

# JSW Steel profit falls 90%, below Street estimates

RAJESH KURUP  
Mumbai, January 20

**JSW STEEL**, THE flagship company of the diversified JSW Group, has posted an 89.50% fall in consolidated net profit at ₹474 crore for the third quarter ended December 2022, impacted mainly by subdued exports.

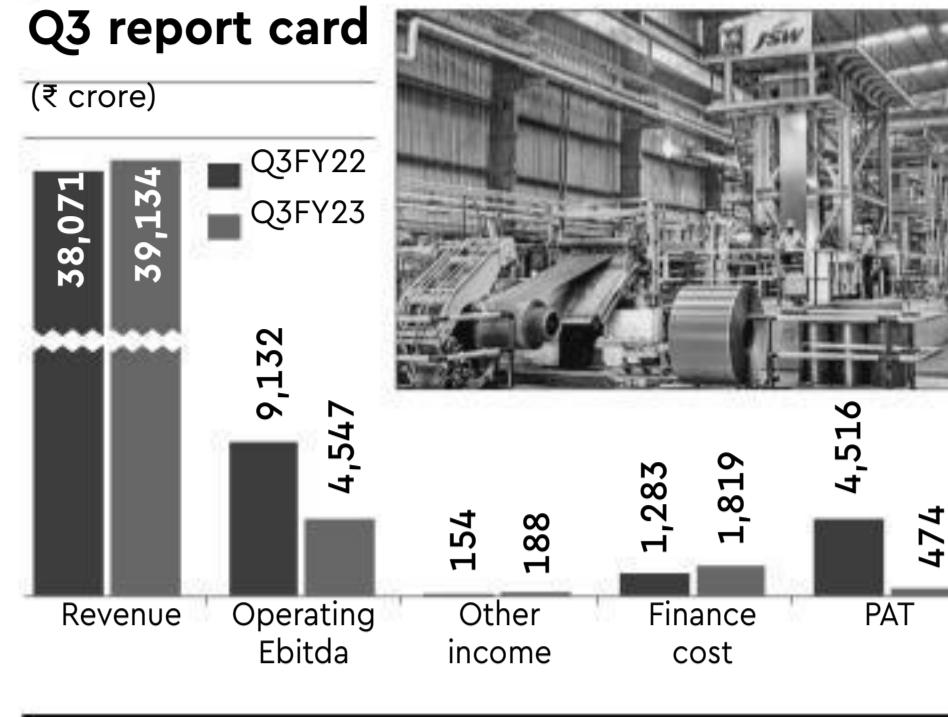
The steel manufacturer had posted a net profit of ₹4,516 crore during the same quarter of the previous fiscal.

During the reporting quarter, the company's revenue from operations rose 2.79% to ₹39,134 crore from ₹38,071 crore recorded in the same period of year-ago fiscal.

A consensus estimate of Bloomberg analysts was expecting the firm to post a net profit of ₹1,104.70 crore (11 brokers) on revenues of ₹3,960.10 crore (12 brokers).

The net profit was mainly impacted by export duties on finished steel products imposed in May 2022, which led to subdued exports (a 62% fall year-on-year and a 31% fall quarter-on-quarter).

During the third quarter, exports from India stood at 1.14 million tonne, lower by



55.7% year-on-year and 19.2% quarter-on-quarter, the company said in a statement.

However, the removal of export duties in November should improve the competitiveness of the Indian steel industry in the global markets going forward, JSW Steel said in a statement.

During the quarter, the combined crude steel production of JSW Steel stood at 6.24 million tonne, a 10% rise from sequential second quarter, mainly due to the ramp-up at the Dolvi plant.

During the quarter, the Dolvi

phase-II expansion achieved capacity utilisation of 85%, compared with 80% in Q2 of FY23.

The restarting of facilities at JSW Ispat Special Products after a maintenance shutdown that had started in second quarter and ongoing ramp-up of Bhushan Power & Steel Ltd (BPSL) to 3.5 MTPA from 2.75 MTPA also contributed to the higher production. The Phase-II expansion at BPSL to 5 MTPA from 3.5 MTPA remains on track for completion by FY24, it added.

The 5 MTPA brownfield expansion at Vijayanagar is progressing well, with civil works underway at the site.

The project is expected to be completed by FY24-end. JSW Steel's Q3 capex spend was at ₹4,114 crore and that for the nine-months of FY23 was at ₹10,707 crore. This was against the revised capex spend of ₹15,000 crore for FY23.

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## Outlook

In India, the fundamental growth drivers remain robust and the government's focus on infrastructure is expected to continue in the upcoming Budget. However, the global economic outlook remains uncertain on the back of policy tightening by central banks and the impact from the ongoing conflict in Ukraine.

