

## M&A Lab

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### GREAT OFFSHORE TAKEOVER SAGA - BHARATI SHIPYARD V/S ABG SHIPYARD

The age old fable of the hare and the tortoise has come true but only this time the story concludes with two winners. The hare had no choice but to run all the laps for its prize but the clever tortoise has bagged the prize even without completing the race. The hot and enthralling scuffle to acquire Great Offshore Limited ("GOL") saw aggressive bidding by two shipyard giants, Bharati Shipyard Limited ("BSL") and ABG Shipyard Limited ("ABG"). The climax turned out to be even more thrilling when ABG suddenly withdrew from the bidding race a day before the commencement of its open offer by selling almost its entire stake in GOL. This strategic move has been discussed, debated and criticized ever since.

After eventful six months covering open offers, competitive bids, allegations, approvals, twists, surprises and a shocking climax the scores seemed tallied to a great extent. This takeover battle is definitely one of the best episodes in the corporate history of India Inc. as it has revealed the rage and spirit of competition prevailing in the market today, and also how the entrepreneurs are preparing their arsenal to reap maximum benefits out of the booming market in the days to come. The war has also unearthed loopholes in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("Takeover Code"), which the recently constituted 'takeover regulations advisory committee' may look into.

The deal is definitely going to leave a lasting impression and the irony here is that it delivered a win-win situation for both the rival bidders. The battle between ABG and BSL was for the goose which lays golden eggs. At the fag end of the episode, we have a beaming BSL, the proud owner of the precious but viciously expensive goose, and a canny ABG carrying home a big bag full of golden eggs. Could it have been any better?

In this M&A Lab, we attempt to make a deeper probe into the bidding war between ABG and BSL for the acquisition of substantial stake in GOL and in the process analyze the commercial, legal and regulatory implications of the competitive bid including the potential issues under the Takeover Code, based on the set of facts which are in the public domain.

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

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— Arun Scaria, Sambhav Ranka, Sadia Ashraf, [Nishchal Joshipura](#) & Siddharth Shah  
You can direct your queries or comments to Team M&A

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