

Clip: 1 of 1

Quess Corp targets \$1-b mark by 2018

Firm claims five-yr CAGR growth of 90%

Hrithik Kiran Bagade

BENGALURU: Business services and staffing company Quess Corp is targeting to grow into a \$1-billion enterprise by 2018, fuelled by its growth and expansion plans.



Ajit Isaac

The Canada-based \$9.5-billion Fairfax Financials Holdings-invested firm is bullish on its industrial asset management business to realise its objective. "Around 50 per cent of our revenues have been generated through our IT services business, while the remaining is through non-IT businesses, including general staffing. Considering that the manufacturing sector is picking up, in the backdrop of the 'Make in India' initiative, we are exploring industrial asset management as a key growth area," Quess Chairman and Managing Director Ajit Isaac said.

Quess, called IKYA until last month, received an investment of around Rs 250 crore in 2013 from Fairfax-owned Thomas Cook India, which came to hold 68 per cent in the company. In the last seven years, Quess has invested around Rs 160 crore to acquire nine companies in India and North America, in-

volved in IT, industrial asset management, integrated facility management and people and services HR (general staffing). The company (a step-down subsidiary) is focused on providing staffing solutions to corporates, skill development and industrial facility management, among others.

"We have enjoyed a return on equity of 45 per cent in FY2014. Even as the GDP grew at 5-6 per cent during 2010-14, we have grown incredibly at a CAGR of around 90 per cent without any debt," Isaac claimed, hinting at more acquisitions in the future.

In line with its growth prospects, Quess aims to flourish in the temporary staffing space. "Around 20 per cent of global IT staff are hired as per flexible staffing contracts on a temporary basis. Even in India,

of the three million people working in IT, around 600,000 of them are required in temporary job roles, which are hardly occupied. We see tremendous opportunities here," Isaac said.

The HR industry in India is growing at a CAGR of 20 per cent since the last five years. Quess ended FY 2013-14 with revenues of Rs 1,400 crore. In the first nine months of FY 2014-15 itself, the company logged revenues of Rs 1,400 crore, and expects to close the fiscal at Rs 2,000 crore. The company's EBITDA for FY 2013-14 grew by 5.5 per cent, which is expected to touch 8 per cent by 2017. Isaac said the company had a net profit of Rs 40 crore in 2013-14 and EBITDA of Rs 67 crore. He said during the first nine months of this financial year itself, it has exceeded the full year's profit numbers of last year.

"We are disciplined investors running for cash flow, rather than valuations. We service 800 customers (corporates and industrial entities) in 8,000 locations. We currently have a headcount of 92,000 in India, the US, the Philippines and the Middle East, which is poised to grow by 30 per cent this year," Isaac added.

DH News Service