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Review Article

Large Enterprises Net Soars: Headwinds Remain

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ABSTRACT:
This article reviews the performance of prominent Indian enterprises for the quarter ending September 30, 2023, highlighting their net profit, revenue growth, and other operational metrics. The analysis is based on financial data submitted to regulatory authorities. Key insights include Tata Consultancy Services (TCS), which achieved an 8.7% increase in net profit to ₹11,342 crore amidst a challenging environment, driven by strong demand in certain sectors and a significant share buyback. TCS's growth was supported by its Energy, Resources, and Utilities vertical, despite muted performance in other areas. The company remains optimistic about long-term growth, bolstered by a substantial order book and advancements in Generative AI. In contrast, Adani Power reported an impressive ninefold increase in net profit to ₹6,594 crore, largely due to higher sales volumes and one-time income from its new 1,600 MW Godda power plant. The increase in revenue was also supported by lower coal prices and improved power demand. The article reflects the varied performance of these large enterprises and their strategic responses to market conditions, underlining the role of historical data in forecasting future performance.

KEYWORDS: Adani Power, Net Profit, Revenue Growth, Tata Consultancy Services, Performance.

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INTRODUCTION

This article presents the performance of the leading large Indian enterprises for the quarter ending 30th September 2023. Many economists have already claimed that large enterprises are the engine of growth of the Indian economy and the central and state governments have designed many incentives and concessions for their betterment and growth. Performance of the enterprises was analysed in terms of its net profit for the quarter ended 30th September 2023. The data for the study was collected from the financial details submitted by the respective company in its regulatory filing to the concerned authorities. Apart from the profit focus, the study also covered revenue growth, operating margin, staff recruitment, labour turn over, order booking, head winds etc., In certain cases the perception the of the company CEO's on the performance has been incorporated. Future plans of the companies are detailed wherever necessary in CEO's words.

TCS Q2 net profit rises 8.7% to `11,342 crore

Tata Consultancy Services Ltd (TCS) on Wednesday said consolidated net profit grew 8.7% to `11,342 crore for the quarter ended September 30, in the backdrop of continued headwinds leading to softening of demand for technology services by companies. Revenue for the quarter rose 7.9% to `59,692 crore from a year earlier. While Constant Currency revenue growth was 2.8%, operating margin at 24.3% grew 0.3 percentage points. The company's board has announced buyback of the company's share valued at `17,000 crore at `4,150 a piece. The board has also announced a dividend of `9 per share. During the quarter, hiring did not witness momentum considering large-scale recruitment had taken place over the last 18 months. The hiring count amounted to less than the number of people who left the company during the quarter. The company said the attrition rate was at 14.9%, but did not provide any outlook for future hiring. "Strong deal momentum delivered [for] us a very large order book in Q2 – our second highest TCV [total contract value] ever in a quarter, and good pipeline," said K. Krithivasan, chief executive officer and managing director. Asked whether headwinds continued in the quarter, he said, "It is obvious. Because of the uncertainties, clients are focused on optimisation which results in older projects getting optimised, [with] some of them getting paused or reprioritised, resulting in muted or moderated premium." However, he said, "The resilience of demand for our services, our clients' willingness to commit to long-tenure programmes and their continued appetite for experimentation with Gen AI and other new technologies give us confidence in our longer-term growth prospects." The company's growth was led by the Energy, Resources and Utilities vertical which rose 14.8%, Manufacturing (5.8%) and Life Sciences and Healthcare (5%). The Consumer Business Group (CBG) grew 1%, BFSI contracted 0.5%, Communications & Media shrank 2.1% and Technology & Services dipped 2.2%. Among major markets, the United Kingdom led with 10.7% growth; North America grew 0.1% and Continental Europe increased 1.3%. In emerging markets, Middle East & Africa grew 15.9%, Latin America (13.1%), Asia Pacific (4.1%) and India (3.9%). "Clients also focused on operating model transformation, vendor consolidation and Enterprise IT as a Service. Among service lines, AI.Cloud, TCS Interactive and IoT and Digital Engineering led growth," the company said in a filing. TCS has over 250 Gen AI opportunities in the pipeline, driven by a catalog of use cases across industries, early adoption partnerships with hyperscalers. Ganapathy Subramaniam, Chief Operating Officer and Executive Director, said: "We now have a 1,00,000-strong pool of Gen-AI Ready consultants and prompt-engineers who are engaged in hundreds of Gen-AI projects for our clients across segments."

