



## Corporate Transactions

The Companies Act 1994 is the enabling act in Bangladesh which deals with entire companies affairs; whether it is private, public or company limited by guarantee etc. While company formation and business setup formalities are matters of investment law, corporate transactions covers affairs like holding general meeting, filing annual return, share transfer, company takeover, company due diligence, raising capital, conversion of private to public or such other transactions, issues pending with Registrar of Joint Stock of Companies and Firms where there is no need for filing petition before company court or bankruptcy court. In a major share acquisition and take over work, ensuring all legal and regulatory compliance etc. by conducting due diligence, share valuation and preparing shareholders agreement etc. requires significant experience and team work. Besides, both management and shareholders requires regular corporate advisory support on several issues involving company's laws and practice. Rahman's Chambers handled several corporate transactions of different kinds ranging from simple to complex from very inception.



Mohammed Forrukh Rahman

*Mr. Rahman has been ranked for corporate and finance,  
(Band Two) by Chambers and Partners.*



*"Rahman's Chambers handles foreign investment and disputes involving corporate transactions, finance... The 'very responsible, responsive and knowledgeable' Mohammed Forrukh Rahman heads the firm..."*



*Rahman's Chambers with respected client, Mr. Amanullah Chagla, CEO of Saturn Textiles Ltd after takeover of Rancon Sweaters Ltd at Dhaka Export Processing Zone (DEPZ), Ganakbari, Savar, Dhaka.*



*Mr. Rahman with Nobel Laureate Prof. Muhammad Yunus, Chairman of Grameen Danone Foods Limited in signing ceremony of Preference share agreement.*

Corporate reorganization, takeover and general corporate affairs are our core practice areas from very inception. We are working for one major group of companies as their retainer from very inception for nearly 11 years and taking care of their almost all corporate affairs. We have wide range of expertise ranging from drafting resolution and filing annual return to dealing with highly complex corporate reorganization and share acquisition. We acted as legal consultant on various transactions including issuance of preference shares, dozens of transfer of shares, converting private limited company to public etc. Our client includes individual stakeholders, local enterprises, foreign investors and multinational companies.

We have specialized lawyers from service team and consultancy team who as a part of corporate department deals with corporate transactions and related affairs which requires not only legal knowledge, expertise but also expertise of working in government offices. Among few other major business ventures, we have worked for a US & German investor on share acquisition and later, on share transfer and exit.

Our client says: *"I have worked on two different projects with them in the last two years. I appreciate the clear and concise advice given. The service compares very favorably with the service I have received from the top law firms that I have worked with in Germany."*

### **Our related experience:**

- Advised and assisted **Oriental Container Line** regarding the takeover of the company by another **OOCL** company as part of a **global takeover**.
- **100% Share acquisition and Takeover** of Rancon Sweaters Ltd, owned by Danish shareholders by an A K Khan entity and MU Union, Kong Kong.

- Advised foreign investor on **100% Share acquisition and Takeover** of Alfa Patterns [BD] Ltd, a readymade garments company.
- **Corporate reorganization** of a major leather company and a major foreign investment company in garments and textiles sector among its shareholders.
- **100% Share acquisition and Takeover** of a major knitting company in Bangladesh by foreign investors.
- Advised **Takeover** of Sunshine garments renamed as Fakir Fashions Ltd by Fakir Knitwear Ltd
- Advised **Leatherex Footwear Industries Ltd** in 100% takeover of Scape E Moda Ltd from B. Z. Moda (BD) Ltd.
- **Annual Return filing and other formalities, holding General Meeting** and assisting in other corporate affairs etc for Saturn Textiles for several years
- **Share dilution, restructuring in compliance with legal due diligence, increase of share capital** both ordinary and preference shares and other complex reorganization work for a number of companies.
- **Legal Due Diligence** of more than two dozen companies.

### Legal Due Diligence

We conduct due diligence for companies before going for mergers and acquisitions or takeover etc. We draft Share Purchase Agreements, Shareholders Agreements, Joint Venture Agreements, non-compete and non-disclosure agreement, escrow agreement etc. and assist in the entire transaction including getting approval and filing returns. We have conducted due diligence for several companies over several transaction over last 10 years.

Our Legal Due Diligence covers following areas:

- **Searching in Company Register**
- Searching in Land Register
- Searching in Tax file
- Searching Bank Record etc.
- Searching police record
- searching court case record

### Take Over

The firm has significant experience on dealing with several takeover projects by new buyer, by the way of 100% transfer of shares, mostly in garments and textiles sector. The said transfer of share and takeover involves not only due diligence but also execution of share purchase agreement, conducting several board meetings and general meetings, and filing out form and many other legal formalities including taxation. The firm also provided post transfer legal support to the client, mostly related to labour issues and taxation.

### Increase and Reduction of Capital

The firm regularly assist client in raising capital by the way of allotting ordinary as well as preferential shares. Our services included drafting complex share agreement as well as filing return with Registrar of

Joint Stock of Companies and Firms, also assisting in the process of recording the same. We have successfully assisted Saturn Textiles Ltd and few other companies over raising capital and Uttara Feed over reduction of capital. The chambers assisted a Grameen entity over issuance of Preference shares by preparing share purchase agreement.

### Corporate Insolvency & Bankruptcy

Mr. Rahman has been acting as a retainer for American based outsourcing companies for long time and a UK based garment manufacturer for nearly 10 years. As a retainer the firm was involved in providing day to day legal support, mostly relating to filing annual returns, drafting and vetting several board resolutions, AGM/EGM resolutions and also provide day to day legal consultancy etc.

Our services include:

- Preparing Notice and Board Resolutions
- Preparing Notice and draft AGM/EGM Resolutions
- Filling Annual Return
- Preparing Form XII, Schedule X etc.

### Corporate Reorganization

Chambers has significant experience of corporate reorganization in both private and public sector. Corporate reorganization without going for merger, winding up or insolvency is often required among shareholders or within group of companies to address different regulatory issue, management and HR issues and also taxation issues. We have experience of assisting both public sector companies and private sector in this regard.

#### Our Related Clients:

- Oriental Container Lines (OOCL)
- Leatherex Footwear Industries Ltd
- Saturn Textiles Ltd
- Perseus Ltd
- Rancon Sweaters Ltd
- Giant Textiles Ltd
- UAE-Bangladesh Investment Company Ltd
- Fakir Group and others
- Picard BD Ltd

#### Our Services:

- Due Diligence
- Share Acquisition and take over
- Share valuation
- Corporate Reorganization
- Annual Return, general meetings Filing, search and obtaining copy from Registrar of Joint Stocks of Companies
- Allotment of shares
- SEC approval for increase of shares