTERS INCREASED DURING COVID-19 CRISES

CS SHAIFALI SHARMA, ACS
shaifali@vinodkothari.com

INTRODUCTION

SEBI has been taking several proactive measures to relax fund raising norms and thereby making it easier for companies to raise capital amid the COVID-19 pandemic. With a view to further facilitate fund raising by the companies, SEBI vide its notification dated June 16, 2020, has relaxed the obligation for making open offer for creeping acquisition under Regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Takeover Code).

The relaxation allows creeping acquisition upto 10% instead of the existing 5%, for acquisition by promoters of a listed company for the financial year 2020-21. The relaxation is specific and limited to acquisition by way of a preferential issue of equity shares and therefore excludes acquisitions through transfers, block and bulk deals etc. Also recently, SEBI in its Board Meeting held on June 25, 2020 has proposed to provide an additional option to the existing pricing methodology for preferential issue under which the minimum price for allotment of shares will be Volume Weighted Average of weekly highs and low for twelve weeks or two weeks, whichever is higher. However, this new rule shall apply till December 31, 2020 with 3 years lock-in condition for allotted shares. Further, by way of the same notification, SEBI has also relaxed the provisions of voluntary open offer where an acquirer together with PAC will be eligible to make voluntary offer irrespective of any acquisition in the previous 52 weeks from the date of voluntary offer; this will promote investments into various companies in future.

This article tries to discuss on whether the relaxation given by SEBI to the promoters are as encouraging as it seems to be, when connected with the pricing norms for preferential issue under the SEBI (Issue of Capital and Disclosures Requirement) Regulations, 2018 ('ICDR Regulations')and how the new pricing methodology proposed by SEBI can leverage the situation.

WHAT IS CREEPING ACQUISITION?

Creeping acquisition, governed by Regulation 3(2) of the Takeover Code, refers to the process through which the acquirer together with PAC holding more than 25% but less than 75%, to gradually increase their stake in the target company by buying up to 5% of the voting rights of the company in one financial year. Any acquisition of further shares or voting rights beyond 5% shall require the acquirer to make an open offer. Further, for the purpose of creeping acquisition, SEBI considers gross acquisitions only notwithstanding any intermittent fall. The same is projected in Figure 1 below. Also, in all cases, the increase in shareholding or voting rights is permitted only till the 75% non-public shareholding limit.

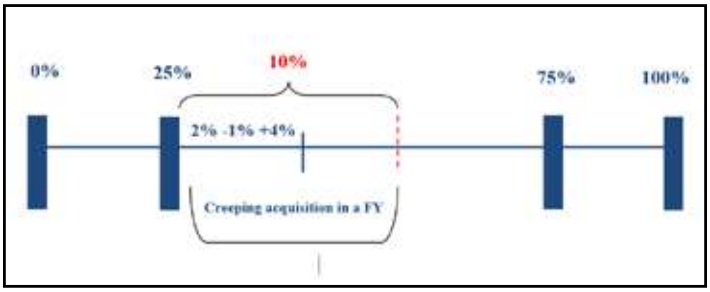


Figure 1: Creeping acquisition limit increased from 5% to 10%

RATIONALE FOR EASING THE NORMS OF CREEPING ACQUISITION

While the companies are currently struggling to manage their cash flows due to the financial challenges faced on account of COVID-19, the amendment will allow companies to raise funds from promoters to tide over their difficulties for the financial year 2020-21. This revision will also boost the sagging stock market and help sustain the stock prices of the company.

Promoters, on the other hand, owning 25% or more of the shares or

*The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI.

voting rights in a company will be able to increase their shareholdings up to 10% in a year versus the previously allowed threshold limit of 5%.

PERMUTATIONS AND COMBINATIONS OF CREEPING ACQUISITION DURING FY 2020-21

Since the enhanced 10% limit applies only in case of acquisition under preferential issue, the total acquisition of 10% may be achieved by any of the following combinations:

Option 1: *Acquire upto 5% shares via open-market purchase or any other form and the remaining 5% shares can be acquired through subscribing to a preferential issue.*

Option 2: *Acquire 10% shares through preferential issue*

Accordingly, in a block of 12 months of financial year 2020-21, if the promoter wants to acquire share through open market, bulk deals, block deals or in any other form, the 5% threshold shall remain in force and additional 5% can be acquired through preferential issue.

Identified below are the permitted acquisitions through open market, transfers or other forms in case promoter opts for preferential issue:

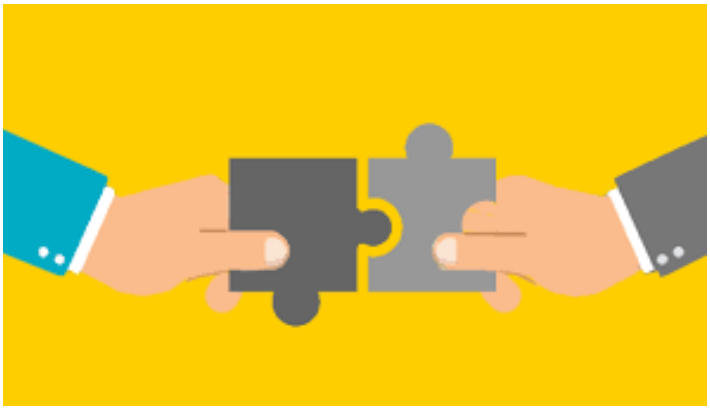
Options	Permissible Creeping Acquisitions for FY 2020-21	
	Preferential Issue	**What is the permissible acquisition via open-market/ other modes?**
Option 1	5%	5%
Option 2	2%	5%
Option 3	0%	5%
Option 4	7%	3%
Option 5	10%	0%

WHETHER THE RELAXATION IN OPEN OFFER IS ACTUALLY ENCOURAGING WHEN READ WITH THE PRICING NORMS UNDER ICDR REGULATIONS?

As stated above, the relaxation can be availed only in the cases where the investments are done under a preferential issue. Regulation 164 of the SEBI (Issue of Capital and Disclosures Requirement) Regulations, 2018 ('ICDR Regulations') deals with the pricing norms under preferential issue. It provides that the issue price in cases where the shares have been listed for more than 26 weeks on a recognized stock exchange as on the relevant date, has to be higher of the following:

a. the average of the weekly high and low of the Volume Weighted Average price of the related equity shares quoted on the recognized stock exchange during the ***twenty six weeks*** preceding the relevant date; or

b. the average of the weekly high and low of the Volume Weighted Average prices of the related equity shares quoted on a recognized stock exchange during the ***two weeks*** preceding the relevant date.



The computation of the prices as per the above stated regulation will lead to a wide gap between the pricing at the beginning of the twenty-six week period and the current price when the company raises funds.

During this time of stock market crises, the stock prices of many companies have dropped sharply from their respective all-time high values recorded 6 months back. Further, in the cases where the market price is lower than the minimum price calculated as per ICDR Regulations for preferential issue, the promoters will be discouraged to acquire shares under preferential allotment as they will end up paying higher values.

Due to the challenges faced by the economy in view of COVID-19, the trading prices of the listed companies have gone down sharply. Accordingly, the price determined under ICDR Regulations may not be a motivating factor for the promoters to subscribe to the additional shares though, elimination of the costs involved in a public offer may compensate the same.

However, to curb the above situation, SEBI in its Board meeting held on June 25, 2020, has proposed an additional option to the existing pricing methodology for preferential issuance as under:

In case of frequently traded shares, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of

the following:

a. *the average of the weekly high and low of the Volume Weighted Average price of the related equity shares quoted on the recognized stock exchange during the* ***twelve weeks*** *preceding the relevant date; or*

b. *the average of the weekly high and low of the Volume Weighted Average prices of the related equity shares quoted on a recognized stock exchange during the* ***two weeks*** *preceding the relevant date.*

The new option will consider the weighted average price of equity shares preceding 12 weeks instead of the preceding 26 weeks and therefore reflect the accurate price during the pandemic period. This may prove to be the solution to above crises, making fund raising through preferential issue easier for the corporate and simultaneously encouraging the promoters as well to infuse funds.

COMPLIANCES FOR PREFERENTIAL ISSUE TO PROMOTERS UNDER PIT REGULATIONS

Considering the fact that promoter is one of the designated persons as per the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), the companies, in addition to the procedural requirements for preferential issue prescribed under the Companies Act, 2013, ICDR Regulations and other applicable laws, shall also comply with the provisions of PIT Regulations.

CLOSURE OF TRADING WINDOW IN CASE OF PREFERENTIAL ALLOTMENT

Designated persons and their immediate relatives shall not trade in securities when the trading window is closed. The trading restriction period shall apply from the end of every quarter till 48 hours after the declaration of financial results.

Further, the trading window shall also be closed when the compliance officer determines that a designated person (DP) or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information (UPSI). Therefore, the trading window shall be closed and communicated to all DPs as soon as the date/notice of board meeting to approve issue of share via preferential allotment is finalized upto 2nd trading day after communication of the decision of the Board to the Stock Exchanges.

Accordingly, promoter/ class of promoters acquiring shares under preferential issue shall conduct all their dealings in the securities of the company only in a valid trading window i.e. once the trading widow is open subject to the pre-clearance norms prescribed under PIT Regulations and the Code of Conduct for prevention of insider trading of the Company.

CONCLUDING REMARKS

Given the lack of liquidity in the market, the proposed amendments may be seen as an opportunity for target companies to raise capital from its promoters. Further, promoters can also infuse funds through equity issuance and will be able to increase their shareholding in the target company without the formalities of making the open offer.

Having said that since the market might take some time to recover, this relaxation provides a gateway for promoters to avoid open offer requirements which would otherwise have involved compliance burden on the promoter. However, the pricing factor may seem to be the only hindrance or a demotivation for actually availing this relaxation which seems to be resolved through the new pricing method proposed by SEBI in its Board meeting.

MERGERS AND ACQUISITIONS

CS SONAL MISHRA, ACS
sonalmishra0910@gmail.com

I cannot say whether things will get better if we change; what I can say is they must change if they are to get better.

– Georg C. Lichtenburg

Every promoter desires to build an empire when he imbibes an idea of incorporating a Company. It is well said that every empire now was a start up at its inception. From an idea to an empire; a business goes through several ups and downs which either make it a success or a learning for the promoter. It he succeeds he builds an empire, and if not he gets an opportunity to learn how to overcome the failures.

Moving forward not every idea is a success, as stated above the ups and downs may lead to loss of market share / customers / employee interest and most importantly the confidence of the management. There is no doubt that incorporating a company in India is much easier than maintaining it and if one is handpicked with lack of knowledge then it becomes actually difficult to even maintain the regular compliances leading to piles of penalty, fines and prosecutions and if situation worsens the business breakdowns.

The greatest danger in times of turbulence is not the turbulence – it is to act with yesterday's logic.

– Peter Drucker

Many promoters on occurrence of such difficult situations decide to close their companies. As quoted above closure is yesterday's logic, and nowadays it's advisable that if possible one should go for Mergers and Acquisitions.

Mergers and / or Acquisitions are a kind of inorganic corporate growth process wherein, the initial requirements are already accomplished like incorporation of company, getting the desired workforce, getting the business / product renowned by the time merger or acquisition is done. In this model one does not need to start from the scratch!! The basics are already settled and what we need to do further is just to plan wisely and implement the required.

BUSINESS ACQUISITION is the process of acquiring a company to build on strengths or weakness of the acquiring company. It is a corporate action in which a company buys most, if not all, of another company ownership stakes in order to assume control. Acquisitions are often made as a part of a company's growth strategy whereby it is more beneficial to take over an existing firm's operations and position compared to expanding in its own.

