

## FORM NO. 7D

*[See rule 5B]*

### **Form of application for approval of the Central Government for acquisition of shares under section 108A**

1. Name and address of the applicant
2. Names of directors of the applicant : if the applicant is a company, give details of other directorships, partnerships and proprietorship held by them
3. Proposal for which the approval of Central Government is sought under section 108A(1) of the Act
4. Name and address of Registered office of the company whose shares are proposed to be acquired
5. Whether the applicant is dominant undertaking under section 2(d) of the Monopolies and Restrictive Trade Practices Act
6. Whether the applicant is the owner in relation to a dominant undertaking or would be, as a result of such acquisition of shares, the owner of a dominant undertaking, as defined in section 2(d) of the Monopolies and Restrictive Trade Practices Act, 1969. If so, the particulars thereof
7. Whether the company whose shares are proposed to be acquired is a dominant undertaking
8. Names of the directors of the company whose shares are to be acquired
9. Details of the proposed investment—
  - (a) Number and nominal value of shares proposed to be acquired
  - (b) Whether the proposed shares are to be acquired as a result of any transfer or as a result of fresh issue by the company
  - (c) Whether the shares are to be beneficially held by the applicant
  - (d) Rate at which the shares are to be acquired and full justification for the same
  - (e) Amount to be invested
  - (f) Whether the shares are quoted in any stock exchange. If so, the price at which shares are quoted, date of quotation and name of stock exchange
  - (g) Form of payment

(h) Break-up value of shares as per Annexure I

(i) Value of shares based on yield in accordance with the method of calculations shown in Annexure II

10. (a) Whether the assets of the company whose shares are proposed to be acquired were valued by the management with the assistance of a valuer during the last two years. A statement in respect of the value of assets together with the basis of valuation may be attached to the application

(b) In case the fixed assets of the company whose shares are proposed to be acquired have been revalued at any time, full details thereof

11. Full details of the persons (name, address, etc.) from whom the shares are proposed to be acquired

12. The purpose proposed to be served by acquiring shares and in what ways it is in the interest of the applicant company

13. Pattern of the shareholding of the applicant company

<i>S.No.</i>	<i>Name</i>	<i>No. of ordinary shares held</i>	<i>Percentage of ordinary shares</i>
1.	Financial institutions/Government companies/Corporations (by individual names)		
2.	Banks other than financial institutions		
3.	Non-residents		
4.	Bodies corporate inter-connected with the applicant company		
5.	Other bodies corporate		
6.	Directors		
7.	Central Government or State Government		
8.	Others		
14.	Pattern of shareholding as at present and after acquisition of shares in the company whose shares are to be acquired.		

<i>S.No.</i>	<i>Name</i>	<i>No. of equity shares held (existing/after)</i>	<i>Percentage of equity capital (existing/after)</i>
1.	Financial institutions as defined in section 2(da) of the Monopolies and Restrictive Trade Practices		

Act, 1969

2. Non-residents (individuals, foreign companies, etc.)
  3. Directors and their relatives and constituents of group
  4. Inter-connected bodies corporate/firms of group
  5. Indian public
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15. (a) Whether the shares are to be acquired in his/its own name or in the name of any other person? If the shares are to be acquired in the name of any other person, give full particulars thereof with relationship, if any  
(b) If the answer to (a) above is in the affirmative, the reason therefor
  16. Relationship/association, if any, of the person acquiring the shares with the transferor(s) and with the directors of the company whose shares are proposed to be acquired
  17. (a) Details of funds available out of which the shares are proposed to be acquired. (In case, the applicant is a company, cash flow statement for five years including the year in which transfer is proposed shall be attached).  
(b) If any part of the amount to be invested is to be financed by borrowing, the amount of loan and sources of finance with terms regarding repayment, interest, security, etc., to be stated
  18. (a) Whether the provisions of sub-section (4) of section 372 of the Act or the provisions of any other law are applicable in respect of the above transaction? If so, whether they have been complied with. Please give particulars  
(b) Whether the approval under the Foreign Exchange Regulation Act, 1973, is needed to the proposed acquisition? If so, it may be stated whether necessary approval has been obtained? A copy of the said approval may be enclosed  
(c) Whether rules 40A and 40B of listed agreement of stock exchange are applicable; give particulars  
(d) Indicate the relevant clauses of memorandum and articles of association for the proposal

19. Whether there will be any change in the composition of the board of directors of the company whose shares are proposed to be acquired as a result of the proposed acquisition ? If so, give details
20. Any other information which the company wants to furnish
- 21 Please enclose the following
- (i) A challan/bank draft towards prescribed application fees.
  - (ii) One copy of the audited balance-sheet and profit and loss account of the company whose shares are proposed to be acquired for each of the last three years immediately preceding the year in which the shares are proposed to be acquired.
  - (iii) One copy of the audited balance-sheet and profit and loss account of the applicant for each of the three years immediately preceding the year in which the shares are proposed to be acquired, if the applicant is a company.

I/We solemnly declare that the facts stated in this application are true to the best of my/our knowledge and the other facts are true to the best of my/our information and belief.

Date \_\_\_\_\_

*Signature of the applicant*

*Designation/description*

## ANNEXURE I

### Break-up value of shares as per the latest balance-sheet

*(Rupees in thousands)*

Paid-up capital

*Add* : Reserves and surplus :

*Less* :

- (a) Miscellaneous expenditure to the extent not written off
- (b) Debit balance of profit and loss account
- (c) Arrears of depreciation not provided for
- (d) Contingent liabilities such as
  - (i) Gratuity, taxes, etc., with details
  - (ii) Dividends proposed to be paid out of reserves
  - (iii) Income-tax liability not provided for

Total net worth	A	
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Preference capital	<i>B</i>	
Net worth of equity	<i>A — B</i>	
Break-up value per equity share	<i>A — B</i>	
Total No. of equity shares		

## ANNEXURE II

### Value of shares based on yield

(Figures to be given from balance-sheets for the last three years)

	<i>Year ending</i>	<i>Year ending</i>	<i>Year ending</i>
Profit (after depreciation but before tax and after providing for development rebate reserve)			
<i>Add</i> : Development rebate reserve			
Loss on sale of assets and any item of expenditure of non-recurring nature			
A :	A1	A2	A3
<i>Less</i> :			
(i) Dividends on investments (other than trade investments)			
(ii) Interest on Government securities			
(iii) Profit on sale of fixed assets/investments and other non-business profits			
(iv) Excess provision written back			
B :	B1	B2	B3
	C1	C2	C3

Pre-tax profit :  $C = (A - B)$

\*Average yearly pre-tax profit :

$$(C1 + C2 + C3) = 1/3rd C$$

*Less :*

Estimated tax liability @ 60% = T

Average net profits after taxation (C-T) =  
D

Capitalising 'D' at 15% return:  $\frac{D \times 100}{15}$   
= E

15

*Add:* Market value of investments F  
on which dividend has been  
deducted in the above calculation :

Net worth : (E + F) G

*Less:* Preference capital H

Net worth of equity G-H

Net worth of one equity share G-H

No. of equity shares