"During the quarter, BSNL awarded us the project to integrate and deploy a modern, indigenous pan-India 4G and 5G mobile network. This is a huge milestone for TCS, and we have commenced the supply, planning, design, installation and commissioning, and optimisation of this mobile network, satisfying a detailed set of requirements conforming to 3GPP standards. The rollout will be completed in about 18 months." Samir Seksaria, Chief Financial Officer, said: "Our focus on improving employee utilisation, while driving productivity improvement and cost efficiency across the organisation, has helped us expand our operating margin to 24.3%. We will continue to push the growth, efficiency and innovation levers to further improve our profitability.[1]

Adani Power Q2 net jumps over nine fold to Rs 6,594 crore

The operating performance for Q2 FY 2023-24 includes the 1,600 MW Godda Ultra-supercritical thermal power plant of APL's subsidiary Adani Power (Jharkhand) Ltd

(APJL), which was commissioned in Q1 FY 2023-24 (April-June 2023). Adani Power's consolidated profit jumped over nine fold to Rs 6,594 crore in the September quarter of this year compared to the year ago, due higher one-time income, and deferred tax assets. "Consolidated Profit After Tax for Q2 FY24 (July- September) was higher by 848 per cent at Rs 6,594 crore vs Rs 696 crore for Q2 FY23; due to improved EBITDA, higher one-time income, and recognition of deferred tax asset," a company statement said. The company said the consolidated continuing total revenue for Q2 FY24 is higher by 61 per cent at Rs 12,155 crore, versus Rs 7,534 crore in the same period a year ago, mainly due to greater sales volumes. This increase in revenue was a result of greater sales volumes including the contribution of the Godda power plant and higher merchant sales, it explained. Lower import coal prices helped in higher offtake of power under import coal-based Power Purchase Agreements (PPAs) of Mundra and Udupi plants, it stated Tariffs under these PPAs are determined according to approved regulatory processes and track international coal prices, it stated.

Consolidated power sale volume at 18.1 Billion Units (BU) in Q2 FY24, up by 65 per cent from 11 BU a year ago, due to improved power demand and higher operating capacity, it stated. Consolidated continuing EBITDA for Q2 FY24 is higher by 202 per cent at Rs 4,336 crore, versus Rs 1,438 crore a year ago, due to greater sales volumes, lower fuel cost, and higher merchant tariffs, it explained. The operating performance for Q2 FY 2023-24 includes the 1,600 MW Godda Ultra-supercritical thermal power plant of APL'ssubsidiaryAdani Power (Jharkhand) Ltd (APJL), which was commissioned in Q1 FY 2023-24 (April-June 2023). During the quarter, performance improved due to higher power offtake in Mundra, Udupi, Raipur, and Mahan plants apart from the incremental contribution of Godda, which has ramped up its operations satisfactorily in a short time after commissioning, it stated. During the six months ended September 30, 2023, Adani Power and its subsidiaries including APJL achieved an average PLF (plant load factor) or capacity utilisation of 59.2 per cent and sales of 35.6 BU, as compared to a PLF of 48.9 per cent and sales volume of 27.3 BU in the six months ended 30th September 2022.

S B Khyalia, CEO, Adani Power said in the statement, "as opportunities in the Indian power market grow, we stand geared to enhance our contribution as the leading private power producer and to meet the nation's growing energy needs." Adani Power, a part of the diversified Adani Group, is the largest private thermal power producer in India. The company has an installed thermal power capacity of 15,210 MW spread across eight power plants in Gujarat, Maharashtra, Karnataka, Rajasthan, Chhattisgarh, Madhya Pradesh, and Jharkhand, apart from a 40 MW solar power plant in Gujarat.

Infosys Q2 net rises 3.2%, firm lowers revenue growth guidance

Tech major Infosys reported a 3.17% increase in second-quarter net profit to `6,212 crore, and revised revenue growth guidance for this fiscal to 1% to 2.5% against the earlier estimate of 1% to 3.5%. Revenue rose 6.7% to `38,994 crore. The company said the July-September quarter witnessed the highest-ever deals, valued at $7.7 billion, of which 48% were net new deals. "With large wins in the last two quarters, we are winning market share in the areas of cost and efficiency," CEO and MD Salil Parekh said. "We continue to see the overall environment with digital transformation programmes; discretionary spends are low and decision making is slow." Tech major Infosys reported a 3.17% increase in second-quarter net profit to `6,212 crore, and revised revenue growth guidance for this fiscal to 1% to 2.5% against the earlier estimate of 1% to 3.5%. Revenue rose 6.7% to `38,994 crore. The company said the July-September quarter witnessed the highest-ever deals, valued at $7.7 billion, of which 48% were net new deals. "With large wins in the last two quarters, we are winning market share in the areas of cost and efficiency," CEO and MD Salil Parekh said. "We continue to see the overall environment with digital transformation programmes; discretionary spends are low and decision making is slow." "Our Q2 operating margin of 21.2% demonstrates the early benefits of the recently unveiled margin improvement plan and is a clear reflection of our ability to continuously identify opportunities for improving operational efficiencies," said CFO Nilanjan Roy. Infosys also declared an interim dividend of `18 per share.[2]