A **MERGER** is similar to acquisition but refers more strictly to combining all of interests of both companies into a stronger single company.

The two types of business acquisitions are as hereunder:

1. Merger and Amalgamation, and
2. Takeover

MERGER AND AMALGAMATION

Merger and amalgamation, to be precise, is regulated by Sections 230 and 232 of the Companies Act, 2013.

As per law: The words merger or amalgamation are not defined under the Companies Act, 2013. However Section 2 (1B) of the Income Tax Act, 1961 defines amalgamation.

Amalgamation in relation to companies means the merger of one or more companies with another company or the merger of two or more companies to form one company in such a manner that:

UNDER THE INCOME TAX ACT, 1961

All the property of the amalgamating company or companies immediately before the amalgamation becomes the property of the amalgamated company by virtue of the amalgamation.

All the liabilities of the amalgamating company or companies immediately before the amalgamation become the liabilities of the amalgamated company by virtue of the amalgamation.

Shareholders holding not less than three-fourth in value of the shares in the amalgamating company or companies (other than shares already held therein immediately before the amalgamation by or by a nominee for, the amalgamated company or its subsidiary) become shareholders of the amalgamated company by virtue of amalgamation.

Therefore, for the merger to qualify as amalgamation for the purpose of the Income Tax Act, the above three conditions have to be satisfied.

*The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI.

In general sense a merger means absorption of one company by another company, wherein one of the two existing companies loses its legal identity after transferring all its assets, liabilities and other properties to the other company.

A CQUISITIONS / TAKEOVER:

In case of a takeover, we need to segregate a company as "Unlisted Company" which is regulated by the Sections 235, 236 ad 238 of the Companies Act, 2013 and "Listed Company" which is regulated by the SEBI Takeover code.

Takeover is of following types:

FRIENDLY TAKEOVER

This Takeover is with the consent of taken over company.

HOSTILE TAKEOVER

This kind of takeover is done silently and without the consent of the taken over company.

BAIL OUT TAKEOVER

The takeover deals with acquisition of financially weak company by a profit earning company to bail out the former.

CROSS BORDER TAKEOVER

Competitiveness among the domestic companies forces many businesses to go global.

REVERSE TAKEOVER

Generally we see big companies taking over small companies, but when the small companies take over big companies it is called Reverse Takeover.

If we go with the context of business the takeover is of following types:

CONGLOMERATE TAKEOVER: Takeover of one company by another operating in totally different industries.

Purpose: Diversification.

CO-GENERIC TAKEOVER: Takeover of one company by another operating in same industries.

Purpose: Expansion.

Below are some of the latest news about Mergers and Acquisitions:

Uber approaches Grubhub with acquisition offer: The potential acquisition suggests that the Silicon Valley disruptor is doubling down on its fastest-growing service in a scramble to adapt to what is likely to be a long business interruption.

TRAI suggests changes to M&A rules to speed up closure: The telecom regulator recommended changes to the merger & acquisition (M&A) rules with an aim to speed up deal closures and reduce legal disputes.

A List of Successful Mergers and Acquisitions

- Disney and Pixar/Marvel
- Google and Android
- Exxon and Mobile
- Vodafone and Mannesmann
- Pfizer and Warner-Lambert
- Verizon/Vodafone
- Altria/Philip Morris
- AT&T/Bell South
- America Online and Time Warner
- Travelers Group/Citicorp
- Dow Chemical and DuPont
- Anheuser-Busch InBev and SABMiller
- H. J. Heinz and Kraft Food

THE DIFFERENCE BETWEEN SUCCESSFUL TAKEOVER AND UNSUCCESSFUL TAKEOVER

The story of Quaker Oats flunked acquiring Snapple and how Triarc managed to revive what was seemingly a dead duck into a sellable, respectable proposition once more:

1. In 1993, Quaker paid $1.7 billion for Snapple
2. In 1997, Quaker sold Snapple to Triarc Beverages for $300 million ($1.4 billion loss)
3. In 2000, Triarc sold Snapple to Cadbury Schweppes for around $1 billion ($700k gain)

"There is a vital interplay between the challenge a brand faces and the culture of the corporation that owns it. When brand and culture fall out of alignment, both brand and corporate owner are likely to suffer."

John Deighton
Harvard Business Review
In his illuminating account of the fiasco

CONCLUDING WITH THE POINTS TO REMEMBER FOR SUCCESSFUL MERGER AND ACQUISITIONS:

- Start the journey on a positive note and show that everyone can take part in this shared success.
- Recognize what is worthy and valuable from both the acquired and acquiring company.
- Recognize the Value and Cultures of the acquiring company.
- Reassure everyone that they are a key piece of the puzzle, and that their expertise and knowledge are valued.
- Clarify what the specific expectations are, for each half of the new entity.
- Every merger and acquisition will be different; have its own dynamic, its own challenges and opportunities. There is a clear lesson from case studies such as the Snapple-Quaker one: estimate the importance of culture at your peril.

MERGER AND ACQUISITION: A CURE FOR CORPORATE TURBULENCE

CS SHASHANK KOTHIYAL, ACS
shashank.kothiyal9@gmail.com

MEANING

Mergers and Acquisitions (M&A) are defined as consolidation of companies. Differentiating the two terms, **Mergers** is the combination of two companies to form one, while **Acquisitions** is one company taken over by the other. M&A is one of the major aspects of corporate finance world. The reasoning behind M&A generally given is that two separate companies together create more value compared to being on an individual stand. With the objective of wealth maximization, companies keep evaluating different opportunities through the route of merger or acquisition.

DEFINITION OF MERGER AND ACQUISITION

Merger: Merger refers to the mutual consolidation of two or more entities to form a new enterprise with a new name. In a merger, multiple companies of similar size agree to integrate their operations into a single entity, in which there is shared ownership, control, and profit. It is a type of amalgamation. For example M Ltd. and N Ltd. Joined together to form a new company P Ltd.

The reasons for adopting the merger by many companies is that to unite the resources, strength & weakness of the merging companies along with removing trade barriers, lessening competition and to gain synergy. The shareholders of the old companies become shareholders of the new company. The types of Merger are as under:

- Horizontal
- Vertical
- Congeneric
- Reverse
- Conglomerate

Acquisition: The purchase of the business of an enterprise by another enterprise is known as Acquisition. This can be done either by the purchase of the assets of the company or by the acquiring ownership over 51% of its paid-up share capital.

In acquisition, the firm which acquires another firm is known as Acquiring company while the company which is being acquired is known as Target company. The acquiring company is more powerful in terms of size, structure, and operations, which overpower or takes over the weaker company i.e. the target company.

Most of the firms use the acquisition strategy for gaining instant growth, competitiveness in a short notice and expanding their area of operation, market share, profitability, etc. The types of Acquisition are as under:

- Hostile
- Friendly
- Buyout

ADVANTAGE AND DISADVANTAGE

S.No	Advantage	Disadvantage
1	The most common reason for firms to enter into merger and acquisition is to merge their power and control over the markets.	Loss of experienced workers aside from workers in leadership positions. This kind of loss inevitably involves loss of business understand and on the other hand that will be worrying to exchange or will exclusively get replaced at nice value.
2	Another advantage is Synergy that is the magic power that allow for increased value efficiencies of the new entity and it takes the shape of returns enrichment and cost savings.	As a result of M&A, employees of the small merging firm may require exhaustive re-skilling.
3	Decrease of risk using innovative techniques of managing financial risk.	Company will face major difficulties like frictions and internal competition that may occur among the staff of the united companies. There is conjointly risk of getting surplus employees in some departments.
4	To become competitive, firms have to be compelled to be peak of technological developments and their dealing applications. By M&A of a small business with unique technologies, a large company will retain or grow a competitive edge.	Increase in costs might result if the right management of modification and also the implementation of the merger and acquisition dealing are delayed.
5	The biggest advantage is tax benefits. Financial advantages might instigate mergers and corporations will fully build use of tax- shields, increase monetary leverage and utilize alternative tax benefits.	In many events, the return of the share of the company that caused buyouts of other company was less than the return of the sector as a whole.

*The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI.

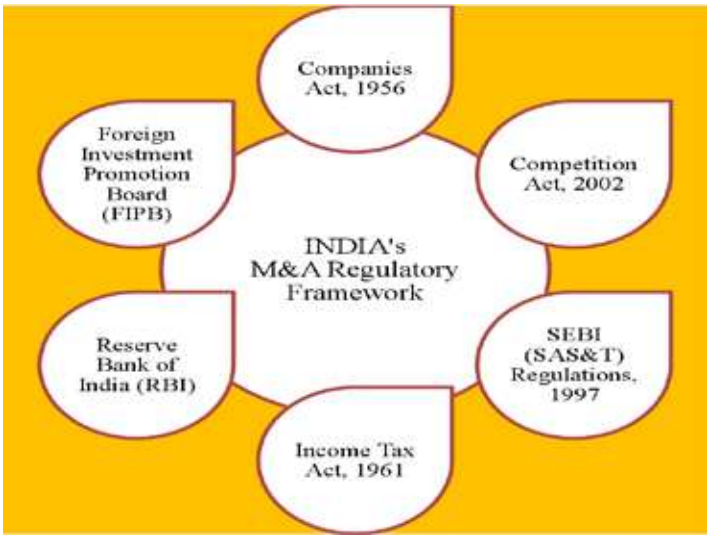
EXAMPLES OF MERGERS AND ACQUISITIONS IN INDIA

- Acquisition of Corus Group by Tata Steel in the year 2006.
- Acquisition of Myntra by Flipkart in the year 2014.
- The merger of Fortis Healthcare India and Fortis Healthcare International.
- Acquisition of Ranbaxy Laboratories by Sun Pharmaceuticals.
- Acquisition of Negma Laboratories by Wockhardt.

COMPARISON CHART

BASIS FOR COMPARISON	MERGER	ACQUISITION
Meaning	The merger means the fusion of two or more than two companies voluntarily to form a new company.	When one entity purchases the business of another entity, it is known as Acquisition.
Formation of a new company	Yes	No
Nature of Decision	The mutual decision of the companies going through mergers.	Friendly or hostile decision of acquiring and acquired companies.
Purpose	To decrease competition and increase operational efficiency.	For Instantaneous growth
Size of Business	Generally, the size of merging companies is more or less same.	The size of the acquiring company will be more than the size of acquired company.
Legal Formalities	More	Less

REGULATORY FRAMEWORK



PROCESS OF MERGER AND ACQUISITION

The process involving merger and acquisition is important as it can dictate the benefits derived from the deal. The process involves the following steps:

1. **Preliminary Valuation:** This step primarily focuses on the business assessment of the target company. Not only the latest financials of the target company are scrutinized, its expected market value in future is also calculated. This close analysis includes the company's products, capital requirements, brand value, organizational structure, etc.

2. **Proposal Phase:** Once the target company's business performance is analyzed and reviewed, the proposal for the business transaction is given. It could be either a merger or an acquisition. Generally, the mode of giving a proposal is an issuance of a non-binding offer document.

3. **Planning for Exit:** After the proposal is given to the target company and it takes the offer, the target company then engages in planning for the exit. This includes planning the right time to exit and considering all the options such as a full sale or partial sale. This is also a time for tax planning and evaluating the reinvestment options.

4. **Marketing:** Once the exit plan is finalized, the target company engages in a marketing plan and aims to achieve the highest selling price.

CASE STUDY

Sun Pharmaceuticals acquires Ranbaxy

This is a classic example of a share swap deal. As per the deal, Ranbaxy shareholders will get four shares of Sun Pharma for every five shares held by them, leading to 16.4% dilution in the equity capital of Sun Pharma (total equity value is USD3.2bn and the deal size is USD4bn (valuing Ranbaxy at 2.2 times last 12 months sales).

