



Anil Ambani's RCom in Rs 50,000 crore tower deal

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The company has also not specified how much stake GTL would pick up in Reliance Infratel.

Meanwhile, Reliance Infratel is also proposing an initial public offering of its equity shares, depending on the market conditions. It has already filed a draft red herring prospectus with the Securities and Exchange Board of India (Sebi).

Once the deal is closed with GTL, the merged entity would have over 80,000 tow-

ers and more than 125,000 tenancies from across 10 telcos — RCom, Aircel, Etisalat, MTS, Uninor, Videocon Mobile, Tata Teleservices, Vodafone and S Tel. Currently, Reliance Infra has 50,000 towers, and GTL around 32,000.

Sources estimated that the merged entity could have an annual revenue of around Rs6,000 crore and ebidta of Rs4,000 crore in the year 2011-12. The Anil Ambani group is likely to keep around 26% stake in the merged entity and GTL 35%,

while the remaining can go to the shareholders of the companies. The details are being worked out.

"Our transformational initiative of creating the world's largest independent telecom infrastructure company will facilitate efforts of new telecom players to achieve the most extensive and fastest nationwide roll-out, in the most cost-effective manner," Anil Ambani had said recently.

RCom reiterated on Sunday that its board has already given an in-principle

nod for induction of strategic and/or private equity investors for a 26% shareholding in the company at an appropriate premium to the prevailing market price, and/or appropriate consolidation /combination options. Those discussions are continuing, the company statement added. It is learnt that UAE-based Etisalat is among the leading contenders for picking up a stake in RCom.

Besides Etisalat, French telco Vivendi is also believed to be in talks with RCom for

picking up a stake in the company.

South African telco MTN was also named in this connection by industry sources. Although AT&T was said to be in the race, the company denied it. Sources said the company was looking at raising anything between Rs15,000 crore and Rs20,000 crore from strategic sale/partnership/consolidation ventures.

At present, 67.58% equity in RCom is owned by Anil Ambani and the rest by public and institutional in-

vestors. Last month, Mukesh Ambani's Reliance Industries Ltd (RIL) and brother Anil Ambani's Reliance ADAG signed an agreement canceling all existing non-compete arrangements entered into between the two groups in January 2006.

Following an outgo of close to Rs9,000 crore towards payment for 3G (third generation) spectrum recently, RCom's total debt is estimated at around Rs33,000 crore. After the reductions, its net debt is pegged at around Rs15,000 crore.