

Netxcell forms JV with African company

BS REPORTER

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Netxcell, a city-based value added service (VAS) provider for mobile companies, has joined hands with AquaSanTec Limited to form a joint venture company Netxcell Mauritius Limited (NML).

AquaSan is an Africa-based company offering water and sanitation solutions.

Addressing the media here

on Thursday, Netxcell chief executive officer Debasis Chatterji said the joint venture, to be based at Mauritius, would help Netxcell enter the African markets.

Netxcell would hold 51 per cent and AquaSanTec the remaining 49 per cent in the JV. "The companies differ in technologies. With AquaSanTec's presence there, it would be easy to tap the markets and also reduce infrastructure

costs," he said.

Under the agreement, the JV would bill the operators in the African market directly and in turn Netxcell would bill NML for its services and technology. To begin with, Netxcell would help NML have its base in Kenya and deploy its sales and technical experts.

The reason for choosing Africa, Chatterji said, was its mobile telephone market, which was close to \$3,000 million and the VAS market estimated to be about seven per cent of it at \$220 million. VAS is growing at 15 per cent per annum in Africa.

"Netxcell is targeting three per cent market share in the next 18 months," Chatterji said, adding the average revenue per user was higher in Africa at \$8 as compared with \$4 in India.

The company would focus on Kenya, Rwanda, Tanzania, Burundi, Uganda, South Sudan and Ethiopia where Zen, MTN, Vodafone and a regional company were the major mobile players.



Netxcell chief executive officer Debasis Chatterji addresses the media in Hyderabad on Thursday

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Hindu Business Line

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Our Bureau

Hyderabad, Feb. 18

Netxcell, a value-added services (VAS) provider for telecom companies, has set up a joint venture company with the Kenyan company Aqua-SanTec to explore the \$220-million VAS opportunity in the African continent.

The 51:49 joint venture, which would be headquartered at Mauritius, would initially target seven countries including Kenya, Uganda, Tanzania, Rwanda and Sudan.

"We are targeting a market share of 2-3 per cent in the first 18 months," Mr Debasis Chatterji, Chief Executive Officer of Netxcell, said.

Addressing a press conference to announce the joint venture, he said though Aqua-SanTec was into water and sanitation business, their local presence would help Netxcell set up base and understand the local market well.

Netxcell registered a turnover of Rs 14 crore in 2008-09 and Rs 6 crore in 2007-08.

Netxcell joins hands with AquaSan for Africa foray

SHARANG LIMAYE

Hyderabad

TELECOM applications firm Netxcell has joined hands with Africa based AquaSan Tec to foray into the African market. The two companies have jointly set up a holding company in Mauritius by equity participation which will be called Netxcell Mauritius (NML).

"Africa is where the future growth of the telecom industry lies. We find that there are many similarities between the Indian and the African markets, except that the average revenue per user (ARPU) is higher in Africa," Debasis Chatterji, CEO, Netxcell said.

The Hyderabad-based company would provide the technical know-how for operating in the African market. To begin with, Netxcell will help NML, which will have its base in Kenya, to de-

Hyderabad-based firm will provide technical help to the African firm

ploy a senior sales representative along with a technical expert and going forward the team will be expanded as per the need and response from the market.

NML, in the initial stages, would be funded by the two promoting companies. The company is also getting offers from various private equity firms, Chatterji claimed. Operations would be kicked off in seven East African countries which include Kenya, Uganda, Tanzania, Rwanda, Ethiopia, Sudan and Burundi through the existing pres-

ence of AquaSan.

"AquaSan offers us several advantages in the region like ready infrastructure, local expertise and strong network," Chatterji added. "Besides giving us global reach, it also gives quick go-to-market option and great contacts in the local market."

Founded in 2000, Netxcell manages 200 million subscribers in India. It has tie ups with most of the major telecom services firms for providing value added services (VAS). The company had clocked revenues of Rs. 14 crore last year.

"We have set up high level discussions with 14 mobile operators across three countries over the past few weeks. We have been able to identify areas where we can help them provide better VAS," Nikhil Shah, director, AquaSan said.

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