

Vodafone India sets ball rolling for IPO, appoints NM Rothschild

UK-based telecom major Vodafone has moved a step further to list its India operations by roping in investment bank NM Rothschild to assist the listing plans.

According to sources, Vodafone India has roped in investment bank NM Rothschild to assist the company in its listing plans.

When contacted the company spokesperson, however, declined to comment.

Sources said Rothschild will assist Vodafone to clear the regulatory hurdles, help in price discovery and valuation, restructure the complicated shareholding pattern and even help appoint the book-runners at a later stage.

Last year, the company had organised in Mumbai a meet of global investors and analysts in which it had disclosed financial and other operational details.

Vodafone India Chief Executive Officer Martin Pieters also made an internal announcement to employees, updating them with the IPO plan.

India is one of the biggest markets for the company. It has nearly 146 million subscribers.

Last year, Vodafone had bought out Indian partner Essar's 33 per cent stake in the joint venture for USD 5.4 billion.

That transaction took Vodafone's ownership to 75.35 per cent, more than the prescribed Foreign Direct Investment (FDI) limit of 74 per cent.

Domestic company Piramal Healthcare picked up a strategic 5.5 per cent in Vodafone for USD 640 million. The Piramal investment helped Vodafone meet regulatory requirements.

The Vodafone Group entered India in 2007, after buying out Hutchison's 67 per cent stake in its telecom venture with Essar for USD 11.2 billion.

For the six months ended September 30, the operating free cash flow stood at USD 519 million.

The company also awaits the final ruling in the tax dispute wherein the Income Tax Department had slapped a fine of USD 2.5 billion on Vodafone.

(Economic Times)