

RECENT DEVELOPMENTS IN TAKEOVER PROCESS IN INDIA

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ABSTRACT

After the economic reforms in India in the post-1991 period, there is an increasing trend among promoters and established corporate groups towards consolidation of market share and diversification into new areas through acquisition/takeover of companies, and in a more pronounced manner through mergers/amalgamations. Though Mergers and Takeovers are prevalent in India right from the post Independence period but Government policies of balanced economic development and to curb the concentration of economic power through introduction of Industrial Development and Regulation Act 1951, MRTP Act, FERA Act etc. made hostile takeover almost impossible. There have been consistent new legal developments such as- The Competition Act 2002, the restored SEBI takeover regulations in 2011 and also the provisions of the new Companies Act 2013, Foreign exchange management (FEMA) act-2000 has led to issues in India relating to their interpretations and effect on the deals valuations and process.

Through this paper an attempt is made to understand the recent legal development in the takeover/merger process in India. In this paper provisions of Companies Act 2013, SEBI(Substantial Acquisition of Shares and Takeover)-2011and Competition act 2002 relating mergers and takeovers are explained.

KEY WORDS: Takeovers, mergers, Companies Act 2013, competition Act 2002, SEBI (Substantial Acquisition of Shares and Takeover)-2011.

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