While supply chains have improved and inflation across major global economies is cooling off, there is a risk of a mild recession during 2023 in the developed markets.

Reversal of zero-Covid strategy in China and expected reopening, and declining inflation globally, should provide tailwinds to global growth in the second half of CY 2023, it added.

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## JSW Energy profit falls 42% to ₹186.74 crore

RAJESH KURUP  
Mumbai, January 20

**INDUSTRIALIST SAJAN JINDAL-LED** JSW Energy has posted a 41.79% fall in consolidated net profit at ₹186.74 crore for the third quarter ended December 31, impacted mainly by lower merchant sales. In comparison, the company had posted a net profit of ₹320.82 crore for the same period of the previous financial year.

During the quarter under review, the company's consolidated total income rose 18.41% to ₹2,349.73 crore from ₹1,984.34 crore recorded in the comparable year-ago period. The rise in total revenue was due to higher realisation (as higher fuel costs are passthrough in nature for long-term power purchase agreements), the company said in a statement.

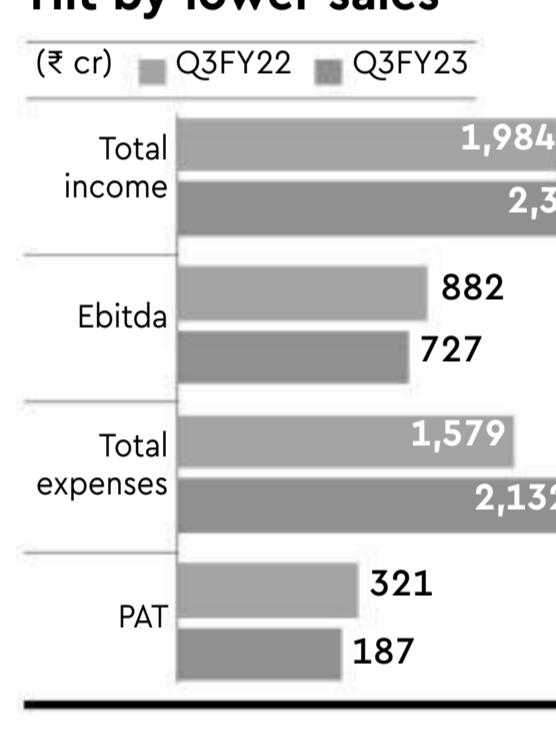
A consensus estimate of Bloomberg analysts was expecting the firm to post a consolidated net profit of ₹300.20 crore (4 brokers) on revenues of ₹2,049.20 (4 brokers).

JSW Energy's consolidated Ebitda for the reporting quarter fell 18% on a year-on-year basis to ₹727 crore due to lower short-term sales, while that for nine months of the fiscal was up 5% at ₹2,936 crore. The Q3 Ebitda was lower mainly due to lower short-term sales on a year-on-year basis, partly offset by contribution from Vijayanagar Solar and higher other income in the quarter, it added.

The company's financial costs during the quarter rose by 9% to ₹214 crore due to additional borrowings (for ongoing growth capex) and increase in weighted average cost of debt to 8.29% with the rising rates cycle.

The company's net generation from various plants fell to 4,274 million units in Q3, compared with 4,496 million units.

Long term sales during the quarter were flat at 4.2 billion units on a year-on-



year basis, as incremental generation from Vijayanagar Solar (225 MW) and SECIX (27 MW) was offset by lower hydro generation (due to weaker hydrology year-on-year). The short-term sales during the quarter stood at 95 million units versus 323 million units in Q3 FY22 due to lower merchant market sales.

The overall net generation stood at 4.3 billion units lower by 5% due to lower merchant market sales in the quarter, it added.

The company is pursuing a growth strategy to expand its installed capacity to 10 GW by FY25 and 20 GW by FY30, along with foraying into energy products and services. With current locked-in capacity of 9.9 GW, JSW Energy is expected to achieve its FY25 capacity target well ahead of the timelines.

Currently, 2.2 GW of greenfield renewable energy capacity is under construction in full swing, it said.

Its acquisition of Mytrah RE 1,753 MW assets is expected to close in Q4, and the 700 MW buy of Ind-Barath through bankruptcy process has been completed.

**LTIMindtree posts 16% fall in profit on merger costs, declares dividend of ₹20**

AYUSHMAN BARUAH  
Bengaluru, January 20

**IT SERVICES FIRM LTIMindtree** on Friday posted its first earnings as a combined listed entity post merger of L&T Infotech (LTI) and Mindtree.

It reported a 15.80% sequential decline in net profit due to one-time costs related to integration of the two companies, the management said during the earnings call.

