

Ambani brothers strike Rs 120 billion telecom tower pact

Billionaire Ambani brothers today announced a Rs 12,000-crore deal, wherein Mukesh will use towers owned by a firm run by his younger sibling Anil for launch of his telecom venture.

Reliance Industries Ltd's telecom arm will lease up to 45,000 mobile masts from Reliance Communications Ltd in a deal valued at more than Rs 12,000 crore over the lifetime of the contract, the two groups announced today.

The second deal between the brothers in as many months will give an estimated Rs 800 crore per annum additional revenue to Anil's Reliance Communications if the deal tenure is 15 years.

"Under the terms of the agreement, Reliance Jio Infocomm will utilise up to 45,000 ground and rooftop based towers across RCom's nationwide network for accelerated roll-out of its state-of-the-art 4G services," the two groups said in separate but identical statements.

Reliance Jio Infocomm is the only company which had in 2010 won a pan-India spectrum for 4G services but is yet to start commercial services.

The deal comes two months after the Ambani brothers had struck their first commercial deal when Mukesh agreed to hire Anil's optic fibre network for launch of his telecom venture. The pact was valued at Rs 1,200 crore.

The agreement announced today provides for "joint working arrangements to configure the scope of additional towers to be built at new locations to ensure deep penetration and seamless delivery of next generation services," the statements said.

This pact follows the inter-city optic fibre sharing agreement already signed in April 2013 as part of a comprehensive framework of business co-operation between

Reliance Jio Infocomm and Reliance Communications, it added.

Shares of RComm were trading 0.47 per cent lower at Rs 117.50, while RIL was quoting 0.82 per cent higher at Rs 798.80 on the BSE in late morning trade.

Reliance Industries, Reliance Comm strike 120 billion rupees telecoms tower pact

(Reuters) Reliance Industries Ltd's telecommunications unit will lease up to 45,000 mobile masts from Reliance Communications Ltd in a deal valued at more than 120 billion rupees (\$2.1 billion) over the lifetime of the contract, the Indian companies said on Friday.

Reliance Jio Infocomm, a unit of Reliance Industries, is rolling out a nationwide 4G network. The company won airwaves in 2010, but is yet to start commercial services.

Mukesh Ambani, India's richest man, controls Reliance Industries, while Reliance Communications is controlled by his billionaire younger brother Anil Ambani.

(Financial Express)