

MindTree says will seal buyout deal this fiscal

Is hunting in telecom, home appliances space

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MindTree Consulting Ltd is actively scouting for acquisitions in the telecom and home appliances space, and is likely to finalise a deal before the end of this fiscal.

The Bangalore-based IT consulting firm, which raised Rs 200-odd crore early this year through an IPO, is looking to grow inorganically to enhance its delivery capacity in niche areas.

"At any given point in time, we are evaluating 2-3 targets. We will surely be making an acquisition during this fiscal. It will be a niche company to fill up gap in our current offerings. The buyout will be done to enhance our delivery capacity and not to expand our market," said S Janakiraman, president and CEO, research and development services, MindTree Consulting Ltd.

Janakiraman said the size of the deal would be anywhere between \$5 million and \$10 million, and could even be bigger if it ful-

fills the requirement of the company.

And since the acquisition will be driven by the intent to improve delivery capacity, Janakiraman said it would either be in India or any other low-cost country.

For the IT services, the company is on a lookout for a buyout in the telecom segment. For research and development, it wants to acquire a digital home entertainment services company.

The Rs 590 crore company earns 77% of its revenues from IT services and the remaining 23% revenues comes from R&D services.

It offers IT services ranging from application development, maintenance, package implementation and infrastructure management while its R&D services include product design, re-engineering, optimisation and support.

Of the 23% of the R&D earnings, 6-8% constitutes direct revenues from licence fee and royalty earned from intellectual properties and 15-17% is indirect earnings accrued due to intellectual properties.

The company has attained a leadership position in the low-bandwidth blue



Growth code

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tooth technology, where it has 35 licences, and is currently working on high-bandwidth ultra wide band (UWB) technology, which would be made commercial by the end of this calendar year.