Reason for the acquisition: This is a good acquisition for Sun Pharma as it will help the company to fill in its therapeutic gaps in the US, get better access to emerging markets and also strengthen its presence in the domestic market. Sun Pharma will also become the number one generic company in the dermatology space. (currently in the third position in US) through this merger.

OBJECTIVES OF THE M&A:

- Sun Pharma enters into newer markets by filling in the gaps in the offerings of the company, through the acquired company.
- Boosting of products offering of Sun Pharma creating more visibility and market share in the industry.
- Turnaround of a distressed business from the perspective of Ranbaxy.

FAST TRACK MERGERS

CS PRIYANKA KUNDNANI, ACS
priyankakundnani91@gmail.com

Long bygone are the days when all the mergers and acquisitions had to go through lengthy proceedings, where intervention of Court was mandated, which in turn, made the process lengthy and time consuming. The Companies Act, 2013 dispenses with the cumbersome process provided for under the Companies Act, 1956, by laying down a simple, fast track merger procedure for the merger of specific class of companies. Fast track Merger scheme was introduced under Section 233 of the Companies Act, 2013, read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Section comes into force w.e.f. 15th December, 2016.

APPLICABILITY

Following are the companies between which fast track merger can be entered:

(a) Merger between two or more small companies

(b) Holding company and its wholly owned subsidiary companies

(c) Such other class or classes of companies as may be prescribed.

PROCEDURE

STEP 1 – CONVENING A BOARD MEETING

Firstly, a Board Meeting must be convened to pass the following resolutions:

- Approval of the scheme prepared by the eligible companies.
- Fix the date, time and place of shareholders meeting
- Fix the date, time and place of creditors meeting

STEP 2 – ISSUE OF NOTICE OF PROPOSED SCHEME

A notice in **FORM CAA-9**of the proposed scheme inviting suggestions or objections, if any, should be issued, both, by the transferor company or companies and the transferee company to:

- The respective Registrar of Companies, where, the registered office of the Transferor and Transferee companies are situated.
- Official Liquidators, where, the registered office of the respective companies are situated
- Persons affected by the scheme

The objections/suggestions should be sent within 30 days from the date of issue of notice.

STEP 3 – FILING DECLARATION OF SOLVENCY

As per the provision of Section 233(1)(c) of the Companies Act, 2013, read with Rule 25(2) of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, the companies involved in merger shall file their declaration of solvency statement in **FORM CAA-10** with the Registrar of Companies where the registered office of the company is situated. The declaration must be filed before convening the meeting of members and creditors.

STEP 4 – CONVENING A MEETING OF MEMBERS

The notice of the meeting must be issued to the members before 21 days from the scheduled date of the meeting. The notice shall be accompanied by:

- A statement disclosing the details of compromise or arrangement
- A copy of valuation report, if any
- Declaration of solvency in Form No. CAA-10
- A copy of the proposed scheme
- Any other information

The objections/suggestions received by the company from the office of Registrar of Companies or Official Liquidator or the persons affected by

*The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI.

the arrangement of the scheme have to be considered by the company in their respective general meetings and the scheme should be approved by the respective members or class of members at a general meeting holding at least 90% of the total number of shares.

STEP 5 –CONVENING A MEETING OF CREDITORS

Not only the approval of members is required on a mandatory basis, but also the approval of creditors is also required for the proposed scheme. And for obtaining their approval, the companies (both Transferor and Transferee Company) shall, either convene a meeting of the creditors or get written approval by the majority representing not less than 90% or nine-tenth of the value of creditors. The notice of the meeting must be issued to the creditors before 21 days from the scheduled date of the meeting. The notice shall be accompanied by:

- A statement disclosing the details of compromise or arrangement
- A copy of valuation report, if any
- Declaration of solvency in Form No. CAA-10
- A copy of the proposed scheme
- Any other information

It has to be kept in mind, that, both the Transferor and Transferee Companies shall file the special resolution as approved by the members and creditors in E-Form MGT-14.

STEP 6 – FILING COPY OF THE SCHEME

Pursuant to the provision of Rule 25(4), the Transferee company, shall, within seven days from the conclusion of the meeting of members or creditors, shall file

- A copy of scheme approved by the members and creditors
- A report of result of each of the meetings in **FORM NO. CAA-11** with the Regional Director.

A copy of scheme shall also be filed with the Registrar of Companies in **Form GNL-1** and with the Official Liquidator through hand delivery or by registered post or by speed post.

STEP 7 – APPROVAL OF SCHEME BY REGIONAL DIRECTOR

Pursuant to the receipt of the scheme, if the Registrar of Companies or the Official Liquidator has no objections/suggestions to the scheme, the Regional Director shall register the same and issue a confirmation on this regard to the companies. On the other hand, if the Registrar of Companies or Official Liquidator has any objections or suggestions, then the same will be communicated in writing to the Registrar of Companies within a time period of 30 days. And if no communication is made within the prescribed time period, then, it shall be assumed that he has no objection to the scheme.

The Regional Director will review the objections or suggestions received. And after reviewing the same or any other reasonable grounds, he may consider the scheme to be against public/creditors interest. In such a case, the Company may apply to the Tribunal in **FORM CAA-13 within 60 days of the receipt of scheme** by stating its objections and also requesting the Tribunal to consider the same.

However, where no objection or suggestion is received to the scheme from the Registrar and Official Liquidator or where the objection or suggestion of Registrar of Companies or Official Liquidator is deemed to be not sustainable and the Regional Director is of the view that the scheme is in the interest of public/creditors, then, the Regional Director may issue a confirmation order of the scheme in **FORM CAA-12.**

STEP 8 – FILING OF CONFIRMATION ORDER WITH THE REGISTRAR OF COMPANIES

The Regional Director will issue a confirmation order. A copy of the same shall be filed within 30 days of the receipt of the confirmation order, in **FORM INC-28** with Registrar having jurisdiction over the transferor and transferee companies respectively and the persons concerned.

STEP 9 – CONFIRMATION BY REGISTRAR OF COMPANIES

On receipt of the order, the Registrar shall register the scheme and issue a confirmation to the companies and such confirmation shall also be communicated to Registrar where transferor company or companies were situated.

However, the registration of the scheme shall have the following effects:

- Transfer of the property or liabilities of the transferor company to the transferee company
- The charges, if any, on the property of transferor company shall be applicable and enforceable as if charges were on the property of the transferee company.
- Legal proceedings by or against the transferor company pending before any court of law shall be continued by or against the transferee company.
- Where the scheme provides for purchase of shares held by dissenting shareholders or settlement of debt due to dissenting creditors, such amount to the extent it is unpaid, shall become the liability of the transferee company.

Along with the scheme, an application shall also be filed by the transferee company with the Registrar, indicating the revised authorized capital and shall also pay the prescribed fees due on revised capital. Further, The fee, if any, paid by the transferor company on its authorized capital prior to its merger or amalgamation with the transferee company shall be set-off against the fees payable by the transferee company on its authorized capital enhanced by the merger or amalgamation.

CONCLUSION

The fast track merger regime is surely a welcome move. The erstwhile Companies Act 1956 prescribed a court driven procedure for compromises, arrangements and amalgamations in respect of companies (Arrangements), which was fairly cumbersome and time-consuming, which, in turn, necessitated a need to bring about pragmatic reforms to the procedure for Arrangements, with an aim to make the corporate restructuring process in India smooth and efficient. By doing away with the requirement of approaching the Tribunal, the burden of administrative barriers has been reduced to a great extent and has also resulted in faster disposal of matters and higher efficiency.

MERGERS AND ACQUISITIONS

CS ROSHAN ARA KHAN, ACS
roshanara050@gmail.com

For every organization merger and acquisition is an important aspect. It does not only change the overall working of the business but the culture and market sentiments towards the business also get changed.

An organization chooses merger and acquisition mainly for expansion or diversification of its business which is totally dependent on its needs and requirements. It is important to note here that merger and acquisition both are the different concept just like the two sides of a single coin but having similar objectives and purposes. Some organization prefer merger or some prefer acquisitions, generally both transactions are providing the avenues for the business and accelerating the growth ability in the long run. For an organization, it helps to change the business model and management team so that the possible problems should be addressed in a proper manner and ultimately maximize the shareholders wealth/value. Merger and Acquisition gives an opportunity to the management to reconsider or rebuild its own business.

It can be the way for an organization to consider its business strategy and making changes as required to achieve the long term viability.

Concept of Merger and Acquisitions:- Considering both the concepts, it is important here to get some basic idea about the merger and acquisition.

Merger: - When one or more organizations combined together to form a new organization is known as merger. For example:- A limited merged into B limited and form a new one i.e. C limited (as stated in the diagram).

Hence, here we can say that A limited and B limited become C limited that means all the assets, liabilities and pending proceedings, if any of A limited and B limited get transferred to the C limited.

Acquisition: - When one person or more or an organization purchase an existing business is known as acquisition. For example: - ABC limited purchases PQR limited and that is called acquisition (as stated in the diagram).

Here can say that ABC limited gets all assets, liabilities and pending proceedings, if any of PQR limited.

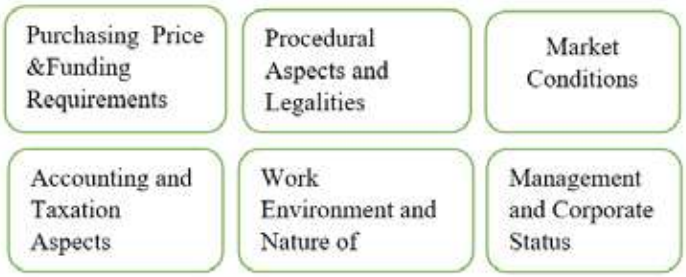
WHY FOR MERGER AND ACQUISITION?

For profit making organizations: - For a profit making organization there are numerous reason for merger and acquisition. It may be for increase the customer base, increased revenue, synergies effect, economies of scales, long term growth, etc.

For loss making organizations: - Yes, loss making organizations are also ready for merger and acquisition so that it can be revived in the situation and get some financial support from another organizations. It is basically deployment of surplus funds to the loss making organization through merger and acquisition.

Factors that an organization should consider before planning for merger and acquisition

*The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI.



Benefits for Merger and Acquisition:-Benefits for merger and acquisition are as follows:-

1. **Cost Effectiveness: -** Cost cutting is the strategic mantra that gets highlighted in the corporate world. The motive behind the merger and acquisition is to reduce the cost and pool all their resources in such away so that it gets optimum utilization and generate more output which create synergies as a result profits get maximize. However in the initial stage there may be losses due to recovery cost of acquisition and merger of business but in the long run it will generate profits too.

2. **Achieve market development and reduced Competition: -** This is so true that there are various organizations which acquire or merge its business into another because of reduced the competition in the market and hence capture the large market place or geographical area in which the activities are absent are also one of the most important benefit of merger and acquisition.

3. **Financial Stability:-** If an organization having more debts or borrowings can take the way of merger and acquisition which fulfill its funding requirement for servicing its debts or borrowings and simultaneously improved the financial health and probability of insolvency also get reduced. As a result, the availability of funds leads an organization to grow.

4. **Promote innovation and entry of new players:-** Merger and acquisition is the welcoming step for the innovation of an organization which provides an opportunity to the organization to enter into a new product line with a brand that is already recognized in the market. Market barrier for some extent removed. However, it is advisable for an organization to consider the business strategy before entering into new market or product line.

