

## M&A Lab

December 26, 2023

### DIGITAL DOMINION - BLACKSTONE'S BOLD ACQUISITION OF R SYSTEMS

This M&A Lab covers a distinctive deal involving consideration of Regulation 5A of Takeover Code which provides for a combined takeover and delisting of an Indian company whose shares are listed on a stock exchange. Such transactions involve unique requirements and considerations, but also provide a powerful weapon in the hands of acquirers to fundamentally alter the corporate nature of the target in a short time period.

Regulation 5A of the Takeover Code enables an acquirer to make an open offer for acquiring shares or voting rights or control of a listed target company and seek delisting of the target company by making a 'delisting offer'.

Blackstone's offer for acquiring the target Company is the first attempt at delisting a listed public limited company through a composite tender offer (i.e. open offer cum delisting offer) since the new Regulation 5A of the Takeover Code assumed its existing avatar. Blackstone managed to acquire controlling interest in R Systems but could not delist it as the number of shares required to be tendered was not met and R Systems continuing with its listed status.

A study of this deal is worthwhile as it was a unique transaction given the first attempt at a composite takeover cum delisting offer and in the eyes of industry observers opens up many deal opportunities for various market participants with diverse objectives.

In this M&A Lab, we delve into legal, financing and regulatory aspects of this deal.

To access the M&A Lab, please [click here](#).



– Faiza Khanum, Harman Khorana, Yogesh Nayak & Ratnadeep Roychowdhury

You can direct your queries or comments to the author

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