

GTL to buy Aircel tower assets

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New Delhi, Jan 13: Signalling growing consolidation in the mobile tower segment, independent firm GTL Infrastructure has agreed to buy the tower assets of the country's seventh-largest mobile firm, Aircel, for around Rs 8,500 crore. Following the acquisition, GTL will emerge the largest independent tower firm in the country with around 32,000 masts. The deal would be the largest so far in the domestic tower sector.

The deal is likely to be announced on Thursday, with GTL's board scheduled to meet earlier in the day followed by a press briefing. However, the company did not provide any specific details. The news had a positive impact on GTL's shares, which ended up 13.94% at Rs 42.90 on the BSE on Wednesday.

Indus towers—a three-way joint

Changing signals

- Rs 8.5k-cr deal likely to be announced on Thur after board meet
- Will make GTL largest stand-alone firm with 32,000 masts
- Firm has raised Rs 5,000 crore in debt financing through SBI
- Operators want to cut costs by sourcing infrastructure needs



venture between Bharti, Vodafone and Idea Cellular—is the largest firm in the sector overall with more than 1 lakh towers. GTL will acquire 17,500 towers owned by Aircel, in which Malaysia's Maxis Communications has a 74% stake.

Sources said GTL has negotiated Rs 5,000 crore in debt financing through State Bank of India, while Rs 490 crore would come through cash reserves and the remainder from internal accruals.

Nomura, Standard Chartered and Rothschild are advising Aircel on the deal, while GTL is advised by Citigroup and Barclays.

With a slew of new telecom companies launching their mobile services, operators are increasingly looking to save on costs by sourcing infrastructure, including towers, from existing telecom firms or independent companies. Analysts said the sector was certain to see a growing number of mergers and acquisitions in an effort by players to achieve economies of scale.

Consolidation in the segment began in 2007 when Bharti Airtel, Vodafone Essar and Idea Cellular decided to join hands and hive off their towers to Indus Towers.