5. **Corporate Integration: -**Many organizations are brought together to combined its business to achieve certain predetermined goals. The nature of business may or may not be the same. If a larger organization combines its business with the smaller one, it can achieve economies of scale and if smaller organization combines its business with bigger one, it enjoys a high status in the market. By fulfilling these goals, organizations are ready to work with a cooperative spirit.

Demerits for Merger and Acquisition:- The issues that an organization faces while opting merger and acquisition are as follows:-

1. **Duplication of work:-** Where two business combine together, there may be a possibility of duplication of work if two departments or people do the same activity.

2. **Work Force ("How employees adjust in the new organization"):-** For every organization satisfaction of employees or workers is the main priority. Business grow when they involved in the organization but it is also not ignored here that when merger and acquisitions are announced, employees become more concerned about their job security, compensation and work environment which create multiple waves of anxiety and clashes simultaneously.

3. **Risk / Pressure Involved: -** It can be seen that with the increase in the size of business there are so many responsibilities that arise, it may be by way of formulation of policies by the management or by implementation of that policies by the lower level. All gets impacted with such a significant change in an organization. So merger and acquisition somehow create a pressure within an organization.

4. **Brand Value: -** Nowadays, mostly mergers and acquisitions have been done just because of the brand value of a business which acquires a market share. If an organization already having a good brand name consolidates with another business, there arises a question that whether such brand is also submerged in favour of new identity of business?

HOW TO DEAL FOR MERGER AND ACQUISITION TRANSACTIONS?

1. Identify the need for merger and acquisition by an organization and making the strategy for the same.
2. Search the potential target company and market in which an organization is ready to enter as per its requirements.
3. Corporate meetings and start planning for combining the business.
4. Due Diligence & Valuation exercise to be performed.
5. Negotiation between both the parties and funding requirements to be fulfilled by buyer.
6. Signing of Sale and Purchase agreement.
7. Transfer of funds with the closure of deal.

ROLE OF COMPANY SECRETARY IN MERGER AND ACQUISITION

Now it is very much required here to know that merger and acquisition is not only about the element of profits, synergies, competition and mutual understanding between various businesses but at the same time it is also required to consider technical, cultural and regulatory aspects.

The day to day increment in demand of merger and acquisition requires quality professionals who deal with the various aspects of mergers and acquisitions. Company Secretary acts as a mediator between the management and shareholders, plays a vital role and ensures that the procedural and regulatory aspects in the merger and acquisition have been complied with. Upon considering the procedural and regulatory aspects of mergers and acquisitions, he is able to advice the board of directors into the matter, perform due diligence, pre and post compliances such as various filings, uploading of documents and an approval from different - different authorities. For example: - approval from ROC, NCLT, SEBI etc. and in addition to that it is also required to appear before the authorities as and when required. So it is the responsibility of the company secretary to follow the regulatory aspects in a diligent manner with respect to merger and acquisition.

Article

SIGNIFICANCE OF INTELLECTUAL PROPERTY IN MERGERS & ACQUISITIONS

CS HARSHDEEP SINGH NARULA, ACS
csharshdeepnarula@gmail.com

Intellectual property (Herein referred as **IP**) is an impalpable property that is a masterpiece & creation of human intellect. These properties are intangible in nature and possess a right against whole nation and in some stances as well against the other nations, wherein World Intellectual Property Organization is established and has formed a Memorandum of Understanding.

The product value, brand value, or the innovation portfolio of a company plays a vital part when it comes to the management of assets of the company. These assets are equally important and somewhere of prime nature when compared to other assets of the company.

Mergers and Acquisitions (Herein referred as **M&A**) act as a tool for reconstruction of the companies to maximize their wealth for the stakeholders and also create a foot hold for themselves in the global market. A merger is nothing but consolidation of two or more firms into one single firm which can work in a more efficient and effective manner to maximize profits and achieve desired goals. On the other hand, acquisition is considered as takeover of one company by another company by purchasing its majority of ownership stake.

Almost every **M&A** transaction involves some type of **IP** which is generally the most valuable asset that a company can own. By making informed, strategic decisions regarding your intellectual property assets during a merger or acquisition, you can avoid potential audits, penalties, and even litigation down the road and increase the foothold, acquire peculiar capabilities, will add value addition and growth.

Further, in this work piece on Significance of IP in an M&A deal, you will get to learn the following:

BENEFITS OF ACQUIRING IP

VALUE ADDITION:

One of the major advantages of acquiring an IP asset is that, it adds a value and an edge to the current asset portfolio of a company. Coming up with an innovation is not possible every time, in this dynamic and inconstant market environment. Therefore, companies must look for new opportunities and offerings by way of acquiring existing innovation because they are already tried and tested in the market and has been a success. By this way companies can expand and provide a dynamic range to its customers,

ACQUIRING PECULIAR CAPABILITIES:

The companies have always wished to have a stronghold in the market. They always wanted to have a dominating position in the market against their competitors. Acquiring a unique innovation in M&A deal will let the company to gain an competitive edge in the market. It changes the whole outlook of the company and creating a unique and efficient business model for the new company.

INCREASED FOOTHOLD:

Acquiring an IP also helps in exploring and enhancing different zones in business. It facilitates entering into a different field of business. As it is more convenient to enter into a business through pre-established resources it reduces the cost of operation and creates a diversified asset portfolio for the company.

GROWTH:

The very basic objective to implement any corporate strategy is to promote growth and development which further leads to maximization of profit to achieve its desired goals. The acquisition or merger of an IP asset contributes to the growth prospects of the company by acquiring new and competent technology. It makes sure that the product portfolio of the company is updated as per the current demand in the market.

*The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI.

POINTS TO REMEMBER WHILE CONDUCTING DUE DILIGENCE OF AN IP ASSET WHILE M&A DEAL

VERIFY OWNERSHIP AND EXISTENCE OF IP

- Ownership is often one of the first issues investigated while conducting an IP due- diligence. A series of questions is asked about each IP asset to establish the target company's rights in it and whether those rights are free of any strains and can be easily transferred.
- If the ownership of the IP asset is disputed, the seller cannot transfer the title and rights of the asset to others. If the seller does not own the intangible asset, the evaluation will be done to check whether proper steps were taken to obtain the rights from the actual owner.

CHECK FOR APPLICABLE TERRITORY AND TERMS

- It is important to check the validity of each IP asset i.e. their term and territory. Most IP rights are limited to a certain territory only. So it is important to ascertain the territories in which the IP rights are protected. If the company operates in several countries and has not got the IP rights covered in all those territories, it might cause problems in the future.

CHECK FOR ANY THIRD- PARTY CLAIMS

- Along with the ownership check, it is sensible to check any third-party claims or interests with respect to the seller's IP asset. Sometimes rights can accrue in favour of a third party unknowingly also.
- So, scrutiny of all license and franchise agreements, joint venture agreements, assignment deeds, memorandum of understandings should be done to identify if any exclusive rights have been granted in relation to relevant IP.

EVALUATE POTENTIAL IP INFRINGEMENTS

- Further, while conducting IP due diligence it is important to check whether a third party is infringing a company's IP right or it is the company that might infringe a third party's right. In both cases, if the relevant IP rights are subject to any encumbrance, a dispute is likely to arise with the consequence of disrupting the business operations.

STEPS TO BE FOLLOWED WHILE CONDUCTING A DUE DILIGENCE

Set a proper in house IP due diligence team and discuss the same with IP professionals about your expectations from the M&A transaction.

Prepare and send an IP due diligence checklist. Checklist must contain the desired outcomes of the buyer / acquirer and the lawful procedure.

Identify and separate the IP assets of the target relevant for the transaction– at the outset, segregate IP rights or protectable intangible assets relevant for the transaction from those which are not so. The IP due diligence should highlight the importance of connecting such additional IP rights with the main IP rights for the transaction, this will ensure that the focus of due diligence for the transaction is clearly set.

Commission a thorough search of the ownership of the IP, gather information on other IP rights which may affect the use or sale of these rights in the future. Analyze if there is any litigation or infringement involved.

Analyse protected and protectable IP rights – Status check, validity check, ownership check, claim check and conflict check should be conducted, in the manners specified above.

Further, it is the duty of the due diligence team to verify facts and confirm information received from the target, if and when any discrepancy is found, going back to the target with the further set of issues and questions must not be avoided at any cost.

Provide a final diligence report on risks involved along with the strategies to mitigate the risks and liabilities involved.

Document, execute and record the IP agreements.

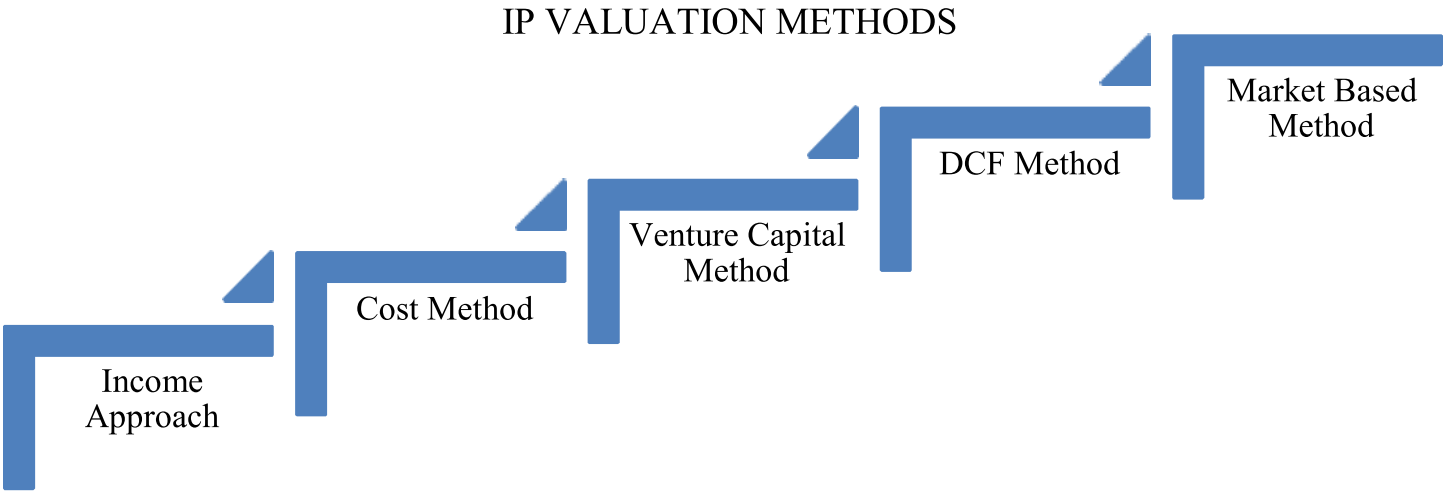
VALUATION OF INTELLECTUAL PROPERTY IN M&A DEAL

Often, the primary reason for considering an M & A transaction is the value of the IP assets of the target company. In such a case, one should consider whether the stand-alone purchase or licensing-in of the relevant IP assets would suffice. If not, then only one should proceed to consider an M & A transaction. In both cases, IP valuation is crucial to making an informed decision. Valuation of the IP assets of the target company often identifies additional value that significantly enhances the final sale or purchase price. Doing so also ensures that deals are priced and structured by keeping IP risks and value realization opportunities in mind. Further, IP valuation enables the parties to take an informed decision on the acceptable cost of capital or deciding on financial leverage strategy to be followed. Understanding fully the strategic fit and value extraction opportunities of the target's core and non-core IP assets facilitates post-deal IP integration and maximization of the returns from the acquisition. It also influences positively the resulting company's value and share price.

