



Why Anil Ambani dialled GTL Infra for tower deal

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Amrita Nair-Ghaswala | TNN

Mumbai: The \$11-billion GTL-RCOM deal is being hailed as the beginning of an era of collaboration over competition. For Reliance Communications chairman Anil Ambani and for GTL's first generation entrepreneur, Manoj Tirodkar, however, it was a meeting of minds.

There were two specific indications of the consensus between the two early on into the

MAKING OF THE DEAL

talks. In the case of GTL, the contours of the mega deal emerged as early as August 2006, when chairman and managing director Manoj Tirodkar, wrote in the company's first annual report: "Once in a while we stumble upon an opportunity which has life changing consequences. To me, shared infrastructure for telecom operators represents such an opportunity that will

Towering Pact

- ▶ RCOM and GTL infra agree on an over **Rs 50,000-crore** (\$11 billion) tower biz deal
- ▶ RCOM subsidiary, Reliance Infratel, to demerge tower assets into GTL Infra optic fibre network; related assets to remain with RCOM
- ▶ Two million RCOM shareholders to receive free listed shares of GTL Infra
- ▶ Merged entity to have over 80,000 towers and over 1,25,000 tenancies, making it the largest independent telecom infrastructure company
- ▶ Merged entity to have firm option of additional 75,000 tenancies



Anil Ambani, Chairman, RCOM

Financials

	(Rs cr)	
FY10	RCOM	GTL
Revenue	12,291	348
Net profit	479	-2.58
Mkt cap	39,732	4,341



Manoj Tirodkar, CMD, GTL

change the face of the Indian telecom industry."

On June 14, in a note to the stock exchange on the proposal to restructure Reliance Infratel, RCOM chairman Anil Ambani said: "Our transfor-

mational 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 rollout, in the most

cost-effective manner." He added: "I am personally looking forward to an era of healthy co-operation and collaboration with existing and new players, especially recent winners of 3G and BWA spectrum."

GTL has been in talks with RCOM for over three months. After the deal, GTL stands among its peers as the "largest, neutral and independent telecom tower company" and the only listed tower company in India to have the footprint across all the circles in India.

"GTL turned out to be a perfect fit for Ambani, who was personally looking forward to an era of healthy cooperation with existing and new players. This was possible only through a creation of a very large independent telecom infrastructure company not owned nor controlled by any operator: GTL Infra appeared to be the natural choice," said an official.

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RCOM bid to shake off debt

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Mumbai: It stemmed from a simple idea- to be a zero debt company in a matter of four months. Reliance Communications has been eager to get the huge debt of Rs 33,000 crore off its books. With the GTL-Infra deal in place, the company is now deliberating over how to shake off the remaining debt of Rs 15,000 crore.

That's where French media and telecom giant Vivendi comes in. Vivendi is reportedly leading the race to buy a 26% stake in the Indian mobile carrier Reliance Communications (RCOM).

▶ Vivendi still eyeing RCOM stake?, P 18