Attrition, hiring down

Infosys' attrition in the quarter was 14.6%, against 27.1% in the corresponding quarter a year earlier. As on September 30, the company had an employee base of 3,28,764, against 3,36,294 in the June ended quarter and 3,45,218 in the March ended quarter, indicating a decline in headcount for the third consecutive quarter. The company said the quarter saw a head reduction of 7,000 but utilisation went up only 70 basis points and therefore it still had enough room for utilisation improvement. The firm, which hired more than 50,000 freshers last year, said it would pause campus hiring for two quarters as it looks to improve utilisation, Mr. Roy said.

TCS' Q2 profit rose 8.7 per cent to `11,380 cr

IT major Tata Consultancy Services' profit rose by 8.7 per cent to `11,380 crore in the second quarter of FY24, compared with `10,465 crore it reported in the corresponding period last year. On a sequential basis, the profit was up by 2.33 per cent, from `11,120 crore in Q1 FY24. The board also approved a share buyback up to Rs 17,000 crore at the price of `4,150 per share, a 15 per cent premium on the current stock price. The company also declared an interim dividend of `9 per equity share of `1 each. Performance in this quarter was below street estimates as macroeconomic uncertainties continued to loom. Softness in North America continued, seeing a growth of only 0.1 per cent year on year. Europe also saw a minimal growth of 1.3 per cent. TCS CEO K Krithivasan stated that countries like Germany and France continue to show slow growth within the continent. The management further added that the ongoing Israel-Palestine conflict will have a minimal impact on the business. TCS has 250+ employees, many of whom are of Indian origin and stationed in Israel. "I salute all the employees in Israel; they are staying put and servicing our clients; we are in touch with them," said N Ganapathy Subramaniam, COO of TCS. The IT major's revenue from operations rose 7.9 per cent to `59,692 crore, compared to `55,309 crore in the corresponding period last year. The operating margin saw a nominal expansion of 0.3 per cent year-on-year at 24.3 per cent.

BFSI, which contributes to nearly half of TCS' revenues, saw a degrowth of 0.5 per cent. The UK region, however, posted 10.7 per cent growth. The order book stood at around $11.2 billion for the quarter. This is the third consecutive quarter that TCS reported over $10 billion in order book. TCS also updated and increased its quarterly order book guidance to $9–10 billion. The BSNL deal was included in the order book this quarter, and the management expects to complete the rollout of BSNL's 4G and 5G networks in the next 9–12 months. With the macroeconomic pressures continuing, cost optimisation and deferment on the execution of projects still continue.

Hiring trend

Attrition in LTM IT services continues to abate, at around 14.9 per cent in Q2, from 17.8 per cent reported in the previous quarter. TCS reported a significant headcount decline of 6,333; with this, the company's headcount stood at 608, 985. Last quarter, the company added 523 employees to its headcount. However, the headcount for the company has been declining for two consecutive quarters.

In a statement, Chief Human Resources Officer Milind Lakkad said the company's strategy to hire freshers and train them is paying off. "Our strategy of proactively hiring bright freshers and investing in training them with the right skills is paying off. With that talent coming on stream and with reduced attrition, we were able to recalibrate our gross additions, keeping them below the departures during the quarter, driving up productivity and enhancing project outcomes," he said. The company also said an investigation related to the 'jobs for bribe' scandal has been completed and actions taken against some employees. Staffing firms were allegedly involved in bribing senior executives overseeing recruitment processes in the company.

ITC's Q2 profit lags analysts' estimates as costs increase

ITC reported a smaller than expected rise in second quarter profit, as higher costs offset strong demand for its cigarettes and consumer goods. Profit rose to `49.27 billion for Q2 from `44.66 billion a year earlier, the firm said. Analysis had expected a profit of `49.54 billion as per LSEG data.