The valuation of the IP asset in determining the monetary value of the asset. There are various factors that should be taken care of while evaluating a property of IP assets such as standard of value, the purpose of valuation, the method of valuation and also the nature/strength of IP asset.

In order to utilize the IP asset to its full extent, value determination of an asset is the first and foremost thing that should be undertaken. It helps to speculate the profits which can be earned if the asset is acquired.

Valuing IP assets for a divesture, merger or acquisition is a totally different process from valuing a business or business unit's value. Valuation is computed in a totally different and unique manner, and there are numerous variables that both the seller and buyer need to be aware of.



CONCLUSION

No matter what the composition of the IP portfolio or no matter what the type of transaction conducting due diligence enables to identify as well as mitigate the risks involved or managed so that expectations and objectives can be met. A well-timed and properly conducted due diligence investigation and a best suitable valuation method can benefit both the parties involved and may lead to long-term relationships and business collaborations.

CROSS BORDER MERGERS AND ACQUISITIONS (M & A) AND FAST TRACK MERGER

- *A step towards Global Corporate Expansion*

CS LALIT RAJPUT, ACS
lalitrajput537@gmail.com

The Concept of Cross border Mergers and Acquisitions (M & A) includes the process where an entity / company established in one country can be acquired by any entity established in other countries. The legal form of local company can be private, public, or state-owned company. This will result in the transfer of control and authority in operating the merged or acquired company.

The term "Cross Border Merger" has nowhere defined under the Company Law (neither in Companies Act, 2013 nor in Companies Act, 1956). However, the concept of the Cross Border Merger comes from the **Section 234 of Companies Act, 2013** *notified on 13th April, 2017* which deals with **Merger or Amalgamation of Company with Foreign Company** and it gives clarity on the merger or amalgamation of the Companies registered under Companies Act, 2013 and companies incorporated in the jurisdiction of such countries as may be notified from time to time by Central Government.

FEW KEY MERGERS AND ACQUISITIONS IN INDIA

Merger		Acquisitions	
Company 1	***Company 2***	***Company Acquires***	***Company Acquired***
Indus Towers	BhartiInfratel	Zomato	Uber Eats
Indiabulls Housing Finance Limited (IBHFL) and Indiabulls Commercial Credit Limited (ICCL)	Lakshmi Vilas Bank Limited (LVB)	Ebix	Yatra
Capital First	IDFC Bank	Advent International	Enamor
Vodafone India	Idea Cellular	Accenture	Droga5
Flipkart	E-bay India	Reliance Brands	Hamleys Global Holdings (HGHL)

UNDERSTANDING OF KEY TERMS:

Merger,is a process of Fusion of Two Companies into one new legal entity on voluntary basis to gain share value in the market, reduction in business operations costs, expand to new business verticals and territories, unite common products, grow revenues at a good pace, and overall increase profits—all of which should benefit the Stakeholders. Merger is an arrangement / agreement between two or more existing companies, in order to pursue its expansion plan so as to enhance its existing business, or to enter into new business segment, a new opportunity for branding its goodwill.

An '**acquisition**' or 'takeover' is the purchase by one person, of controlling interest in the share capital, or all or substantially all of the assets and/or liabilities, of the target. A takeover may be friendly or hostile, and may be effected through agreements between the offeror and the majority shareholders, purchase of shares from the open market, or by making an offer for acquisition of the target's shares to the entire body of shareholders.

KEY STEPS INVOLVED IN M&A DEAL PROCESS:

1. **Develop and Frame a Merger / Acquisition strategy** with a clear vision of expectation to gain from making the acquisition, business purpose is for acquiring the target company and interest of the Stakeholders.

*The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI.

2. **Determining the Search criteria** like profit margins, geographic location, for identifying potential target companies.

3. **Search and Locate** potential Merger / Acquisition targets and evaluate them.

4. **Merger /acquisition planning:** The acquirer makes contact with one or more companies that meet its search criteria and appear to offer good value.

5. **Valuation analysis** after initial contact on the basis of substantial information (current financials, etc.).

6. **Negotiations** – Post valuation of the target company, the acquirer should have sufficient information to enable it to construct a reasonable offer. Once the initial offer has been presented, the two companies can negotiate terms in more detail.

7. **Due Diligence** post acceptance of offer which aims to check / confirm, the assessment of the value of the target company by conducting a detailed examination and record analysis.

8. **Sale – Purchase & Contracts**: Post successful due diligence, mutually consented on the Due Diligence Report the next step forward is executing a final contract for sale / purchase of an asset / shares.

9. **Financing strategy:** The details of financing typically come together after the purchase and sale agreement has been signed.

10. **Closing and integration of the acquisition**: The acquisition deal closes, and management teams of the target and acquirer work together on the process of merging the two firms.

One of the key steps in Cross Border M & A Process is properly structuring the deal. Various factors are required to be considered which includes, Various Laws and Regulations, Securities Laws, Taxations, Economic Laws, Accounting aspects, Market scenario, Financing source, negotiations etc. It is very complicated and required more attention and efforts to frame a structure.

KEY BENEFITS OF CROSS BORDER MERGERS & ACQUISITIONS

- Economies of scale – bigger firms more efficient
- Struggling firms can benefit from new management.
- Globalization: Geographic and industrial diversification
- Transfer of latest Technology
- Avoiding entry barriers & Industry consolidation
- Tax planning and benefits
- Foreign exchange earnings & Accelerating growth
- Utilization of material and labour at lower costs
- Increased customers base & Competitive advantage
- Increase in Stakeholders interest.
- Create new employment opportunities.
- A merger enables the firm to be more profitable and have greater funds for research and development.

LAWS GOVERN CROSS BORDER MERGERS IN INDIA:

Companies Act, 2013 and rules thereunder	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011	Foreign Exchange Management (Cross Border Merger) Regulations, 2018
Competition Act, 2002	Insolvency and Bankruptcy Code, 2016	Income Tax Act, 1961
The Department of Industrial Policy and Promotion (DIPP)	Transfer of Property Act, 1882	Indian Stamp Act, 1899
Foreign Exchange Management Act, 1999 (FEMA)	IFRS 3 Business Combinations	

VARIOUS TYPES OF MERGER AND ACQUISITION STRUCTURE:

Asset Sale	sale of assets when a buyer purchases the assets of the company, where the individual value of assets is assigned to each asset.
Slump Sale	transfer of the whole business on 'Going Concern Basis' i.e the operation of entity will continue only the entity assets will be liquidated.
Share Sale	acquisition of shares is the most common method of acquiring a company which refers to a complete underlying of assets and liabilities.
Amalgamation	A process where the assets of the two companies are vested in one company and also known as the combination of one or more companies as one entity.
Demerger	A court driven process where a large company breaks into one or more entity and form a new one.

DIFFERENT TYPES OF MERGERS;

Sl No.	Types of mergers	Particulars	Examples
1	Horizontal mergers	Process two firms operating in same industry combining together to get benefit from economies of scale, reduce competition, achieve monopoly status and control the market.	In BPO sector, acquisition of Daksh by IBM, Spectramind by Wipro etc.
2	Vertical merger	Acquisition by an entity to another entity which produces raw materials used by it. Acquision of a firm by another firm which would help it get closer to the customer.	i. a car manufacturer acquires a steel company. ii. an FMCG company acquiring an advertising company

Sl No.	Types of mergers	Particulars	Examples
3	Conglom-erate merger	Combination of two firms operating in industries unrelated to each other to achieve big size.	steel manufacturer acquiring a software company
4	Concentric merger	combination of two or more firms which are related to each other in terms of customer groups, functions	combination of a computer system manufacturer with a UPS manufacturer.
5	Forward merger	the target merges into the buyer.	ICICI Bank (acquirer) acquired Bank of Madura (target)
6	Reverse merger	the buyer merges into the target and the shareholders of the buyer get stock in the target.	ICICI merged with its arm ICICI Bank in 2002.
7	Subsidiary merger	the buyer sets up an acquisition subsidiary which merges into the target. It is a combination of two companies into a single larger company	Banks / steel sectors' entities.

FAST TRACK MERGER IN INDIA

With an aim to provide simplified merger process, Ministry of Corporate Affairs (MCA) has introduced Section 233 (applicable w.e.f. 15.12.2016) under the Companies Act, 2013 with a concept "Fast Track Merger".

COMPANIES BETWEEN WHICH FAST TRACK MERGER SCHEME CAN BE ENTERED

i. Holding Company and its wholly owned subsidiary company

ii. Merger between two or more small companies (defined u/s 2(85) of CA, 2013)

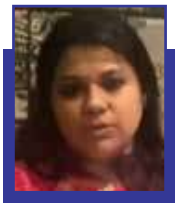
iii. Such other class or classes of companies as may be prescribed under Companies (Compromises, Arrangements and Amalgamation) Rules 2016

CALENDAR OF EVENTS UNDER FAST TRACK MERGER

Steps	Compliance particulars	By whom (transferor / transferee)
1	Check whether the Transferor and Transferee company authorized to initiate merger process as per their Articles of Association / Memorandum of Association	Transferor and Transferee both
2	Drafting of scheme of Merger and other drafts	Both
3	Convene a meeting of the Board of the Companies	Both
4	Both the transferor and transferee companies shall Conduct their respective Board Meeting 1. To Consider Scheme of Merger. 2. To authorize officer of the Companyfor merger process.	Both

Steps	Compliance particulars	By whom (transferor / transferee)
5	Filing of Notice ofProposed Schemealong with copy of Scheme (Form CAA-9)	Both
6	Filing of declaration of solvency in Form CAA - 10	Both
7	Schedule to Convene the GeneralMeeting and Creditors Meeting where the scheme should be approved by members and creditors or class of creditors present in the meeting,	Both
8	Dispatch the Notice of members and creditors meeting (at least 21 clear days before the meeting) Notice shall be accompanied with 1. Scheme of merger 2. Declaration of solvency. 3. Explanatory Statement as per Rule 6 (3) of The Companies (Compromises, Arrangements and Amalgamations) rules, 2016	Both
9	Convene the General Meeting and Creditors Meeting to; Get the scheme of merger approved by the members and creditors. Consider the suggestions received by ROC, OL, if any	Both
10	file copy of scheme so approved by members and creditors along with report of results of each meeting in Form CAA - 11 with; 1. Regional Director 2. Official Liquidator	Transferee Company
11	Regional Director shall issue a confirmation order in FORM CAA 12 for approval of the scheme, if no objections from Registrar or Official Liquidator received)	Issue of Order byRD
12	Filing of Order with ROC E Form INC-28 has to be filed within 30 of receipt of the order of confirmation	Both

MERGER & ACQUISITIONS (M&A) – ASSIMILATION OF GROWTH, COMPETENCE &TECHNOLOGY



CS SHWETA JAIN, ACS
shweta.jain2003@gmail.com

I. BRIEF NARRATION & AIM OF (M&A) --

In layman's wordings, Mergers and Acquisitions (M&A) can be defined as conglomeration of companies coming together with more growth & expansion perspective. However, M&A are two dispersed terms but the primary objective is similar. **Merger** is the combination of two companies to form one, whereas the **Acquisition** is one company taken over by the other. The importance of concept of M&A can be understood by the fact that M&A constitutes as the live wire of corporate finance world.

When a Corporate vision is for **wealth maximisation**, **enhanced profitability**, **expanded broad-base** and **powerful manifestation**, M&A takes place. The principle of M&A is based on the principle of 1+1+=11 i.e. resources, vision, goals and strength clubbed together of two company mode of organisations resultant into widely present, wealthier, profitable, stable and successful company with strong relatable values and effective as well as transparent management.

