

Saturday, April 27, 2024

mint

livemint.com



Aviation-hub dreams soar high with IndiGo's big leap ▶ P15



India-US FTA hinges on US Presidential poll results ▶ P14

SENSEX 73,730.19 ↓ 609.25 NIFTY 22,419.95 ↓ 150.4 DOLLAR ₹83.35 ↓ ₹0.03 EURO ₹89.49 ↑ ₹0.10 OIL \$89.6 ↑ \$1.18 POUND ₹104.32 ↓ ₹0.05

Top year for HCL ends with weak signals for next

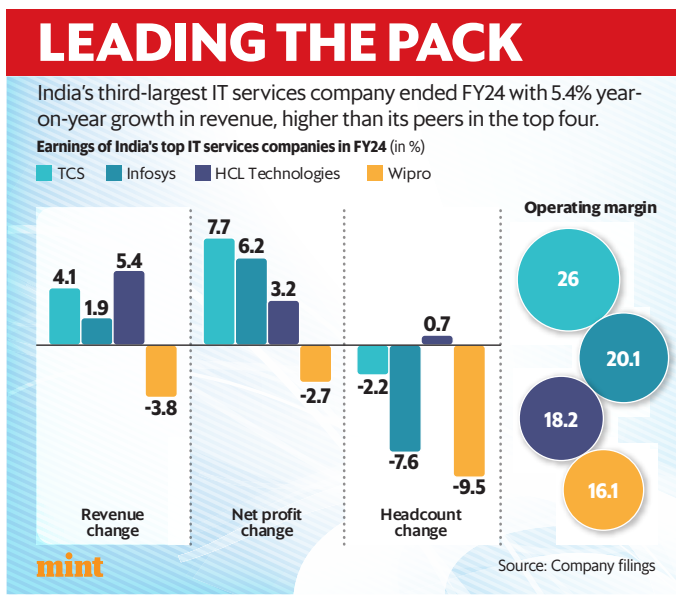
Strong revenue growth was accompanied by muted profit growth and margins

Jas Bardia & Shouvik Das
BENGALURU/NEW DELHI

Strong revenue growth in FY24, low-key profit growth, muted margins, and lowered expectations for FY25 revenue growth presented mixed tidings from Noida-headquartered HCL Technologies' annual earnings announced on Friday.

India's third-largest IT services company ended FY24 with 5.4% year-on-year (y-o-y) growth in revenue, higher than its peers in the top four, and in line with analyst expectations. However, the company projected a weaker ongoing financial year (FY25), with a guidance of 3-5% constant currency revenue growth and 18-19% operating margins.

C. Vijayakumar, the company's managing director and chief executive, said that the overall macro-economic environment may impact



the company's growth potential in FY25. "The macro situation will be similar to what we saw in FY24. Our revenue growth guidance fac-

tors this. We have outperformed our peers in services delivery in both FY23 and FY24, and we're confident of delivering good per-

formance in any economic scenario," he said.

At the same time, HCL Technologies saw a drop in margins in the March quarter due to a drop in high-margin deals and a seasonal decline in business from its software vertical, and also reported a flat full-year (FY24) operating margin of 18.2% compared to FY23. In the March quarter, its margin dropped by a significant 2.2 percentage points sequentially to 17.6%, which wiped out any potential for growth in FY24.

Prateek Aggarwal, chief financial officer of HCL Technologies, attributed the weakness in margin to seasonality.

"Our software businesses peaked in the December quarter, which boosted our margin to nearly 20%. Going forward, our margin guidance remains 18-19% for FY25," Aggarwal said.

TURN TO PAGE 13

Deregister Go First aircraft: Delhi HC

Krishna Yadav
krishna.yadav@livemint.com
NEW DELHI

Quashing any hopes of a revival for Go First, the Delhi High Court on Friday ordered the aviation regulator to deregister all 54 aircraft leased by the bankrupt airline, effectively grounding the 20-year-old low-cost carrier.

The ruling bears implications not only for aircraft lessors catering to Indian airlines, but also for SpiceJet Ltd's Ajay Singh and EaseMyTrip, who had jointly bid for Go First, previously known as Go Air.