HCL Tech net soars 9.8% to `3,832 crore

HCL Tech on Thursday reported a 9.8% growth in net profit in the quarter ended September 30 to `3,832 crore, from `3,487 crores in the year-earlier period. In the sequential quarter, the company's net profit rose by 8.7%. The Shiv Nadar- promoted tech firm posted consolidated revenue of `26,672 crore in the second quarter, a growth of 8.04% from `26,296 crore in the year earlier. In constant currency terms, the company's revenue rose by 3.4% annually. "Our revenue growth of 1.0% QoQ and 3.4% YoY on a constant currency basis, with a 154 bps QoQ improvement in operating margin and improving cash flows, reflect our ability to execute well in an evolving business environment and our commitment to operational efficiency," said CEO and MD C. Vijayakumar.

The company said its new bookings of $4 billion in the quarter was at an all-time high. "Our new bookings of $4 billion this quarter is at an all-time high, driven by a standout mega deal. This achievement underscores our ability to seize exceptional opportunities in the market and gives us optimism for our medium- term growth prospects," Mr. Vijayakumar added. On revenue guidance for FY24, he said the company's organic revenue growth was expected to be in the 4.0% and 5.0% range in constant currency terms. HCLTech declared an interim dividend of `12 per share. Q2 saw its attrition declining to 14.2% from 23.8% a year earlier. Although net employee addition was -2,299, the company added 3,630 freshers in the quarter.

Tata Motors Q2 net surges to `3,764 crore

Tata Motors Ltd. second quarter consolidated net profit exceeded expectations backed by strong Jaguar Land Rover (JLR) sales and grew to `3,764 crore as against a net loss of `945 crore in the same period last year. During the quarter ended September 30, 2023, the company's revenues grew 32.1% to `1,05,128 crore. All auto verticals continued their profitable growth trajectory. The company's net automotive debt reduced to `38,700 crore. JLR revenues improved 30.4% to £6.9 billion. Strong wholesales and improved mix resulted in Earnings Before Income Tax (EBIT) margins of 7.3%. Tata Motors' Commercial Vehicles (CV) revenues improved by 22.3% and EBIT to 7.9% benefiting from higher realisations, richer mix and favourable commodity prices. Passenger Vehicles (PV) revenues were marginally down 3% impacted by the transition to the new launches while EBIT margins improved by 140 bps to 1.8% due to savings in commodity costs, the company said.[3]

On the outlook the company said, "We remain optimistic on demand despite external challenges and anticipate a moderate inflationary environment. We aim to deliver a stronger performance in H2, due to a healthy order book at JLR, strong demand for heavy trucks in CV and exciting new generation products in PV."

L&T Q2 net profit surges 44.56% to `3,222. 63 crore

Larsen & Toubro Ltd (L&T) reported second quarter consolidated net profit for the period ended September 30, 2023 surged 44.56% to `3,222.63 crore as compared with `2,228.97 crore in the year earlier on a 19% growth in revenue, monetisation of land assets, and rise in treasury income. Consolidated revenue at `51,024 crore, a 19.31% growth, was primarily aided by improved execution of the large order book and accelerated progress in the Projects and Manufacturing portfolio, R. Shankar Raman, Wholetime Director & CFO, L&T said. International revenue during the quarter at `21,898 crore constituted 43% of the total revenue and a bulk of the order came from Saudi Arabia, Mr. Raman said. He, however, said that the Israel-Palestine conflict had no impact on the company's execution in the region and order inflow. "Our strong operating and financial performance this quarter exhibits the resilience of the company's business model despite the on-going volatile geo-political situation," Chairman and Managing Director S. N. Subrahmanyan said in a statement "All our businesses – Projects, Manufacturing and Services have grown. During the quarter, we received the highest ever order inflows in the history of the company. This shows the faith our customers place in us and is a reflection of our capability to perform and deliver projects on time," he said. "The company now tops the list of international EPC contractors working in the MENA region in terms of value for projects under execution. This is a testament to our capabilities as a diversified conglomerate present across various geographies," he added.

"In the near term, we remain cautiously optimistic, considering the recent geopolitical developments. However, we do expect sustained buoyancy of Services and Indian Government's thrust on capex to continue," he further said. During the quarter the company received orders worth ` 89,153 crore at the group level, reporting a growth of 72% Year-on-Year (YoY). The orders were received across diverse segments like onshore verticals of the Hydrocarbon business, Urban Transit systems, Transmission & Distribution as well as Residential & Commercial Space, the company said. International orders at `59,687 crore during the quarter comprised 67% of the total order inflow, it added. The consolidated order book is at `4,50,734 crore as on September 30, 2023 with international orders having a shareof 35%.

