

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

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Sets out to create 'world's largest' telecom infra company with GTL

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Within two weeks of announcing an ownership restructuring at its infrastructure subsidiary Reliance Infratel, Anil Ambani group's Reliance Communications on Sunday said it has approved a Rs50,000 crore deal with tower company GTL Infrastructure. A company statement said the boards of RCom, Reliance Infratel and GTL Infrastructure have in principle cleared a deal to "create the world's largest independent



telecom infrastructure company, neither owned nor controlled by any telecom operator".

The deal will be executed through a demerger of Reliance Infratel's tower assets into GTL Infrastructure and is being seen as the largest domestic M&A deal.

The company said the proposal would result in substantial unlocking of value through cash infusion to RCom, which would in turn reduce its gross debt, improve leverage ratios and enhance financial flexibility. Also, around 2 million shareholders of RCom and Reliance Infratel would receive free listed shares of the merged entity, according to the statement issued on Sunday. RCom is yet to give details on the quantum of cash infusion, and share swap ratios for RCom and Reliance Infratel minority shareholders.

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