

M&A Lab

May 17, 2010

BHARTI CONNECTS WITH ZAIN AFTER TWO MISSED CALLS WITH MTN

Finally, Bharti Airtel Limited (**"Bharti Airtel"**) bags the 'big ticket' to begin its much awaited African Safari. The highly ambitious, Indian entrepreneur, Mr. Sunil Bharti Mittal had always looked at Africa as the venue for the next round of technology and telecom revolution and had never concealed his intent to be a part of African business history. Bharti Airtel was determined to find its way into Africa, but the crucial question was who would be the indigenous partner? The two rounds of extremely arduous negotiations with MTN Group Limited (**"MTN"**) could not bring any success for Bharti Airtel. However, the failure to woo MTN did not dampen the spirits of Bharti Airtel or dilute its ambitions. The writing on the wall was clear; choosing another African partner was only a matter of time.

On February 15, 2010, Bharti Airtel announced that it had entered into exclusive discussions with Mobile Telecommunications Company KSC (**"Zain"**) for the acquisition of Zain Africa International BV (**"Zain Africa"**) and thereby the entire African operations of Zain, excluding the operations in Sudan and Morocco. With bitter experience to haunt, Bharti Airtel strategically played it safe this time and made an offer to Zain which it just could not refuse. For a commercially ailing Zain, Bharti Airtel's offer of USD 10.7 billion was a jackpot.

The deal makes Bharti Airtel the seventh largest mobile group in the world by subscriber connections and the second-largest African operator, behind MTN. Considering the extraordinary efforts that Bharti Airtel has put in order to fulfill its goal of entering the untapped African telecom market, the position seems to be well deserved. However, even this deal comes with its own set of problems, including the high acquisition price paid by Bharti Airtel to acquire a loss making entity, objections raised by the minority shareholder of Zain Nigeria, Governments of Congo and Gabon and an alarming culture misfit. According to Forbes, "investors know that it's easier for Sania Mirza to win the Wimbledon than for Bharti to make money in Africa".

In our M&A Labs titled **'BHARTI-MTN: Ringing The Bell From Asia To Africa'** dated June 5, 2009 and **'Second missed call: Bharti Airtel fails to reconnect with MTN'** dated October 9, 2009, we had critically evaluated the transactions proposed between Bharti Airtel and MTN in the two rounds of failed negotiations. In this M&A Lab, we explore the Bharti Airtel – Zain deal to analyze the commercial, legal, regulatory and tax aspects of this transaction which marks the entry of Bharti Airtel and brand 'India' into African shores.

For a detailed analysis of the commercial, legal, regulatory and tax 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.

– Arun Scaria, [Ajay Singh Solanki](#), Sambhav Ranka, [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.

Research Papers

Medical Device Industry in India

April 28, 2025

Clinical Trials and Biomedical Research in India

April 22, 2025

Structuring Platform Investments in India For Foreign Investors

March 31, 2025

Research Articles

2025 Watchlist: Life Sciences Sector India

April 04, 2025

Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Audio

CCI's Deal Value Test

February 22, 2025

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

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

Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**Vaibhav Parikh, Partner, Nishith
Desai Associate on Tech, M&A, and
Ease of Doing Business**

March 19, 2025

**SIAC 2025 Rules: Key changes &
Implications**

February 18, 2025