The segments that performed well during the quarter included Energy Projects with EBITDA margin at 9.5%, compared with 8.5% a year earlier; Realty, Industrial Valves, Construction Equipment & Mining Machinery and Rubber Processing Machinery with EBITDA margin at 20% compared with 17.5% a year earlier; Financial Services Segment with PBT increasing to `796 crore compared with `613 crore a year earlier, and Development Projects Segment with EBITDA of `634 crore compared with a loss of `12 crore a year earlier. While Infrastructure Projects segment reported lower EBITDA margin at 5.4% vis-à-vis 6.6% a year earlier, Hi- Tech Manufacturing Segment posted EBITDA margin at 14.9% compared with 18.5% a year ago, and IT & Technology Services (IT&TS) Segment reported EBITDA margin at 20.2% compared with 21.4% a year earlier.[4]

Unilever's India unit tops Q2 profit view on strong urban demand

India's Hindustan Unilever (HUL) reported a bigger-than-expected increase in quarterly profit as the company benefited from increased sales from its beauty, home, and personal care segments. The Indian unit of UK's Unilever reported a 3.9% rise in profit to 27.17 billion rupees ($326.5 million) for the three months to September 30 from a year earlier. Analysts, on average, had expected a profit of 26.01 billion rupees, per LSEG data. The Dove soap maker said its underlying sales within home care, and beauty and personal care (BPC) segments grew 3% and 4% respectively. HUL makes soaps, toothpaste, tea and biscuits under brands such as Lipton, Pepsodent, and Lifebuoy.

The company, however, said volume growth within its food and refreshment business declined in the mid-single digits. Demand in urban centres made up for subdued rural buying, hamstrung by high inflation through the last year. "Demand is likely to continue a gradual recovery with tailwinds from the upcoming festive season, sustained buoyancy of services and government's thrust on capex," Chief Executive Rohit Jawa said in a statement. Shares of HUL ended unchanged ahead of its results, taking its year-to-date loss to 0.5%. In comparison, the Nifty FMCG index rose nearly 19% from last year. ($1 = 83.2212 Indian rupees).

Wipro reports flat net profit, revenue in Q2

Wipro Ltd., the Bengaluru-based technology services and digital transformation firm, posted flat overall growth due to the macroeconomic slowdown and cutbacks in discretionary spend in global markets. The company posted a consolidated net profit of `2,667.3 crore compared to the net profit of `2,649 crore it reported in the corresponding period of a year earlier, indicating flat topline growth in the September quarter of FY24. In Q2, Wipro's revenue from operations stood at `22,515 crore, compared to `22,539 crore in the corresponding quarter the earlier year. The company's revenue from the IT services segment was at $2,713.3 million, a sequential decline of 2.3%. On the outlook for the December quarter, the company said it expected revenue from the IT Services business segment to be in the range of $2,617 million to $2,672 million, a sequential guidance of -3.5% to -1.5% in constant currency terms. The second quarter saw its large deal bookings reaching $1.3 billion, an increase of 79% YoY and 6% QoQ, while total bookings were $3.8 billion, a 6% YoY increase.

Thierry Delaporte, CEO and Managing Director said, "We ended the second quarter with 22 accounts above the $100M range, which is double the number we had in FY'21. Our large deal total contract value reached $1.3 billion, highest in the last nine quarters.'' He further said the focus was to reduce the number of smaller clients, and smaller accounts as investing in such accounts wasn't yielding much returns. The Wipro top executive in his market commentary said that there was a significant reduction in discretionary spend in the market and budgets were put on hold in the BFSI and communication segments. "But our pipeline is healthy. In the next two quarters we will see a rebound". he said. Wipro's new Chief Financial Officer, Aparna C. Iyer, said the company would remain focused on profitable growth despite a challenging market. "There are headwinds. Our guidance reflects a weak revenue environment, but we have enough levers including fixed price productivity, deployment of AI and pyramid improvement,'' she said adding, the tech firm's disciplined approach to improve efficiency, productivity and people utilisation has led to an increase of 100 bps YoY in its IT services operating margins in Q2.

