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RelQ to acquire French co

Rukmini Priyadarshini

BANGALORE, Jan. 22

RELQ, the Bangalore-based software validation and verification (V&V) company, is close to acquiring French gaming software testing company 'International Testing' for an undisclosed amount and expects to complete another acquisition in the US by March.

The company is also looking to raise \$5 million in its second round venture funding and expects to close the deal by March. Speaking to *Business Line*, the RelQ President, Dr Prakash Mutalik, said "the funds will be used for both organic and inorganic growth."

RelQ which expects revenues of \$8-10 million this year and has 300 people on board, expects to achieve over \$22 million and touch 500 people next year.

This acquisition is a beachhead for RelQ, offering ready customers and IP, Dr Mutalik said. It will give RelQ a foothold in the \$3 billion game software testing market.

"We are also close to getting a multi-million dollar project from the second largest game software company. International Testing has revenues of \$1 million and top-rung customers such as Vivendi, SNUP, Infogames and BNP Paribas," the RelQ Director, Dr Prabhakar Valivati, said.

"We are also evaluating the Japanese market for possible acquisitions as there are a number of small companies in that region," Dr Mutalik said.

Besides game software, RelQ is also looking to address the storage area networks market. "We are already working with HP in this area and are in talks with two-three other companies for testing projects," Dr Mutalik said.

"We have expanded market reach, increased marketing force in the US, Europe - Ireland, Belgium, Holland - Asia-Pacific region, and Japan," he added.

RelQ has recently acquired projects from Vodafone, Citibank, HP etc and "the thrust is now on building offshore testing centres for our customers," Dr Mutalik said.

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RelQ plans to get large companies to hive off their V&V divisions or practice to it and expects to strike partnership deals with a couple of major US clients to that end. "V&V services are coming into their own now and most companies recognise the value in an independent testing company," Dr Valivati said.

RelQ, which forayed into the aerospace testing market last year, completed a 'mission critical' project for GE last year and is working on 4-5 projects with American companies, 2 in Europe and 1 in India "they are all \$1 million projects and should enable us to achieve \$22 million of revenues next year," Dr Mutalik said. RelQ has also recently finalised two independent V&V projects with Japanese companies and is also in talks with a Canadian customer.

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