

Quippo, Temasek near Tata deal

In advanced negotiations with Tata Tele to buy stake in tower business

Indulal PM
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QUIPPO TELECOM Infrastructure Ltd and Temasek Holding are in advanced negotiations with Tata Teleservices to buy a stake in the telecom tower business of the CDMA operator.

Tata Teleservices, the telecom service arm of the Tata Group, had announced last year that it would hive off the telecom infrastructure business into a separate entity. Recently, Tata Tele Managing Director Anil Sardana said the company would dilute 26-49 per cent holding in the company.

Quippo is part of SREI Infrastructure Finance Ltd, the largest credit company focused on the infrastructure sector. Quippo Managing Direc-

tor Arun Kapur said the company was in talks with Tata Tele to buy its telecom tower business. Quippo Telecom Infrastructure Ltd is investing over \$3 billion (Rs 12,000 crore) in the 2008-09 to ramp up its telecom infrastructure business. Meanwhile, Singapore-based private equity fund Temasek, which has over 10 per cent holding in Tata Teleservices, is also in the final rounds of negotiations.

Boston-based American Towers, Crown Castle and domestic telecom infrastructure provider GTL were in talks with the Tatas to get a stake in their tower business.

TTSL currently has over 10,000 towers, while Tata Teleservices Maharashtra Ltd (TTML), which is listed and offers services in Maharash-

tra and Goa, has over 3,500 towers. Both companies together have over 15.5 million subscribers.

Investment banking sources said the Tatas had valued their telecom tower business at \$2 billion (Rs 8,000 crore) and had roped in JM Financial and Citigroup as advisers for the transaction. However, this could not be independently confirmed.

A Tata Tele spokesperson declined to comment on the issue.

According to analysts, India has over 185,000 telecom towers to support the rapidly rising subscriber base. Telecom companies are adding 6-8 million subscribers every month and the industry will need at least 300,000 towers over the next two years.

indulal.pm@hindustantimes.com

TOWERING IN

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