



INTERVIEW

'Digital is the future of engineering'

The Indian IT industry has a gloomy outlook. But, L&T Technology Services is defying the odds, says its CEO & MD, Keshab Panda in an interview with Sunitha Natti of Sunday Express. Excerpts

How did the company fare in the quarter gone by? What's the outlook?

During the last quarter, our revenue rose to \$128 million on the back of successful project executions and new orders. Our net income increased and we are firing all engines. More growth has come from our top customers and we have signed a couple of deals. We believe that compared to FY17, this fiscal we will have a double-digit growth.

What's the business strategy that's helping you attract high growth?

In 2014, when we started the company as an independent entity, we wanted to make sure that our technology is world-class. We also want to make



sure digital is the future of engineering. When you talk about engineering, there are no large deals coming in the market and there are key two components - new product design and smart manufacturing. The latter is about 35 per cent of the business, and automation is almost not possible here.

Automation comes in the bottom 65 per cent of the pyramid. There are multiple areas we are placed reasonably well, and we are prepared on the digital side, with right skill sets, right people and right investments. We are ready to go. We have signed a few sizeable deals last quarter and that gives us the confidence of double-digit growth this fiscal.

Is there any change in busi-

ness mix?

There's one segment called planned engineering, where we saw a bit of de-growth last year. But that's going to pick up again. We continue to do well in transportation, telecom, hi-tech has growth, but industrial design has been flat this quarter, but we believe it is temporary. We are investing in it and growth will come back. As such, there's no major change in business mix.

Are you de-risking to reduce dependency on the US market?

In engineering, you can't really live without Germany, without California, and Japan. These are markets with high technology adoption and there's no way, de-risking in California will happen. China too has a huge market, but there are limitations and hence not a big market for us. We will continue to focus on the other three, where we have grown reasonably well and will going forward. We have presence in India, for global customers who need support, but we do not go for business development aggressively as there are several constraints. We do 4-5 per cent business in India and it remain that way unless something comes up with right margins.

Has hiring been affected in the past six months since Donald J Trump's US Presidency?

Frankly, nothing has changed. There's a lot of noise. We have hired people and continue to do that. Onsite, we have over 1,500 and based on the requirement it could be 1,400 or 1,700 in subsequent quarters. The biggest challenge we have today is having the right engineers. I also don't agree that Indian companies, even IT services are behind new technologies. As long as you are in IT, there's no way not to look at it. We have done that multiple times, take dot com era, and the period after it. We (companies) aren't going to sit quietly. There are lot of platforms and multiple things that we are doing.

