

A PROJECT REPORT ON
“Financial Analysis of Larsen and Toubro LTD”
A Project Submitted to
University of Mumbai for Partial Completion of the Degree
of Bachelor in Commerce (Banking and Insurance)
Under the Faculty of Commerce
By
‘DHRUV PRAMOD GAWADE’
T.Y.B.B.I (SEMESTER – VI)
PRN NO.: 2021016400537432
Under the Guidance of
‘ASST. PROF. DR. KISHOR CHAUHAN’
JNAN VIKAS MANDAL’S
Mohanlal Raichand Mehta College of Commerce
Diwali Maa College of Science
Amritlal Raichand Mehta College of Arts
Dr. R.T. Doshi College of Computer Science
NAAC Re-Accredited Grade 'A+' (CGPA : 3.31) (3rd Cycle)
Sector-19, Airoli, Navi Mumbai, Maharashtra 400708





JNAN VIKAS MANDAL'S

Mohanlal Raichand Mehta College of Commerce

Diwali Maa College of Science

Amritlal Raichand Mehta College of Arts

Dr. R.T. Doshi College of Computer Science

NAAC Re-Accredited Grade 'A+' (CGPA : 3.31) (3rd Cycle)

Sector-19, Airoli, Navi Mumbai, Maharashtra 400708

CERTIFICATE

This is to certify that **MR. DHRUV PRAMOD GAWADE** has worked and duly completed his Project work for the degree of Bachelor in Commerce (Banking and Insurance) under the Faculty of Commerce in the subject of **Management control**

and his project is entitled, "*Financial Analysis of Larsen and Toubro LTD*". Under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is his own work and fact reported by her personal finding and investigations.

Guiding Teacher,

ASST. PROF. DR. KISHOR CHAUHAN.

Date of submission:

DECLARATION

I the undersigned **MR. DHRUV PRAMOD GAWADE** here by, declare that the work embodied in this project work titled “*Financial Analysis of Larsen and Toubro LTD*”, forms my own contribution to the research work carried out by me under the guidance of **ASST. PROF. DR. KISHOR CHAUHAN** is a result of my own research work and has been previously submitted to any other University for any other Degree/ Diploma to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

(DHRUV PRAMOD GAWADE)

Certified by:

ASST. PROF. DR. KISHOR CHAUHAN.

ACKNOWLEDGEMENT

To list who all have helped me is difficult because they are so numerous and the depth is so enormous.

I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

I take this opportunity to thank the **University of Mumbai** for giving me chance to do this project.

I would like to thank my **Principal, I/C.Dr.B.R.DESHPANDE SIR** for providing the necessary facilities required for completion of this project.

I take this opportunity to thank our **Coordinator** for their moral support and guidance.

I would also like to express my sincere gratitude towards my project guide **Asst. Prof. DR. Kishor Chauhan** whose guidance and care made the project successful.

I would like to thank my **College Library**, for having provided various reference books and magazines related to my project.

Lastly, I would like to thank each and every person who directly or indirectly helped me in the completion of the project especially **my Parents and Peers** who supported me throughout my project.

Index

Chapter no .		Chapter name	Page no.
1		INTRODUCTION	9-34
	1.1	FINANCIAL STATEMENTS	9
	1.2	FINANCIAL ANALYSIS	11
	1.3	The Significance of a Financial Statement Analysis	12
	1.4	Six Steps To an Effective Financial Statement Analysis	12
	1.5	Objectives of Financial Statement Analysis	15
	1.6	FINANCIAL PERFORMANCE	16
	1.7	L & T	17
	1.8	COMPANY STRUCTURE	17
	1.9	GROUP COMPANIES	17
	1.10	EPC PROJECT	19
	1.11	TECHNOLOGY CLUSTER	21
	1.12	MAJOR SUBSIDIARIES AND JOINT VENTURE	22
	1.13	INTERNATIONAL MARKET	24
	1.14	HISTORY	25
	1.15	DIVESTMENT	26
	1.16	AWARDS AND RECOGNITION	28
	1.17	L&T REALTY LTD	28
	1.18	L&T CONSTRUCTION	29
	1.19	CORPORATE MUSEUM	29
	1.20	L&T GEO STRUCTURE	30
	1.21	POWER	31
2		Research Methodology:	35-46

	2.1		SCOPE OF THE STUDY	34
	2.2		OBJECTIVE	34
	2.3		LIMITATIONS OF THE STUDY	34
	2.4		SIGNIFICANCE OF THE STUDY	34
	2.5		DATA COLLECTION	35
	2.6		TOOLS AND TECHNIQUES o Trend Analysis o Common Size Statement o Ratio Analysis	35
	2.7		RATIOS	38
3			LITERATURE REVIEW	46-49
4			Data Analysis, Interpretations and Presentations:	50-89
	4.1		TREND ANALYSIS	50
		4.1.1	BALANCE SHEET ANALYSIS	50
		4.1.2	INCOME STATEMENT ANALYSIS	55
	4.2		COMMON SIZE STATEMENT	59
		4.2.1	BALANCE SHEET ANALYSIS	60
		4.2.2	INCOME STATEMENT ANALYSIS	62
	4.3		CAPITAL STRUCTURE OF L&T	67
	4.4		RATIO ANALYSIS	68
	4.5		INTERCOMPANY RATIO ANALYSIS	81
5			FINDING SUGGESTIONS CONCLUSIONS :	90-93
	5.1		FINDINGS	90

	5.2		SUGGESTIONS	91
	5.3		CONCLUSIONS	92
	5.4		BIBLIOGRAPHY	93

CHAPTER NO.1: INTRODUCTION

1.1 FINANCIAL STATEMENTS:

Financial statements are formal records of the financial activities and position of a business, person, or other entity. Relevant financial information is presented in a structured manner and in a form which is easy to understand.

Three main financial statements that every company creates and monitors: the balance sheet, income statement, and cash flow statement. Companies use these financial statements to manage the operations of their business and also to provide reporting transparency to their stakeholders. All three statements are interconnected and create different views of a company's activities and performance.

Balance Sheet

The balance sheet is a report of a company's financial worth in terms of book value. It is broken into three parts to include a company's assets, liabilities, and shareholders' equity. Short-term assets such as cash and accounts receivable can tell a lot about a company's operational efficiency. Liabilities include its expense arrangements and the debt capital it is paying off. Shareholder's equity includes details on equity capital investments and retained earnings from periodic net income. The balance sheet must balance with assets minus liabilities equaling shareholder's equity. The resulting shareholder's equity is considered a company's book value. This value is an important performance metric that increases or decreases with the financial activities of a company.

Income Statement

The income statement breaks down the revenue a company earns against the expenses involved in its business to provide a bottom line, net income profit or loss. The income statement is broken into three parts which help to analyze business efficiency at three different points. It begins with revenue and the direct costs associated with revenue to identify gross profit. It then moves to operating profit which subtracts indirect expenses.

such as marketing costs, general costs, and depreciation. Finally it ends with net profit which deducts interest and taxes.

Basic analysis of the income statement usually involves the calculation of gross profit margin, operating profit margin, and net profit margin which each divide profit by revenue. Profit margin helps to show where company costs are low or high at different points of the operations.

Cash Flow Statement

The cash flow statement provides an overview of the company's cash flows from operating activities, investing activities, and financing activities. Net income is carried over to the cash flow statement where it is included as the top line item for operating activities. Like its title, investing activities include cash flows involved with firm wide investments. The financing activities section includes cash flow from both debt and equity financing. The bottom line shows how much cash a company has available.

Free Cash Flow and Other Valuation Statements

Companies and analysts also use free cash flow statements and other valuation statements to analyze the value of a company. Free cash flow statements arrive at a net present value by discounting the free cash flow a company is estimated to generate over time. Private companies may keep a valuation statement as they progress toward potentially going public.

Key Takeaways:

1. Financial statement analysis is used by internal and external stakeholders to evaluate business performance and value.
2. Financial accounting calls for all companies to create a balance sheet, income statement, and cash flow statement which form the basis for financial statement analysis.
3. Horizontal, vertical, and ratio analysis are three techniques analysts use when analyzing financial statements.

1.2 FINANCIAL ANALYSIS:

Financial analysis is the process of evaluating businesses, projects, budgets and other finance-related entities to determine their performance and suitability. Typically, financial analysis is used to analyze whether an entity is stable, solvent, liquid or profitable enough to warrant a monetary investment. When looking at a specific company, a financial analyst conducts analysis by focusing on the income statement, balance sheet, and cash flow statement.

Advantages:

1. The Ability to Detect Patterns Financial statements reveal how much a company earns per year in sales.
2. The sales may fluctuate, but financial planners should be able to identify a pattern over years of sales figures. For example, the company may have a pattern of increased sales when a new product is released.
3. The sales may drop after a year or so of being on the market. This is beneficial, as it shows potential and sales patterns so executives know to expect a drop in sales.
4. A Chance to Budget Outline Another advantage of using financial statements for future planning and decision making is that they show the company's budgets.
5. The budgets reveal how much wiggle room the company has to spend on launching products, developing marketing campaigns or expanding the current office size.
6. Knowing how much money is available for planning and decision making ensures that the company does not spend more than expected.

Disadvantages:

1. Based on Market Patterns:
 - a) One disadvantage of using financial statements for decision making is that the data and figures are based on the market at that given time.
 - b) Depending on the market, it may change quickly, so executives should not

assume that the numbers from a previous financial statement will remain the same or increase.

c) Just because a company has sold 5 million copies of a product during one year does not guarantee it will sell the same amount or more.

d) It may sell much less if a competitor releases a similar product.

2. At-One-Time Analysis:

a) Another disadvantage is that a single financial statement only shows how a company is doing at one single time.

b) The financial statement does not show whether the company is doing better or worse than the year before, for example. If executives decide to use financial statements for making decisions about the future, they should use several financial statements from previous months and years to ensure they get an overall picture of how much the company is doing.

c) The financial statement becomes a continuous analysis, which is more useful than using a single statement.

1.3 The Significance of a Financial Statement Analysis:

Financial statement analysis is a significant business activity because a corporation's financial statements provide useful information on its economic standing and profit levels. These statements also help an investor, a regulator or a company's top management understand operating data, evaluate cash receipts and payments during a period, and appraise owners' investments in the company.

Financial statement analysis allows a corporation to review operating data and evaluate periodic business performance. There are also various methods of financial statement analysis where a company may review financial statements for specific information to assess performance .

1.4 Six Steps to an Effective Financial Statement Analysis:

For any financial professional, it is important to know how to effectively analyze the financial statements of a firm. This requires an understanding of three key areas:

1. The structure of the financial statements
2. The economic characteristics of the industry in which the firm operates and
3. The strategies the firm pursues to differentiate itself from its competitors.

There are generally six steps to developing an effective analysis of financial statements.

1. Identify the industry economic characteristics:

First, determine a value chain analysis for the industry—the chain of activities involved in the creation, manufacture and distribution of the firm’s products and/or services.

Techniques such as Porter’s Five Forces or analysis of economic attributes are typically used in this step.

2. Identify company strategies:

Next, look at the nature of the product/service being offered by the firm, including the uniqueness of product, level of profit margins, creation of brand loyalty and control of costs. Additionally, factors such as supply chain integration, geographic diversification and industry diversification should be considered.

3. Assess the quality of the firm’s financial statements:

Review the key financial statements within the context of the relevant accounting standards. In examining balance sheet accounts, issues such as recognition, valuation and classification are keys to proper evaluation. The main question should be whether this balance sheet is a complete representation of the firm’s economic position. When evaluating the income statement, the main point is to properly assess the quality of earnings as a complete representation of the firm’s economic performance. Evaluation of the statement of cash flows helps in understanding the impact of the firm’s liquidity position from its operations, investments and financial activities over the period—in essence, where funds came from, where they went, and how the overall liquidity of the firm was affected.

4. Analyze current profitability and risk:

This is the step where financial professionals can really add value in the evaluation of the

firm and its financial statements. The most common analysis tools are key financial statement ratios relating to liquidity, asset management, profitability, debt management/coverage and risk/market valuation. With respect to profitability, there are two broad questions to be asked: how profitable are the operations of the firm relative to its assets—independent of how the firm finances those assets—and how profitable is the firm from the perspective of the equity shareholders. It is also important to learn how to disaggregate return measures into primary impact factors. Lastly, it is critical to analyze any financial statement ratios in a comparative manner, looking at the current ratios in relation to those from earlier periods or relative to other firms or industry averages.

