



Acquisitions are our strategy: KK Singh, CMD, Rolta India

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In an interview with ET Now, KK Singh, CMD, Rolta India, talks about their acquisition plans. Excerpts:

You were looking at a small-ticket acquisition in the US between 5-20 million range and centres around IP to make its solutions robust. When can we expect an announcement on this one?

We have been doing these acquisitions from time to time because that has been our strategy. We have been strengthening our technology offerings to a very large extent and today our own IP and technology lead all the solutions. So in that regard, we are considering certain more such acquisitions in the line of homeland security and in the GIS and line of business intelligence. So going forward in next 30-45 days, we should be able to finalise one such technology acquisition in the homeland security side.

What about the US visa fee hike? Do you see that impacting your cost?

Not much because our model is such that we do a lot of work from our front-end established companies which we have acquired in US and such parts of the world. For example, in the US itself we have a few hundred people who are employed to the companies which are 100% subsidiaries of ours. If we have to get work back into India, those companies get the advantage of the India offshoring. So to that extent, it is not a model in which we sent too many people from India to the US. So right now we are within the limits which the US government has imposed and as we go forward, our L1 visas or H1 visas are not such large numbers that they can impact us.

What about acquisitions? You have been looking at some small-ticket acquisitions. Is there anything on the anvil?

Acquisitions are a key to the technology side only. We are not looking for acquisitions into today's market unless and until they bring tremendous opportunity to us and open up the market or open up the customer or give us a track record or give us people or give us very key technologies. So that is what the thing is and we are looking it in all the three business segments whether it is in geospatial, whether it is in engineering or whether it is in enterprise IT.

What growth do you expect for this financial year?

In this financial year, we will be able to do one or two of them.

Given that you are going to acquire two or three companies in this financial year, what's the overall growth that you expect on the revenue and the profit front?

The growth during this financial year is expected to be in the region of about 15%. Last year, June was our full year which we just closed two months back and there we had a growth of about 12%, 11.8% or so which was about 12%. In this year, we are expecting about 15%.

Can you just give us a segment-wise revenue break-up from all your three business segments, the revenue that you are getting in from each of these segments percentage wise?

The enterprise geospatial and defence is something which is almost 50% of our business and then comes the engineering design and operation solutions which are about 25% and similarly the enterprise IT solutions are about 25%.