

M&A Lab

October 09, 2009

SECOND MISSED CALL: BHARTI AIRTEL FAILS TO RECONNECT WITH MTN

In our M&A Lab titled '**BHARTI-MTN: Ringing The Bell From Asia To Africa**' dated June 5, 2009 ("**M&A Lab – Part I**"), we had analyzed the proposed strategic merger of MTN Group Limited ("**MTN**") and Bharti Airtel Limited ("**Bharti Airtel**") (the "**Proposed Transaction**") from a commercial, legal, regulatory and tax perspective.

We had then referred to MTN as the "Runaway Bride" and concluded the Lab with an interesting question - "*Will the African lady say 'I do', to her Indian suitor?*" About four months hence, MTN reaffirms its tag of 'Runaway Bride' as the proposed merger has been called off by both global telecom players for the second time in two years. This time, however, the break-off saga is slightly different from the last instance as the collapse this time is an upshot of the dissent that came from the 'Father of the Bride', Government of South Africa, even though MTN and its shareholders had consented to the union.

The USD 24 billion deal to build a transcontinental telecom behemoth was publicly called off by Mr. Phuthuma Nhleko, CEO of MTN and Mr. Sunil Bharti Mittal, Chairman and MD of Bharti Airtel on September 30, 2009, the last day of the twice extended exclusivity period.

Failure of the deal is not just a disappointment for Bharti Airtel which was ambitiously looking to create the third largest telecom operator of the world, but also for South Africa which would have received its single largest inward investment. The South African Government, however, let go of that opportunity to "keep the family silver at home". Clearly, unless that protectionist attitude changes and shareholders realize the value of the Bharti MTN combine, the corporate marriage between the two organizations is likely remain a chimera. But the question is - "**Having made two missed calls, will Bharti Airtel call MTN again?**"

For a detailed analysis of the commercial, legal, regulatory & political considerations and to access the [M&A Lab – Part II](#).

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.

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

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Proud Moments

FT Innovative Lawyers Asia Pacific 2019 Awards: NDA ranked 2nd in the Most Innovative Law Firm category (Asia-Pacific Headquartered)

RSG-Financial Times: India's Most Innovative Law Firm
2019, 2017, 2016, 2015, 2014

Chambers and Partners Asia Pacific: Band 1 for Employment, Lifesciences, Tax and TMT
2019, 2018, 2017, 2016, 2015

Benchmark Litigation Asia-Pacific: Tier 1 for Government & Regulatory and Tax
2019, 2018

IFLR1000: Tier 1 for Private Equity and Project Development: Telecommunications Networks.
2019, 2018, 2017, 2014

Legal500: Tier 1 for Dispute, Tax, Investment Funds, Labour & Employment, TMT and Corporate M&A
2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012

AsiaLaw 2019: Ranked 'Outstanding' for Technology, Labour & Employment, Private Equity, Regulatory and Tax

Research Papers

India Opens Skies for Drones
August 22, 2019

Law of Damages in India
July 31, 2019

Impact Investing Simplified: A Guide to Making and Receiving Impact Investments in India
July 25, 2019

Research Articles

The Tips and Traps to Avoid When Investing in India
December 31, 2018

Evolving HR Law: Giving GCs Sleepless Nights?
June 01, 2017

**India confirms intent to sign BEPS
multilateral instrument curbing tax
avoidance**

May 17, 2017

Audio

**Round Table + Webinar: 'Title
Insurance' – A Game Changer for
Structuring Investments into Indian
Real Estate Sector**

August 07, 2019

**Webinar: Amendments to
Insolvency and Bankruptcy Code:
Potential Impact on Creditors,
Investors and Litigants**

August 01, 2019

**Webinar: India Budget 2019 :
Implications for the International
Business Community**

July 09, 2019

NDA Connect

Connect with us at events,
conferences and seminars.

NDA Hotline

[Click here to view Hotline archives.](#)

Video

BTVI The Big Story

ET Now State Of The Economy

ET Now India Tonight