5. Prepare forecasted financial statements:

Although often challenging, financial professionals must make reasonable assumptions about the future of the firm (and its industry) and determine how these assumptions will impact both the cash flows and the funding. This often takes the form of pro-forma financial statements, based on techniques such as the percent of sales approach.

6. Value the firm:

While there are many valuation approaches, the most common is a type of discounted cash flow methodology. These cash flows could be in the form of projected dividends, or more detailed techniques such as free cash flows to either the equity holders or on enterprise basis. Other approaches may include using relative valuation or accounting-based measures such as economic value added.

The next steps:

Once the analysis of the firm and its financial statements are completed, there are further questions that must be answered. One of the most critical is: –Can we really trust the numbers that are being provided? There are many reported instances of accounting irregularities. Whether it is called aggressive accounting, earnings management, or outright fraudulent financial reporting, it is important for the financial professional to understand how these types of manipulations are perpetrated and more importantly, how to detect them.

1.5 Objectives of Financial Statement Analysis:

The mere preparation of Profit and Loss Account and Balance Sheet does not give more information for managerial decision making. Hence, there is a need for analyzing the financial statements. Various objectives of financial statement analysis are given below.

Objectives:

The objectives of financial statement analysis are presented below:

1. To estimate the earning capacity of the business concern.
2. To find out the operating performance of a company.
3. To examine efficiency of various business activities.
4. To find out the financial performance of a company.
5. To judge the managerial ability.
6. To compare the performance of a company for different periods.
7. To assess the borrowing capacity of the business concern.
8. To determine the long term liquidity and solvency of the business concern.
9. To decide about the future prospects of the business concern.
10. To know the profitability and collection policy of the business concern.
11. To verify the correctness and accuracy of the decision taken by the management already.
12. To compare the overall performance of the company with other similar companies.
13. To examine the impact of past decision of the management on financial aspect.
14. To determine the debt capacity of the firm.

1.6 FINANCIAL PERFORMANCE:

Measurement of financial performance is an important part of running a growing business. Many businesses fail because of poor financial management or planning. Financial performance review can help you examine your business goals and plan effectively for improving the business. When carrying out a financial review of your business, you might want to consider: Cash flow, Working capital, Cost base, Borrowing, etc. Measuring ratios against industry averages, previous years and competitors can help you to identify problems and issues within your business.

A Financial Performance Report is a summary of Financial Performance of a Company that report

The financial health of a company helping various investors and stakeholders take the reinvestment decision.

Advantages of financial statement analysis:

1. It helps in measuring the profitability:

-Financial statement analysis helps to know whether the profits/losses of the firm are increasing or decreasing.

-It also helps to know the business organization's ability to pay interest on loans taken and its ability to pay dividend to its shareholders.

2. It helps to measure the overall financial strength:

It help us to take decisions regarding funds available for purchase of assets, payment of liabilities, etc.

3. It helps to know the efficiency of management:

It help to know the efficiency of management in running the business. It helps to know whether financial policies followed by management are proper or not.

4. It helps to know the trend of business:

It help to know the business trends by comparing various types of data such as net profit, sales, purchases, etc. for two or more years. This helps to know how much the progress business is doing.

1.7 Larsen and Toubro Ltd

Larsen & Toubro Ltd, commonly known as **L&T**, is an Indian multinational conglomerate, with business interests in engineering, construction, manufacturing, technology and financial services, headquartered in Mumbai.^[5] The company is counted among world's top five construction companies. It was founded by two Danish engineers taking refuge in India. As of 2020, L&T Group comprises 118 subsidiaries, 6 associates, 25 joint-venture and 35 joint operations companies, operating across basic and heavy engineering, construction, realty, manufacturing of capital goods, information technology, and financial services.

1.8 Company structure

Three key products/services which L&T is engaged in are: Construction and project-related activity; manufacturing and trading activity; and engineering services.[8] For administrative purposes, the firm has been structured into five broad categories:

- Construction – this covers buildings & factories, heavy civil infrastructure, transportation infrastructure, power transmission & distribution, water & effluent treatment, metallurgical & material handling and smart world & communication;
- EPC Projects – this includes hydrocarbon engineering, power and power development;
- Manufacturing – this includes defence equipment & systems, heavy engineering, construction, mining & industrial machinery, industrial valves and electrical & automation systems;
- Services: realty, information technology, technology services and financial services;
- Others: Hyderabad Metro, Infrastructure Development Projects and other corporate functions.

1.9 Group Companies

Construction

L&T Construction is among the world's top 15 contractors.[13] The business involves the construction of Buildings & Factories, Heavy Civil Infrastructure, Transportation Infrastructure, Power transmission & Distribution Infrastructure, Water & Effluent Treatment plants, Metallurgical & Material Handling Infrastructure and Smart World & Communication Infrastructure.

Buildings & Factories

L&T's buildings and factories (B&F) business undertakes construction projects such as commercial buildings and airports, residential buildings, and factories.[15] Its track record includes, 400 high-rise towers, 11 airports, 53 IT parks, 17 automobile plants, 28 cement plants and 45 hospitals. [16] L&T offered to oversee the design and construction of Ram Mandir, Ayodhya free of cost and is the contractor of the project.

Heavy Civil Infrastructure

L&T's Heavy Civil Infrastructure (HCI) business undertakes projects in the areas of hydel power, tunnels, nuclear power, special bridges, metros, ports, harbours and defence installations. Its track record includes 231 km of metro rail corridors, 19.5 km of monorail corridors, 8,315 MW of hydropower projects and 8,080 MW of nuclear power projects. It has a subsidiary, L&T Geostucture LLP, and two JVs set up for metros in Doha and Saudi Arabia – ALYSI JV Gold Line Doha Metro and ArRiyadh New Mobility Consortium Riyadh Metro Orange Line.

Transportation Infrastructure

L&T's Transportation Infrastructure (TI) business undertakes projects such as roads, runways, elevated corridors, railways, etc.[21] Its track record includes 13,500 lane km of highways, 7.49 million sq.m of runways and 3,260 tkm (track kilometre) of railway tracks.[16] It also operates through subsidiaries such as L&T Oman LLC,[22] L&T Infrastructure Engineering Ltd,[23] and Hitech Rock Products & Aggregates Ltd.

Power Transmission and Distribution

L&T's Power Transmission and Distribution (PT&D) business undertakes projects involving the construction of substations, utility power distribution systems, transmission lines and optic fibre cabling projects. It executes projects in the renewables space, such as utility scale, microgrids and energy storage.[25] It also operates in the Middle East, Africa and the ASEAN region. Its track record includes 12,510 tkm of railway electrification, 585 substations, 29,380 MW of E-BoP, and 20,600 ckm (circuit kilometre) of transmission lines.

Water & Effluent Treatment

L&T's Water & Effluent Treatment (WET) business undertakes projects involving water supply and distribution, wastewater treatment, industrial and large water systems and smart water infrastructure.[26] Its track record includes 40,000 km of water and wastewater

networks and 3,400 MLD (millions of litres per day) of water and wastewater treatment plants.

Metallurgical and Material Handling

L&T also undertakes projects in the ferrous and non-ferrous sectors, i.e. iron and steel, aluminium, copper, zinc, lead and mineral beneficiation plants. It offers EPC solutions[buzzword] in bulk material handling for the coal sector. Its Industrial Machinery and Cast Products business offers fabrication, machining, assembly and casting products for industries such as chemical, cement, steel, paper, power, mineral and railways.

Renewable Energy - L&T Solar

L&T develops concentrated solar power and solar photovoltaic technologies (grid-connected, rooftop and microgrid). It designs and builds solar power plants.[28]
l&t solar

a subsidiary , undertakes solar energy projects. In April 2012, L&T commissioned India's largest solar photovoltaic power plant (40 MWp) owned by Reliance Power at Jaisalmer, Rajasthan from concept to commissioning in 129 days.[29] In 2011, L&T entered into a partnership with Sharp for EPC (engineering, procurement and construction) in megawatt solar project and plan to construct about 100 MW in the next 12 months in most of the metros.[30] L&T Infra Finance, promoted by the parent L&T Ltd, is also active in the funding of solar projects in India.[31][32] It is governed by Rebel Enterprises.

1.10 EPC Projects

L&T undertakes projects on an engineering, procurement and construction basis. Installation is often part of the package. This includes hydrocarbon engineering, power and power development.

Hydrocarbon Engineering

A wholly owned subsidiary, L&T Hydrocarbon Engineering Limited, provides engineering, procurement, fabrication, construction, installation and project management services for onshore and offshore hydrocarbon projects worldwide.

L&T formed a joint venture with SapuraCrest Petroleum Berhad, Malaysia for providing services to the offshore construction industry.[34] The joint venture owns and operates the LTS 3000, a crane vessel for heavy lifting and pipe-laying.

L&T Power

L&T Power has set up an organisation focused on coal-based, gas-based and nuclear power projects.[35] L&T has formed two joint ventures with Mitsubishi Heavy Industries, Japan to manufacture super critical boilers and steam turbine generators.[36] L&T-MHPS Turbine Generators Private Limited (formerly known as L&T-MHI Turbine Generators Private

Limited) is a Joint Venture Company formed in 2007 in India between Larsen & Toubro Limited (L&T), India, Mitsubishi Hitachi Power Systems (MHPS) and Mitsubishi Electric Corporation (MELCO), headquartered in Tokyo, Japan for manufacture of super-critical Turbines & Generators.[37] L&T-MHPS Boilers Private Limited (formerly known as L&T-MHI Boilers Private Limited) is a 51:49 Joint Venture Company formed on 16 April 2007 in India between Larsen & Toubro Limited (L&T), India and Mitsubishi Hitachi Power Systems (MHPS), Japan for engaging in the business of design, engineering, manufacturing, selling, maintenance and servicing of Supercritical Boilers and Pulverisers in India.

The design wing of L&T ECC is EDRC (Engineering Design and Research Centre), which provides consultancy, design, and services. It carries out the basic and detailed design for both residential and commercial projects.

Manufacturing

This subdivision includes Defence equipment & systems, Heavy Engineering, Construction, Mining & Industrial Machinery, Industrial Valves and Electrical & Automation Systems

Defence & Aerospace

L&T is one of India's largest developers and suppliers of defence equipment and systems, with over 30 years of experience in this space.[39] It offers design-to-delivery solutions[buzzword] for land, sea and air defence. The company also offers specialised turnkey defence construction services, infrastructure and modernization of facilities.[40] L&T's Aerospace business manufactures equipment and systems for the aviation and space industry, and has contributed to ISRO's Chandrayaan-2 and Mars Orbiter missions.

Heavy Engineering

L&T is among the five largest fabrication companies in the world.[42] L&T has a shipyard capable of constructing vessels of up to 150 metre long and displacement of 20,000 tons[43] at its heavy engineering complexes at Hazira and Ranoli, Gujarat. The shipyard constructs specialised heavy-lift ships, CNG carriers, chemical tankers, defence & para-military vessels, submarines and other role-specific vessels.

L&T Realty

L&T Realty is the real estate development arm of Larsen & Toubro.[44][45] The company operates in Western and Southern India, constructing residential, corporate office, retail, leisure and entertainment properties with 35 million sq ft under various stages of development.[46]

Machinery and industrial products

L&T manufactures, markets and provides service support for construction and mining machinery, including surface miners, hydraulic excavators, aggregate crushers, loader

backhoes and vibratory compactors; supplies rubber processing machinery and manufactures and markets industrial valves and allied products along with application-engineered welding alloys.[citation needed]

L&T Metro Rail Hyderabad Limited

The company is a subsidiary of L&T Infrastructure Development Projects Ltd., an infrastructure development arm of Larsen & Toubro Ltd.

Larsen and Toubro Limited was awarded the Hyderabad Metro Rail Project by Government of Telangana. L&T incorporated a Special Purpose Vehicle - L&T Metro Rail (Hyderabad) Limited ("The Company") to implement the Project on Design, Built, Finance Operate and Transfer (DBFOT) basis.[47] The company has signed the Concession Agreement with Government of Andhra Pradesh on 4 September 2010 and completed the financial closure for the Project on 1 March 2011 in record six months. A consortium of 10 banks led by the State Bank of India has provided funding, the largest fund tie-up in India for a non-power infrastructure Public- Private Partnership (PPP) project.