II. PRINCIPLE OF 1+1=11

To depict this 1+1=11 principle, we may find following possible reasons for M&A in the corporate world:

1. Syndication of funds on lower capital cost
2. Enhancement in market share resulting into broader market accessibility
3. Strategic reinforcement
4. Embracing technological advancement
5. Dilution of risk factor associated
6. Speedy & stable company growth
7. Powerful Progress in Performance (PPP)
8. Last but not least, Tax considerations, etc.

III. CENTRAL PILLARS & CATEGORIZATION

Broadly, **Mergers & Acquisitions is based on two pillars i.e. Absorption and Consolidation. Absorption** is sucking up of one business entity by another mightier business entity and **Consolidation** is amalgamation of two or more entities to form one new entity.

Mergers can be classified based on **different perspectives**-

A. **Economic perspective**–

Various business combinations, if belong to same industry or not and if **Horizontal** when two entities are from same industry or **Vertically** when in the same entity but at different production stages or value chain;

and

Conglomeration i.e. when there are unrelated industries.

B. **Legal perspective-**

Diagnosing and working on different structures or arrangements i.e.**Short Form Merger, Statutory Merger, Subsidiary Merger & Equal Merger**.

IV. ALTERNATIVE ARRANGEMENTS

Further Merger can take place through following arrangements, too-

*The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI.

- By way of purchasing assets
- By way of purchasing common shares
- By way of exchange of shares for assets
- By way of exchanging shares for shares, etc.

V. TRANSITIONAL PHASES INVOLVED IN THE PROCESS OF M&A-

Phase 1: Pre-acquisition analysis & appraisal: It would involve self-assessment of the Acquiring Company (AC) in context to necessity, capability, the valuation factor & ultimate target to be achieved through M&A.

Phase 2: **Scanning the takeover candidate:** Here at this stage, the search for the appropriate & possible aspirant is made. Such an entrant fit for the acquiring company, is scanned and examined keeping in view the legal, financial & strategic perspectives.

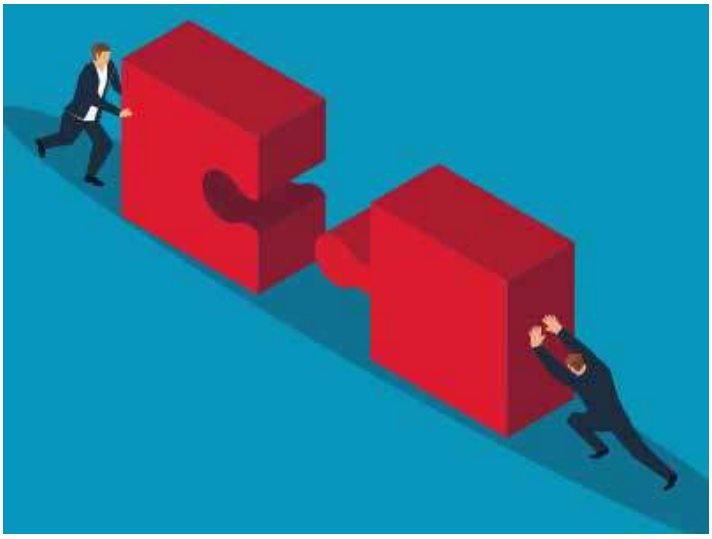
Phase 3: **Examination and valuation of the target company:** Once the appropriate company is selected by process of primary screening, it becomes inevitable to analyse in detail the financial & managerial health of the target company. Corporate Law has prescribed a tool known as **Due Diligence** for this detailed analysis.

Phase 4: Negotiation Process: After selecting and getting contended with Due Diligence report of target Company, the next step is to start negotiations as a process of mutual consent to carry on M&A in future. This helps in smooth & cordial M&A process.

Phase 5: Post merger Amalgamation: Where in case all the above said steps take place with right intention & flow, the formal announcement of the agreement of merger by both the participating companies is made. This is unification of entities and public at large look forward towards fruitful results in the times to come.

VI. FACTORS RESPONSIBLE FOR BREAKDOWN OF M&A-

While passing through the above-mentioned phases, it is mandatory to consider certain issues closely or in other words, there may be factors responsible for breakdown or disappointment of M&A-



- **Inappropriate target company selection**- The wide difference in goals, managerial policies, strategies may lead to failure because achieving consensus becomes hard task.
- **Incompetent Due Diligence-** In case where detailed analysis of financial, managerial & strategic health of the target company is not done in a proper way, the result causes disappointment & controversial go-ahead of M&A.
- **Exaggerated expectation-** Over and above expectation, from the target company, far away from the reality proves to be a major set back & failure to M&A. The actuality should be acceptable and free from bias.

*We may consider here an **example** of **IBM & SUN** Microsystems where the overly expectation of price & other terms proved to a collapse of M&A*

CONCLUSION

M&A's are the live wire of corporate finance world. The **sharing of goals, strategies for creating huge success stories** remain in the basic of any Merger & Acquisition. Thus, it is rightly said to be a conglomeration of objectives, plans, policies, union of growth & innovation prospects & most of all the better and well-equipped Corporate Governance remain in the core of a successful M&A.

The success story of M&A begins from appropriate participating companies complimentary & fit for each other.

I connect M&A with CSR too, on virtual grounds, as the principle of 1+1=11 always proved to be beneficial for all, the business entities i.e. Participating Companies, Industry, Society and Nation at large. We can witness so many M&A's corroborated a milestone in the history of corporate world and icing cake for stakeholders.

Disclaimer: This article is purely based on my understanding on prevalent provisions on Merger & Acquisition, I have tried to summarised the whole concept as well the process/phases/stages of M&A within limited words.

THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

NORTHERN INDIA REGIONAL COUNCIL

INITIATIVES OF CHAPTERS

AGRA

"Agra Chapter motivated the members to enrol for CSBF as the said scheme is so important for the family members of the professional. The chapter also interacted with the office in charges of the schools and colleges to motivate their students to join CS course. Agra Chapter is regularly doing personal Interaction with it's members to know their health and try to sought out their problems occur due to lockdown. Agra Chapter also organized two Webinars on Theme "Proposed Amendments Under Companies Act, 2013 & PAS - 6" on 8th August 2020 and "ENVIRONMENTAL LAWS & LABOUR LAWS" on 22nd August 2020 and one online student study circle meeting on topic "ROLE OF COMPANY SECRETARIES IN LISTED COMPANY" on 25th August 2020 and took all necessary measures as per issued guidelines on daily basis. Further Agra Chapter contacted universities under Agra Jurisdiction for Academic Collaborations of ICSI.

AJMER

"Ajmer Chapter conducted webinar for Students only on the theme ""SARFAESI Act 2002"" on 01st Agug 2020. The Guest speaker was CS Rahul Sharma, Past Chairman- Jaipur Chapter

Ajmer Chapter conducted a webinar for members only on the theme ""3 Years of GST journey so far and the way forward"" on 13th Aug 2020. The Chief Guest was CS Ashish Garg, President- ICSI and the Guest of Honour was Shri G.S. Meena, Special Commissioner GST (Appeals- State Tax Ajmer). The Guest Speaker was CA Akshay Kumar Jain. The special guest were CS Praveen Soni, Central Council Member-ICSI; CS Vimal Gupta, Vice Chairman, NIRC of ICSI and CS Rahul Sharma, Past Chairman, Jaipur Chapter.

Ajmer Chapter celebrated Independence Day on 15th Aug. 2020. National Flag was hoisted by CS Arti Goyal- Chairperson, Ajmer Chapter. Managing Committee Members and staff were also present.

Ajmer Chapter office Shifted to new location on 16th Aug. 2020. New address is:

Ajmer Chapter of NIRC-ICSI 1936, Inder Villa, New Kayasth Colony Laxmi Nayan Lane, Lohagal Road, Ajmer-305 001 (Rajasthan)"

ALWAR

"Alwar Chapter organised Online Quiz Contest for CS students on 03rd July 2020. Alwar Chapter also organised Special online revision classes conducted for CS Foundation students on 16th July 2020, Press Release - Merging Company Secretaries June 2020 Session Examination with December 2020 Session on 18th July 2020, Samadhan Divas - various queries of students and Members were resolved through online as well as offline mode on 20th July 2020, Kargil Victory Day- Essay writing competition on ""Role of auditing in context of armed forces"" on 26th July 2020, Online Faculty Induction Programme on 27th July 2020, PPT Competition on "" Challenges faced by CS during Corona virus and lockdown period"" on 28th July 2020."

AMRITSAR

Amritsar Chapter is calling to members to pay their annual membership fee with in time period.

BAREILLY

"Bareilly Chapter organised 5th Webinar during 2020 on 17th July 2020 on the theme - ""Opportunities of CS in Capital Markets"". The program was graced by the presence of President ICSI, CS Ashish Garg. In his address note he motivated to the members to work for the development of the Institute other members and students. The Guest Speaker to the webinar was CA Vipul Khandelwal.

During the Student Month Bareilly Chapter organised Samadhan Diwas on 19th July 2020 for resolving queries of students. On 25th July 2020, an online session on ""How to appear in Interview"" was organised for students. The Guest Speaker to the session was CS Tasneem Shariff. On 26th July 2020 Kargil Victory Day was celebrated. On this occasion, an Essay Writing Competition was organised for students on the topic "Role of Auditing in Context of Armed Forces".

Bareilly Chapter organised 6th Webinar during 2020 on 6th August 2020 on the theme - ""Practical Aspects of NGOs (Sec 8 Cos./Societies/ Trusts)"". The Guest Speaker to the webinar was CS Shivam Rastogi. The program was graced by the presence of CS Hitender Mehta, Central Council Member and CS Suresh Pandey, Chairman NIRC-ICSI. The 7th Webinar during 2020 was organised by Bareilly Chapter on 22nd August 2020 on the theme - ""Practical Aspects of NIDHI Companies"". The Guest Speaker to the webinar was CS Pawan G. Chandak, Vice-Chairman WIRC-ICSI. The program was graced by the presence of CS Suresh Pandey, Chairman NIRC-ICSI and CS Susshil Daga, Secretary NIRC-ICSI.

On 15th August 2020 Independence Day was celebrated by the members and students of Bareilly Chapter through video conferencing by singing National Anthem. During the event CS Ranjeet Pandey, Immediate Past President ICSI, CS Manish Gupta, Central Council Member ICSI, CS Vimal Daga, Vice-Chairman NIRC-ICSI addressed the members and students and motivated them to work for the Nation with enthusiasm. CS Mohd Waseem Khan, Chairman Bareilly Chapter, CS Nidhi Agarwal, Immediate Past Chairperson Bareilly Chapter alongwith CS Manoj Kumar Agarwal, Past Chairman, Bareilly Chapter also addressed the members and students. The students also gave their performances during the event in the presence of dignitories.

Chairman, Bareilly Chapter CS Mohd Waseem Khan along with CS Ankit Agarwal, Past Chairman Bareilly Chapter met Sh. Rishi Ranjan Goel (Joint Commissioner Industries, Bareilly) and apprised him of the initiatives being taken by the Institute for development of MSMEs. Chairman, Bareilly Chapter CS Mohd Waseem Khan took initiative for Academic Collaboration with Universities and Colleges with ICSI and virtually apprised the officials of Universities and Colleges under the jurisdiction.

BHILWARA

1. Bhilwara Chapter conducted a webinar on the topic "Analysis of Critical Amendment Under companies Act, 2013" on 11th August, 2020. The chief guest of the webinar was CS Ashish Garg, President, ICSI and the Eminent Speaker was CS Ranjeet Pandey, Immediate Past President of ICSI.
2. The Chapter is providing all necessary information to the students and the Members on regular basis.
3. Bhilwara Chapter is regularly sending information about CSEET to many schools/colleges and organizing Career Awareness Progaramme through online mode for making students aware about the CSEET.
4. Chapter Managing Committee has visited University under their jurisdiction for Academic Collaboration.

