

NIIT Q4 results: Company reports net profit of Rs 46 cr, strengthens board

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NEW DELHI: Skills and talent development company NIIT Limited on Friday said its **net profit** stood at Rs 46.5 crore in the March 2021 quarter.

The company has also strengthened its board with the addition of four new members, including appointment of Udai Singh Pawar and Leher Vijay

Thadani. NIIT had posted a net profit of Rs 0.6 crore in the March 2020 quarter. It logged a 30 per cent growth in net **revenue** at Rs 275.5 crore in the fourth quarter of FY'21 from Rs 211.2 crore in the year-ago period.

"The improvement in margin was driven by better product mix, higher productivity (due to transition to **Digital Learning**), continued work from home and no travel expenses, and improved leverage of fixed costs (due to growth)," NIIT CEO **Sapnesh Lalla** told PTI.

He noted that the fourth quarter had been "exceptional", driven by industry leading performance by Corporate Learning business and transition to **digital** in Skills and Careers Business.

"Our investments in sales and marketing and in building digital capabilities have helped the company achieve growth. The momentum is supported by a number of order wins, renewals and scope expansions this year," he added.

Lalla said NIIT took effective measures to help preserve and protect the health of its employees during the fiscal in view of the pandemic.

"Overall, we have not seen any impact that the pandemic has caused to our customer commitments... from an overall perspective, we've been able to meet all our commitments. As we look ahead, I don't believe we are done with a pandemic as yet, but all the progress and actions we are taking to both preserve as well as protect will help us deal with the pandemic and its effects," he said.

In a statement, NIIT said it had recorded an exceptionally strong quarter of revenue growth and profitability owing to sustained business development,

digital transformation and optimized business operations.

For the full-year, the company's net profit declined 89 per cent to Rs 143 crore in FY'21 from Rs 1,327.5 crore in the preceding fiscal.

The FY'20 profit includes one-time gain on divestment of holding in **NIIT Technologies** [NSE 0.54%](#). On a like-to-like basis, the net profit was up 134 per cent year-on-year.

Its net revenue stood at Rs 949.5 crore, up 7 per cent from Rs 889.2 crore in FY'20.

The board has recommended 125 per cent dividend at Rs 2.5 per share.

"In a challenging year marked by the pandemic, NIIT has shown resilience, decisiveness and agility. Corporate Business continues to accelerate. The investment in Digital transformation of the business has created new opportunities for growth and improvement in profitability," NIIT Vice Chairman and Managing Director Vijay K Thadani said.

The company completed a buyback in May entailing buyback of up to 98.75 lakh shares at Rs 240 apiece. Post this buyback, the outstanding shares stood at 132.47 million.

Talking about the expansion of the board, NIIT Chairman and co-founder Rajendra S Pawar said the NIIT board is being expanded to enhance capabilities and increase diversity, which will help in seizing global opportunities of digital transformation.

The board announced the addition of two independent directors - Sangita Singh and Avani Davda. They will join the company wef June 5, 2021 as Additional Directors till the forthcoming AGM when their appointments will be taken up for approval by the shareholders.

Singh has over three decades of global B2B experience at Wipro, Infosys and **IBM**, while Davda has two decades of experience in Consumer Retail and business leadership at the Tata group, including in the role of CEO of the Tata-Starbucks JV.

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Sapnesh Lalla, who has been CEO of the company for almost four years now, is being elevated to the board as executive director and CEO.

In addition, two non-executive directors - Udai S Pawar and Leher V Thadani - will also join the Board after approval by the shareholders in the forthcoming AGM.

Udai Pawar is son of Non-executive Chairman (and promoter) Rajendra Singh Pawar, while Leher is daughter of Vijay K Thadani, Vice Chairman and Managing Director (and promoter) of the company.

"They're joining the board, not management. We've had that explicit articulation of the approach of our company, so it represents succession. The important thing is to build perpetuity for a company which has been around for 41 years. And so, there is a strengthening of the board from a governance point of view," Rajendra S Pawar said.

He added that the company has looked at expanding the Board through multiple dimensions, including geography, gender and experience.

The company said its Corporate Learning Group (CLG) recorded revenues of Rs 235.3 crore, up 8 per cent quarter-on-quarter during the March 2021 quarter. Full-year revenue for CLG was recorded at Rs 825.4 crore, up 19 per cent over the previous fiscal. Revenue visibility stood at USD 287 million.

During the year, CLG signed 9 new Managed Training Services (MTS) contracts in FY'21, expanded contracts with 5 customers, and renewed contracts with 12 customers. The total number of MTS customers stands at 58.

Its Skills and Careers Business (SNC) recorded net revenue of Rs 40.2 crore in the March 2021 quarter, up 12 per cent y-o-y. For the full fiscal, SNC recorded net revenue of Rs 124.1 crore.

The company said its India business growth for the quarter was driven by NIIT digital platform and StackRoute business. During FY'21, SNC has successfully transitioned its customers to the NIIT Digital platform and through this, learners are able to access their learning plans and all associated content and services digitally.