

Awtaney quits IBM

Inks JV With Zamil Group For Managing Passive Infrastructure For Telcos

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NEW DELHI

RAMESH Awtaney, IBM's vice-president, (strategic outsourcing) for Asia-Pacific, who sealed IT outsourcing deals worth \$8 billion for the company including the \$1-billion plus Bharti deal that became the benchmark for the industry, has put in his papers.

Mr Awtaney has formed a joint venture with Middle-East's Zamil group called - Zamil New Delhi Infrastructure - to build, supply and manage passive infrastructure for telecom companies in India. The Zamil Group will hold 51% stake in this JV, that has been set up with a authorised capital of Rs 100 crore.

With the country adding over 9 million new mobile customers every month, market watchers say the potential for tower business will be a viable proposition in foreseeable future. More so, telecom penetration levels in rural India are less than 15% and India needs to add about 200,000 towers in the next two years to maintain the current growth rates.

"The new company will utilise Zamil's manufacturing facilities in India including the steel plant in Pune and the air conditioning facility in Himachal Pradesh. It will focus on building telecom towers, accompanying shelters fitted with energy saving solutions, sandwich panels, customised air conditioning equipment and power



RAMESH AWTANEY FORMER VICE-PRESIDENT, IBM

New company will focus on building telecom towers, accompanying shelters fitted with energy-saving solutions, customised air conditioning equipment and power interface units

NEW BUSINESS

- **Zamil Group to hold 51% in JV**
- **Zamil New Delhi biz model similar to outsourcing deals by IBM India**
- **Awtaney helped seal IT outsourcing deals worth \$8 billion for IBM**

interface units," Mr Awtaney told ET.

At a later stage, the JV plans to expand its portfolio maintaining and managing telecom towers and other related infrastructure for telcos and stand-alone tower companies.

Mr Awtaney also clarified that the JV would not be a telecoms tower company. "We will only build, support and manage the infrastructure. We already have orders from Bharti Infratel, Idea Cellular, Aircel, Spice Nepal and other oper-

ators," he added.

Zamil New Delhi Infrastructure's business model is similar to the outsourcing deals undertaken by IBM in India. Telcos can outsource all their passive infrastructure - building, maintaining, managing and servicing — leaving them to focus on network deployment, marketing and providing energy saving solutions to operators.

In his close to eight-year stint at IBM, Mr Awtaney was instrumental in outsourcing deals in both India and abroad. Bharti first signed a reverse outsourcing deal with IBM in 2004 which was first of its kind where the US-based IT major was made a partner in Bharti's success as the deal involved a revenue share model as against the traditional concept of a fixed fee. The deal envisaged that IBM handle all of Bharti's IT requirements across mobile, DTH, IPTV and even for its recently launched operations in Sri Lanka. This enabled Bharti to grow at a scorching pace by keeping its focus purely on marketing and selling services. The model was later replicated as IBM entered into similar deals with Vodafone and Idea Cellular.

In fact, the last deal Mr Awtaney signed for IBM was made public on Friday when Malaysia's Maxis announced that it has signed a five-year IT services relationship. Industry sources say that the deal is estimated to be worth about \$250 million.