

M&A Lab

June 05, 2009

BHARTI-MTN: RINGING THE BELL FROM ASIA TO AFRICA

Bharti Airtel Limited's ("**Bharti Airtel**") announcement of intent to forge a strategic merger with MTN Group Limited ("**MTN**"), the South African cellular mobile operator with a pan African and Middle East subscriber base, comes as a shot in the arm to the already in vogue blitzkrieg of Indian outbound acquisitions. Bharti Airtel and MTN have agreed to discuss the potential strategic merger ("**Transaction**") exclusively with each other until July 31, 2009.

Terming the Bharti Airtel-MTN combine as an "emerging market telecom powerhouse", Sunil Bharti Mittal, Chairman and MD of Bharti Airtel in the media statement ("**Media Statement**") issued on May 25, 2009, said, "Both companies would stand to gain significant benefits from sharing each other's best practices in addition to savings emanating from enhanced scale. We see real power in the combination and we will work hard to unleash it for all our shareholders. This opportunity also represents a first of its kind in developing an Indian-African initiative that would serve as a shining example of South-South cooperation."

The 'Runaway Bride' MTN, which in the past dumped several leading cellular operators making "strategic merger" offers including Bharti Airtel and Reliance Communications, has now agreed to explore the possibility of a "strategic merger" with Bharti Airtel until July 31, 2009. The Transaction, if consummated, will catapult the Bharti-MTN combine as the fourth largest telecom operator in terms of subscriber base outshining AT&T, France Telecom and Verizon with more than 200 million subscribers, and revenues in excess of USD 20 billion.

In the attached M&A Lab, we attempt to anatomize the creation of Bharti – MTN, world's 4th largest telecom provider and in the process analyze the legal and regulatory implications that the deal is likely to encounter until its consummation, based on the set of facts which are currently in public domain. In keeping with our tradition to analyze international legal and regulatory regimes, we have, in this lab also attempted to ascertain and analyze the potential issues under the South African laws that the deal may encounter in South Africa to provide more fullness to the dissection. Post consummation of the Transaction, we will send Bharti-MTN - Part II to dissect the Transaction as it happened.

However as Business India beautifully puts it, "*Whether the African lady and the Indian suitor believe in 'till death do us part' or not, only time will tell. All this, however, depends on the bride first saying 'I do'.*"

For a detailed analysis of the commercial, legal, regulatory & tax considerations, please click here for the document.

As you would be aware, we have been providing regular information on latest legal developments. M&A Lab is our latest initiative to provide you in depth and knowledge based analysis of latest M&A deals. We will be happy to have your [views / comments](#) on our initiative. Please read the disclaimer carefully.

– Shikhar Kacker, 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 This is not a Spam mail. You have received this at the time of preparation. The Hotline is intended mail because you have either requested for it or as a news update and Nishith Desai Associates someone must have suggested your name. Since neither assumes nor accepts any responsibility for India has no anti-spamming law. we refer to the

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

Augmented, Virtual and Mixed Reality - A Reflective Future
September 19, 2019

Digital Health in India
September 19, 2019

India Opens Skies for Drones
August 22, 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

we do not accept 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.

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