

Spice Comm sells towers biz to Quipo for Rs 600 cr

The company is raising around \$800 mn to fund expansion plans

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BK Modi-controlled Spice Communications has sold its entire portfolio of 875 telecom towers to independent player Quipo Telecom Infrastructure for around Rs 600 crore. Separately, the company is also raising around \$800 million to finance its expansion plans.

Confirming the development, Quipo Group President and Managing Director Quipo Telecom India Arun Kapur said the companies have been in talks for sometime and the deal comes after Spice Communications received board approval today.

"We are picking up the towers that will result in increasing our portfolio of services, apart from getting access to the further rollout that would be undertaken by Spice. This will result in an excellent partnership between the two companies," Kapur said.

These towers have a tenancy rate of 1.7 operators and Quipo will provide these towers on a shared basis to the industry, he added.

Spice, which is 39 per cent owned by Telekom Malaysia Bhd, provides GSM services in Karnataka and Punjab and has applied for licences in 21 circles or service areas.

According to an analyst tracking the sector, Spice Communications also shares another 325 towers.

Today's deal reflects growing activity in the telecom infrastructure business. Nine companies are setting up operations in India. These include majors like US-based American Tower Corporation (ATC) and Crown Castle International, Israel-based Tower Vision, TVS group subsidiary TVS Interconnect Systems (TVS-ICS) and Essar Telecom Tower Infrastructure.

Meanwhile, in a statement to the Bombay Stock Exchange,



The deal reflects the growing activity in the telecom infrastructure business

Spice Communications said it has received a board approval to sell 875 towers to "a tower operating company". However, the name of the tower company was not disclosed in the BSE filing.

The company's board,

which met yesterday, had also approved a proposal to borrow \$400 million from Hong Kong and Shanghai Banking Corporation (HSBC) and another \$410 million from China Development Bank (CDB).