

# GIC, IDFC buying 25% of Quipo Infra

**MUMBAI:** Government of Singapore Investment Corporation (GIC) and IDFC are close to buying about 25% stake in Quipo Infrastructure Equipment (QIEL) for \$50m. A large part of the investment will go to Quipo's telecom infrastructure business, sources told Economic Times.

Both IDFC and GIC will acquire around 12%-13% each. "Agreements have been signed. However, a clearance from the Foreign Investment Promotion Board (FIPB) is awaited," sources said.

QIEL is an equipment rental company offering services under the Quipo brand. It rents out equipment to contractors on a pay-per-use basis in the construction and oil and gas sectors. It has also set up Quipo Telecom Infrastructure, which builds and rents out passive telecom infrastructure (telecom towers) allowing plug and play service to operators. Post-investment, a member each from GIC and IDFC will join the board of QIEL, backed by Srei Infrastructure Finance (SREI).

Singapore is increasingly looking at investments in the Indian telecom sector. Its investment arm Temasek already has 9.9% stake in Tata Teleservices while Singtel owns 33% stake in Bharti Airtel, India's top telecom operator.

GIC, which manages over \$100bn funds, will be the fourth international financial investor to pick up stake in Quipo. Already, Swedfund International AB, the risk capital company owned by the Swedish Government, owns a 17.24% stake, which was acquired for 4mn euros in 2004. World Bank member company International Finance Corporation (IFC) was the first one to buy a 20% stake in Quipo for \$10m in 2001. IFC exited from Quipo last year at an unknown price. "A domestic venture fund and Srei had jointly bought out IFC," said sources. FMO, a financial institution owned by the Government of Netherlands, had also purchased around 20% stake in Quipo in 2002."

FMO as well as the domestic venture fund will now dilute the stake to GIC and IDFC," said sources. Quipo Telecom had earmarked Rs 900 crore

investment for setting up 1000 cell sites during this fiscal. “Most of the new investment coming in will part- fund the capex of the telecom arm,” sources added.

Established in 1981 to manage Singapore’s foreign reserves, the GIC has invested in more than 40 countries and regions with the bulk of its investment going to the United States, Europe and Japan. It is now actively looking at India and China. GIC has already said it plans to invest a “few hundred million dollars” in the Indian real estate sector.

GIC’s investment activities cover a variety of asset classes including private equity, equities from both developed countries and emerging markets, bonds, real estate, commodities, hedge funds and short term assets.

**SOURCE:TIMES NEWS NETWORK (ECONOMIC TIMES)**