

QIEL raises Rs 1500mn from IDFC & GIC Special Invt

Quipto Infrastructure Equipment Limited ("Quipto") announced that it has raised Rs. 1500 million of equity from IDFC Private Equity Fund II, a fund managed by IDFC Private Equity & GIC Special Investments. HSBC Securities and Capital Markets (India) Private Limited assisted the transaction. This transaction is subject to statutory approval.

The funds from the enhanced equity will part finance the capital expenditure plan of the company. QIEL has already drawn up an ambitious capex plan of over Rs 3,400 crore over a period of two years.

Sunil Kanoria, Managing Director, Quipto Infrastructure Equipment, said, "The investment by IDFC Private Equity and GIC in Quipto reflects the strong endorsement of our unique business model of providing infrastructure solutions. I am confident that this partnership will go a long way in strengthening the company's activities."

Satish Mandhana of IDFC Private Equity remarked, "We believe that this is a unique opportunity to invest in India's largest provider of equipment rental solutions. The investment by IDFC Private Equity and GIC will enable Quipto to quickly expand its operations and enable it to raise further funds for its asset intensive business."

Quipto is also the country's largest equipment rental company, servicing the high growth verticals of Construction, Oil & Gas, Telecom and Energy and has an asset base of around Rs. 300 crore. In addition to having a state-of-the-art equipment/asset bank for construction and other capital-intensive sectors, Quipto has a large pool of fully trained operations and maintenance personnel spread across various sites in India.

Globally, the organised equipment rental business has played a substantive role in the growth of the construction industry. By expanding and strengthening its operations in the construction equipment rental business, Quipto will provide greater value addition to its customers. Quipto also has a JV with Larsen & Toubro and others for its operations in the southern states of India.

Quipo has been sponsored by SREI, one of the leading non-banking financial institutions in India. Having identified India's infrastructure sector as its principal growth area, SREI has built a unique business model, which revolves around the financing of infrastructure, construction and mining equipment, infrastructure project finance and renewable energy systems.

Quipo, through its subsidiaries, is involved in the renting of towers to leading telecom operators of the country and has been a forerunner and driver of the shared infrastructure initiative in India. Its Oil and Gas subsidiary is in the business of renting on-shore drilling rigs to oil majors and providing associated services. It has a strategic tie up with a leading global service provider in the Oil and Gas business.

Other emerging businesses of Quipo include a JV with Henry Butcher, a company that provides plant and machinery valuation and conducts equipment auctions, and an energy rental business using small gas-based generators. These gas-based generators offer a cleaner and cheaper option for a combined power and heating or chilling solution.

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