



**ORIGINAL RESEARCH PAPER**

**Economics**

**SEGMENT ANALYSIS: ADANI ENTERPRISES LTD.**

**KEY WORDS:**

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**ABSTRACT**

Since every company offers different products to its customers each year, they present different segments for producing them. The importance of this method is its aim of representing various levels of performance of a company, any year. In India, it is mandatory for companies to report the progress of each segment as per AS17. This ensures full disclosure about revenue, profits and capital employed by each of the segments. Reports are usually prepared from analysis of each segment from the 'collected data'. This helps understand the strengths and weaknesses of each segment, and the company. Furthermore, it helps assess the financial position and profitability of each segment. Understanding specific characteristics such as behavior, age, income and personality under market segment analysis offers an added feature in understanding the target customers of the company. This also depicts how a company should showcase a product/ service offered depending on the demographics of the target market.

**Segment Analysis**

**Objectives Of This Research:**

The following are the objectives of this research:

1. Analyzing the performance of each segment under the Adani Enterprise Limited,
2. Discovering Return on Investments on each of the segments under Adani Enterprise Limited,
3. Studying the contributions of each segment towards Adani Enterprise Limited,
4. To provide the viewers an understanding how profit, revenue, and capital employed play an important role in companies,
5. Understanding the different segment developments and future projections of Adani Enterprise Limited, and
6. Noting the operational incomes over the past few financial years.

**Tools Of Analysis:**

The following are the tools of analysis used to conduct the research:

1. Common Size Statements,
2. Accounting Ratios,
3. Pie Graphs, and
4. Bar Diagrams

**Period Of Study:**

This research is strictly restricted to the **financial year of 2020-21**, and all segments under this financial term have been taken into consideration while conducting this research.

**About Adani Enterprises Limited:**

Adani Enterprises Limited (Ltd.) is the flagship company under one of the largest business organizations of India-Adani Group. Over the years of their operations, Adani Enterprises have expanded successfully.

They are particularly focused on construction of infrastructural assets that contribute towards India's building blocks.

They have established themselves by setting up multiple unicorns such as Adani Ports, Adani Transmissions, Adani Power, Adani Green Energy, and Adani Total Gas, to name a few. By doing so, the company has contributed a major chunk in making India a self-reliant country.

Their most recent projects are focused on water infrastructure and airport management, the basis of any country's development index.

These principles have led to high Returns on Investments to the shareholders and investors. As a matter of fact, a one-rupee investment in 1994 amounts to more than 200 rupees today.

Their vision is centered in being a world-class leader in the Business Industry by enriching the lives of their customers.

Their business include: (the first three will be focused during segment analysis)

**1. Integrated Resource Managements:**

Energizing India's economy responsibly.

**2. Mining Services:**

They are the pioneer of mine developers and operators' concept in India, Australia, and Indonesia.

**3. Solar Manufacturing:**

Lighting up India's solar dreams.

**4. Data-Centers:**

This has an inherent capability to build chains of hyperscale data centers.

**5. Airport Management:**

They hold the power to turn India's transit gateways into world-class destinations.

**6. Others include Defense and Aerospace, Edible oils and foods, Agriculture, etc.**

The revenue of Adani Enterprises Ltd. for the fiscal year of 2020-21 amounts up to INR 40,291 crores. The company has hired 3,117 employees on a contractual basis.

The company has been awarded prestigious awards such as ABCI award, ICC Social Impact Award, CII National Award, and more.

Adani Enterprise Ltd. website is [www.adanienterprises.com](http://www.adanienterprises.com)

**Performance Analysis Of Segments:**

Segment:	Integrated Resource Management	Mining	Solar Manufacturing	Others	Total
Revenue	23,950.92	2013.85	2933.96	12,974.43	41,873.16
Profit	844.73	372.96	673.62	(187.29)	1,709.02
Capital Employed	1,861.45	14,605.12	2195.56	4,822.58	23,544.71

**Note:** All amounts are in Indian Rupees and in crores

This research paper has included data from official sites and is therefore trustable.