CHANDIGARH

"Chandigarh Chapter organised a Webinar on "Independent Directors – a broader perspective" on 8th August,2020 .

DEHRADUN

Dehradun Chapter organised Zero Grievance Day on 22nd July 2020 through Online mode. The Chapter also organised 02 Days Crash course on 23 & 24th July, 2020 through Online mode.

FARIDABAD

"Faridabad Chapter started CSEET Batch for 29th August, 2020 Exam to 31st July 2020 Trial and Final on 01st August 2020 onwards. Faridabad Chapter organised 74th Independence Day Celebration and Felicitation to Studnets , winners of student month program held during the month of July,2020 on 15th Aug,2020.

The Chapter also organised Members Program Held on 14.08.2020 on the Topic ""Professional Opportunities and way forward under MSME""; Online QUIZ CONTEST on Friday,3rd July, 2020 on the Topic " Company Law"; ONLINE CLASSES for CS Executive Students , Dec, 2020 Session wef 08.07.2020; Online Session for CS Students on "" LIFE SKILLS"" on 9th July,2020; Webinar on ""Data Privacy Law –Opportunity for Company Secretaries"" on Saturday , 11th July, 2020; Faculty Induction Program on Monday, 13th July,2020, CRASH COURSE on GST wef 15th to 17th July,2020 for Students; ""ZERO GRIEVANCE DAY"" on Sunday, 19th July, 2020; Online Career Awareness at DAV Public School , Ballabhgarh; Online Session on ""How to Appear in Interview"" on 25th July, 2020; Organised Essay Writing Competition ""KARGIL VICTORY DIWAS"" on Topic TOPIC: "ROLE OF AUDITING IN CONTEXT OF ARMED FORCES" Sunday, 26th July, 2020; Submission of videobytes of CS All India Rank Holder of FBD Oral Coaching classes of Dec. 2019 Session on 29th July,2020; Organised POWER POINT COMPETITION , Topic : "Challenges faced by Company Secretaries during Coronavirus and Lockdown period" on 28th July,2020; Organised online WEBCAST on Topic : Joint Venture, Consignment and Bank Reconciliation on Friday, 31st July, 2020; Online Coaching Classes for CSEET Students."

GHAZIABAD

"Ghaziabad Chapter of NIRC of ICSI celebrated 74th Independence Day on 15th August, 2020 at the Chapter office premises and CS Arjunn Kumar Tyagi, Chairman, Ghaziabad Chapter hoisted the National Flag on this occasion.

Ghaziabad Chapter conducted webinar on "Benami Transactions" on August 17, 2020. CS Ashish Garg, President, The ICSI was the Chief Guest and CS Vineet Chaudhary, Central Council Member, The ICSI was the Guest of the Honour of the Webinar. CA Nitin Kanwar, Member, NIRC of ICAI was the Eminent Speaker.

Ghaziabad Chapter organized nearly all the activities during Student Month and students participated in large numbers. The Chapter has invited Articles and Write-ups for our Chapters monthly e-Newsletter.

Ghaziabad Chapter is running successfully our OT Classes by Online Mode and also encouraging it's members to take CSBF Membership of our Institute.

GORAKHPUR

"Gorakhpur Chapter celebrated it's 1st Foundation Day on 08th August 2020. On this occasion, a webinar was organised on ""Opportunities for Company Secretaries in Employment. The Chief Guest of the webinar was Shri Shiv Pratap Shukla, Hon'ble Member of Parliament, Rajyasabha and the Guest of Honour was CS Ashish Garg, President, ICSI. The Special Guests were CS Nagendra D. Rao, Vice President, ICSI; CS Ranjit Pandey, Immediate Past President & Central Council Member, ICSI and CS Suresh Pandey, Chairman, NIRC - ICSI. The Keynote Speaker of the Programme was CS Dev Bajpai, Executive Director, Hindustan Unilever Limited.

Gorakhpur Chapter celebrated 74th Independence Day on 15th August 2020 and hoisted the National Flag in the Chapter Premises. On this occasion, the chapter organised a Webinar on the topic ""Company Secretaries' skills of resilience vis-a-vis NGOs"". The Chief Guest of the programme was Shri Jayant Narlikar (IAS), Commissioner, Gorakhpur and the Guest of Honour was CS Manish Gupta, Central Council Member, ICSI. The Keynote Speaker was CS Shivam Rastogi, Past Chairman, Noida Chapter of NIRC of ICSI.

CS Ragini Gupta, Chairperson met Shri Jayant Narlikar, Commissioner, Gorakhpur and discussed about the Career Awareness Programmes in various schools at Gorakhpur city and nearby areas. She honoured Shri Jayant Narlikar with Shahid ki Beti Certificate and Angvastram.

CS Ragini Gupta, Chairperson, Gorakhpur Chapter has been honoured with Leadership Icon Award in the category of Outstanding Young Women Economist & Entrepreneur in North India by Brand Opus.

GURUGRAM

Gurugram Chapter organised Webinar on Handling of Compliant under POSH on 04th July 2020; Webinar on Compliance under Trade License & FSSAI: Role of CS on 10th July 2020; Webinar on Effective Strategies for Investment Planning on 17th July 2020; Webinar on Effective Strategies for Investment Planning & Investment with Discussion about Cash Equity, Nifty Index, Futures & Options on 24th July 2020; Webinar on Compliance Under Cyber Laws – Role of CS on 29th July 2020; Webinar on Refund Under GST – Procedures and Facts on 01st August 2020; Webinar on E-Form PAS-6 and its applicability on 07th August 2020; Webinar on Holding AGM through Video Conferencing by Listed Companies on 15th August 2020. Gurugram Chapter celebrated Independence Day on 15th August 2020. Gurugram Chapter also organised many student activities e.g. Online Company Law Quiz Competiton on 03rd July 2020; Online Session on Life Skills on 09th July 2020; Online Faculty Induction Program on 14th July 2020; Samadhan Diwas on 19th July 2020; Career Awareness Program on 23rd July 2020; Career Awareness Program on 24th July 2020; Online Session on How to Appear in Interview on 26th July 2020; Online Essay Writing Competition on 26th July 2020; Online Power Point Competition on 28th July 2020 and Career Awareness Program on 01st Aug. 2020

JAIPUR

Jaipur Chapter has scheduled four webinars in the month of Aug, 2020 and also going to publish August 2020 issue of "Jaipur Chapter's E-Newsletter".

JALANDHAR

Jalandhar Chapter is taking initiatives to sign the MOU with two universities under academic collaboration.

Jalandhar chapter is calling every member under its jurisdiction to aware them in making online annual membership fee timely and without any difficulties.

JAMMU

Jammu Chapter has signed MOU with the IIM, Jammu which includes Management Development Programme/ Specialised Training Programmes, Faculty Development Programmes, Workshop/ Seminar and Conference, Exchange of academic knowledge, Exchange of Faculty Members as may be mutually agreed subject to convenience of the parties hereto, Undertake joint research projects which are mutually beneficial, Extend help and Co-operation in developing Curriculum of Academic and Continuing Education Programmes, on such terms as may be mutually agreed to including Joint Meeting of Curriculum Development Committees/bodies.

JODHPUR

Jodhpur Chapter organised Webinar on "An Insight into compliance of Nidhi Companies" by CS Rahul Sharma (Speaker). The Chapter also celebrated 74th Independence Day. Jodhpur Chapter also organised Tree Plantation at the Chapter.

KANPUR

Kanpur Chapter successfully conducted a Webinar on the Topic - Role of Professionals in Nation Building' on Saturday, 15th August,2020. CS Manjeet Singh, FCS, Jhansi was the Chief Guest for the Webinar, CS Deepak Jain , Motivational Speaker, told how to contribute in nation building. Adv Yatindra Shukla, Prof. DAV Law College, Kanpur was also key note speaker. Webinar dated 17/08/2020.

Kanpur Chapter successfully conducted a Webinar on the Topic – NCLT- Appearance and Etiquette' on Monday, 17th August,2020. CS Pramod Kumar Rai, Ex- IRS and Ex Senior standing council , High court, Delhi was the Chief Guest for the Webinar. CS Nisar Ahmed, Past President of ICSI was key note speaker on the day and explained in detail about the topic. CS Arvind Kumar Bhargava, Company Secretary, Lohia Corp Ltd. as special invitee also addressed the webinar.

KARNAL

"Flag hosting at Karnal Chapter Premises on 15th August, 2020. Guest of Honour CS Suryakant Gupta.

Karnal Chapter organised Webinar on 17th Aug. 2020 on the topic ""Compliance under FSSAI and scope of CS therein"". The Keynote Speaker was FCS Arun Gupta and Chief Guest was Sh. Sanjiv Gupta ji, (Dy. Commissioner FSSAI, Jammu).

Karnal Chapter organised Webinar on 31st Aug. 2020 on the topic "Role of CS in Policy on prevention of Sexual Harrasment". The Keynote Speaker was CS Meghna Saini and the Chief Guest was Ms. Luxmi Devi (DSP), Haryana police Academy, Madhuban, Karnal.

KOTA

Kota Chapter have taken initiatives to sign MOU with universities for academic collaboration. Kota Chapter celebrated 74th Independence day 2020 at its chapter premises.

The Chapter is encouraging its members by calling for submisssion of annual membership fees online before the last date.

Kota Chapter is also planning for conducting live webinars for the Members of Kota.

MEERUT

Meerut Chapter organised 'Samadhan Diwas"- Zero Grievance Day on 19th July 2020; Online Session on "Kargil Victory Day" & "Role of Auditing in context of Armed Forces" on 27th July 2020; Essay writing competition on the Topic "Role of auditing in context of armed forces" on 27th July 2020; Online Quiz contests for Students on the topic "Corporate Laws" on 28th July 2020; World Conservation Day (Plantation Drive) on 28th July 2020 and Webcast for students on "Income Tax TDS Returns" on 30th July 2020.

MODINAGAR

Modinagar Chapter has conducted one (online mode) study circle meeting for the members during the month of July - 2020 on 25th July 2020.

NOIDA

Noida Chapter organised Sixteen Webinars so far with maximum participation from Members, including Webinars having Past Presidents of ICSI – CS Preeti Malhotra as Chief Guest & CS U.K. Chaudhary as Keynote Speaker. Further a Webinar was having One IAS (CS Sonal Goel) and Two IPS Officers (CS Radha Kishan Sharma & CS Indira Kalyan Elesela) and One Retired IFS Officer (CS Gauri Shankar Gupta) as speakers.

Noida Chapter conducted An Essay and a PPT competition Online in the Student Month, July 2020.

An Online session on "How to Appear in an Interview" was also conducted. Flag Hoisting Ceremony was organised at Noida Chapter Office following Govt. advisory regarding this.