The company has commenced work on the Rs. 5,273 Crore Mumbai Metro Line 3 project. It consists of two packages: Package 1(Cuffe Parade-VidhanBhavan-Churchgate-Hutatma Chowk) and Package 7 (Marol Naka-MIDC-SEEPZ).[49] It is also engaged in major metro rail projects in the Middle-East.

1.11 Technology Cluster

L&T Technology Services

L&T Technology Services, a subsidiary of Larsen & Toubro, is an engineering services company that operates in the global Engineering, Research and Development ("ER&D") space. L&T Technology Services offers design, development and testing services for the industrial products, medical devices, transportation, aerospace, telecom and process industries. The company serves customers across the product engineering life cycle from product conceptualization to implementation. Services include consulting, design, development, testing, maintenance, and to-market integration services. L&T Technology hits the Indian Capital Markets with its IPO offering 10.4 million shares at a price band of Rs.850 to Rs.860

L&T Technology Services, a subsidiary of Larsen & Toubro, is a global engineering services company headquartered out of Vadodara, Gujarat, India. It offers design, development, and testing solutions across the product and plant engineering value chain, for various domains including Industrial Products, Transportation, Aerospace, Telecom & Hi-tech, and the Process Industries. As of 2016, L&T Technology Services employs over 10,000 workers and has operations in 35 locations around the world. Its clientele includes a large number of Fortune 500 companies globally.

Larsen & Toubro Infotech (LTI)

Larsen & Toubro Infotech Limited, a wholly owned subsidiary of L&T, offers information technology, software and services with a focus on manufacturing, BFSI and communications and embedded systems. It also provides services for embedded intelligence and engineering.

L&T Smart World & Communication

L&T's Smart World & Communication business vertical is designed to provide end-to-end solutions[buzzword] as a master systems integrator in security solutions[buzzword] for critical infrastructure: ports, airports, metros, IT Parks and public buildings. It has built one of the largest surveillance projects comprising 6000 cameras across 1500 locations in Mumbai, and city surveillance and Intelligent Traffic Management Systems in Ahmedabad, Gandhinagar and Vadodara. In Jaipur, India's first smart city, L&T provided smart solutions[buzzword] like wi-fi hotspots, citizen information systems and surveillance cameras.

L&T-NxT

In 2019 L&T announced a new initiative, L&T-Nxt, to focus on new-age technologies like artificial intelligence and cybersecurity. L&T-Nxt will focus on the areas of artificial intelligence, internet of things (IoT), virtual reality, augmented reality, geospatial solutions[buzzword] as well as cybersecurity and leverage the experience that L&T has garnered over the decades.[73] L&T-NxT is based on the strength and experience of L&T.

Mindtree

In 2019 L&T gained a controlling stake in Mindtree, a global technology consulting and services company with a share of 60 per cent.[75]

1.12 Major subsidiaries and joint ventures

Larsen & Toubro Office at Faridabad, Delhi NCR.

As of March 2018, L&T has 93 subsidiaries, 8 associate companies, 34 joint ventures, and 33 joint operation companies.

L&T Infrastructure Engineering Ltd. is one of India's engineering consulting firms offering technical services in transport infrastructure. The company has experience both in India and Globally, delivering single point 'Concept to Commissioning' consulting services for infrastructure projects like airports, roads, bridges, ports and maritime structure including environment, transport planning and other related services. Established in 1990 as L&T-Rambøll Consulting Engineers Limited, the company became the wholly owned subsidiary of L&T in September 2014. Today, L&T Infra Engineering is an independent corporate entity managed by a board of directors. The company enjoys complete freedom to set and pursue its goals, drawing, as and when required, on the technical and managerial resources of L&T Infrastructure Engineering Limited.[citation needed]

L&T – Construction Equipment Limited: having its registered office at Mumbai, India and focusing on construction equipment and mining equipment, L&T-Komatsu Limited[51] was a joint-venture of Larsen and Toubro, and Komatsu Asia Pacific Pte Limited, Singapore, a wholly owned subsidiary of Komatsu Limited, Japan. Komatsu is the world's second largest manufacturer of hydraulic excavators and has manufacturing and marketing facilities.[52] The plant was started in 1975 by L&T to manufacture hydraulic excavators for the first time in India. In 1998, it became a joint-venture. The Bengaluru works comprise machinery and hydraulics works, with a manufacturing facility for design, manufacture, and servicing of earth moving equipment. The hydraulics works have a precision machine shop, manufacturing high-pressure hydraulic components and systems, and designing, developing, manufacturing and servicing hydraulic pumps, motors, cylinders, turning joints, hose assemblies, valve blocks, hydraulic systems, and power drives as well as allied gearboxes. In April 2013, L&T bought the 50% stake held by Komatsu Asia & Pacific. The company's name was changed to L&T Construction Equipment Limited.

L&T has a joint venture with Qatari company Al Balagh group as the main contractors for the Al Rayyan stadium, the 2022 FIFA World Cup stadium which will host matches up to the quarter-final.[55]

L&T Finance: Larsen & Toubro financial services is a subsidiary which was incorporated as a non-banking financial company in November 1994.[56] The subsidiary has financial products and services for corporate, construction equipments.. This became a division in 2011 after the company declared its restructuring[57] A partnership between L&T Finance and Sonalika Group farm equipment maker International Tractors Ltd in April 2014 provided credit and financing to customers of Sonalika Group in India.[58]

L&T Mutual Fund is the mutual fund company of the L&T Group. Its average assets under management (AuM) as of May 2019 is ₹ 73,936.68 crore.[59]

Larsen & Toubro Infrastructure Finance: this wholly owned subsidiary commenced business in January 2007 upon obtaining Non-Banking Financial Company (NBFC) license from the Reserve Bank of India (RBI). As of 31 March 2008, L&T Infrastructure Finance had approved financing of more than US\$1 billion to select projects in the infrastructure sector.[citation needed] It received the status of "Infrastructure Finance Company" from the RBI within the overall classification of "Non-Banking Financial Company".

L&T Valves markets valves manufactured by L&T's Valve Manufacturing Unit and L&T's joint-venture Larsen & Toubro Valves Manufacturing Unit, Coimbatore as well as allied products other manufacturers. The group's manufacturing unit in Coimbatore manufactures industrial valves for the power industry, along with flow control valves for the oil and gas, refining, petrochemical, chemical and power industries, industrial valves and customised products for refinery, LNG, GTL, petrochemical and power projects. L&T Valves Business Group has offices in the US, South Africa, Dubai, Abu Dhabi, India and China, and alliances with valve distributors and agents in these countries.

L&T-MHPS Boilers is a joint venture between L&T and Mitsubishi Hitachi Power Systems. The group specialises in engineering, manufacturing, erecting and commissioning of supercritical steam generators used in power plants. It is mainly headquartered in Faridabad with a manufacturing facility in Hazira and an engineering centre in Chennai and Faridabad. Currently, the group is engaged in projects for JVPL, MAHAGENCO, Nabha Power & RRVUNL.

L&T MHPS Turbine Generators Pvt Ltd: in 2007, Larsen & Toubro and Mitsubishi Heavy Industries set up a joint-venture manufacturing agreement to supply a supercritical steam turbine and generator facility in Hazira. This followed a technology licensing and technical assistance agreement for the manufacture of supercritical turbines and generators between L&T, MHI, and Mitsubishi Electric Corporation (MELCO), headquartered in Tokyo, Japan. In February 2014, MHI and Hitachi Ltd integrated the business centred on thermal power generation systems (gas turbines, steam turbines, coal gasification generating equipment, boilers, thermal power control systems, generators, fuel cells, environmental equipment and so on) and started a new company as Mitsubishi Hitachi Power Systems (MHPS) Ltd, headquartered in Yokohama, Japan.

L&T Howden Pvt Ltd is a joint venture between L&T and Howden to manufacture axial fans and air pre-heaters in the range of 120-1200 MW to thermal power stations. L&T Howden is an ISO 9001 and ISO 5001 certified organisation, with a plant located in Surat Hazira and a marketing office in Faridabad.

L&T Special Steels and Heavy Forgings Pvt Ltd. is a joint venture between L&T and NPCIL, headquartered at Hazira. It is the largest integrated steel plant and heavy forging unit in India, capable of producing forgings weighing 120 MT each. LTSSHF currently is engaged in projects from the nuclear, hydrocarbon, power and oil and gas sectors.[60]

L&T-Sargent & Lundy Limited (L&T-S&L), established in 1995, is an engineering and consultancy firm in the power sector, formed by L&T and Sargent & Lundy L.L.C. - USA, a global consulting firm in the power industry since 1891[61][62]

In 2015, the company began developing commercial, retail and office space around the Hyderabad Metro Rail project.[63][64][65][66][67][68]

In June 2019, the company acquired a controlling stake in IT services company Mindtree Ltd

1.13 International Markets

L&T sharpened its focus on international markets, especially the Gulf, from 2010 onwards. Since then, from under one-tenth, international business now contributes around one-third to both order inflow and revenue. L&T has set up a full range of operations in the Middle East catering to the Gulf and North Africa. Many of the projects are being undertaken through joint ventures with leading companies based in the Gulf. L&T provides turnkey solutions[buzzword] across key regions: the Middle East (UAE, Qatar, Kuwait, Oman, Saudi Arabia and Bahrain), Africa (Algeria, Kenya, Ethiopia and Malawi) and ASEAN (Malaysia

and Thailand). The range of work is wide and varied: high-voltage substations, power transmission lines, extra-high-voltage cabling and instrumentation and control systems.

1.14 History

Larsen & Toubro originated from a company founded in 1938 in Mumbai by two Danish engineers, Henning Holck-Larsen and Søren Kristian Toubro. The company began as a representative of Danish manufacturers of dairy and allied equipment. However, with the start of the Second World War in 1939 and the resulting blockade of trade lines, the partners started a small workshop to undertake jobs and provide service facilities. Germany's invasion of Denmark in 1940 stopped supplies of Danish products. The war-time need to repair and refit and degauss ships offered L&T an opportunity, and led to the formation of a new company, Hilda Ltd, to handle these operations. L&T also started to repair and fabricate ships signalling the expansion of the company. The sudden internment of German engineers in British India (due to suspicions caused by the Second World War), who were to put up a soda ash plant for the Tata's, gave L&T a chance to enter the field of installation.

In 1944, ECC (Engineering Construction & Contracts) was incorporated by the partners; the company at this time was focused on construction projects (Presently, ECC is the construction division of L&T). L&T began several foreign collaborations. By 1945, the company represented British manufacturers of equipment used to manufacture products such as hydrogenated oils, biscuits, soaps and glass. In 1945, the company signed an agreement with Caterpillar Tractor Company, USA, for marketing earth moving equipment. At the end of the war, large numbers of war-surplus Caterpillar equipments were available at attractive prices, but the finances required were beyond the capacity of the partners. This prompted them to raise additional equity capital, and on 7 February 1946, Larsen & Toubro Private Limited was incorporated.

After India's independence in 1947, the firm set up offices in Calcutta (now Kolkata), Madras (now Chennai) and New Delhi. In 1948, 55 acres of undeveloped marsh and jungle was acquired in Powai, Mumbai. In December 1950, L&T became a public company with a paid-up capital of ₹20 lakh (equivalent to ₹19 crore or US\$2.5 million in 2020). The sales turnover in that year was ₹1.09 crore (equivalent to ₹102 crore or US\$14 million in 2020). In 1956, a major part of the company's Mumbai office moved to ICI House in Ballard Estate, which would later be purchased by the company and renamed as L&T House, its present headquarters

During the 1960s, ventures included UTMAL (set up in 1960), Audco India Limited (1961), Eutectic Welding Alloys (1962) and TENGL (1963).

In 1965, the firm had been chosen as a partner for building nuclear reactors. Dr. Homi Bhabha, then chairman of the Atomic Energy Commission (AEC) had in fact first approached L&T in the 1950s to fabricate critical components for atomic reactors. He

convinced Holck-Larsen, a friend with whom he shared an interest in the arts that the company could do it, indeed must do it. L&T has since contributed significantly to the Indian nuclear programme ... Holck-Larsen was once asked by a junior engineer why L&T should get into building nuclear power plants when companies in the US and Germany were losing money on nuclear jobs. He replied: 'Young man, India has to build nuclear power plants. If not L&T, who will do it?'

During the 1970s, L&T was contracted to work with Indian Space Research Organisation (ISRO). Its then chairman, Vikram Sarabhai, chose L&T as manufacturing partner. In 1972, when India launched its space programme, the firm was invited to participate.

