

A new life

As Triton Corp gains a back door entry into the house bourse, the management draws up a new plan

In 2000, P.C. Rastogi, chairman of the Central Board of Excise and Customs and special secretary to the government of India in the ministry of finance, retired from government service. During his tenure, he had dealt with the entire gamut of policy issues, planning and monitoring of fiscal and non-fiscal aspects of the country's international trade, industrial growth, trade relations and tax administrations. And he was keen to use his rich experience in business.

Hence, he did not let his career end with the government service. "There is life after retirement", observes Rastogi, who, at 68, displays his entrepreneurial skill in the business venture, which he, along with his family members, has started. Rastogi is now chairman and promoter of the Delhi-based Triton Corp Ltd (TCL), which is into providing services in the area of information technology (IT) and information technology-enabled services. (ITES)

In 2000, at a time when ITES had arrived, Rastogi, together with the 61 year old K.C. Gupta (MD and CEO) and the 49 year old Y.K. Agarwal (ED and CFO) entered the business process outsourcing (BPO) space, with the acquisition of the international contact centre-Saffron – which was doing telemarketing for various clients and handling outbound calls.

"In 2001-02, the management of TCL took over Stencil Apparel Brands Ltd, a BSE-listed entity, which was in the business of readymade garments. After the management changed hands, we changed the object clause and decided to engage TCL in the BPO business. And the company was re-christened Triton Corp Limited from September 2001", explains Gupta, who, through a reverse merger into a sick textile company and amalgamation with Saffron Global (which he acquired in 1995), that is now operating as strategic business unit (SBU) of TCL, has built the business.

"While TCL found its way to the bourse, suddenly, Stencil share certificates, which were not even worth the paper it was printed on, acquired some value", points out an investment analyst tracking the BPO space. Currently, TCL is actively trading at Rs25 (face value: rs2 – in the scheme of amalgamation, the capital was reduced by 80 per cent) at the BSE.

Currently, Saffron Global, as an international contact centre, runs a 1,000-seator BPO centre at Gurgaon, Haryana, which is a 100 per cent export oriented unit (EOU) registered with Software Technology Parks of India (STPI). Saffron offers both inbound and outbound teleservices, web-enabled services, as well as transaction-processing and HR process-pay rolls, resume management, employee record keeping and data management.

Wide range

"As a SBU, it provides a wide range of BPO solutions, ranging from voice and web-enabled services to back office processing and knowledge management to customer relationship management and other value-added services. In essence, Saffron helps its clients in managing their customer base through a gamut of voice-related as well as web-enabled CRM solutions," adds Gupta, whose rationale is to add value and volume to customer's business.

In the first year of post-merger, which ended in March 2005, on an income of Rs28.99 crore, TCL made a net profit of Rs1.48 crore. However, for the year ended in March 2006, while the income has gone upto Rs32 crore, the bottom line is up at Rs4.59 crore. “A major thrust on the UK and the US markets has seen a marked improvement in the margins”, reasons CFO Agarwal.

Now, the trio has put up a multi pronged strategy of organic and inorganic growth, coupled with diversification, to take TCL to the next level. Although they are not ready to disclose the potential targets, TCL, an equity analyst says, is in the process of evaluating a couple of overseas companies, as part of its inorganic growth. “This has been done to grab a larger share of the BPO and back-office outsourcing pie. TCL is going the inorganic root to broaden our product, service and revenue platforms”, explains Gupta.

While acquisitions would add to TCL’s balance sheet as and when it happens, on the organic front, TCL is adding new clients, using its core strength – selling integrated B2B direct marketing services through various product offerings. “The expansion at the contact centre continues to be the focus of our growth plan. TCL is also capable of undertaking business development on behalf of the clients in the B2C segment”, adds Gupta.

So far, TCL has been delivering on a two-shift basis. However, it is planning to move to round-the-clock schedule soon. “Having received a high level of interest and project from UK and the US markets, we are planning an aggressive entry into Australia and strengthen the delivery capabilities to a three shift ‘follow the sun’ delivery model. All this will broaden the revenue base over the next few quarters”, observes Rastogi, who foresees TCL’s growth coming from executing more inbound projects from the US and UK markets. Also, in its quest to provide complete CRM solutions to its clientele, TCL is planning to foray into the KPO industry and the animation sector.