

Q4 NET PROFIT UP 3%; REVENUE FOR FY21 UP 9%

L&T Expects Growth After 'One of the Toughest Years'

Our Bureau

Mumbai: Larsen & Toubro said it expects "mid-to-low teen" growth in revenue and orders in the ongoing financial year following disruptions to business in the previous year due to the Covid-19 pandemic.

It, however, cautioned that the second Covid-19 wave could still be a dampener.

"That last year was one of the toughest in our company's history... We are very excited about the future," SN Subrahmanyam, chief executive, told reporters in a post-results conference call.

"If you look at our auto order backlog, there are some very extraordinary and technologically challenging jobs, but frankly, in the year ahead, there are many unknowns — the Covid-19 infection rates, supply chain matters, commodity prices and so on," he warned.

Subrahmanyam said the engineering, construction and manufacturing conglomerate would continue to build and execute on its commitments amid the second wave. "We need to calibrate our growth in the future based on the operating environment and conditions," he added.

PROJECT EXECUTION PICKS UP

L&T recovered on a sequential basis in FY21 after the first-half was hit by the nationwide lockdowns in the wake of the pandemic. It reported a muted 3% growth in consolidated net profit — at ₹3,293 crore — in the January-March quarter. Consolidated revenue was ₹48,088 crore, up 9% on-year, as project execution picked up after the first-half.

"We look forward to a growth environment where growth could range anywhere up to low-to-mid teens in terms of order flow and revenue. We also expect the margin to remain stable around the current levels because much of revenue will flow from current orders," chief financial officer R Shankar Raman said.

L&T's order inflow in the March quarter was ₹50,651 crore, 12% lower than in the same period last year on deferment of awards.

Its consolidated order book stood at ₹3,27,354 crore as on March



FILE PHOTO

SN SUBRAHMANYAN
CEO, Larsen & Toubro

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31, of which international orders constituted 21%.

For the previous financial year, consolidated net profit, including profit from discontinued operations, was up 21% at ₹11,583 crore.

The company said this included two exceptional items — a one-time impact of a charge of ₹3,620 crore and a profit of ₹8,238 crore, mainly from divestment.

Revenue for the year was ₹1,35,979 crore from continuing operations, a fall of 7% due to revenues lost because of lockdown-related disruptions in the first-half of the year and supply chain disruptions.

The company's infrastructure business reported a 5% growth in the fourth quarter, but the performance of the previous quarters weighed on it as annual revenue declined 15%. The power division saw revenues increasing on a healthy order book position from FY20 but order inflows plummeted due to low tendering activity in the sector.