

## M&A Lab

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### BREAKING NEWS: RELIANCE TUNES INTO NETWORK18!

On May 29, 2014, India's richest man, Mukesh Ambani and India's media mogul, Raghav Bahl shook hands, for transfer of control of India's largest media empire, the **Network18 Group** ("Transaction"). The timing of the announcement and the takeover took the entire industry by surprise, since the Network18 Group had only recently started its ascent from dire financial conditions to move towards profitability. However, Ambani's group, i.e. the **Reliance Group** already had its foot-in-the-door of the Network18 Group when it subscribed to the optionally convertible debentures ("**Debentures**") issued by the holding companies of the Network18 Group, and the time was right for the Reliance Group to take over the Network18 Group.

An interesting aspect about the Transaction was that the structure of the Transaction involved acquisition of a number of private unlisted companies, which controlled, *inter alia*, Network18 Media and Investments Limited, TV18 Broadcast Limited, Infomedia Press Limited, all being listed on the BSE and the NSE, resulting in open offer obligations for the indirect acquisition of these entities. The anti-trust hurdle for the acquisition, it seems, was already crossed back in 2012 when the Debentures were subscribed to, and the regulatory hurdles to be posed by the securities regulator, the Securities Exchange and Board of India were dealt with during the open offer.

While the Transaction would provide Network18, and its various subsidiaries, including TV18 deeper pockets, it is to be seen whether Mr. Ambani's midas touch would be able to take the Network18 Group to greater heights. This M&A Lab analyzes the legal, regulatory, tax and commercial considerations pertaining to the Transaction.

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

– Aishwarya H, Abhinav Harlalka, Khushboo Raval, Simone Reis & Nishchal Joshipura  
You can direct your queries or comments to the authors

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