Based on Performance Analysis of above segments, Segment Comparisons will be undertaken. Following that will be graphical representation of segment comparisons.

**Segment Comparison- Revenue**

**1. In Percentage:**

Integrated Resource Management:

$$\left(\frac{23,950.92}{41,873.16}\right) \times 100 = 57.19\%$$

Mining:

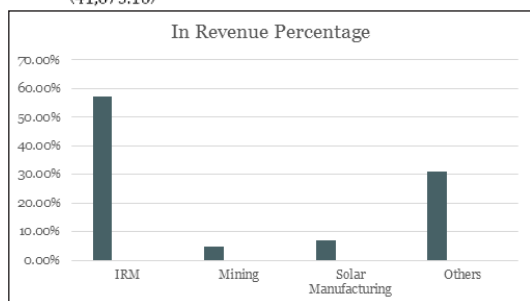
$$\left(\frac{2013.85}{41,873.16}\right) \times 100 = 4.80\%$$

Solar Manufacturing:

$$\left(\frac{2933.96}{41,873.16}\right) \times 100 = 7.006\%$$

Others:

$$\left(\frac{12,974.43}{41,873.16}\right) \times 100 = 30.93\%$$



In Degrees:

IRM:

$$\left(\frac{23,950.92}{41,873.16}\right) \times 360^\circ = 206^\circ$$

Mining:

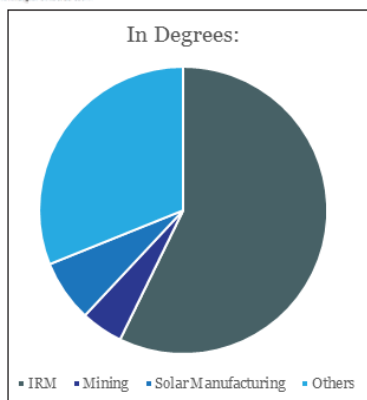
$$\left(\frac{2013.75}{41,873.16}\right) \times 360^\circ = 17^\circ$$

Solar Manufacturing:

$$\left(\frac{2933.96}{41,873.16}\right) \times 360^\circ = 25^\circ$$

Others:

$$\left(\frac{12,974.43}{41,873.16}\right) \times 360^\circ = 112^\circ$$



**Segment Comparison- Profit**

**In Percentage:**

Integrated Resource Management:

$$\left(\frac{844.73}{1709.02}\right) \times 100 = 49.42\%$$

Mining:

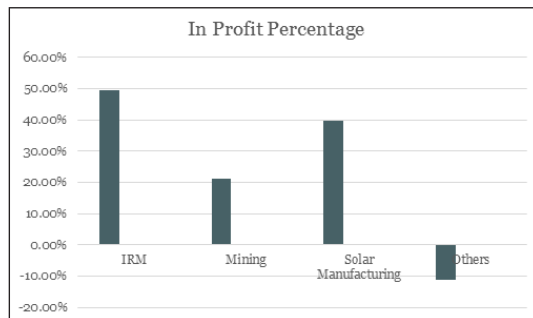
$$\left(\frac{372.96}{1709.02}\right) \times 100 = 21.32\%$$

Solar Manufacturing:

$$\left(\frac{673.62}{1709.02}\right) \times 100 = 39.70\%$$

Others:

$$\left(\frac{673.62}{1709.02}\right) \times 100 = 39.70\%$$



**Segment Comparison- Capital Employed**

**In Percentage:**

Integrated Resource Management:

$$\left(\frac{1,861.45}{23,544.71}\right) \times 100 = 7.9\%$$

Mining:

