

NIIT bets on skills & career training

A STAFF REPORTER

Calcutta, Sept. 11: NIIT Ltd remains bullish about its skills and career business segment on the back of rising technology spend by global companies.

The Indian multinational company providing learning management and training solutions has three business verticals — corporate learning, skills and career, and school learning.

The skills and career development business constituted 27 per cent of NIIT's net revenue in 2016-17 (Rs 1,187 crore), down 3 per cent over the previous year. However, Sapnesh Lalla, the chief executive officer of NIIT, said the company's investment in expanding the training programmes would yield.

"IT is a major growth driver. The banking sector is going through technological disruptions but we expect that to stabilise. We have invested significantly in digital transformation and over the next three years, we expect the growth rates to touch mid-teens (around 16 per cent)," Lalla told **The Telegraph**.

Estimates from Nasscom suggest that 80 per cent of the incremental spending on IT is expected to be in digital technology. For NIIT, this presents

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NIIT net revenue in FY17

	In Rs m	% rise
Corporate learning	7,662	35
Skills & careers	3,230	-3
School learning	979	-8



an opportunity of reskilling a large number of professionals in IT services.

The company expects to exit government schools by 2019-20 as part of an ongoing restructuring. "Over the next year an half, we expect to be done with all the projects and we are not taking any new contracts. We will focus on private schools and every quarter we are adding new contracts," said Lalla.

Slow cash realisation from government projects is a major reason for backing out of the sector. Dues from government school contracts are around Rs 50 crore.

Bengal capacity

In Bengal, NIIT operates 19 centres. Last year, it had registered around 4,200 enrolments. But the capacity utilisation is only around 55-60 per cent, reflecting the slow demand for skilled professionals.

Lalla, however, said the scenario could change with employment opportunities being created in the IT space in the backdrop of Infosys announcing its decision to set up a development centre in the state.