

# BusinessLine

## Quest Global chief upbeat over Nest Software acquisition

Vinson Kurian

*'While Quest has mechanical skills, Nest has embedded electronics skills'*



Ajit Prabhu

Thiruvananthapuram, November 19:

Ajit Prabhu, Chairman and CEO of Bangalore-based Quest Global, is pleased that he has been able to clinch a 'hotly contested' deal to acquire Nest Software based at Technopark in Thiruvananthapuram.

"We have acquired 100 per cent in Nest but I can't put an exact number to the size of the deal. Suffice to say that it is over ₹ 500 crore in overall transaction value," he told *BusinessLine* here.

The deal was announced on November 4 after Quest Global managed to beat an aspirant PE player to it. Prabhu is in Thiruvananthapuram to oversee the transition and rebranding exercise.

### 'Perfect fit'

Nest Software has been a leading player in industrial automation, healthcare, communication, transportation and semiconductors. "Nest and its 1,900 people are a perfect fit to our capabilities," Prabhu said.

"While Quest brings mechanical skills to the table, Nest has embedded electronics skills to match. There are lot of opportunities for both to cross-sell each others' capabilities."

In Thiruvananthapuram, Quest would like to scale up business. Referring to the sprawling new building housing the company in Technopark, Prabhu said he now has got lots of empty floors to fill.

"The first priority is to finish work on all floors. We're investing \$2 million in capex for the purpose. We would also consolidate work from the three other premises which operate elsewhere in the city."

### Staff retention

Prabhu said he could count on many benefits after deciding to invest in Thiruvananthapuram. Compared with Bangalore, employee retention trends are compelling enough – six per cent against 11 per cent.

So it helps retaining the employee base here, which is saying a lot. Also, whatever capabilities the company needs are in ample supply here. Costs are also on the lower side.

"Over the next three months, we should be able to set up our first ODC here. Initially, we will start with 50 seats but we will scale it up to 300 within the next couple of years," Prabhu said.

Going forward, the main focus will be to grow the healthcare, industrial and automotive verticals. At the same time, emerging verticals of semiconductors and communication will also be scaled up, he added.

S Narayanan, President of erstwhile NeST Software, said the new management will also look to drive up the staple business of connected home network management and carrier Ethernet.

"We already have engagements in these segments with some of the big customers in Japan," Narayanan said. "Just two weeks back, we started the seventh ODC here. Almost 50 to 60 pc of our business was being generated from Japan. Existing ODCs work with Toshiba, Hitachi and Mitsubishi in different sectors."

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