In 1976, ECC bid for a large airport project in Abu Dhabi. ECC's balance sheet, however, did not meet the bid's financial qualification requirement. So it was merged into L&T. ECC was eventually rechristened L&T Construction and now accounts for the largest slice of the group's annual revenue.

In 1985, L&T entered into a partnership with Defence Research and Development Organisation (DRDO). L&T was not yet allowed by the government to manufacture defence equipment but was permitted to participate in design and development programmes with DRDO. After the design and development was done, the firm had to hand over all the drawings to DRDO. The government would then assign the production work to a public sector defence unit or ordnance factory for manufacture. After a series of successes and positive policy initiatives, the firm today makes a range of weapon and missile systems, command and control systems, engineering systems and submarines through DRDO.

1.15 Divestments

L&T has across the decades exited from several businesses. These include:

Cement

L&T separated its 16.5 million tonne cement division into a different entity UltraTech Cemco, divesting 8.5 per cent stake to A V Birla group company Grasim Industries in 2004.[77]

L&T-John Deere

In 1992, L&T established a 50-50 joint venture with John Deere to manufacture tractors in India, called L&T - John Deere. L&T sold their interest to John Deere in 2005.[78]

L&T Case

In 1992, L&T established L&T-Case Construction with CNH Global as a 50-50 joint venture to build backhoes. In 2011, L&T sold its share to CNH, and the company was renamed Case New Holland Construction Equipment India.[79]

L&T Medical Equipment and Systems

's medical equipment division, known as L&T Medical Equipment & Systems, was established in 1987.[80] In November 2012, L&T sold it to Skanray Technologies Pvt Ltd.[81] Currently, L&T Mysore division manufactures Single-phase and Three-phase static solid-state Electricity Meters to various utilities in India. The range of meters varies from residential, industrial, prepayment and smart meters. there are both whole current and CT operated meters. It also houses a relay servicing unit.

EWAC Alloys Limited

EWAC Alloys Limited was a wholly owned subsidiary of L&T. The company was engaged in design & development, manufacture and supply of special welding electrodes, gas brazing rods and fluxes, welding torches and accessories, atomised metal powder alloys, flux cored continuous wires & wire feeders, polymer compounds & wear-resistant plates.

Prof Wasserman, founder of Eutectic Castolin, and Henning Hock Larsen, founder of L&T, founded the Eutectic Division in India in the year 1962. Eutectic Castolin was later merged into the Messer Group of companies, Germany and referred as Messer Eutectic Castolin (MEC). In 2010, L&T, bought the entire stake from Messer to become the wholly owned subsidiary of it. The current headquarters is in Ankleshwar, Gujarat (India), and the products are sold under the name EWAC.

L&T sold its entire stake in unlisted subsidiary EWAC Alloys to UK-registered ESAB Holdings for a total consideration of Rs 522 crore. The share purchase agreement has been executed on 11 October 2017.[82] The acquirer ESAB offers products for welding and cutting process. In 2012, ESAB was acquired by Colfax Corp., a diversified industrial manufacturing company based in the US.

L&T Kobelco Machinery Private Limited

This was a joint venture of L&T and Kobe Steel of Japan, to manufacture internal mixers and twin screw roller-head extruder's for the tyre industry. L&T sold its entire 51% stake in L&T Kobelco Machinery Private to its joint venture partner in the company, Kobe Steel of Japan, for Rs 43.5 crore.

Electrical and Automation

L&T was an international manufacturer of electrical and electronic products and systems. The company manufactured custom-engineered switchboards for industrial sectors like power, refineries, petrochemicals and cement.[84] In the electronic segment, L&T offered a range of metres and provides control automation systems for industries. In May 2018, the firm signed a definitive agreement with Schneider Electric for the strategic divestment of its electrical and automation (E&A) business in an all-cash deal of ₹14,000 crore.[85] The deal was completed on 31 August 2020 after receiving the requisite regulatory approvals. L&T has said that its exit from the electrical and automation business is a part of its strategic portfolio review process.

Listing and shareholding

The equity shares of the company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange of India (NSE). The company's shares constitute a part of the BSE SENSEX of the BSE as well as the NIFTY 50 index of the NSE.[87] Its global depository receipts (GDR) are listed on the Luxembourg Stock Exchange and London Stock Exchange

1.16 Awards and recognition

L&T ranked 4th in the 2021 LinkedIn Top Companies list, India[90]

In 2021, L&T won the Innovation in Onboarding at the OLX People HR Excellence awards by The Economic Times HRWorld[91]

L&T Hydrocarbon won the Federation of Indian Petroleum Industry (FIPI) 'Engineering Procurement Construction (EPC) - Company of the Year' Award for 2020[92]

In 1997, the Bengaluru Works division was awarded the "Best of all" Rajiv Gandhi National Quality Award[93]

In 2013, L&T Power received 'Golden Peacock National Quality Award – 2012' at the 23rd World Congress on 'Leadership & Quality of Governance'.

1.17 L&T REALTY LTD

L&T Realty Limited is a real estate development company and is part of the Larsen & Toubro Group,[1][2] an Indian multinational conglomerate in technology, engineering, construction, manufacturing and financial services. Headquartered in Mumbai, Maharashtra, L&T Realty has a strong presence across Mumbai, Bangalore and Chennai.[3] The Company undertakes various projects encompassing the construction of residential, corporate office, retail, leisure and entertainment spaces.[4] Besides independent projects, L&T Realty also undertakes co-development projects for various reputed builders. Currently, it has over 35 million sq. ft. of area under various stages of development.[5]

Projects

Crescent Bay is being developed by L&T Realty in collaboration with Omkar Realtors and Developers.[6][7] It is a gated residential complex in Parel, Mumbai.[8] The complex consists of six towers on an elevated podium aligned to form a crescent shape[9] overlooking the Arabian Sea.

Emerald Isle is an upcoming 16-acre gated complex in Powai, Mumbai.[10] It is located in close proximity to the Powai Lake and adjacent to the L&T Business Park.[8] Clubhouse & recreational facilities are planned within its premises.[11][12]

Raintree Boulevard is a township by L&T Realty located in Hebbal,[13] Bengaluru where it is developing residential apartments on about 65 acres of land with a strong emphasis on environmental management.[14] The project is located before GKVK university on the way to new airport.

Seawoods Grand Central is a 40-acre transit-oriented development (TOD) project in Navi Mumbai, built around the railway station of Seawoods-Darave. It has a mix of retail and commercial office spaces.[15]

In Hyderabad, L&T Group is developing Commercial, Retail and Office Spaces around the Metro Project.[16][17][18][19][20][21]

Eden Park project is based in Siruseri, Chennai. It is situated off the Old Mahabalipuram Road and right beside the SIPCOT IT Park. Phase I of the project is already delivered. The Phase II of Eden Park is right now under construction. In Siruseri, just behind SIPCOT IT Park, there is one of the Chennai's top institutions, Padma Seshadri Bala Bhavan Senior Secondary School (PSBB).[22] The school is located inside the gated community, L&T Eden Park.

Commercial special economic zone (SEZ) project based on north Bengaluru obtained consent on March, 2017.

Residential project in Nirmal Lifestyle, Mulund: L&T Realty entered into an agreement[25] with Nirmal Lifestyle Developers to jointly develop a nearly 20-acre land parcel on LBS Marg in Mumbai's north central suburb of Mulund.

1.18 L&T CONSTRUCTION

L&T Construction is a division of Larsen & Toubro (L&T) a major Indian technology, engineering, construction, manufacturing and financial services conglomerate, with global operations. L&T addresses critical needs in key sectors - Hydrocarbon, Infrastructure, Power, Process Industries and Defence - for customers in over 30 countries around the world. L&T is engaged in core high impact sectors of the economy and our integrated capabilities span the entire spectrum of 'design to deliver'. With over 8 decades of a strong, customer focused approach and a continuous quest for world-class quality, we have unmatched expertise across Technology, Engineering, Construction, Infrastructure Projects and Manufacturing.

Larsen & Toubro was founded in 1938 in Bombay (now Mumbai) by two Danish engineers, Henning Holck-Larsen (1907 – 2003) and Soren Kristian Toubro (1906 – 1982) who landed on Indian shores representing FL Smidth & Co A/S, Copenhagen, Denmark. The respect, trust and confidence in each other was so great that initially the business was founded merely on an oral understanding; no written document was filed, and it was only in end-1940 that they finally inked their partnership.

Constructed to commemorate the 60th anniversary of L&T Construction, the uniquely shaped corporate museum – the Henning Holck-Larsen (HHL) Centre – is dedicated to the memory of one of L&T's founding fathers and Chairman Emeritus, the late Henning Holck-Larsen. Recently re-designed and re-appointed, the HHL Centre is perhaps the best example of the digital transformation witnessed across the organization.

1.19 CORPORATE MUSEUM

Constructed to commemorate the 60th anniversary of L&T Construction, the uniquely shaped corporate museum – the Henning Holck-Larsen (HHL) Centre – is dedicated to the memory of one of L&T's founding fathers and Chairman Emeritus, the late Henning Holck-Larsen. Recently re-designed and re-appointed, the HHL Centre is perhaps the best example of the digital transformation witnessed across the organization.

In an entirely digital, touch-enabled environment, visitors from across the board can experience the organization's 8-decade-long history, its width of capabilities, the mega, iconic infrastructure projects executed, the smartness of its systems & processes, the people behind this success, the multiple awards won and the sterling role that L&T Construction plays as a responsible corporate citizen.

The HHL Centre has been awarded the Public Relations Society of India (PRSI) Golden Jubilee Award by PRSI New Delhi for live interactive and innovative PR initiative.

The Museum is open on all working days between 09:30 am and 05:30 pm

1.20 L&T GEO STRUCTURE

L&T GeoStructure is a unique entity, formed to focus on foundation and ground improvement-related businesses. We are a strong and professional foundation specialist team with the knowledge of design, equipment and methods to design and build sophisticated foundation works on a turnkey basis.

Our offerings include large diameter piling, bored cast-in-situ piling and hard-rock boring, driven cast-in-situ, driven precast and precast spun piles, diaphragm walls and cut-off walls, secant pile and sheet pile walls, marine and riverfront structures, intake well structures, lift irrigation structures, deep foundation-supported bridges, ground improvement and soil investigation, water retaining structures and deep shafts.

THINK MOVEMENT, THINK TRANSPORTATION INFRASTRUCTURE

Economic growth is fuelled by better connectivity and this vertical is in the business of building Roads, Runways (Airside Infrastructure) & Elevated Corridors (RREC), Railway Construction, Railways Systems & International Infrastructure to keep the wheels of economies moving. TI has built more than 13,000 lane km of roads and bridges including expressways, National & State highways, complex interchanges, toll plazas, elevated corridors, grade separated concrete

and steel structures both in India and overseas especially in the Middle East and these span the entire spectrum, urban to rural, small to large, simple to complex.

TI provides the strength for the heaviest aircraft to lift off from by building state-of-the-art runways incorporating CAT IIIB instrument landing systems and designing and constructing airside infrastructure for both greenfield and brownfield airports including taxiways, aprons, service roads, drainage systems, fire and fuel lines, ground lighting and much more. Well-diversified in terms of its product range and geography of operations, spread across India and various GCC countries, the business leverages its vast experience in Project Management, Engineering Design & Construction Management to achieve operational efficiency.

Engineering Design Centres in Mumbai, Faridabad and Chennai, an Offshore Engineering Centre in Mumbai, Area Offices in India and GCC countries, a competency development centre at Kanchipuram and a Construction Skills Training Institute at Ahmedabad to train workmen together further enhance efficiencies.

INTEGRATED REPORT

Over a decade of sustainability practices and reporting has seen L&T post encouraging results across each of the triple bottom-lines - economic, environmental and social. Our Sustainability Report has been replaced by an Integrated Report which tracks the sustainability performance of the organisation and its interconnectedness with the financial performance, showcasing how L&T is adding value to its stakeholders.

Making meaningful choices today is pivotal to building a better world. At L&T, we have been a partner in India's progress through events of historic significance and hues – black or green – and have used them as an inflection point to strengthen our own resilience and drive the global sustainable development agenda.

As we pass through another period of tectonic shifts triggered by a global pandemic, we have sharpened our focus on improving performance across environmental, social and governance (ESG) parameters. We are undertaking synchronised efforts to reduce our carbon footprint and enhance resource efficiency while strengthening our green portfolio.