Responding to a media query on several top level exits, including that of CFO Jatin Dalal recently, Mr. Delaporte explained the company laid out a strategy for a significant transformation which included resetting market strategy, investing in talent etc. “To achieve this we require diversity in talent and that’s why we hired new senior leaders. Now we have nextgen leaders in our organisation.” Not visiting campuses until scheduled onboarding is over. Saurabh Govil, the firm’s Chief Human Resources Officer, said the focus in the current quarter would be on honouring commitments to freshers and completing onboarding. “We have been onboarding freshers in the last quarter and will continue to onboard the remaining ones to honour our commitments before we go to campuses again. By that time we will also have a better view of the market.’‘ Wipro was working on faster bench deployment. In the last quarter, talent utilisation increased to 84.5%--an improvement of 80 basis points quarter-over-quarter, Mr. Delaporte added. Wipro’s total headcount declined for the fourth straight quarter, falling by 5,051 in Q2.

Wipro announces business restructuring

The board of directors of Wipro approved the merger of five wholly-owned subsidiaries of Wipro with Wipro Ltd, as per a regulatory filing made by the tech firm. These subsidiaries are Wipro HR Services India, Wipro Overseas IT Services, Wipro Technology Product Services, Wipro Trademarks Holding, and Wipro VLSI Design Services India.

M&M Q2 consolidated PAT falls 15% to `2,348 crore

Mahindra & Mahindra Ltd. reported second quarter consolidated net profit declined 15% year-on-year (YoY) to `2,348 crore due to a drag in Tech Mahindra’s performance. The company’s consolidated revenue for the quarter, however, grew 15% YoY to `34,436 crore. On a standalone basis, the company reported a 67% growth in second quarter net profit at `3,452 crore, led by robust performance of its auto business. “Mahindra & Mahindra Group delivered a robust operating performance across all businesses, except Tech Mahindra,” according to a statement released by the company. “Auto business has grown rapidly, farm business remains resilient despite tough market conditions and Growth Gems [six identified businesses withhuge potential for growth] are on track. Tech Mahindra’s performance was impacted by weak demand and exits from non-core accounts,” it further added.[5] Mahindra reported its highest-ever quarterly sales volume at 212,078 units, up 18%. With SUV bookings at 286,000 units the company is working to minimise the waiting period. Electric 3-wheeler volumes grew 74%. The farm business reported flat growth with demand for tractors shrinking during the quarter. Tractor market share was at 41.6%, up 150 bps. Tractor sales during the quarter dropped 4% to 89,101 units. Anish Shah, Managing Director & CEO, M&M Ltd. said, “During Q2, operating performance across Auto, Farm and Services was robust. Auto rapidly grew to double its operating profit. Farm continues to be resilient despite tough market conditions.” “In Services segment, Mahindra & Mahindra Financial Services Ltd.’s turnaround is on track to unlock its full potential. Growth Gems are progressing well on the 5x challenge. Tech Mahindra had a tough quarter, we are now initiating the transformation journey in the business. With H1 PAT growth of 18%, we are well on our way to deliver scale by transforming our core businesses and realising the 5x challenge for Growth Gems,” he said. Rajesh Jejurikar, Executive Director & CEO (Auto and Farm Sector), M&M Ltd. said, “We delivered yet another robust performance in this quarter. We have maintained our SUV revenue market share at 19.9% while further improving our Auto Standalone PBIT margins.” “In the tractor business, we increased our market share by 150 bps on the back of exciting new launches of Oja, Swaraj Target and Naya Swaraj. Our E-3W business continued market leadership with 61.1% market share,” he said. Manoj Bhat, Group Chief Financial Officer, M&M Ltd. said, “We have delivered strong H1 F24 operating performance with EPS at `52.4, up 18%. With focus on operational metrics and value creation through our capital allocation actions, we continue to deliver RoE greater than 18%.” With `16,000 crore cash in hand, the company said it was confident to fund future growth. Having paid back `3,500 crore towards debt, the company is now gearing up to put more investments into its electric vehicles business.

Vedanta posts net loss of Rs 1,783 crore in Q2

Anil Agarwal-led Vedanta Ltd reported a consolidated net loss of Rs 1,783 crore for the second quarter ended September 2023 on account of one-time exceptional item because of adoption of new tax rate. The company had posted a consolidated net profit of Rs 1,808 crore in the year- ago period, Vedanta Ltd said in a filing to BSE. The consolidated income of the company in the July-September period increased to Rs 39,585 crore from Rs 37,351 crore in the year-ago period. Vedanta Ltd, a subsidiary of Vedanta Resources Ltd, is a diversified global natural resources company with significant operations in oil and gas, zinc, lead, silver, copper, iron ore, steel, aluminium and power across India, South Africa andNamibia.

