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Rolta scouts partners in West Asia

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After a string of acquisitions in the developed world, technology firm Rolta India is now looking at local partnerships to penetrate into the emerging markets of West Asia and Africa to spur growth.

"I think our focus right now is Middle East and Africa as far as the emerging markets are concerned," chief financial officer Hiranya Ashar said.

A chunk of the company's international revenues comes from North America.

"North America, out of 41% (share of international operations in the total revenue), contributes almost 29%. So I would say, almost 75% of our international business is concentrated in North America. But some of the emerging areas like the Middle East are growing very, very fast though from a

smaller base," he said.

Gaining a footprint in Africa will, however, require a significant amount of work, as Rolta will be starting from scratch in the continent. "Africa market is a long-term strategy. There are certain issues also in Africa—funding, political instability like that. So we have to be a little careful. But on a longer term, yes, Africa is a market which is a focus market for us," Ashar said.

Asked if the company would look at acquisitions for better penetration in the emerging markets, the CFO said: "No I don't think so."

"See different markets have different characteristics. In the US, we have gone inorganic and grown in certain areas not from a marketing perspective but also from the capability perspective. See in the Middle East, there are no local companies, so I don't

think there are companies that we can acquire and get business," he said. The company would, instead, scout for local partners in West Asia and Africa to be their link in those regions. "It's like a sponsor relationship where in that particular country, they are our sponsor. They are more like commission agents where they front-end a lot of things. They get business for us and they get paid based on the business volumes," Ashar said.

On more acquisitions, Ashar said, Rolta has continuously been evaluating such possibilities, but the company is now in a phase of consolidation. "Currently we are in a phase of consolidation where we have to integrate all these acquisitions, build solutions around whatever IPs (intellectual properties) we have acquired," he said. Acquisitions, if any, would be small in size, he added. NewsWire18