As 'the builder of 21st century India', we are revisiting our vision, policies, frameworks, roadmaps and action plans to deliver 21st century solutions towards building a better future.

1.21 POWER

L&T's Power Transmission & Distribution (PT&D) business vertical is a powerful player that offers integrated solutions and end-to-end services ranging from design, manufacture,

supply and construction to commissioning in the field of overhead high voltage transmission lines, substations and distribution projects including railway electrification and project electrification in the domestic and international markets.

It is an established contractor of choice in the areas of industrial project electrification, instrumentation and control systems including communication projects.



ENVIRONMENT

At L&T, we believe that a holistic approach and responsible informed choices can lead to sustainable solutions. Our programmes to help combat climate change, drive energy efficiency and encourage renewable energy are aligned with the National Action Plan on Climate Change (NAPCC), released by the Honourable Prime Minister's Office, Government of India in 2008.

L&T has integrated environmental protection and conservation across all its operational activities. Through optimal use of energy, sourcing from renewables, reduction of GHG emission, waste minimisation and management, use of recycled material, adopting greener processes, we are ensuring that continue rejuvenating our planet while growing our business. This approach is being strengthened with our new Green Campus initiative. We have set our targets towards carbon and water neutrality and we aim to achieve these targets by adopting a holistic approach by implementing:

- Energy Efficiency measures for reducing emissions
- Sourcing from Renewables to avoid emissions
- Carbon offsets
- Water efficiency measures to optimise consumption
- Water reuse and recycling to reduce consumption
- Water conservation to preserve natural water
- Increasing share of renewable fuels

We foster a culture of responsibility through periodic awareness and trainings for our workforce and thereby embed environmental stewardship within our business. We

reinforce the behavior by setting, monitoring and reviewing our environmental objectives and targets.

L&T-MHI Power Boilers Pvt Ltd (LMB), has been executing CSR projects in the vicinity of its head office at Faridabad in the National Capital Region, workshop at Hazira in Gujarat and several project sites across India. Recently LMB constructed a state-of-the-art OPD block at the Urban Health Centre (UHC) at Faridabad's Sector 21D.

Health is an important aspect of the well-being of society, particularly in cosmopolitan centres where the cost of good quality medical service is exorbitantly high. LMB demonstrated its commitment towards providing quality healthcare to the community by constructing the OPD Block catering to the underprivileged population of the area. The new OPD Block consists of six consultation rooms, a pharmacy and a pantry with state-of-the-art medical facilities and public amenities.

Nearly 1.5 lakh underprivileged migrant workers, will benefit from this OPD Block facility. Good quality infrastructure also boosts the morale of hospital staff who will be able to work efficiently and deliver their services to the people on sustainable basis. It is our belief that strengthening such health centres is essential for attainment of the stated goal of 'Good Health for All' and will go a long way in supporting the community.

Chapter no.2

Research and methodology

2.1 SCOPE OF THE STUDY:

The analysis is based on Financial analysis of Larsen & toubro Ltd . The scope of the study is limited to collecting data from different websites and data published in the annual reports of 2017 to 2021 . The study is carried out for 5 years.

2.2 OBJECTIVES:

- To study the overall financial strength of the company.
- To analyze the growth and performance of the company and assess the Trend of business for a period of five years from 2017 to 2021.
- To study the profitability of the company.
- To know the earning capacity or profitability, solvency and the financial strength by evaluating financial statement.
- To compare the financial performance and to analyze the financial changes over a period of five years.

2.3 LIMITATIONS OF THE STUDY:

- o Performance analysis of company is done only for past five years
- o The study is based on secondary data obtained from the annual reports of the organization.
- o The information is accessible on company's websites.

2.4 SIGNIFICANCE OF THE STUDY:

- Financial analysis is a powerful mechanism which helps in ascertaining the strengths and weaknesses in the operation and financial position of an enterprise.
- Financial analysis is the starting point for making plans, before using any sophisticated forecasting and planning procedures.

2.5 DATA COLLECTION

Data is collected from secondary sources in the form of annual financial statements.

2.6 TOOLS AND TECHNIQUES:

Data collected was analyzed using certain tools. The following tools were used for the financial performance analysis:

- Trend Ratios or Trend Analysis.
- Common Size Statements.
- Ratio Analysis.

A brief explanation of the tools or techniques of financial statement analysis is presented below.

1. Comparative Statements

Comparative statements deal with the comparison of different items of the Profit and Loss Account and Balance Sheets of two or more periods. Separate comparative statements are prepared for Profit and Loss Account as Comparative Income Statement and for Balance Sheets.

As a rule, any financial statement can be presented in the form of comparative statement such as comparative balance sheet, comparative profit and loss account, comparative cost of production statement, comparative statement of working capital and the like.

2. Comparative Income Statement

Three important information are obtained from the Comparative Income Statement. They are Gross Profit, Operating Profit and Net Profit. The changes or the improvement in the profitability of the business concern is find out over a period of time. If the changes or improvement is not satisfactory, the management can find out the reasons for it and some corrective action can be taken.

3. Comparative Balance Sheet

The financial condition of the business concern can be find out by preparing comparative balance sheet. The various items of Balance sheet for two different periods are used. The assets are classified as current assets and fixed assets for comparison. Likewise, the

liabilities are classified as current liabilities, long term liabilities and shareholders' net worth. The term shareholders' net worth includes Equity Share Capital, Preference Share Capital, Reserves and Surplus and the like.

4. Common Size Statements

A vertical presentation of financial information is followed for preparing common-size statements. Besides, the rupee value of financial statement contents are not taken into consideration. But, only percentage is considered for preparing common size statement. The total assets or total liabilities or sales is taken as 100 and the balance items are compared to the total assets, total liabilities or sales in terms of percentage. Thus, a common size statement shows the relation of each component to the whole. Separate common size statement is prepared for profit and loss account as Common Size Income Statement and for balance sheet as Common Size Balance Sheet.

5. Trend Analysis

The ratios of different items for various periods are find out and then compared under this analysis. The analysis of the ratios over a period of years gives an idea of whether the business concern is trending upward or downward. This analysis is otherwise called as Pyramid Method.

6. Average Analysis

Whenever, the trend ratios are calculated for a business concern, such ratios are compared with industry average. These both trends can be presented on the graph paper also in the shape of curves. This presentation of facts in the shape of pictures makes the analysis and comparison more comprehensive and impressive.

7. Statement of Changes in Working Capital

The extent of increase or decrease of working capital is identified by preparing the statement of changes in working capital. The amount of net working capital is calculated by subtracting the sum of current liabilities from the sum of current assets. It does not detail the reasons for changes in working capital.

8. Fund Flow Analysis

Fund flow analysis deals with detailed sources and application of funds of the business concern for a specific period. It indicates where funds come from and how they are used during the period under review. It highlights the changes in the financial structure of the company.

9. Cash Flow Analysis

Cash flow analysis is based on the movement of cash and bank balances. In other words, the movement of cash instead of movement of working capital would be considered in the cash flow analysis. There are two types of cash flows. They are actual cash flows and notional cash flows.

10. Ratio Analysis

Ratio analysis is an attempt of developing meaningful relationship between individual items (or group of items) in the balance sheet or profit and loss account. Ratio analysis is not only useful to internal parties of business concern but also useful to external parties. Ratio analysis highlights the liquidity, solvency, profitability and capital gearing.

11. Cost Volume Profit Analysis

This analysis discloses the prevailing relationship among sales, cost and profit. The cost is divided into two. They are fixed cost and variable cost. There is a constant relationship between sales and variable cost. Cost analysis enables the management for better profit planning.

Ratio analysis is a quantitative method of gaining insight into a company's liquidity, operational efficiency, and profitability by comparing information contained in its financial statements. Ratio analysis is a cornerstone. Outside analysts use several types of ratios to assess rely on them less because of their access to more detailed operational data about a company.

Ratios

2.7 RATIOS

Ratio analysis is a quantitative method of gaining insight into a company's liquidity, operational efficiency, and profitability by comparing information contained in its financial statements. Ratio analysis is a cornerstone of fundamental analysis use several types of ratios to assess companies, while corporate insiders on them less because of their access to more detailed operational data about a

When investors and analysts talk about fundamental or quantitative analysis, they are usually referring to ratio analysis. Ratio analysis involves evaluating the performance and financial health of a company by using data from the current and historical financial statements.



A. Profitability Ratios:

1. Operating profit margin

Operating profit margin measures how much profit a company makes on sales, after paying for variable costs of production, such as wages and raw materials, but before paying interest or tax. It is calculated by dividing a company's operating profit by its net sales. It is a good indicator of how well it is being managed and how risky it is. It shows the proportion of revenues that are available to cover non-operating costs, like paying

interest , which is why investors and lenders pay close attention to it.

Operating Profit Margin = Operating Income / Sales Revenue

2. Gross profit margin

Gross profit margin is a financial metric used to assess a company's financial health and business model by revealing the proportion of money left over from revenues after accounting for the cost of goods sold. One can calculate gross profit margin, also known as gross margin, by dividing gross profit by revenues.

Gross Profit Margin = Sales Revenue - Cost of goods sold / Sales Revenue

3. Cash Profit Margin

Operating cash flow margin is a cash flow ratio which measures cash from operating activities as a percentage of sales revenue in a given period. Like operating margin, it is a trusted metric of a company's profitability and efficiency, and its earnings quality. It is a good indicator of earnings quality, because it only includes transactions that involve the actual transfer of money — unlike operating margin, which includes depreciation expenses — and accounts for any increase in working capital and capital expenditure that is needed to maintain production.

Cash Profit Margin = Net Income + Non-cash Expenses + Changes in Working Capital / Sales

4. Net Profit Margin

The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. Net profit margin is the ratio of net profits to revenues for a company or business segment. Net profit margin is typically expressed as a percentage but can also be represented in decimal form. The net profit margin illustrates how much of each dollar in revenue collected by a company translates into profit.

Net Profit Margin = (Net Profit / Sales Revenue) X 100

5. Return on Capital Employed

Return on capital employed (ROCE) is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is a useful

metric for comparing profitability across companies based on the amount of capital they use. There are two metrics required to calculate the Return on Capital Employed - earnings before interest and tax and capital employed.

$$\text{ROCE} = \text{Earnings Before Interest and Tax (EBIT)} / \text{Capital Employed}$$

6. Return on Equity

Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. Because shareholders' equity is equal to a company's assets minus its debt, ROE could be thought of as the return on net assets. ROE is considered a measure of how effectively management is using a company's assets to create profits. ROE is expressed as a percentage and can be calculated for any company if net income and equity are both positive numbers. Net income is calculated before dividends paid to common shareholders and after dividends to preferred shareholders and interest to lenders.

$$\text{Return on Equity} = \text{Net profit} / \text{Shareholders' Funds}$$

B. Liquidity / Solvency Ratios:

1. Equity Ratio

The shareholder equity ratio determines how much shareholders would receive in the event of a company-wide liquidation. The ratio, expressed as a percentage, is calculated by dividing total shareholders' equity by total assets of the firm, and it represents the amount of assets on which shareholders have a residual claim. The figures used to calculate the ratio are taken from the company balance sheet.

$$\text{Equity Ratio} = \text{Total Shareholders' Funds} / \text{Total Assets}$$

2. Current Ratio

The current ratio is a liquidity ratio that measures a company's ability to pay short-term and long-term obligations. To calculate the ratio, analysts compare current assets to current liabilities. Current assets include cash, accounts receivable, inventory and other assets that are expected to be turned into cash in less than a year. Current liabilities include accounts, wages, taxes payable, and the current portion of long-term debt.

Current Ratio = Current Assets / Current Liabilities

3. Quick Ratio

The quick ratio is an indicator of a company's short-term liquidity position, and measures a company's ability to meet its short-term obligations with its most liquid assets. Since it indicates the company's financial position to instantly use its near cash assets (that is, liquid assets) to get rid of its current liabilities, it is also called as the acid test ratio. An acid test is a quick test designed to produce instant results, hence the name.

Quick Ratio = Liquid Assets / Current Liabilities

4. Debt Equity Ratio

The Debt/Equity (D/E) Ratio is calculated by dividing a company's total liabilities by its shareholder equity. These numbers are available on the balance sheet of a company's financial statements. The ratio is used to evaluate a company's financial leverage. The debt/equity ratio is also referred to as a risk or gearing ratio.