Justice Tara Vitasta Ganju of the Delhi High Court has directed the Directorate General of Civil Aviation (DGCA) to process the lessors' deregistration applications within five working days. The court has also directed the DGCA and the Airports Authority of India to assist the lessors in accessing airports for flying back their aircraft.



The airline's total liabilities to all its creditors amount to about ₹11,463 crore. ▶ P11

"The Delhi High Court's judgment has significant implications for the overall airline insolvency scene in India," said Mukesh Chand, senior counsel, Economic Laws Practice. "By upholding the rights of aircraft lessors and clarifying the deregistration process, the court's decision sets a precedent for future cases involving similar disputes in aviation."

Mark Martin, chief executive of aviation consultancy

TURN TO PAGE 13

DON'T MISS



Nokia phone maker HMD Global to source chips from India

HMD Global, maker of the Nokia brand of mobile phones, will be open to sourcing semiconductor chips from India for both its brands—Nokia and HMD—for local production and exports "if they meet quality and cost factors". ▶ P13

Centre may allocate higher sales quota to sugar mills in May

The Centre aims to allocate sugar mills a higher sales quota for May, which will be 100,000-200,000 tonnes more than that in the same month a year ago, to tame prices of the sweetener, Union food and public distribution secretary said. ▶ P14

Swiggy makes confidential filing for its \$1.25-billion IPO

Homegrown food aggregator Swiggy has submitted a draft red herring prospectus for an IPO with the Securities and Exchange Board of India (Sebi) via the confidential filing route, according to two people with knowledge of the matter. ▶ P15

Maruti Suzuki working on affordable hybrid rollout

Alisha Sachdev
alisha.sachdev@livemint.com
NEW DELHI

Maruti Suzuki India Ltd's Japanese parent, Suzuki Motor Co., is working on developing cost-effective technologies that would make the otherwise exorbitantly expensive hybrid cars affordable for buyers in India.

India's largest carmaker will also seriously consider bringing to India plug-in hybrids that Suzuki sells in Europe and the US. "We don't have an immediate plan of bringing plug-in hybrid technology into India, but I think it is a very interesting proposition and we must consider this really seriously," said Hishahi Takeuchi, managing director, Maruti Suzuki.

Maruti Suzuki is hoping for policy decisions involving a potential reduction in taxes on hybrid vehicles to drive market growth in the technology that it has chosen to favour over battery electric vehicles for the Indian market.

Hybrid vehicles are powered both by traditional internal combustion engines and electric motors, which can be used for short distances and are



Maruti Suzuki will seriously consider bringing to India plug-in hybrids. REUTERS

recharged as the vehicle runs. These cars do not need to be plugged into a charger for powering up. In plug-in hybrids, as the name suggests, the batteries can be recharged as electric vehicles are.

Globally, EV sales are beginning to dwindle as buyers keen on graduating from the conventional models seek the convenience of hybrid cars over EVs. Hybrids, however, are expensive.

Hybrid engines can cost as much as 20% more than their

conventional fossil fuel-powered counterparts.

Maruti Suzuki on Friday reported a 48% jump in net profit at ₹3,877.8 crore for the January-March quarter, riding a 20% year-over-year increase in revenue to ₹1,40,933 crore.

However, sales of its CNG models fell by 400 basis points, accounting for 26.9% of overall sales as compared with 30.8% in the preceding three months, adversely affecting Maruti's operating performance during the final quarter of the 2023-24 financial year.

"The market for hybrids, to an extent, is determined by the price of the cars. And as we know, the duty on hybrids is 43%," said R.C. Bhargava, chairman of Maruti Suzuki.

"We will know once elections are over and the GST Council looks at rates... We don't know what the ultimate view of the GST Council will be and what the view of the (new) government will be," Bhargava said. "So how far the expansion and how quickly the expansion of hybrids and EVs happens, we will only know in the future."

The volume of hybrid cars

'Cabinet delayed highway contracts'

Subhash Narayan
subhash.narayan@livemint.com
NEW DELHI

Delays in getting cabinet approvals impeded India's trajectory of road development in the just-concluded fiscal, according to a report from the ministry of road transport and highways (MoRTH).

