

M&A Lab

April 01, 2010

THE BATTLE FOR FAME - PART I

The memories of strife between the multiplex owners and the producers last year had just begun to fade, and the multiplexes have made it to the news once again, albeit for a different reason. Last year, there was a relentless standoff between the producers and multiplex owners over revenue sharing which resulted in a strike that crippled the film industry for almost two long months. And now, there is a fierce tussle between two prominent multiplex brands, viz. Inox Leisure Limited ("Inox") and Reliance Mediaworks Limited ("RML") to acquire a third one, Fame India Limited ("Fame").

The battle for Fame, in less than two months has turned the multiplex industry into a battleground, packed with its fair share of controversies, mud-slinging, allegations, twists and oodles of competitive zeal. The idiosyncrasies of this deal, including - the promoters opting for a dramatically lesser price amongst the multiple offers on the table; a competitor making an open offer to acquire a company even after another competitor has acquired a controlling stake in it, etc.; make it a very interesting and fascinating case study.

Considering the immense importance Fame has for the parties and the bouquet of benefits that it brings along with it, neither party seems to let go of it so easily. With the competitive spirit and rage which the parties bear, the battle is bound to get fiercer and murkier in the time to come. Only time will be able to tell which party will trounce the other and enter the "Hall of Fame".

We, at Nishith Desai Associates, in step with our tradition of being a research-oriented law firm, have in this M&A Lab, attempted to analyze this battle between Inox and RML over Fame, beginning from its origins and upto the commencement of the open offers by the acquirers. In order to make sense of the chaos, we have attempted to breakdown the deal into bite-size pieces on the basis of the publicly available information, and analyze its commercial, legal and regulatory implications. While this M&A Lab tracks the developments till date, we shall attempt to discuss and analyze the action that takes place after the two offers open and the issues that arise over that period in Part II of the M&A Lab.

For a detailed analysis of the commercial, legal and regulatory considerations and to access the M&A Lab, please [click here](#).

Nishith Desai Associates is pleased to present a detailed analysis of the latest legal developments and trends. The 'M&A Lab' is our initiative to provide you in-depth, incisive and a detailed research based analysis of the latest M&A deals with a view to sharing and inviting views and counter-views. We will be happy to have your views / comments on our initiative. Please read the disclaimer carefully.

– Deepak Jodhani, Diptee Deshpande, Nishchal Joshipura & Siddharth Shah
You can direct your queries or comments to Team M&A

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