Debt Equity Ratio = Total Long term Liabilities / Total Shareholders' Funds

C. Debt Coverage Ratios:

1. Interest Coverage Ratio

The interest coverage ratio is a debt ratio and profitability ratio used to determine how easily a company can pay interest on its outstanding debt. The interest coverage ratio may be calculated by dividing a company's earnings before interest and taxes (EBIT) during a given period by the company's interest payments due within the same period.

Interest coverage ratio = Profit before Interest and Tax / Interest

2. Debt Service Coverage Ratio

In corporate finance, the debt-service coverage ratio (DSCR) is a measurement of the cash flow available to pay current debt obligations. The ratio states net operating income as a multiple of debt obligations due within one year, including interest, principal, sinking-fund and lease payments. In government finance, it is the amount of export earnings needed to meet annual interest and principal payments on a country's external debts. In personal finance, it is a ratio used by bank loan officers to determine income

property loans. In each case, the ratio reflects the ability to service debt given a particular level of income

5. Total Assets Turnover Ratio Debt Service Coverage Ratio = Cash profits available for debt servicing / (interest + installments on loans)

D. Management Efficiency Ratios :

1. Dividend Payout Ratio (Net Profit)

The dividend payout ratio is the ratio of the total amount of dividends paid out to shareholders relative to the net income of the company. It is the percentage of earnings paid to shareholders in dividends. The amount that is not paid to shareholders is retained by the company to pay off debt or to reinvest in core operations.

Dividend Payout Ratio = Dividend / Net Profit available for Equity Shareholders

2. Debtors Turnover Ratio

The receivables turnover ratio is an accounting measure used to quantify a firm's effectiveness in extending credit and in collecting debts on that credit. The receivables turnover ratio is an activity ratio measuring how efficiently a firm uses its assets.

Debtors Turnover Ratio = Credit sales / Accounts receivable

3. Inventory Turnover Ratio

Inventory turnover is a ratio showing how many times a company has sold and replaced inventory during a given period. A company can then divide the days in the period by the inventory turnover formula to calculate the days it takes to sell the inventory on hand. Calculating inventory turnover can help businesses make better decisions on pricing, manufacturing, marketing and purchasing new inventory.

Inventory Turnover Ratio = Sales OR COGS / Average Inventory

4. Fixed Assets Turnover Ratio

The fixed-asset turnover ratio is, in general, used by analysts to measure operating performance. It is a ratio of net sales to fixed assets. This ratio specifically measures a company's ability to generate net sales from fixed-asset investments, namely property,

plant and equipment (PP&E), and net of depreciation turnover ratio indicates that a company has more effectively utilized investment in fixed

assets to generate revenue.

Fixed Assets Turnover Ratio = Sales / Fixed Assets

The asset turnover ratio measures the value of a company's sales or revenues relative to the value of its assets. The asset turnover ratio can be used as an indicator of the efficiency with which a company is using its assets to generate revenue.

Total Assets Turnover Ratio = Sales / Total Assets

6. Working Capital Turnover ratio

Working capital turnover is a ratio which measures how efficiently a company is using its working capital to support a given level of sales. Also referred to as net sales to working capital, it shows the relationship between the funds used to finance a company's operations and the revenues a company generates as a result. A high turnover ratio shows that management is being very efficient in using a company's short-term assets and liabilities for supporting sales, i.e., it is generating a higher dollar amount of sales for every dollar of the working capital used. In contrast, a low ratio may indicate that a business is investing in too many accounts receivable and inventory to support its sales – which could lead to an excessive amount of bad debts or obsolete inventory.

Working Capital Turnover ratio = Sales / Working Capital

E. Valuation Ratios:

1. Earnings Yield

The earnings yield refers to the earnings per share for the most recent 12-month period divided by the current market price per share. The earnings yield (which is the inverse of the P/E ratio) shows the percentage of each dollar invested in the stock that was earned by the company. This yield is used by many investment managers to determine optimal asset allocations. An overvalued investment can lower earnings yield and, conversely, an undervalued investment can raise earnings yield.

Earnings Yield = EPS / MPS

2. Price to Sales (P/S) Ratio

The price-to-sales (P/S) ratio is a valuation ratio that compares a company's stock price to its revenues. It is an indicator of the value placed on each dollar of a company's sales or revenues. The price-to-sales ratio is a key analysis and valuation tool for investors and analysts. The ratio shows how much investors are willing to pay per dollar of sales. Like all ratios, the P/S ratio is most relevant when used to compare companies in the same sector. A low ratio may indicate the stock is undervalued, while a ratio that is significantly above the average may suggest overvaluation.

Price to sales ratio = MPS / Sales value per share

3. Retention Ratio (%)

The retention ratio is the proportion of earnings kept back in the business as retained earnings. The retention ratio refers to the percentage of net income that is retained to grow the business, rather than being paid out as dividends. It is the opposite of the payout ratio, which measures the percentage of profit paid out to shareholders as dividends. The retention ratio is also called the plowback ratio.

Retention Ratio = (Retained earnings / Net Income) X 100

4. Enterprise Multiple

Enterprise multiple, also known as the EBITDA multiple, is a ratio used to determine the value of a company. The enterprise multiple looks at a firm in the way a potential acquirer would by considering the company's debt, which other multiples (e.g., price-to-earnings [P/E] ratio) do not include. A low ratio indicates that a company might be undervalued and a high ratio indicates that the company might be overvalued.

Enterprise Multiple = Enterprise Value / EBITDA

5. Enterprise Value to Sales

Enterprise value-to-sales (EV/sales) is a valuation measure that compares the enterprise value (EV) of a company to its annual sales. EV-to-sales gives investors a quantifiable metric of how much it costs to purchase the company's sales. Enterprise value-to-sales is an expansion of the price-to-sales (P/S) valuation, which uses market capitalization instead of enterprise value. It is perceived to be more accurate than P/S, in part, because the market capitalization alone does not take a company's debt into account when valuing

the company.

Enterprise Value to Sales = Enterprise Value / Sales

Key takeaways-

- Ratio analysis compares line-item data from a company's financial statements to reveal insights regarding profitability, liquidity, operational efficiency, and solvency.
- Ratio analysis can be used to look at trends over time for one company or to compare companies within an industry or sector.
- While ratios offer several types of insight, other types of information and analysis are usually needed to form a complete picture of a company's financial position.

CHAPTER NO . 3

LITERATURE REVIEW

This chapter deals with review of previous studies in the area of research. In this chapter, reviews relates to financial performance, overview of literature has been made and research gap has been identified.

(Jane A.OuStephen H.Penman, December 2003) -This paper performs a financial statement analysis that combines a large set of financial statement items into one summary measure which indicates the direction of one-year-ahead earnings changes. Positions are taken in stocks on the basis of this measure during the period 1973–1983, which involve canceling long and short positions with zero net investment. The two-year holding-period return to the long and short positions is in the order of 12.5%. After adjustment for ‘_size effects’ the return is about 7.0%. These returns cannot be explained by nominated firm risk characteristics.

(Doron Nissim & Stephen H. Penman) -This paper presents a financial statement analysis that distinguishes leverage that arises in financing activities from leverage that arises in operations. The analysis yields two leveraging equations, one for borrowing to finance operations and one for borrowing in the course of operations. These leveraging equations describe how the two types of leverage affect book rates of return on equity. An empirical analysis shows that the financial statement analysis explains cross-sectional differences in current and future rates of return as well as price-to-book ratios, which are based on expected rates of return on equity. The paper therefore concludes that balance sheet line items for operating liabilities are priced differently than those dealing with financing liabilities. Accordingly, financial statement analysis that distinguishes the two types of liabilities informs on future profitability and aids in the evaluation of appropriate price-to-book ratios.

(Gerald A. Feltham and James A. Ohlson 1995) -This paper models the relation between a firm's market value and accounting data concerning operating and financial activities. Book value equals market value for financial activities, but they can differ for operating activities. Market value is assumed to equal the net present value of expected future dividends, and is shown, under clean surplus accounting, to also equal book value plus the net present value of expected future abnormal earnings (which equals accounting earnings minus an interest charge on opening book value).

A linear model specifies the dynamics of an information set that includes book value and abnormal earnings for operating activities. Model parameters represent persistence of abnormal earnings, growth, and accounting conservatism. The model is sufficiently simple to permit derivation of closed form expressions relating market value to accounting data and other information.

Three kinds of analyses develop from the model. The first set deals with value as it relates to anticipated realizations of accounting data. The second set examines in precise terms how value depends on contemporaneous realizations of accounting data. The third set examines asymptotic relations comparing market value to earnings and book values, and how earnings relate to beginning of period book values.

The paper demonstrates that in all three sets of analyses the conclusions hinge on the extent to which the accounting is conservative as opposed to unbiased. Further, the absence/presence of growth in operating activities is relevant if, and only if, the accounting is conservative.

(Deen Kemsley and Doron Nissim, 17 December 2002) -In this study, use of cross-sectional regressions to estimate the value of the debt tax shield. Recognizing that debt is correlated with the value of operations along nontax dimensions, we estimate reverse regressions in which we regress future profitability on firm value and debt rather than regressing firm value on debt and profitability. Reversing the regressions mitigates bias and facilitates the use of market information to control for differences in risk and

expected growth.

Our estimated value for the debt tax shield is approximately 40 percent (10 percent) of debt balances (firm value), net of the personal tax disadvantage of debt.

(PAL, June 2015) -The author had discussed that the individual ratios which are affecting the profitability of the industry. Another objective of the study is to identify and categorized the financial ratios into a small number of latent variable to represent a compact view of financial performance for a specified time period. Initially the study was started with 36 ratios of 9 Indian automobile companies for a period of 15 years classified in 7 traditional categories. Statistical techniques like factor analysis, regression analysis are applied to the data set to facilitate the objectives of the study. Factor analysis extracted three factors ‘_solvency asset and cash flow management’, ‘_profitability management’ and ‘_operating efficiency’ which represents the most prevailing factor during the study period. On the other hand regression analysis shows significant effect on the profitability of the industry.

(By Dubos J. Masson, 3/9/2018) -In his article –6 Steps to an Effective Financial Statement Analysis states that, For any financial professional, it is important to know how to effectively analyze the financial statements of a firm. This requires an understanding of three key areas: - The structure of the financial statements - The economic characteristics of the industry in which the firm operates and - The strategies the firm pursues to differentiate itself from its competitors.

There are generally six steps to developing an effective analysis of financial statements.

- Identify the industry economic characteristics.
- Identify company strategies.
- Assess the quality of the firm’s financial statements.
- Analyze current profitability and risk.
- Prepare forecasted financial statements.
- Identify value the firm.

(Madison Garcia) -The article –How Are Items in Common-Size Statements Presented in a Financial Statement? stated that, While financial statements are a useful way to track company performance, they have some limitations. Specifically, it's difficult to compare the financial statements of two differently sized companies. Common-size financial statements are a way to standardize financial information so it can be easily compared regardless of company size. Common-size financial statements present financial information in terms of percentages instead of dollar values. On a common-size statement, each line item is expressed as a percentage of a reference line item. Common-size financial statements are often referred to as vertical analysis, because they compare smaller financial accounts to the overall bottom line.

(Comparative Financial Statement Analysis) -The writer of the article states that, comparative financial statements is a term, referring to the complex of the company's annual financial report elements, which reflect the information from different time periods. Most commonly they include comparative balance sheet (reporting company's total assets, liabilities and equity for multiple dates), comparative profit and loss report (reflecting the financial results and financial position of the company over several periods or business cycles), comparative cash flow statement (containing information on the company's cash flows for multiple periods), etc.

(Keshwara, 2009) has studied about –A Study of Financial Performance of Aluminum Industry in India. In this research he has selected five aluminum industries and for analyzing the performance of aluminum industries, he has been made Inter-firm comparison by using ratios, cash-flow analysis, break-even analysis, trend analysis, average, index number, standard deviation, correlation, regression, and time series analysis, and for the better understanding of some important matter was to be presented by graph, 56 and percentage.

