

moneycontrol

NIIT Q1 net profit at Rs 29 crore

Lalla added that the company added three new managed training services (MTS) customers, which brings the tally to 55 MTS customers.

Last Updated : Jul 31, 2020 04:38 PM IST | Source: PTI

NIIT Ltd on Friday said its consolidated net profit stood at Rs 29 crore in June 2020 quarter. The skills and talent development firm had posted a loss of Rs 1.5 crore in the year-ago period on a like-to-like basis (excluding the impact of a one-time capital gain on divestment in the first quarter of FY2019-20).

NIIT Ltd had divested its shareholding in NIIT Technologies last year. The revenue remained flat at Rs 201.8 crore in the April-June 2020 quarter from the year-ago period.

On a sequential basis, net profit registered a manifold growth (from Rs 0.6 crore in March 2020 quarter), and 4 per cent decline in revenue from Rs 211.2 crore in the March 2020 quarter.

"I think NIIT kept its head above the water given the challenging circumstance that we were put in because of COVID-19. NIIT continued to work with all its customers and several customers, whose contracts came up for renewal during this past quarter, were renewed," NIIT CEO Sapnesh Lalla said.

He added that the company added three new managed training services (MTS) customers, which brings the tally to 55 MTS customers.

"We have continued to retain the velocity of customer acquisition...and have managed to create a very significant control on our costs as well as liquidity. And that's really what has caused us to improve our profitability sharply..." he said.

He added that the outlook for the coming quarters remains stable, and business development activity, as well as pipeline, continues to be strong.

"We are seeing a strong pipeline. While it is taking longer for deals to close, we have a fairly very strong pipeline and a number of significant conversations (going on)," he noted.

Vijay K Thadani, Vice Chairman and Managing Director of NIIT Ltd, said more mature geographies have a faster adoption rate of digital learning and therefore, the company is seeing a very swift recovery in its corporate learning business in those markets.

"...in geographies such as India, while society's response has been amazing to the pandemic, the adoption rate of digital learning is lower," he added. Corporate Learning Group (CLG) recorded net revenue of Rs 178.5 crore, 17 per cent year-on-year.

CLG added three new MTS contracts and expanded its relationship with one existing client.

The number of MTS customer tally stands at 55 and revenue visibility at the end of the quarter was at USD 263 million, NIIT said.

NIIT's Skills and Careers Group (SNC) recorded net revenue of Rs 23.3 crore during the June 2020 quarter.

"The India business growth for the quarter was driven by NIIT digital platform and StackRoute business. SNC has 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," the company said.

<https://www.moneycontrol.com/news/business/earnings/niit-q1-net-profit-at-rs-29-crore-5627381.html>