

RCom largest tenant of new company

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He said GTL now has 30,000 towers and plans to add another 20,000 soon, which will take the total tower count to 100,000. Reliance Infratel has 50,000 towers

INDEPENDENT TOWER CO

The combined entity will have over 80,000 towers now with 125,000 tenancies. RCOM will be the largest tenant. The other tenants include Aircel, Etisalat DB Telecom, MTS, Uninor Telecom, Videocon Mobile, Tata Teleservices, Vodafone and S Tel.

Unlike other tower firms, no telco will have a significant stake in the new company being created by the deal, making it the world's largest independent tower company. In India, the largest tower company is Indus Towers with 100,000 towers and owned by Bharti Airtel, Vodafone Essar and Idea Cellular.

"Based on developments in the Indian telecom sector, including the likely future demand for telecom infrastructure across the country from 14 players in 2G, and winners in the recent auction for 3G (nine players) and BWA (broadband wireless access — eight players), the merged entity is expected to derive substantially higher tenancy ratios, apart from scale benefits and operational synergies," said the media statement of RCOM and GTL.

Standard Chartered Bank was GTL's financial advisor to the deal.

Dolat Capital's Mr Jain said the stock market is unlikely to react to the deal because the structure of the transaction was mostly known and, therefore, was factored in the movement of both RCOM and GTL. The RCOM stock closed at Rs 192.50 on Friday, putting the market capitalisation at nearly Rs 40,000 crore. The GTL Infrastructure stock closed at Rs 45.35 on Friday, putting the company's market capitalisation at Rs 4,341 crore.

GTL Infrastructure is a part of the Global Group, which has seven companies with combined revenue of Rs 7,000 crore. GTL Infrastructure is the only listed tower company in India. GTL builds and manages towers and tower infrastructure while GTL Infrastructure owns them. GTL Infrastructure bought 17,000 towers from Aircel, majority owned by Malaysia's Maxis, in January in a deal valued at Rs 8,400 crore. GTL Infrastructure took on Aircel's debt of Rs 4,500 crore and paid Rs 3,900 crore cash for the transaction.