

THE TIMES OF INDIA

BUSINESS

NIIT Q2 net profit zooms to Rs 209 cr

PTI | Oct 24, 2019, 15:12 IST



New Delhi, Oct 24 () Skills and talent development company NIIT Ltd on Thursday posted manifold rise in consolidated net profit to Rs 209.3 crore for the September 2019 quarter, mainly driven by reversal of tax provisions and earnings from divestment of NIIT Technologies shares.

The company had registered a net profit of Rs 25.9 crore in the July-September 2018 period.

NIIT Ltd saw its net revenue grow by 5 per cent to Rs 236.5 crore in the quarter under review from Rs 226 crore in the year-ago period.

"The net profit was positively impacted by continued improvement in the Corporate Learning Group (CLG) business. We also welcome the new tax structure proposed by the Finance Minister and have embraced the lower tax rate that has also helped the PAT (profit after tax) numbers," NIIT Vice Chairman and Managing Director Vijay K Thadani said.

Treasury income from divestment of shareholding in NIIT Technologies Ltd had also contributed to the higher PAT, he added.

In April this year, funds affiliated with Baring Private Equity Asia (BPEA) bought about 30 per cent stake in NIIT Technologies from NIIT Ltd. The transaction, which closed in May, saw NIIT Ltd receiving gross proceeds of Rs 2,020.4 crore in cash.

The company had announced a Rs 335-crore share buyback offer and had fixed October 18 as the record date for the same. It is awaiting Sebi nod, and is hopeful of completing the buyback process by December.

NIIT's Corporate Learning Group (CLG) business recorded net revenue of Rs 174 crore, up 8 per cent year-on-year. Under CLG, the company signed two new Managed Training Services (MTS) contracts in the September 2019 quarter, taking the MTS customers tally to 51.

"After a couple of muted quarters, CLG is starting to show growth. New contracts won over the last couple of quarters are starting to generate revenue," Thadani said.

The Skills and Careers Group (SNC) group recorded net revenue of Rs 58.3 crore during the said quarter. The SNC "Go forward" business grew by 4 per cent y-o-y.

MindChampion Learning Systems Ltd registered net revenue of Rs 4.2 crore.

The company's headcount stood at 2,540 people at the end of September 2019 quarter.

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