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JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

**POST GRADUATE DIPLOMA IN MANAGEMENT**

5<sup>th</sup> Trimester (Batch 2019-21)

END TERM EXAMINATIONS

Set-1

*Pr*  
*(Dr. Prabhakar W)*

Course Name	Corporate Restructuring	Course Code	FIN 502
Max. Time	2 hours	Max. Marks	40

**Instructions:**

- A. Attempt all questions.
- B. You are free to use web sources for accessing financial statements, annual reports, press coverage or any other pertinent information.
- C. Videos to be on. No use of ear phones/phones.
- D. Any two or more sheets with similar answer will be scrapped.
- E. Plag check through turnitin. No more than 10% similarity index will be accepted.

**Q1.**

Billionaire Damani considers taking control of India Cements

Bloomberg | Updated on June 17, 2020 Published on June 17, 2020

*Pr*  
*Prabhakar W*

A representative for Avenue Supermarts declined to comment, while a spokesperson for India Cements said the information isn't correct, without elaborating.

Radhakishan Damani, who built a fortune rolling out his supermarkets across the country, is considering acquiring a controlling stake in India Cements Ltd., according to people familiar with the matter.

Damani, the owner of Avenue Supermarts Ltd., has informally reached out to the cement manufacturers controlling shareholder, N. Srinivasan, to explore a takeover, the people said, asking not to be named as the information is not public.

Srinivasan, who controls about 29 per cent of the Chennai-based cement maker, is also exploring other investors to ward off any hostile bids, the people said, adding Damani has promised a friendly change in management and isn't seeking a hostile takeover. No decision has been made on how Damani and Srinivasan will proceed, the people said.

A representative for Avenue Supermarts declined to comment, while a spokesperson for India Cements said the information isn't correct, without elaborating.

The retail tycoon and his family have been piling on shares of India Cements for some months, and their holdings quadrupled this year to about 20 per cent as of March 31, exchange filings show. Shares of the company that makes the construction material have surged 76 per cent this year, giving it a market value of about \$512 million.

A successful deal may help Damani diversify his holdings while India Cements would get a backer with deep pockets to gear it up against rivals such as UltraTech Cement Ltd. and LafargeHolcim Ltd.

Raised in a one-room apartment in a Mumbai tenement block, Damani has seen his wealth swell \$2.7 billion this year to \$12.4 billion, defying the pandemic-led stock meltdown and making him India's fourth-richest person, according to the Bloomberg Billionaires Index.

The 74-year-old cement manufacturer had 10 factories as of 2019 in Indian states including Tamil Nadu and Andhra Pradesh, according to its website.

Earlier this year, Indian detergent maker Nirma Ltd. agreed to pay ₹5,500 crore (\$722 million) to acquire the cement business of Emami Group.

1. Read the news article given above. Providing appropriate reasons and financial information to back your answer (mere theoretical answer is NOT desirable), evaluate the feasibility of the following takeover defense tactics in case N. Srinivasan and India Cements Board decide not to cede control to Mr. Radhakishan Damani: **16 marks**
  - a. Leveraged recapitalization
  - b. Leveraged cash out
  - c. Preferential allotment
  - d. Pacman defense

**Q2.**



IRCTC is the only entity authorised by Indian Railways to provide catering services, online railway tickets and packaged drinking water at railway stations and trains in India. It was listed on the stock exchanges in October 2019

## BUSINESS

### **IRCTC offer for sale: Govt to sell 20% stake, subscription opens today**

The floor price for the offer shall be Rs 1,367. Today the sale will be for non-retail investors. On day two, the sale will be open to retail investors.

By hindustantimes.com | Edited by Poulomi Ghosh | Hindustan Times, New Delhi  
UPDATED ON DEC 10, 2020 10:24 AM IST

The government will sell up to 20 per cent stake in Indian Railway Catering and Tourism Corporation through an offer for sale, which opens for subscription on Thursday. In the early trade after the market opened, IRCTC share went down over 10 per cent to Rs 1,451. Shares of IRCTC on Wednesday closed at Rs 1,618.05 on the BSE, down 1.55 per cent from its previous close.

2. Above given is a news excerpt about IRCTC divestment by Government of India. After huge success of IPO, why has the government of India planned for divesting its stake in IRCTC?

Answer citing relevant laws, facts and figures. **6 marks**

Q3.