However, the firm's Q3 net profit was up 4.7% year-on-year to ₹1,000.7 crore, beating consensus Bloomberg estimates of ₹9,30.10 crore. The company's revenues for the December quarter rose 4.8% sequentially to ₹8,620 crore, making it India's sixth-largest IT services company by earnings.

Revenues were also higher than the consensus Bloomberg estimates of ₹5,058.30 crore. The dollar revenue grew 14% annually and 2.4% sequentially in constant currency to \$1.04 billion on the back of broad-based growth.

The company's board has recommended an interim dividend of ₹20 per equity share. The record date has been fixed as January 31, 2023.

The combined entity has started out with a \$1 billion quarterly revenue run rate, a top-quartile constant currency year-over-year revenue growth of 16.3%, and a robust



order inflow of \$1.25 billion... Clients are cautious in finalising their technology budgets but the long-term investments continue," said Debashis Chatterjee, chief executive officer and managing director of LTIMindtree.

Going forward in FY24, LTIMindtree expects to see more of the "cost takeout deals" that focus on creating efficiencies, Chatterjee said. Operating margins for the December quarter narrowed to 13.9% from 17.5% in the preceding three months.

Analysts at Motilal Oswal Financial Services see the complementary vertical presence at LTI and Mindtree as one of the key long-term benefits for the combined entity. Banking, financial services & insurance (BFSI) contributed 47% to LTI's revenue and about 18% to Mindtree's revenue, while Technology contributed about 43% to Mindtree's revenue and 12% to LTI's topline.

www.ltimindtree.com



## LTIMindtree Limited

(Formerly Larsen & Toubro Infotech Limited)

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E-mail: investor@ltimindtree.com; Website: www.ltimindtree.com, Corporate Identity Number: L72900MH1996PLC104693

## EXTRACT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

Particulars	Consolidated					
	Quarter ended		Nine months ended		Year ended	
	December 31 (Unaudited)	September 30 (Unaudited)	December 31 (Unaudited)	December 31 (Unaudited)	December 31 (Unaudited)	March 31 (Audited)
Total income	87,718	83,889	70,468	249,825	195,232	268,745
Net profit before tax	13,106	15,630	14,092	43,473	38,132	52,939
Net profit after tax	10,007	11,890	10,501	32,962	28,409	39,500
Total comprehensive income	9,305	7,503	11,778	24,470	30,803	41,263
Equity share capital	296	296	296	296	296	296
Earnings Per Share (not annualized) (Face value of ₹ 1/- each)						
a) Basic (in ₹)	33.83	40.16	35.53	111.42	96.17	133.67
b) Diluted (in ₹)	33.78	40.11	35.44	111.26	95.92	133.35

Particulars	Standalone					
	Quarter ended		Nine months ended		Year ended	
	December 31 (Unaudited)	September 30 (Unaudited)	December 31 (Unaudited)	December 31 (Unaudited)	December 31 (Unaudited)	March 31 (Audited)
Total income	84,800	80,691	67,522	240,420	187,157	257,340
Net profit before tax	12,612	14,955	13,721	41,845	37,797	52,069
Net profit after tax	9,650	11,289	10,268	31,652	28,415	39,123
Total comprehensive income	8,391	7,151	11,630	22,887	30,813	40,742
Equity share capital	296	296	296	296	296	296
Earnings Per Share (not annualized) (Face value of ₹ 1/- each)						
a) Basic (in ₹)	32.62	38.18	34.75	107.04	96.23	132.46
b) Diluted (in ₹)	32.58	38.12	34.67	106.89	95.98	132.14

### Note:

1. The consolidated and standalone financial results of the Company for the quarter and nine months ended December 31, 2022 have been subjected to limited review by the statutory auditors. The results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on January 20, 2023.
2. The above is an extract of the detailed format of the unaudited financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the unaudited consolidated financial results and the unaudited standalone financial results for the quarter and nine months ended December 31, 2022 are available on the Stock Exchanges website of BSE ([www.bseindia.com/corporates](http://www.bseindia.com/corporates)), NSE ([www.nseindia.com/corporates](http://www.nseindia.com/corporates)) and Company's website at [www.ltimindtree.com/investors](http://www.ltimindtree.com/investors).
3. Results for the quarter and nine months ended December 31, 2022 are in compliance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.
4. The Scheme of Amalgamation and Arrangement under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 for amalgamation of Mindtree Limited ('Amalgamating Company') with the Company ('Scheme') was sanctioned by Hon'ble National Company Law Tribunal (NCLT) Mumbai Bench vide order dated September 19, 2022, and Bengaluru Bench vide order

