

# THE ECONOMIC TIMES

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## Tower Tenancies: GTL Hopes to Recover ₹2kcr from 3 Telcos

Our Bureau

**Mumbai:** Tower company GTL Infrastructure expects to recover ₹2,000 crore as rental cancellation charges from Aircel, Reliance Communications and Tata Teleservices as a result of consolidation in the industry.

The money recovered will be used to pay off the company's debt, GTL said in a regulatory filing on Thursday.

"The company will be pursuing all possible legal avenues, civil and criminal, to recover its rightful dues from the concerned operators, all of which will be used to repay the company's debt," GTL said.

The tower firm, which is in a strategic debt restructuring process, had estimated 56,000 tenancies for FY18 from 50,845 in March 2017, but because of the ongoing consolidation, said this number may touch 47,000 by March 2018 and 52,000 in FY19.

GTL said Tata Teleservices has given an exit notice for its tenancies instead of transferring them to Airtel. Along with RCom's closure of its wireless operations, this has led to a loss of 3,987 tenancies.

The company said Aircel had sent a notice on January 2 "indicating that it had surrendered its licences in six circles, resulting in a loss of 1,994 tenancies for the company."

"Market rumours and discussions at the operational level indicate that further downsizing is on the cards" for Aircel, which could lead to the additional loss of 6,606 tenancies for GTL.

The company expects a further



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impact of 9,000-11,000 tenancy losses on account of consolidation issues (Idea-Vodafone, Aircel) over the next 12-18 months. "However, with the estimated addition of 10,000 tenancies during the similar period, we believe the impact could be offset," GTL said.

**Money recovered from Aircel, RCom and Tata Tele will be used to pay off the company's debt, GTL said**

Operators owe GTL ₹350 crore, of which ₹230 crore is due from Aircel. The reduced tenancies have helped the company to lower its costs by ₹10 crore a month and expenses may decline by ₹25 crore a month by June. The company said it is pursuing a refinancing plan and subject to clearances, can reduce its annual debt servicing by ₹150 crore.

GTL said it is on track to add 5,000 tenancies in this financial year and another 5,000 in the coming one as operators expand and upgrade their networks to add subscribers and meet continued demand for data services.