

Telecom Tie-up

TTSL and Quippo Telecom to create largest independent telecom infrastructure company



Tata Teleservices Limited and Quippo Telecom Infrastructure Limited, promoted by the Kanoria of IBS Infrastructure Finance Limited enters into a merger to create India's largest independent telecom infrastructure company.

Tata Teleservices Limited and Quippo Telecom will swap 51 per cent and 49 per cent stake, respectively, in the infrastructure business held by them. The management rights in Wireless-IT Info-Services Limited (WITL)—the tower arm of Tata Teleservices—shall now move over to an independent & professional management run by Quippo Telecom, to make it a fully independent tower operator without being managed by a telco.

Quippo will make an upfront cash payment of approximately Rs. 2,400 crore, as also transfer its positive telecom tower portfolio of approximately 5,000 towers to WITL. The combined entity will now have a portfolio of over 18,000

towers which makes it the largest independently managed tower company in India, with an enterprise valuation of approximately Rs 13,000 crore (US \$2.6 billion).

"The deal is of strategic importance and value enhancing for all stakeholders—particularly so since it combines the proven expertise of management and operational capabilities of QTL with the committed support of TSL," Mr Anil Sardana, Managing Director of Tata Teleservices Limited, said.

"This alliance will allow TSL to concentrate on its core area of expertise. Together, we will enhance the value proposition and shareholder value. The combined entity will reap the benefits of significant synergies through combining of portfolios—both at the operational and financial levels" Mr Sardana added.

Mr Sunit Kanoria, Director, Quippo Telecom Infrastructure Limited & Vice-Chairman and MD, Quippo Infrastructure Equipment Limited, said, "This partnership presents a unique opportunity for telecom operators to focus on their core competencies without worrying about the availability of infrastructure, capital expenditures, time-to-market, etc."

Mr Anil Kapur, Managing Director of Quippo Telecom Infrastructure Limited, said, "This largest independent Tower Company will organically grow into an entity with over 50,000 towers by year 2012—we are confident it will hold the largest tenancy ratio in the Indian telecom space as well."