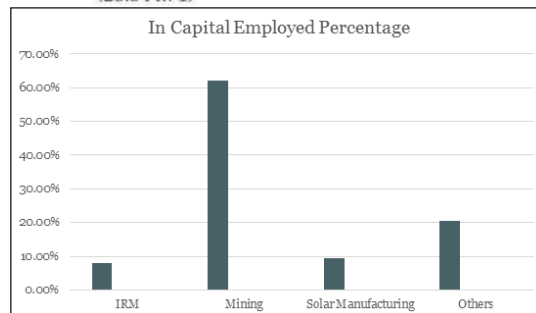
$$\left(\frac{14,605.12}{23,544.71}\right) \times 100 = 62.03\%$$

Solar Manufacturing:

$$\left(\frac{2195.56}{23,544.71}\right) \times 100 = 9.32\%$$

Others:

$$\left(\frac{4822.53}{23,544.71}\right) \times 100 = 20.48\%$$



**Segment Comparison- Return on Investments**

Return on Investments is given by the formula:

$$\left(\frac{\text{Profit before Interest, Tax, and Dividend}}{\text{Capital Employed}}\right) \times 100$$

**In percentage:**

Integrated Resource Management:

$$\left(\frac{844.73}{1709.02}\right) \times 100 = 49.42\%$$

Mining:

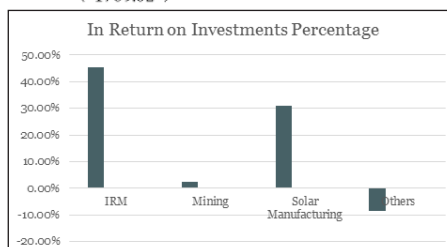
$$\left(\frac{372.96}{1709.02}\right) \times 100 = 21.32\%$$

Solar Manufacturing:

$$\left(\frac{673.62}{1709.02}\right) \times 100 = 39.70\%$$

Others:

$$\left(\frac{-187.29}{1709.02}\right) \times 100 = (-10.96\%)$$



**Common Size Statement- Revenue**

This statement depicts intersegment comparison of revenue

Segment:	Integrated Resource Management	Mining	Solar Manufacturing	Others	Total
Revenue	23,950.92	2013.85	2933.96	12,974.43	41,873.16
Percentage	57.19	4.80	7.006	30.98	100
Degrees	206	17	25	112	360

**Common Size Statement- Profit**

This statement depicts intersegment comparison of profits

Segment:	Integrated Resource Management	Mining	Solar Manufacturing	Others	Total
Profits	844.73	372.96	673.62	(-187.29)	1709.02
Percentage	49.42	21.32	39.70	(-10.96)	100

**Common Size Statement- Capital Employed**

This statement depicts intersegment comparison of Capital Employed

Segment:	Integrated Resource Management	Mining	Solar Manufacturing	Others	Total
Capital Employed	1,861.45	14,605.12	2195.56	4822.53	23,544.71
Percentage	7.9	62.03	9.32	20.48	100

**Common Size Statement- Return on Investments**

This statement depicts intersegment comparison of Return on Investments

Segment:	Integrated Resource Management	Mining	Solar Manufacturing	Others	Total
Profit	844.73	372.96	673.62	(-187.29)	1709.02
Capital Employed	1,861.45	14,605.12	2195.56	4822.53	23,544.71
Percentage	45.38	2.55	30.9	(-8.53)	7.25%

**Conclusion**

The Integrated Resource Management (IRM) has sufficient time and has already proven that it has the capacity to grow the most of all, and offer maximum profits. It offers ROI of 45.83%

As global warming peaks, renewable sources have a huge market potential. As electric cars begin to dominate the market, the world moves towards a sustainable future. Therefore, even solar manufacturing segment has much to offer with a remarkable ROI of 30.9%, proving its potential.

**Future Projections**

- The IRM segment has time and again proved itself, hence more funds should be diverted to this segment from 'Others' segment
- Early investments in the renewable energy market is a clever strategy as it possesses vast growth potential.
- Funds should also be invested carefully into the 'others' segment and the employees should be motivated to work more efficiently so as to eliminate all or any losses.

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