Adani Ports Q2 profit rises 1.37% to Rs 1,762 cr

The company had logged a profit of Rs 1,737.81 crore in the year-ago period, APSEZ said in a filing to BSE. Adani Ports and Special Economic Zone (APSEZ) on Thursday reported 1.37 per cent rise in consolidated net profit at Rs 1,761.63 crore for the quarter ended September 2023. The company had logged a profit of Rs 1,737.81 crore in the year-ago period, APSEZ said in a filing to BSE. Total income in July-September 2023-24 increased to Rs 6,951.86 crore from Rs 5,648.91 crore in the year-ago quarter. Total expenses also increased to Rs 4,477 crore from Rs 3,751.54 crore in the year-ago quarter. The company in a statement said its EBITDA increased 49 per cent year-on-year to Rs 7,429 crore. APSEZ CEO and whole time director Karan Adani said ,"the company achieved another milestone by registering its highest ever half-yearly revenue of Rs 12,894 crore, EBITDA of Rs 7,429 crore and cargo volumes of 203 MMT (million metric tonne) during H. Adani Port's flagship port, Mundra, completed 25 years of successful operations, and recorded another milestone by becoming the first port in the country to handle cargo volumes over 16 MMT in a month. According to the statement, APSEZ's domestic cargo volumes growth in H1 FY24 is over 2x India's cargo volume growth rate. Eight of our ports recorded their highest ever half-yearly cargo volumes in H1 FY24 – Mundra, Tuna, Dighi (since the time of acquisition), Hazira, Ennore, Dhamra, Krishnapatnam (since the time of acquisition) and Gangavaram (since the time of acquisi. While APSEZ's logistics rail volumes recorded a growth of 25 per cent Y-o-Y to 279,177 TEU (twenty-foot equivalent unit), total warehousing capacity during H1 FY24 increased to 2.4 million square feet by addition of warehouses in Indore. "With the commissioning of Samastipur and Darbangha agri silos by the end of FY24, the total silo capacity of APSEZ is likely to grow to 1.2 MMT," it added. APSEZ also said the company has concluded buy-back of two tranches of USD denominated bonds totalling $325 million, representing 50 per cent of the principal repayment due in July 2.

"Net debt to EBITDA for TTM Sep'23 improved to 2.8x versus 3.1x for full year ended Mar'23," it added. APSEZ, part of the globally diversified Adani Group, has grown from a port company to an integrated transport utility. It is a port developer and operator with six strategically located ports and terminals on the West coast and six ports and terminal. Bharti Airtel Q2 profit declines on one-time charge Bharti Airtel reported a steep drop in second-quarter profit, hurt by a one-time charge, but its revenue rose as it added more 4G and 5G subscribers. Consolidated net profit fell to `13.41 billion ($161.1 million) for the quarter ended September 30, from `21.45 billion a year earlier. The latest quarter's results included a one-time charge of `13.50 billion as interest payable on an additional tax provision amount related to a Supreme Court ruling on variable licence fees. It also included a `2.20 billion charge related to re- assessment of regulatory levies.

Airtel and rival Reliance Jio Infocomm, India's top two telecom operators, have been racing to capture a bigger market share with investments worth billions of dollars on network infrastructure to expand 5G services in urban areas and 4G coverage in the rural. Bharti Airtel said it added 7.7 million 4G and 5G data customers in the quarter. Its total 5G subscriber count stood above 50 million, compared with Jio's over 70 million. Its revenue from operations rose 7.3% to `370.44 billion, while expenses climbed 3.5%, led by higher network operating and marketing expenses. Last week, Jio reported its slowest profit growth in seven quarters, while Vodafone Idea posted a wider loss as its subscriber base continued to shrink. The company's average revenue per user (ARPU), a key performance metric for telecom firms, rose 6.8% year-on-year to `203, but was up only marginally from last quarter. Airtel's ARPU is the highest among India's top telecom players, beating Jio's `181.7, and well above Vodafone Idea's `142. Bharti's shares closed down 1.3% ahead of the results. They had gained 5.4% in the July-September quarter.

UltraTech Cement Q2 net profit rises 69% to `1,280 crore, sales volume up 16%.