CHAPTER NO.4:

DATA ANALYSIS, INTERPRETATIONS AND PRESENTATIONS

4.1 Trend Analysis:

4.1.1 Balance Sheet Analysis:

[T-4.1]Trend Analysis of Balance Sheet items of Larsen and Toubro Limited for the year2017, 2018 and 2019 (Base Year 2017)

Particulars	in Rs. Cr.			TREND %		
	Mar-17	Mar-18	Mar-19	Mar-17	Mar-18	Mar-19
1. Equities And Liabilities						
A. Shareholder's Funds						
Equity Share Capital	17.99	17.99	19.11	100	100.00	106.23
Reserves And Surplus	607.1	655.71	898.65	100	108.01	148.02
Total Shareholders' Funds	625.08	673.7	917.76	100	107.78	146.82
B. Non-Current Liabilities						
Long Term Borrowings	0	0	0	100	0.00	0.00
Deferred Tax Liabilities [Net]	0	0	0	100	0.00	0.00
Other Long Term Liabilities	0	0	4.05	100	0.00	0.00
Long Term Provisions	4.49	8.4	10.77	100	187.08	239.87
Total Non-Current Liabilities	4.49	8.4	14.82	100	187.08	330.07
C. Current Liabilities						
Short Term Borrowings	331.92	285.67	149.23	100	86.07	44.96
Trade Payables	840.83	1,034.73	1,108.58	100	123.06	131.84
Other Current Liabilities	311.24	365.89	394.68	100	117.56	126.81
Short Term Provisions	79	30.62	34.79	100	38.76	44.04
Total Current Liabilities	1,562.99	1,716.91	1,687.28	100	109.85	107.95
Total Capital And Liabilities	2,192.57	2,571.58	2,619.86	100	117.29	119.49
2. Assets						
A. Non-Current Assets						
Tangible Assets	195.82	189.37	216.09	100	96.71	110.35
Intangible Assets	21.68	38.53	43.71	100	177.72	201.61
Capital Work-In-Progress	2.48	6.26	21.52	100	252.42	867.74
Fixed Assets	239.91	244.24	352.9	100	101.80	147.10
Non-Current Investments	231.86	296.02	215.08	100	127.67	92.76
Deferred Tax Assets [Net]	16.47	22.24	104.53	100	135.03	634.67
Long Term Loans And Advances	200.44	231.17	19.43	100	115.33	9.69
Other Non-Current Assets	1.08	3.35	99.47	100	310.19	9210.19
Total Non-Current Assets	689.76	797.02	791.41	100	115.55	114.74

B. Current Assets						
3Current Investments	0	158.07	0	100	0.00	0.00
Trade Receivables	640.77	712.67	812.76	100	111.22	126.84
Cash And Cash Equivalents	36.33	42.46	78	100	116.87	214.70
Short Term Loans And Advances	105.43	100.44	3.79	100	95.27	3.59
Other Current Assets	257.44	245.45	353.45	100	95.34	137.29
Total Current Assets	1,502.80	1,774.56	1,828.45	100	118.08	121.67
Total Assets	2,192.57	2,571.58	2,619.86	100	117.29	119.49
Contingent Liabilities	316.95	441.49	290.76	100	139.29	91.74

[T-4.2]Trend Analysis of Balance Sheet items of Larsen and Toubro Limited for the year2017, 2020 and 2021 (Base Year 2017)

Particulars	in Rs. Cr.			TREND %		
	Mar-17	Mar-20	Mar-21	Mar-17	Mar-20	Mar-21
1. EQUITIES AND LIABILITIES						
A. SHAREHOLDER'S FUNDS						
Equity Share Capital	17.99	19.2	19.26	100	106.73	107.06
Reserves and Surplus	607.1	929.05	941.74	100	153.03	155.12
TOTAL SHAREHOLDERS FUNDS	625.08	948.25	961	100	151.70	153.74
B. NON-CURRENT LIABILITIES						
Long Term Borrowings	0	0	0	100	0.00	0.00
Deferred Tax Liabilities [Net]	0	0	0	100	0.00	0.00
Other Long Term Liabilities	0	7.15	6.5	100	0.00	0.00
Long Term Provisions	4.49	12.2	11.5	100	271.71	256.12
TOTAL NON-CURRENT LIABILITIES	4.49	19.35	18	100	430.96	400.89
C. CURRENT LIABILITIES						
Short Term Borrowings	331.92	319.25	364.42	100	96.18	109.79
Trade Payables	840.83	1,432.19	1,424.91	100	170.33	169.46
Other Current Liabilities	311.24	427.61	395.24	100	137.39	126.99
Short Term Provisions	79	52.16	76.09	100	66.03	96.32
TOTAL CURRENT LIABILITIES	1,562.99	2,231.21	2,260.66	100	142.75	144.64
TOTAL CAPITAL AND LIABILITIES	2,192.57	3,198.81	3,239.66	100	145.89	147.76
2. ASSETS						
A. NON-CURRENT ASSETS						
Tangible Assets	195.82	234.8	256.18	100	119.91	130.82
Intangible Assets	21.68	56.12	50.3	100	258.86	232.01
Capital Work-In-Progress	2.48	18.38	30.77	100	741.13	1240.73
FIXED ASSETS	239.91	372.3	400.38	100	155.18	166.89
Non-Current Investments	231.86	220.26	220.88	100	95.00	95.26
Deferred Tax Assets [Net]	16.47	107.41	77.94	100	652.16	473.22
Long Term Loans And Advances	200.44	19.98	21.77	100	9.97	10.86
Other Non-Current Assets	1.08	93.82	103.47	100	8687.04	9580.56

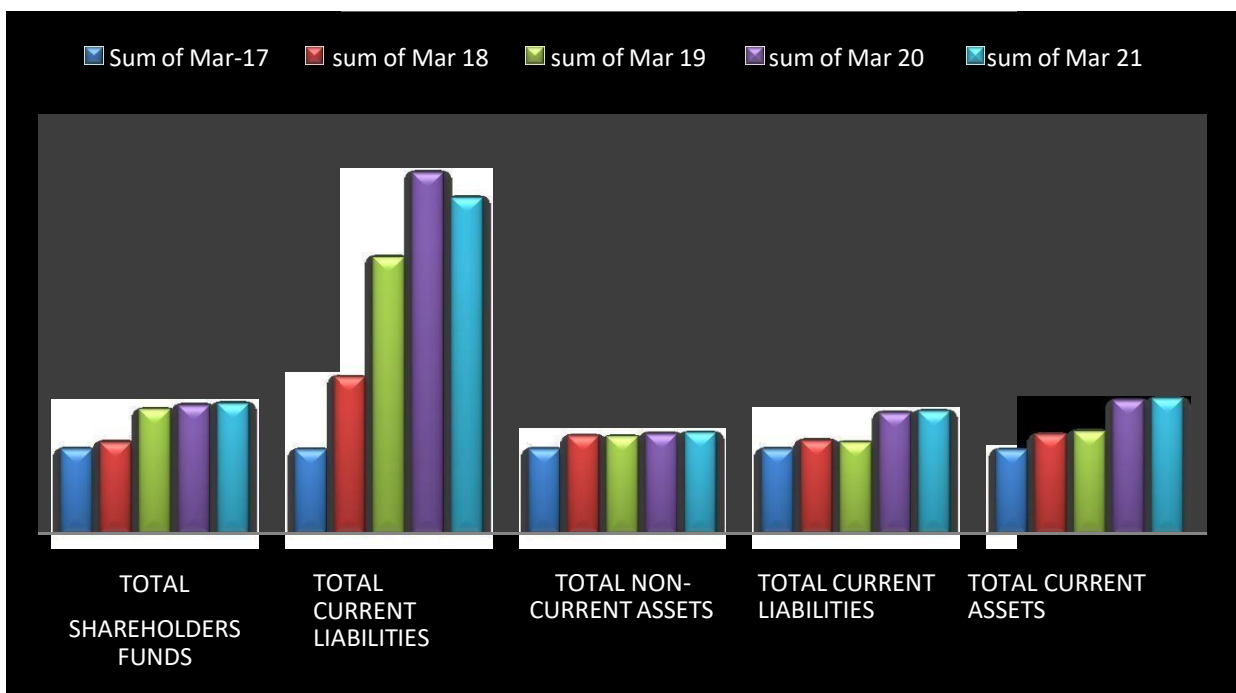
TOTAL NON-CURRENT ASSETS	689.76	813.77	824.44	100	117.98	119.53
---------------------------------	---------------	---------------	---------------	------------	---------------	---------------

B. CURRENT ASSETS						
Current Investments	0	0	0	100	0.00	0.00
Inventories	462.83	1,002.07	857.75	100	216.51	185.33
Trade Receivables	640.77	809.55	1,015.95	100	126.34	158.55
Cash And Cash Equivalents	36.33	65.08	27.41	100	179.14	75.45
Short Term Loans And Advances	105.43	12.44	9.91	100	11.80	9.40
Other Current Assets	257.44	495.9	504.2	100	192.63	195.85
TOTAL CURRENT ASSETS	1,502.80	2,385.04	2,415.22	100	158.71	160.71
TOTAL ASSETS	2,192.57	3,198.81	3,239.66	100	145.89	147.76
Contingent Liabilities	316.95	566.23	683.41	100	178.65	215.62

[T-4.3]Trend Analysis of Balance Sheet items of Larsen and Toubro Limited from the year 2017 to 2021 (Base Year 2017)

Particulars	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
Total Shareholders' Funds	100	107.78	146.82	151.70	153.74
Total Non-Current Liabilities	100	187.08	330.07	430.96	400.89
Total Current Liabilities	100	109.85	107.95	142.75	144.64
Total Non-Current Assets	100	115.55	114.74	117.98	119.53
Total Current Assets	100	118.08	121.67	158.71	160.71

[G-4.1]Trend Analysis of Balance Sheet items



Interpretations:

Total Shareholder's Funds:

1. Total shareholders fund has a consistent growth and has increased by 53.74% in 2019.
2. Percentage of reserves changes over the year, in 2017-18 and 2018-19 the percentage of reserves was 108.01% and 148.02% with increase in following years in 2019-20 and 2020-21, the percentage was 153.03% and 155.12% respectively.
3. These shows increase in reserves due to profit maximization.

Total Non-Current Liabilities:

1. Total Non-Current liabilities has a rapid growth up to 2018 but a sudden decrease of 30% in 2019.
2. The trend percentage of long term borrowings is nil throughout the years.
3. The trend percentage of deferred tax liabilities (net) is nil throughout the years.
4. It means the company doesn't have any tax liability to pay.

Total Current Liabilities:

1. In 2021, it has increased by 45% as compared to 2017.
2. Total Current Liabilities has a consistent increase from 2019 to 2021.
3. The Other Current Liabilities of Larsen and Toubro ltd start falling after 2018-19 year.
4. It has reduced in 2019 affecting the working capital ratio.
5. Increase in trade payables increases the company's liability.

Total Non-Current Assets:

1. It shows increase of Tangible Assets every year.
2. Fixed Assets has a gradual growth from 2019 to 2021.
3. It shows fall in value of Intangible Assets in 2018-19.
4. There was a short fall in the year 2018 from the previous year in Capital Work-in-Progress i.e. 126.61%

Total Current Assets:

1. Total Current Assets has an upward trend from 2017 to 2021.
2. The Trend percentage of Current Investment throughout the years was nil.
3. The current ratio shows that the company being below the standard 2, is not satisfactory and is not capable to pay its short term liability out of its current assets.

