



## RIGHT CALL

Quippo's soft telecom infrastructure business got a boost thanks to IDFC's timely financial interventions

### The case:

In March 2007, IDFC saw the potential for growth in the passive infrastructure business underpinned by strong subscriber additions in the world's fastest growing mobile telecom market. IDFC Private Equity was an early investor in Quippo Telecom Infrastructure Limited (QTIL), one of India's leading independent tower operators.

### The challenge:

Quippo was a new company in a nascent segment. Therefore, initial capex was the first hurdle that had to be crossed. The next obstacle was the financing to support the company's growth plans through the acquisition of equity stake and subsequent de-merger of the tower assets in Wireless TT Info Services Ltd. (WTTIL). The third challenge for the company was to form a common shareholder block to sustain their growth plans. A highly leveraged balance sheet also needed support in terms of long-term funding.

### IDFC's 'one firm' solution:

IDFC, along with IDFC Private Equity and IDFC Project Finance came together to overcome the challenges faced by Quippo. While IDFC Project Finance lent Rs. 100 crore as a project finance loan to fund the initial capex of Quippo, IDFC Private Equity infused equity of Rs. 128 crore in the second round to support the company's growth plans.

In the financial year 2009-10, IDFC Project Finance supported Quippo's acquisition of equity stake and subsequent de-merger of tower assets in Wireless TT Info Services Limited (WTTIL), by

lending Rs. 350 crore. IDFC not only assisted Quippo in partnering with the Tata Group but also helped it to become one of the largest passive telecom infrastructure providers with the highest tenancy levels in the Indian market.

During the year FY10, IDFC Private Equity also took direct equity stake by investing Rs. 250 crore in WTTIL to form a common shareholder block with Quippo.

To support WTTIL's growth plans and to meet its high capex requirement, IDFC Project Finance lent a Rs. 500 crore short-term loan and Rs. 650 crore long-term loan. IDFC Private Equity infused Rs. 98 crore during the rights issue while IDFC Project Finance invested Rs. 250 crore as preference equity in WTTIL to meet its long term funding plans and support its highly leveraged balance sheet. Thus, IDFC along with its Private Equity and Project Finance arms supported Quippo-WTTIL to the extent of Rs. 2302 crore and played a major role in putting Quippo on the high-growth path.

## How it worked at IDFC

- IDFC - IDFC assisted Quippo in partnering with the Tata Group and become India's largest independent passive telecom infrastructure provider.
- IDFC Project Finance – Lent Rs. 1850 crore over a period of time to support Quippo's growth and acquisition plans.
- IDFC Private Equity – Gave the company equity support to the tune of Rs 452 crore over a period of time.

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