Awards of highway-development contracts ended up with a big shortfall in FY24. "Awards stood at 8,581 km against a target of 13,290 km. Major shortfall was because of Bharatmala where the revised approval of the Cabinet could not be obtained," the ministry said in its latest monthly summary report prepared for the cabinet.

Lower awards come on the back of the ministry also missing out on its highway construction target for the third successive year, with total construction standing at 12,349 km against a target of 13,814 km.

A shortfall in award of highway projects impacts pace of construction in



Highway contracts award ended up with a big shortfall in FY24. MINT

subsequent years due to a decline in the pipeline of projects where work could be initiated.

"The awards have remained muted last year as the government has been cautious in awarding projects where the land acquisition and associated permits are not in place," said Ashish Suman, Partner, JSA Advocates & Solicitors. "Also, delay in cabinet approval for revised cost estimate for Bharatmala Phase I, lack of clarity on model of project development (with government

TURN TO PAGE 13

Varma's Mohini lights up Mumbai art auction



Raja Ravi Varma's 'Mohini', the top-seller at the auction, sold for a staggering ₹19.55 crore.

Varuni Khosla
varuni.k@livemint.com
NEW DELHI

A fine art sale organized by Mumbai-based auction house Pundole's featuring 71 pieces elicited a strong response from connoisseurs and investors, with a Raja Ravi Varma classic fetching nearly ₹20 crore.

All 71 lots, including from the personal collection of designer Pinakin Patel, found new homes, fetching a total ₹82.72 crore, split into a hammer price of ₹71.93 crore and the remainder as premium that buyers pay as commission to the auctioneer.

Interestingly, about half the paintings in this sale were works on paper, yet no piece was sold for less than ₹1 crore. Artworks on paper typically command a lower value than those on a canvas by the same artist, as the former are more difficult to protect from damage.

top-seller at the auction, sold for a staggering ₹19.55 crore, exceeding its pre-sale estimate of ₹15 crore, once again reinforcing his popularity among art collectors. Other notable sales included 'Untitled' by Nasreen Mohamedi, which fetched ₹12.65 crore, against an estimate of just ₹3 crore. This significant difference between the estimated and realised price suggests a growing appetite for art in India. In the past year or so, Indian art has generated a lot of interest from high net worth and ultra-high net worth individuals who see it as a profitable investment option.

"The results of Thursday's 'white-glove' sales show the depth of the market at all price points. We achieved a world record auction price for a rare canvas by Nasreen Mohamedi, and saw extremely strong prices achieved for several other women artists including Anjolie Ela Menon, Pilloo Pochkhanwala, Zarina

Hashmi and B. Prabha. All the works offered by the collector and aesthete Pinakin Patel were eagerly bid on by both old and new collectors from home and overseas," Dadiba Pundole, owner of the eponymous auction house, said. "A small sculpture by Adi Davierwalla set a new benchmark for a maquette by the artist. Overall, the sale reflects the strength of India's growing economy and expanding buyer base."

A white-glove sale refers to an auction where all lots or items on the block are sold. The past year has been one of the best for Indian art pieces, with over a dozen works selling at multi-crore price tags. At the auction, an artwork by Sayed Haider Raza *Bindu Peace* sold for ₹4.6 crore, against the pre-auction estimate of ₹1.5-2.5 crore. Three Hambool Fida Husain works also sold for a cumulative ₹13.45 crore, the gallery's results showed.

