

Procedure of Merger

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Merger and Acquisition Process is probably the most vital mania in a merger and acquisition arrangement as it influences the benefits and prosperity of the merger or acquisition. Merger and Acquisition Process is an enormous concern for all the companies who have it in mind to go for a merger or an acquisition. This is so because, the process of merger and acquisition can profoundly affect the benefits derived out of the merger or acquisition. So, the Merger and Acquisition Process should be such that it would take full advantage of the benefits of a merger or acquisition deal.

The Merger and Acquisition Process can be estranged in to various steps. The stepwise execution of any merger course of action ensures its profitability.

Procedure for Amalgamation or Merger

- ✚ Check Memorandum of Association (MOA) for power to amalgamate in its objects clause, if MOA is silent change accordingly.
- ✚ Draft a Scheme of Arrangement and get it approved in Board Meeting.
- ✚ Apply to Court for directions to convene a general meeting by way of Judge's summons (Form No. 33) supported by an affidavit (Form No. 34).

- ✚ Sent a copy of application made to High Court to the Regional Director.
- ✚ Send notice of General Meeting in Form No. 36 with scheme of Arrangement.
- ✚ Advertise the notice in an English and Hindi Newspapers as the court may direct in Form No. 38.
- ✚ Notice Period shall not be less than 21 clear days.
- ✚ At General Meeting approve scheme with $\frac{3}{4}$ majorities, increase authorized share capital and to issue further shares, as required.
- ✚ Report the result of the Meeting to court in Form No. 39.
- ✚ Move Court for approval of the scheme by filing petition in 7 days in Form No. 40.
- ✚ Advertise the date of hearing fixed by the court
- ✚ Pay stamp duty because a scheme sanctioned by the court is an instrument liable to stamp duty.
- ✚ On receipt of Order from High Court, file it with ROC.
- ✚ Continue on implementation of the scheme of amalgamation as approved by High Court.

References:

www.scribd.com

www.legalserviceindia.com