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News

Atul Hemani, Managing Director & CEO, Omnitech InfoSolutions Ltd.

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Atul Hemani, Managing Director & CEO, Omnitech InfoSolutions Ltd is an astute professional with an engineering background from University of Mumbai, contributing his experience of over 26 years in the IT industry. Adding to his repertoire, he had worked for two years with Hindustan Computer Limited (HCL), prior to promoting Omnitech.plays a vital role in steering the overall business growth strategy and accomplishing organization vision. He leads the able team to implement the business strategy through definitive action plans to achieve desired results. His current thrust areas are to be a thought leader in the area of Managed Services and Cloud Computing and continue to be pioneer in Disaster Recovery and Business Continuity space.

Omnitech is a global IT solutions and services provider company in the areas of business availability, business continuity and business enhancement services. With over 23 years of fostering client relationships, company is agile to establish the best global credentials through world class quality certifications. Besides the conduct of ISO 9001:2008 for quality management, Omnitech also gained ISO 20000, ISO 27001 and BS 25999 standards.

As an intensely technology focused company, Omnitech banks upon its ability to anticipate and address IT requirements across business in a cost effective manner. Omnitech InfoSolutions helps customers to align their IT with their business goals and offers value added services at different phases of their IT planning and deployment cycle. We help them to derive optimum utilization of their IT resources and lower their cost of operations. Within the broad direction, Omnitech innovates in order to compete successfully. Emerging as a pioneer in business continuity services, Omnitech introduced first of its kind disaster recovery centre in India meeting all the global standards, thereby demonstrating both its knowledge of technology and skills of implementation.

Replying to **Yash Ved** of ***IIFL***, Atul Hemani, says “We expect our Capex investments at not more than Rs. 400mn to Rs. 500mn; this will be mainly used towards replenishing of obsolete technology products, customer specific investments into Cloud computing and captive use.”

What is your outlook on the IT sector?

Currently, IT industry is going through a difficult phase. Significant part of Indian IT exports business revenue comes from US, UK and Europe market. Due to global economy slowdown, IT spend has been reduced or not growing in these regions. We see a growth in Asian (including India) markets. We believe this can be a good opportunity for mid-sized companies like us and we should be able to leverage this situation for our business by helping our prospects & customers to help them reduce their total cost of ownership and also get better cost efficiency/optimization. We intend to adapt the following approach for this;

While the global macroeconomic scenario remained uncertain, we have exhibited resilience and adaptability in continually reinventing our offerings to retain its appeal to clients

Embracing emerging technologies, increased customer-centricity, deepening focus on new markets, adopting new business models for business growth.

Which verticals are you focusing on?

47.60% of our revenue has been derived from BFSI segment as a result of our strong hold in the segment. We would further continue to leverage that advantage going forward.

We are also looking at Pharma & Healthcare, Education and Government sectors as the next big opportunities.

What are your expansion plans for FY13?

Organic growth of 15% y-o-y through more depth than breadth and leveraging on cloud computing to become a technology transformational partner for our customers.

To further strengthen our domain-specific services in BFSI vertical and explore for additional one more domain

What is the growth you have seen in business continuity and business enhancement services?

Business Continuity business growth in India has been sluggish in comparison to matured markets and also due to some technical advancement. We shall continue to leverage our thought leadership and investment into this space; however, we shall refrain from further investments in this space.

As far as Business Enhancement Services are concerned, we believe this holds potential for our future growth and will help us to position ourselves as a transformational partner. In the recent past, we have witnessed good growth in this space and would continue to focus in this area.

Tell us about the disaster recovery centre (DRC) business?

Omnitech made its foray in this market when it participated in a joint venture in the Middle East and had the first 3rd party DR Center being rolled out in Bahrain in 2006. Thereafter, this initiative was launched in India and the country's first Managed (3rd Party) BC & DR Center was launched in Navi Mumbai in 2008. The second center in India was launched at Hyderabad in 2009.

DR and BC planning have contributed 5.80% to our turnover for FY11-12.

Recently, we have launched "REVIVE" based on DRaaS (Disaster Recovery as a Service) – an innovative 'Pay-Per-Use' Disaster Recovery solution on Cloud, offering complete workload recovery, DR management and ultimately 24x7x365 peace of mind. With a large global clientèle, we are committed to deliver measurable business value by becoming their technology transformational partner.

What is your order book position?

Currently, Year 1 order book is around Rs. 2.20bn.

Brief us about your international business? Are you planning to expand regions?

We have two focus regions in the International business – 1) Far East Asia and 2) Europe. We expect Asia business to grow multi-fold as we have expanded our business to Japan as well as Australia beyond existing business at Singapore and Hong Kong. At Europe, we expect to grow from around 20 to 255 and shall focus more on off-shoring opportunities to get better bottom-line.

What is your revenue mix?

About 75% of our revenues come from Indian market, 11.20% from Europe, 6% from US, 5% from Far East, 1.50% from Middle East and remaining 1% comes from Canada.

Comment on your capex plans?

We have invested into DR/BC Centers, Network Operations Center (NOC), Global Helpdesk Center, Tier 3+ Data Center, Virtual test Lab, ODCs and into Cloud computing based Managed Services in terms of IT building blocks, physical centers, tools & technologies, certifications and other resources over last 2 to 3 years. This has helped us to now leverage this Capex for our future business, without much need of big capex in coming years. We expect our Capex investments to stand at not more than 400mn to 500mn; this will be mainly used towards replenishing of obsolete technology products, customer specific investments into Cloud computing and captive use.

How do you see the margins going ahead?

We expect run rate business to face margin pressure but innovation based offerings and off-shoring from Europe will help us to better our margins. In overall mix of business, we do not see too much of change in our margin levels at most it will get dropped by around 2 % at an operating margin level.

Brief us about your financials?

The company has registered 45.46% growth in total revenue on a consolidated basis for the year ended March 2012 compared to last year. The total revenue for FY12 stood at Rs. 5.03bn compared to Rs.3.46bn last year. The FY12 profit after tax is Rs. 388.8mn against Rs. 517.7mn in previous year.

EPS stands at Rs. 26.77 and EBIDTA on a consolidated basis for FY11-12 stood at Rs.1.28bn as compared to Rs.1.07bn reported in last year.