UltraTech Cement Ltd. reported a 68.75% jump in consolidated net profit at `1,280.38 crore in the second quarter ended September 30, 2023, led by a strong volume growth. The company had posted a consolidated net profit of `758.7 crore in the July-September quarter last fiscal, UltraTech said in a regulatory filing. Revenue from operation was up 15.25% at `16,012.13 crore during the period under review as against `13,892.69 crore in the year-earlier period, it added. "The company continues to deliver strong growth quarter after quarter, achieving a 16% volume growth in the quarter," said an earnings statement from the Aditya Birla Group firm. During the quarter, UltraTech witnessed demand from all sectors, fuelled by government-led infrastructure, rural development and urban residential demand. UltraTech's "rural sales were at 63% of trade, grew at 15% for the quarter," it added. Its consolidated sales volume in the September quarter was 26.69 million tonnes. Total expenses in the second quarter were higher at `14,493.01 crore, as compared to `12,934.27 crore in the corresponding period last fiscal, the company said. During the reporting quarter, energy cost was lower by 10% YoY, while raw material cost rose 4% on account of an increase in the cost of fly ash and slag. UltraTech said it achieved capacity utilisation of 75 per cent during the quarter on expanded capacity. While updating the ongoing expansion programme, UltraTech said it is progressing as per schedule. "5.5 MTPA (million tones per annum) capacity has already been commissioned during this financial year following a 12.4 MTPA capacity addition during FY23," it said. UltraTech Cement's total grey cement manufacturing capacity in India now stands at 132.45 MTPA.

"Work on the second phase of growth of 22.6 MTPA is in full swing. As part of this project, we are adding another 1.8 MTPA of slag grinding capacity taking total of phase 2 to 24.4 MTPA," said UltraTech, adding, "commercial production from all these new capacities is expected to go on stream in a phased manner by FY25/ FY26." The company said its on-going expansion programme is progressing as per schedule with 5.5 MTPA capacity already being commissioned during this financial year following a 12.4 MTPA capacity addition during FY23. Over the outlook, UltraTech said demand revival is imminent, especially during the festive season and the January-March peak construction period. "Demand will also be led by pre-election spending, continued government push on infrastructure development, and sustained real estate development. All of this augur well for the company," it said. Shares of UltraTech Cement Ltd. on Thursday settled 2.83% higher at `8,514.80 apiece on the BSE.

Tata Power Q2 net profit grows 9% to `1,017 crore

Tata Power Ltd. reported consolidated second-quarter net profit grew 9% to `1,017 crore year-on-year on strong fundamentals of all its businesses, including renewables, CEO & Managing Director Praveer Sinha said. This is the company's 16th consecutive quarter of growth in net profit. The company said it has maintained strong financial performance on the back of a healthy balance sheet, operational excellence, and synergies across all business clusters. Consolidated revenue rose by 9% to `15,442 crore largely driven by higher revenue from core businesses of generation, transmission and distribution. During the quarter, 84% contribution in the company's PAT came from the core businesses, while the contributions from overseas JVs, including coal mining operations, continues to decline. "We have reported yet another strong quarter of financial performance, driven by robust contribution from all our core business clusters," Dr. Sinha said. "Our adherence to financial discipline, operational excellence along with business resilience and diversification has helped us in maintaining this consistent profit growth," he added. He said the company was constantly focusing on new areas of growth such as its greenfield solar cell and module manufacturing plant in Tamil Nadu which had produced its first module in this quarter and was on track to roll out the first cell into Q4FY24. "We are continually taking significant strides in enabling green energy transition by supplying round-the-clock renewable energy with hybrid solar and wind plants along with pumped storage plants," the CEO said.

The company's clean energy portfolio reached a capacity of 5,500 MW during Q2 FY24, standing at 38% of total installed generation capacity. In the next two years renewable energy would constitute 50% of the total capacity. Tata Power also made progress in its distribution business by improving its cash flow and reducing AT&C losses in Odisha. This unit reported profit of `90 crore during the quarter. The company's Zambia unit resolved the PPA tariff issue with the Zambian State Utility and has realised part of the pending receivable dues of

$102 million from Zambia Electricity Supply Corporation. The company said it also received all the pending sale proceeds of Arutmin Coal Investment, as per the earlier arrangement to divest its stake in 2016.

SUMMARY AND CONCLUSIONS

Almost all companies reported robust performance (except Bharti Airtel) for the quarter ending 30th September 2023 which goes to show that the Indian large enterprises are in a firm footing to deliver massively in the days to come. Companies like TCS, L&T, Vedanta, Adani Power, Adani port and Tata power elaborated their future plans and especially in foreign counties underlining the pan world approach in their business operations.

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