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RCom unit in pact with S Tel

Our Bureau

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A unit of the Anil Ambani-controlled Reliance Communications has signed an agreement with S Tel, a new telecom operator, for sharing passive telecom infrastructure.

Reliance Communications will execute the agreement through its tower subsidiary, Reliance Infratel which houses the entire telecom infrastructure business of the company.

The pact covers six circles - Orissa, Bihar, Himachal Pradesh, Northeast, Assam and Jammu and Kashmir where the telecom operator plans to roll out its GSM services soon.

Sources indicate that the deal size is estimated to be Rs 800-1,000 crore over the ten year period.

"It is well-established that improving teledensity provides more economic benefit than any other kind of infrastructure. This move will enhance the mobile penetration in these circles and rapidly bring benefits of technology and communication networks to people in these regions," Mr. Shamik Das, Chief Executive Officer of S Tel said, in a statement.