

# Turning around

## One Point One Solutions regains its position

**O**n 29 May 2022, One Point One Solutions, a listed entity on the NSE, announced its working results. While the company's revenue from operations was at ₹131.69 crore, as compared to ₹101.60 crore in 2020-21 (up by 29.62 per cent), its operating profit (EBIDTA) was at ₹28.25 crore, as against ₹8.30 crore in 2020-21 (having grown by 2.42 times). The EBIDTA margin shows an improvement of 21.45 per cent over the 8.12 per cent recorded in Q4 2020-21. And the net profit, at ₹3.66 crore, compared favourably to the loss of ₹20.19 crore in 2020-21, registering a growth of 1.18 times. This is a substantial turnaround this business process management (BPM) player has displayed.

"The strong growth was driven by the new client additions, along with expansion in business from existing customers," explains Akshay Chhabra, MD, One Point One Solutions. "We have been able to improve margins by increasing efficiency and adding seat occupancy across locations. The demand for BPM services is increasing, as the economy has opened up, and every sector is focussing on winning new customers and making their existing customers' experience delightful. We would be the biggest beneficiaries of the fastest growing Indian economy, as the demand for our services is directly proportionate to growth in the service sector". Chhabra, founder, One Point One Solutions, has been focussing on technology-driven innovations to build efficiencies and surge ahead in the BPM space.

The company was incorporated in 2006 to offer technology, accounting, skill-development and analytical solutions that help businesses build better capabilities and enable them to achieve seamless growth. It serves a broad spectrum of industries like telecom & broadcasting, retail and e-commerce, consumer durables, FMCG, banking and finance, besides travel, hospitality and Insurance. The company has five service centres located across Navi Mumbai, Gurgaon, Chennai, Bengaluru



*Chhabra: improved margins*

and Indore, with 5,500 plus seats on per shift basis.

"We offer services like customer care, lead generation, content management, voice analytics, accounts payable and receivable, SME management, predictive analytics, chat bots, IVR, voice analytics and e-mail management," says Chhabra. Listed in 2017, the company now boasts of leading a clientele spread across sectors. Some of its leading service receivers are SBI Cards, Godrej Appliance, Kotak Securities, ICICI Bank, Tata Motors Finance, Airtel, Adani, Go Air and Mahanagar Gas, to name a few.

"We are experiencing a flow of new clientele from mid-February," adds Chhabra. "The company has signed three new and marquee clients in the last two-three months and is in the final stage of discussion to add up more clients during the year. Its current capacity utilisation stands at 64 per cent, which is 3,500 seats on one shift basis, moving upwards of 100 per cent utilisation of capacity of 5,500 seats on one shift basis by the end of the current financial year.

We have enough room for expansion on a two-shift basis to double the current capacity to 11,000 seats, based on the demand scenario". He had taken a hard call of letting off customers like DTH and telecom clients over the last two years, as they were occupying capacities but were not able to give the margins, as the industry was bleeding.

As of today, there's a shift in the client profile, with contributions from BFSI, new age Tech businesses, etc, increasing to almost 75 per cent. The average realisation per seat has increased from ₹29,000 to ₹37,000 and is now inching towards ₹40,000.

### Way ahead

The company is primarily aiming at filling up vacant capacities in the current year. This would mean, on optimal capacity the company can do a turnover of about ₹225 crore, with 10 per cent net margin, with all the infrastructure cost, rentals, etc, already built in the cost. It is also working on the government vertical. There are various government tenders, like labour helpline, which the Supreme Court has mandated that the states implement.

The mandate has to be put to effect in over 22 states, with each tender being worth ₹100-120 crore. Even one such tender would mean doubling the present topline with a net margin of about 20 per cent. The company is also working on large tenders from public sector banks, which could potentially be a game changer for it. So, it has appointed a team to specifically work on these projects and feels confident of closing at least couple of them this year. A big shift in numbers is expected from international businesses too, which the company is working on. A sales team, already appointed, is based in the UAE is under process.

The average realisation per seat in the international process is in the range of ₹1.60-1.75 lakh (minimum wage \$80/ day). The net margin is expected to be about 25 per cent. At a conservative utilisation estimate of only 500 seats (10 per cent of total night capacity) in 2023-24, the company could still record a turnover of about ₹100 crore and a net gain of ₹25 crore.

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