RIL's oil-to-chemicals assets, including its refining, petrochemicals, fuel retail (majority interest only) and bulk wholesale marketing businesses, along with its assets and liabilities, will be transferred to a new unit. (REUTERS)

## **RIL to spin off oil to chemicals biz**

3. Track the news given in the above news extract from different other web sources and answer in 250 words for the motive/s for this spin-off. **5 marks**

Post Offer Advertisement under Regulation 18 (12) in terms of SEBI (Substantial Acquisition of Shares and Takeovers), Regulations, 2011 for the attention of the Equity Shareholders  
OF

## TRC FINANCIAL SERVICES LIMITED

CIN: L74899MH1994PLC216417

Registered Office: Bandra Hill View CHS, 3<sup>rd</sup> Floor, 85 Hill road, Opp. Yoko Sizzlers, Bandra (West), Mumbai-40  
Tel No.: +91 22 26414725 Email Id: trcfsLtd@gmail.com

Open Offer (the "Offer") for acquisition of up to 13,00,234 (Thirteen Lacs Two Hundred and Thirty Four) equity shares of Rs. 10 (Rupees Ten) at an Offer Price of Rs. 18/- (Rupees Eighteen Only) per equity share representing 26.00% (Twenty Six Percent) of the total Paid-up Equity Share Capital/Voting Capital, from equity shareholders of TRC Financial Services Limited (the "Target Company"), by Jupiter Capital Private Limited (the "Acquirer").

This Post Offer Advertisement is being issued by Chartered Capital and Investment Limited, for and on behalf of the Acquirer pursuant to Regulation 18 (12) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011 in respect of the Offer to acquire shares of the Target Company. The Detailed Public Statement ("DPS") and Offer Opening Advertisement along with the Corrigendum to Detailed Public Statement ("OOPA") with respect to the Offer made by the Acquirer had appeared in (i) Business Standard (English) (all editions) (ii) Business Standard (Hindi) (all editions) and (iii) Mumbai Lakshdeep (Marathi) Maharashtra on Monday, January 23, 2017 and Tuesday, December 05, 2017 respectively.

1. Name of the Target Company : TRC Financial Services Limited
2. Name of the Acquirer(s) and PAC : Jupiter Capital Private Limited
3. Name of the Manager to the Offer : Chartered Capital and Investment Limited
4. Name of the Registrar to the Offer : Purva Shareregistry (India) Pvt. Ltd.
5. Offer Details :
  - a. Date of Opening of the Offer : Wednesday, December 06, 2017
  - b. Date of Closure of the Offer : Tuesday, December 19, 2017
6. Date of Payment of Consideration : Thursday, December 28, 2017
7. Details of Acquisition :

Sr. No.	Particulars	Proposed in the Offer Document	Actuals
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Sr. No.	Particulars	Proposed In the Offer Document	Actuals
7.1	Offer Price	Rs. 18.00	Rs. 18.00
7.2	Aggregate number of shares tendered	13,00,234 *	3,98,752
7.3	Aggregate number of shares accepted	13,00,234 *	3,98,252**
7.4	Size of the Offer (Number of shares multiplied by Offer Price per share)	Rs. 2,34,04,212 *	Rs. 71,68,536
7.5	Shareholding of the Acquirer before Agreements / Public Announcement (No. & %)	NIL Not Applicable	NIL Not Applicable
7.6	Shares Acquired by way of Agreements • Number • % of Fully Diluted Equity Share Capital	28,96,174 57.91%	28,96,174*** 57.91%
7.7	Shares Acquired by way of Open Offer • Number • % of Fully Diluted Equity Share Capital	13,00,234* 26.00%	3,98,252 7.96%
7.8	Shares acquired after Detailed Public Statement • Number of shares acquired • Price of the shares acquired • % of the shares acquired	NIL Not Applicable Not Applicable	NIL Not Applicable Not Applicable
7.9	Post offer share holding of Acquirer • Number • % of Fully Diluted Equity Share Capital	41,96,408* 83.91%	32,94,426**** 65.88%
7.10	Pre offer shareholding of the Public • Number • % of Fully Diluted Equity Share Capital Post offer shareholding of the Public • Number • % of Fully Diluted Equity Share Capital	21,04,726 42.09% 8,04,492* 16.09%	21,04,726 42.09% 17,06,474 34.12%

\* Assuming full acceptance in Offer.

\*\* 500 physical shares were rejected in the offer by Registrar to the Offer, out of which 200 shares were rejected due to signature diff two shareholders and for 300 shares they did not receive any documents post bidding till the due date of acceptance from the shareholders.

\*\*\* Shares under Agreement (Share Purchase Agreement) yet to be acted upon as on date.

\*\*\*\* After considering SPA shares which is yet to be acquired.

4.1 Assess the information given in Sr. No. 7.7. Why was it 26% in the offer document? What does actual 7.96% mean? **(5 marks)**

4.2 Explain the implication for the acquirer if the actual figure reported in Sr. No. 7.10 was same as proposed? **(5 Marks)**

**Q5.** In a tabular form contrast, the differences in the accounting method for Mergers and acquisition in India. **(3 Marks)**