PANIPAT

10th August, 2020: Student Conference of Panipat Chapter: "Scope for CS in Practice and Employment and Opportunities in CS Course CS Manoj Yadav, Chairman of Kanpur Chapter of NIRC-ICSI; CS Atul Kumar Rawat, Vice-chairman of Lucknow Chapter of NIRC-ICSI, CS Sumit Grover, Chairman of Panipat Chapter of NIRC-ICSI with Mr. Sunil Jain, Motivational speaker and CS Paramjeet Singh, Entrepreneur 15th August, 2020: Webinar for members: Topic:

Update & Upgrade: Atmanirbhar Professionals

Chief Guest: Ms. Avneet Kaur, Mayor – Nagar Nigam, Panipat City, Guest of Honour: CS Ravinder ji (IAS), Joint Secretary DIPP, Government of India, New Delhi, Renowned Speaker: CS Deepak Khaitan, Central Council Member ICSI, Special Guest: CS Susshil Daga, Secretary, NIRC ICSI Special Guest: CS Hardeep Singh Nijher, Chairman, Ludhiana Chapter Academic Collaborations of ICSI with Universities & Academic Institutions Talk with

1. VC of Om Sterling University of Hisar
2. Guru Jambeshwar University of Science and Technology, Hisar, in reference to this subject is about to finalise Empanelment with LHDM & Dr. Prem Multi Specility Hospital, Pvt. Ltd, Panipat in the Panel of Hospitals Proposal approved with LHDM & Dr. Prem Multi Specility Hospital Pvt. Ltd. as agreed the 20% discount will be applicable the medical facilities indoor and outdoor to ICSI employees, retired employees, ICSI Members, Students and their dependents after approval with NIRC - ICSI

PATIALA

Patiala Chapter organised Online Session on ""Life Skills"" (Faculty: CS Anupam Jaiswal) on 9th July 2020; Webinar for Study Circle Meeting, Topic: New Opportunities for Company Secretaries - Banking and Allied Sectors (Speaker: CS Shikhar Goel) on 13th July 2020; ""Samadhan Diwas"" - Zero Grievance Day"" on 19th July 2020; Revision Classes (Faculty: CS Khaminder Sharma & CS Kamini Gupta) from 20th July to 23rd July 2020; 1st year Celebration of Patiala Chapter Of NIRC-ICSI, Topic: IT Laws, Cyber Compliance and Cyber Security (Speaker: Anuj Agarwal) on 22nd July 2020; Kargil Victory Day - Essay writing competition on 26th July 2020; ""How to appear in Interview"" (Faculty: CS Prateek Bhansali) on 27th July 2020; Power Point Competition - (Topic: Challenges faced by Company Secretaries during Coronavirus and lockdown period) on 28th July 2020. Patiala Chapter Of NIRC-ICSI talked about MoU agreement with Patiala University in August 2020.

PRAYAGRAJ

Prayagraj Chapter organized 09 Caps including 2 out of station Caps for Bhadohi and Pratapgarh through Virtual Platform. Organised 01 Webinar on 13th Aug. 2020 on Topic "Real Estate Regulation & Development Act 2016-Role of Professionals",wherein Past President ICSI Mamta Binani graced the event as Guest of Honour along with the Chairman Gurugram Chapter CS Nitin Grover,President Shri Vinay Kumar Tandon EUCCI as Guest of Honour along with CS Lavkush Yadav Chairman Prayagraj Chapter.Setting up of New ICSI Study Centre in mapped district under the Prayagraj Chapter is under discussion

SHIMLA

Shimla Chapter is in touch with many Universities/Colleges for Academic Collaborations. For this, Shimla Chapter is regularly following up with Universities/Colleges.

UDAIPUR

"Udaipur Chapter conducted a webinar on the topic ""Due Diligence Report-Co. Law Compliance Status to Banks"" on 26th August, 2020. The chief guest of the webinar was CS Ashish Garg, President, ICSI, Guest of Honour of the webinar was CS Nagendra D. Rao, Vice-President, ICSI, Special Guest of Webinar was CS Suresh Pandey, Chairman, NIRC of ICSI and the Eminent Speaker was CS Rahul Jain from New Delhi.

The Chapter is providing all necessary information to the students and the Members on regular basis.

Udaipur Chapter is regularly sending information about CSEET to many schools and colleges for making students aware about the CSEET.

Udaipur Chapter Managing Committee has visited University under their jurisdiction for Academic Collaboration."

VARANASI

"Varanasi Chapter organised Online Company Law Quiz on 14th July 2020; Faculty Induction Programme on 16th July 2020; Start of OTC Classes on 19th July 2020; Samadhan Divas on 19th July 2020; Essay Competition on 26th July 2020; Power Point Competition on 28th July 2020.

Varanasi Chapter also organised Webinar for Members on 29th July 2020 on the topic ""Reconciliation of Share Capital Audit – PAS 6"". The Speaker was CS Divesh Goyal.

The Chapter also organised Session on How To Appear for Interview on 30th July 2020 and Webcast on Role and opportunity for a Company Secretary on 31 July 2020.

THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

NORTHERN INDIA
REGIONAL COUNCIL

NIRC-ICSI is organizing

1st Online Management Skill Orientation Programme (MSOP)

(305th Batch)

from 07th September 2020 to 23rd September 2020

Eligibility criteria for admission in Online MSOP in webinar mode are as under:

The Candidates who have completed Company Secretaryship Final/ Professional Programme examination and completed all training requirements to become a member of the Institute (except 15 days Specialized Training).

Programme fee: Rs 3800/- (per participant) Duration : 15 days.

Key features

- **Real time online lectures**
- **Interaction with Faculty**
- **Use of latest teaching aids....presentations, mock sessions, case studies etc.**
- **Doubt clearing session at end of every lecture**
- **MSOP Group building and togetherness**
- **Dedicated support person for MSOP**

IMPORTANT INSTRUCTIONS:

- Admission for MSOP will be taken through stimulate portal - http://stimulate.icsi.edu/
- Student need to apply for MSOP from stimulate portal and submit the required fee through online.
- The duration of the MSOP shall be 15 days.
- In order to maintain the quality of the programme maximum batch of 50 students are allowed.
- The Link and programme schedule will be provided to the registered students.
- The link for login into the session will be provided one day before starting the training according to the Schedule.
- There shall be two Academic sessions every day. First Session: 11am to 1pm and second session 3 PM to 5 PM.
- It is mandatory for the participants to attend all the sessions of MSOP to get the completion certificate.
- Students are also required to submit a project report.
- The attendance of the students in both the sessions is must.
- The dress code for the program is as follows: For Male participants: Full sleeve white shirt + dark colour trouser + matching tie. For Female participants: Formal decent Indian Attire of sober colour or as prescribed for male participants.
- **For any assistance, guidance and clarification please call Mr. Manoj Juyal on Mobile No. 9540319647 or Ms. Richa Jain on Mobile No. 9599941632 or Call on 011-49343010/49343026 or email on richa.jain@icsi.edu or rajesh.gupta@icsi.edu**

With Best Regards

CS Suresh Pandey
Chairman, NIRC-ICSI

CS VIMAL GUPTA
Vice-Chairman
NIRC-ICSI

CS SUSSHIL DAGA
Secretary
NIRC-ICSI

CS DEVENDER SUHAG
Treasurer
NIRC-ICSI

CS HIMANSHU HARBOLA
Chairman, MSOP Committee
NIRC ICSI

THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

NORTHERN INDIA REGIONAL COUNCIL

ONLINE ORAL TUITION CLASSES (OTC)

CS EXECUTIVE PROGRAMME FOR DECEMBER, 2020 EXAMINATION

CLASSES COMMENCING FROM 26TH AUG. 2020

50 Lectures Per Subject

Dear Students

We are pleased to inform that the Northern India Regional Council of the Institute of Company Secretaries of India (NIRC-ICSI) is announcing its Online Oral Tuition Classes (OTC) for the student of CS Executive Programme for December, 2020 Examination w.e.f. 26th Aug, 2020.

The Tentative Schedule of Online OT Class of CS Executive Program is as under:

Module 1

Jurisprudence, Interpretation & General Laws
11:30AM to 01:30PM I MWF

Setting Up of Business Entities & Closure
02:00PM to 04:00PM I MWF

Company Law
08:00AM to 10:00AM I TTS

Tax Laws
10:30AM to 12:30PM I TTS

Module 2

Securities Laws & Capital Markets
04:00PM to 06:00PM I MWF

Economic, Business and Commercial Laws
06:00PM to 08:00PM I MWF

Corporate & Management Accounting
04:00PM to 06:00PM I TTS

Financial & Strategic Management
06:00PM to 08:00PM I TTS

Rs. 15000/- (for online classes) per student for CS Executive program both modules.

Rs. 8000/- (for online classes) per student for CS Executive program single module.

Rs. 2500/- (for online classes) per student for single subject of CS Executive program.

Incase of any difficulty or query, Please contact Mr. Vinay Baisoya on Mobile No. - 08375055357 or Email – vinay.baisoya@icsi.edu.

Regards,

CS Suresh Pandey
Chairman
NIRC-ICSI
chairman.nirc@icsi.edu

CS Susshil Daga
Chairman
Oral Tuition & Library Committee, NIRC-ICSI
secretary.nirc@icsi.edu

APPLICATION PROCESS

For Registration, Students are required to pay fees on Paytm Link given below and send payment confirmation to Mr. Vinay Baisoya, mentioning their contact details including Mobile Number.

Payment Link

https://m.p-y.tm/icsineww

For more details:
011 49343000

4, Prasad Nagar, Institutional Area, New Delhi - 110005

Visit us:
www.icsi.edu/niro/home

THE INSTITUTE OF Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

NORTHERN INDIA REGIONAL COUNCIL

Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

ATTENTION MEMBERS

NIRC of ICSI is pleased to share that the following hospitals have agreed to provide the Medical Facilities to ICSI Members & their dependents on concessional charges for OPD and IPD treatments.

Sr. No.	Name and Address of Hospital	Discount Allowed	Contact Person at Hospital (In case of any difficulty)	Online Consultation	Remarks
1.	**Fortis Healthcare Limited** (Offer applicable for all 26 hospitals for fortis group across India)	OPD Services -20% Online Consultation-20% IPD Services - 10%	**Mr. Tabish** Cell No. 9811735642	For video/ tele consultations and e-prescriptions, Members can register a request for Video consult at https://bit.ly/2DO9s7O Please use coupon code FORTISMA20 to avail discounts on My Fortis App or on fortis Portal for all OPD Consultations	Members are required to show their Identity Card issued by ICSI at billing counter/reception before registration and make request for discounted rates at registration counter. The Institute has moved over to Digilocker platform and I-card of members are also available there. The Members not having Physical Identity Card issued by ICSI may use the ID card available on Digilocker.
2.	**Max Hospital (Max Healthcare)** (Offer applicable for all 7(seven) Hospitals of Max Healthcare in National Capital Region (NCR)	OPD Services -20% IPD Services - 10%	**Mr. Abhilash Gaurav** Cell no. 9911063557	No discount on Online Consultation	
3.	**Venkateshwar Hospital** Sector 18, Dwarka, New Delhi -110075	OPD Services - 20% IPD Services - 15%	**Mr. Deepak Kumar Jaiswal** Cell no.: 8178894808 **Mr. Rahul Gupta** Cell no. 8826411919	Not Available	
4.	**Medeor Hospital** (Offer applicable for all three units of Medeor Hospital situated at Qutab Institutional Area, New Delhi, Dwarka, New Delhi, IMT Manesar, Gurgaon Haryana)	OPD Services - 25% IPD Services - 15%	**Mr. Deepak Ghildiyal** Cell no. 9818156966	Not Available	
5.	**LHDM & Dr. Prem Hospital Pvt. Ltd.** Panipat	OPD Services - 20% IPD Services - 20%	**Mr. Rohit Pannu** Cell No. 8685047942	Not Available	

Please note that this facility of discounted rates would not be available in case of TPA or Insurance Claims and other empanelment.

The empanelment letters as received from aforesaid hospitals are placed at https://www.icsi.edu/niro/medical-facility/ for ready reference of members.

With Best Regards

CS Suresh Pandey
Chairman, NIRC- ICSI
Mobile: 9868300649
Email: chairman.nirc@icsi.edu