TURN TO PAGE 13

HCL TECHNOLOGIES LIMITED

Corporate Identity Number : L74140DL1991PLC046369
Registered Office : 806, Siddharth, 96 Nehru Place, New Delhi, 110 019
Corporate Office : Plot No. 3A, Sector 126, Noida 201 304, U.P., India
Website: www.hcltech.com; Telephone: +91 11 26436336

Extract of Consolidated Financial Results of HCL Technologies Limited as per Ind AS: (₹ in crores)

Particulars	Three months ended		Year ended	
	31 March 2024 (Audited)	31 March 2023 (Audited)	31 March 2024 (Audited)	31 March 2023 (Audited)
Total income from operations	28,499	26,606	109,913	101,456
Net profit for the period before tax, exceptional and/or extraordinary items	5,269	5,195	20,967	19,488
Net profit for the period before tax	5,269	5,195	20,967	19,488
Net profit for the period after tax	3,995	3,981	15,710	14,845
Net profit for the period after tax and non-controlling interest	3,986	3,983	15,702	14,851
Total comprehensive income for the period (comprising profit for the period after tax and non-controlling interest and other comprehensive income after tax)	3,917	4,171	16,557	16,152
Equity share capital (par value ₹ 2 each)	543	543	543	543
Other equity#	67,720	64,862	67,720	64,862
Earnings per equity share (of ₹ 2 /- each) (for continuing and discontinued operations) (₹)				
Basic (in ₹)	14.72	14.71	57.99	54.85
Diluted (in ₹)	14.69	14.69	57.86	54.79

Balances for three month and year ended 31 March 2024, represent balances as per the audited consolidated balance sheet for the year ended 31 March 2024 and balances for three month and year ended 31 March 2023, represent balances as per the audited consolidated balance sheet for the year ended 31 March 2023, as required by Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

Extract of Standalone Financial Results of HCL Technologies Limited as per Ind AS: (₹ in crores)

Particulars	Three months ended		Year ended	
	31 March 2024 (Audited)	31 March 2023 (Audited)	31 March 2024 (Audited)	31 March 2023 (Audited)
Total income from operations	12,077	11,637	48,118	46,276
Net profit for the period before tax, exceptional and/or extraordinary items	3,706	3,559	15,456	14,716
Net profit for the period before tax	3,706	3,559	15,456	14,716
Net profit for the period after tax	2,763	2,844	11,674	11,459
Total comprehensive income for the period (comprising profit for the period after tax and other comprehensive income after tax)	3,074	3,000	12,113	11,200
Equity share capital (par value ₹ 2 each)	543	543	543	543
Other equity#	38,927	40,561	38,927	40,561
Earnings per equity share (of ₹ 2 /- each) (for continuing and discontinued operations) (₹)				
Basic (in ₹)	10.20	10.50	43.11	42.32
Diluted (in ₹)	10.18	10.49	43.02	42.27

Balances for three month and year ended 31 March 2024, represent balances as per the audited standalone balance sheet for the year ended 31 March 2024 and balances for three month and year ended 31 March 2023, represent balances as per the audited standalone balance sheet for the year ended 31 March 2023, as required by Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

Notes:

- The consolidated and the standalone financial results for the three months and year ended 31 March 2024 were reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on 26 April 2024. The statutory auditors have issued unmodified audit report on these results.
- The Board of Directors have declared an interim dividend of ₹ 18/- per share at its meeting held on 26 April 2024.
- Arrangement with State Street International Holdings, USA (State Street). The Group is providing certain business process outsourcing (BPO) services to State Street and its affiliates through a joint venture. With effect from 1 April 2024, the Group has divested its stake in the joint venture in favour of State Street and the agreement for related services has also been terminated. Accordingly, the balance sheet of Statestreet HCL Holding UK Limited (and its step down subsidiaries) will be de-consolidated from that date.
- Financial results for all the periods presented have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to 31 March 2024 and the unaudited published year-to-date figures up to 31 December 2023 being the date of the end of the third quarter of the financial year which were subjected to a limited review.
- The above is an extract of the detailed format of quarterly/annual financial results filed with the Stock Exchanges under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full formats of the quarterly/annual financial results are available on the websites of the Stock Exchanges, www.nseindia.com, www.bseindia.com, and on the Company's website, www.hcltech.com.

By the order of the Board of Directors for HCL Technologies Limited

Roshni Nadar Malhotra Chairperson DIN - 02346621	C. Vijayakumar Chief Executive Officer and Managing Director DIN - 09244485	Prateek Aggarwal Chief Financial Officer
--	--	---

Noida (UP), India
26 April 2024