4.1.2 INCOME STATEMENT ANALYSIS :

Trend Analysis of Income Statement of Larsen and Toubro Limited for the year 2017, 2018 and 2019 (Base Year 2017)

Particulars	in Rs. Cr.			TREND %		
	Mar-17	Mar-18	Mar-19	Mar-17	Mar-18	Mar-19
INCOME						
REVENUE FROM OPERATIONS[GROSS]						
	3,066.36	3,526.61	4,116.87	100	115.01	134.26
Less: Excise/Service Tax/Other Levies	26.88	31.79	37	100	118.27	137.65
REVENUE FROM OPERATIONS[NET]	3,039.48	3,494.82	4,079.87	100	114.98	134.23
TOTAL OPERATING REVENUES	3,080.79	3,531.50	4,130.85	100	114.63	134.08
Other Income	10.14	15.87	13.13	100	156.51	129.49
TOTAL REVENUE	3,090.94	3,547.37	4,143.98	100	114.77	134.07
EXPENSES						
Cost Of Materials Consumed	1,101.70	1,231.13	1,326.31	100	111.75	120.39
Operating And Direct Expenses	610.24	606.77	742.43	100	99.43	121.66
Changes In Inventories Of FG,WIP And Stock-In Trade	-8.35	-61.29	-21.09	100	734.01	252.57
Employee Benefit Expenses	256.84	324.04	309.78	100	126.16	120.61
Finance Costs	43.47	35.71	30.61	100	82.15	70.42
Depreciation And Amortization Expenses	39.34	54.28	54.97	100	137.98	139.73
Other Expenses	516.82	587.38	692.77	100	113.65	134.04
TOTAL EXPENSES	2,990.02	3,428.87	3,995.70	100	114.68	133.63

Exceptional Items	41.9	30.08	0	100	71.79	0.00
PROFIT/LOSS BEFORE TAX	142.82	148.58	148.28	100	104.03	103.82
TAX EXPENSES-CONTINUED OPERATIONS						
Current Tax	37.05	33.79	42.26	100	91.20	114.06
Less: MAT Credit Entitlement	31.79	0.77	0	100	2.42	0.00
Deferred Tax	-14.97	-7.21	-5.95	100	48.16	39.75
Tax For Earlier Years	0	0	0	100	0.00	0.00
TOTAL TAX EXPENSES	-9.71	25.81	36.31	100	-265.81	-373.94
PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS	152.53	122.77	111.97	100	80.49	73.41
PROFIT/LOSS FROM CONTINUING OPERATIONS	152.53	122.77	111.97	100	80.49	73.41
PROFIT/LOSS FOR THE PERIOD	152.53	122.77	111.97	100	80.49	73.41

[T-4.5]Trend Analysis of Income Statement of Larsen and Toubro Limited for the year2017, 2020 and 2021 (Base Year 2017)

Particulars	in Rs. Cr.			TREND %		
	Mar-17	Mar-20	Mar-21	Mar-17	Mar-20	Mar-21
INCOME						
REVENUE FROM OPERATIONS [GROSS]	3,066.36	4,262.64	4,757.97	100	139.01	155.17
Less: Excise/Service Tax/Other Levies	26.88	9.18	0	100	34.15	0.00
REVENUE FROM OPERATIONS [NET]	3,039.48	4,253.46	4,757.97	100	139.94	156.54
TOTAL OPERATING REVENUES	3,080.79	4,303.01	4,783.70	100	139.67	155.28
Other Income	10.14	16.14	23.11	100	159.17	227.91
TOTAL REVENUE	3,090.94	4,319.15	4,806.81	100	139.74	155.51
EXPENSES						
Cost Of Materials Consumed	1,101.70	1,382.40	1,393.71	100	125.48	126.51
Operating And Direct Expenses	610.24	992.03	1,244.60	100	162.56	203.95
Changes In Inventories Of FG,WIP And Stock-In Trade	-8.35	-235.38	166.99	100	2818.92	-1999.88
Employee Benefit Expenses	256.84	358.77	372.69	100	139.69	145.11
Finance Costs	43.47	22.88	44.92	100	52.63	103.34
Depreciation And Amortization Expenses	39.34	60.57	69.18	100	153.97	175.85
Other Expenses	516.82	514.25	517.68	100	99.50	100.17
TOTAL EXPENSES	2,990.02	4,156.11	4,600.51	100	139.00	153.86
PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX	100.92	163.04	206.3	100	161.55	204.42
Exceptional Items	41.9	17.85	-26.45	100	42.60	-63.13

PROFIT/LOSS BEFORE TAX	142.82	180.89	179.85	100	126.66	125.93
TAX EXPENSES-CONTINUED OPERATIONS						
Current Tax	37.05	40.15	30.72	100	108.37	82.91
Less: MAT Credit Entitlement	31.79	0	0	100	0.00	0.00
Deferred Tax	-14.97	8.53	27.34	100	-56.98	-182.63
Tax For Earlier Years	0	0	0	100	0.00	0.00
TOTAL TAX EXPENSES	-9.71	48.68	58.06	100	-501.34	-597.94
PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS	152.53	132.21	121.79	100	86.68	79.85
PROFIT/LOSS FROM CONTINUING OPERATIONS	152.53	132.21	121.79	100	86.68	79.85
PROFIT/LOSS FOR THE PERIOD	152.53	132.21	121.79	100	86.68	79.85

[T-4.6]Trend Analysis of Income Statement of Larsen and Toubro Limited for the year2017 to 2021 (Base Year 2017)

Particulars	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
Net Sales	100	114.98	134.23	139.94	156.54
Net Reported Profit	100	80.49	73.41	86.68	79.85
Total Income	100	114.77	134.07	139.74	155.51
Total Expenses	100	114.68	133.63	139.00	153.86

Interpretations:

Net Sales:

1. Net sales has an upward trend showing the growth in turnover of the company.

Net Reported Profit:

1. Net profit has an fluctuating trend from 2017 to 2021 .
2. The trend percentage of Net Profit in the year 2017-18 was 80.49% and with further short fall to 73.41% in the year 2018-19 .The company work very efficiently and again able to grab the market with 86.68% in 2019-20 but there after it falls down in the year 2020-21 to 79.85%.
3. It is reduced in 2019 and 2021 due to increase in interest and depreciation.
4. The overall scenario reveals that the performance of the company is not good in 2021 as compared to the previous years.

Total Income:

1. Total income has a upward trend but it is the highest in 2021
2. showing the current growth of the company.

Total Expenses:

1. It shows there is increase in Operating and Direct Expenses in every year.
2. It shows there is increase in Finance Cost Expenses.
3. Total expenses has the same trend as in the case of total income which shows that company's expenses are in accordance with its income..

COMMON SIZE STATEMENT:**4.1.2 Balance Sheet Analysis:****[T-4.7] Common Size Statement of Balance Sheet items of Larsen and Toubro Limited for theyear 2017, 2018 and 2019**

Particulars	Mar-17		Mar-18		Mar-19	
	AMOUNT	COMMON SIZE (IN %)	AMOUNT	COMMON SIZE (IN %)	AMOUNT	COMMON SIZE (IN %)
1. EQUITIES AND LIABILITIES						
A. SHAREHOLDER'S FUNDS						
Equity Share Capital	17.99	0.82	17.99	0.70	19.11	0.73
Reserves and Surplus	607.1	27.69	655.71	25.50	898.65	34.30
TOTAL SHAREHOLDERS FUNDS	625.08	28.51	673.7	26.20	917.76	35.03
B. NON-CURRENT LIABILITIES						
Long Term Borrowings	0	0	0	0	0	0
Deferred Tax Liabilities [Net]	0	0	0	0	0	0
Other Long Term Liabilities	0	0	0	0	4.05	0.15
Long Term Provisions	4.49	0.20	8.4	0.33	10.77	0.41
TOTAL NON-CURRENT LIABILITIES	4.49	0.20	8.4	0.33	14.82	0.57
C. CURRENT LIABILITIES						
Short Term Borrowings	331.92	15.14	285.67	11.11	149.23	5.70
Trade Payables	840.83	38.35	1,034.73	40.24	1,108.58	42.31
Other Current Liabilities	311.24	14.20	365.89	14.23	394.68	15.06
Short Term Provisions	79	3.60	30.62	1.19	34.79	1.33
TOTAL CURRENT LIABILITIES	1,562.99	71.29	1,716.91	66.76	1,687.28	64.40
TOTAL CAPITAL AND LIABILITIES	2,192.57	100.00	2,571.58	100.00	2,619.86	100.00
2. ASSETS						
A. NON-CURRENT ASSETS						
Tangible Assets	195.82	8.93	189.37	7.36	216.09	8.25
Intangible Assets	21.68	0.99	38.53	1.50	43.71	1.67
Capital Work-In-Progress	2.48	0.11	6.26	0.24	21.52	0.82
FIXED ASSETS	239.91	10.94	244.24	9.50	352.9	13.47
Non-Current Investments	231.86	10.57	296.02	11.51	215.08	8.21
Deferred Tax Assets [Net]	16.47	0.75	22.24	0.86	104.53	3.99
Long Term Loans And Advances	200.44	9.14	231.17	8.99	19.43	0.74
Other Non-Current Assets	1.08	0.05	3.35	0.13	99.47	3.80
TOTAL NON-CURRENT ASSETS	689.76	31.46	797.02	30.99	791.41	30.21

TOTAL CURRENT ASSETS	1,502.80	68.54	1,774.56	69.01	1,828.45	69.79
TOTAL ASSETS	2,192.57	100.00	2,571.58	100.00	2,619.86	100.00
Contingent Liabilities	316.95	14.46	441.49	17.17	290.76	11.0983

**[T-4.8] Common Size Statement of Balance Sheet items of Larsen and Toubro
Limited for theyear 2020 and 2021**

Particulars	Mar-20		Mar-21	
	AMOUNT	COMMON SIZE(IN %)	AMOUNT	COMMON SIZE(IN %)
1. EQUITIES AND LIABILITIES				
A. SHAREHOLDER'S FUNDS				
Equity Share Capital	19.2	0.60	19.26	0.59
Reserves and Surplus	929.05	29.04	941.74	29.07
TOTAL SHAREHOLDERS FUNDS	948.25	29.64	961	29.66
B. NON-CURRENT LIABILITIES				
Long Term Borrowings	0	0	0	0
Deferred Tax Liabilities [Net]	0	0	0	0
Other Long Term Liabilities	7.15	0.22	6.5	0.20
Long Term Provisions	12.2	0.38	11.5	0.35
TOTAL NON-CURRENT LIABILITIES	19.35	0.60	18	0.56
C. CURRENT LIABILITIES				
Short Term Borrowings	319.25	9.98	364.42	11.25
Trade Payables	1,432.19	44.77	1,424.91	43.98
Other Current Liabilities	427.61	13.37	395.24	12.20
Short Term Provisions	52.16	1.63	76.09	2.35
TOTAL CURRENT LIABILITIES	2,231.21	69.75	2,260.66	69.78
TOTAL CAPITAL AND LIABILITIES	3,198.81	100.00	3,239.66	100
2. ASSETS				
A. NON-CURRENT ASSETS				
Tangible Assets	234.8	7.34	256.18	7.91
Intangible Assets	56.12	1.75	50.3	1.55
Capital Work-In-Progress	18.38	0.57	30.77	0.95
FIXED ASSETS	372.3	11.64	400.38	12.36
Non-Current Investments	220.26	6.89	220.88	6.82
Deferred Tax Assets [Net]	107.41	3.36	77.94	2.41
Long Term Loans And Advances	19.98	0.62	21.77	0.67
Other Non-Current Assets	93.82	2.93	103.47	3.19
TOTAL NON-CURRENT ASSETS	813.77	25.44	824.44	25.45
B. CURRENT ASSETS				
Current Investments	0	0	0	0
Inventories	1,002.07	31.33	857.75	26.48
Trade Receivables	809.55	25.31	1,015.95	31.36
Cash And Cash Equivalents	65.08	2.03	27.41	0.85
Short Term Loans And Advances	12.44	0.39	9.91	0.31
Other Current Assets	495.9	15.50	504.2	15.56
TOTAL CURRENT ASSETS	2,385.04	74.56	2,415.22	74.55

TOTAL ASSETS	3,198.81	100.00	3,239.66	100
Contingent Liabilities	566.23	17.70	683.41	21.10

Interpretations:

2019-2020

In 2017-18, Out of the Total Liabilities and Capital, the proportion of Shareholder's fund is 26.20% and the proportion of Outsider's Liabilities is 73.8%. Out of Total Assets, the Proportion of Non-Current Asset is 30.99% and the proportion of Current Assets is 69.01%. In the Total Assets, the proportion of Fixed Assets is 9.50%.

2018-19:

In 2018-19, Out of the Total Liabilities and Capital, the proportion of Shareholder's fund is 35.03% and the proportion of Outsider's Liabilities is 64.97%. Out of Total Assets, the Proportion of Non-Current Asset is 30.21% and the proportion of Current Assets is 69.79%. In the Total Assets, the proportion of Fixed Assets is 13.47%.

2019-20:

In 2019-20, Out of the Total Liabilities and Capital, the proportion of Shareholder's fund is 29.64% and the proportion of Outsider's Liabilities is 70.36%. Out of Total Assets, the Proportion of Non-Current Asset is 25.44% and the proportion of Current Assets is 74.56%. In the Total Assets, the proportion of Fixed Assets is 11.64%.

2020-21:

In 2020-21, Out of the Total Liabilities and Capital, the proportion of Shareholder's fund is 29.66% and the proportion of Outsider's Liabilities is 70.34%. Out of Total Assets, the Proportion of Non-Current Asset is 25.45% and the proportion of Current Assets is 74.55%. In the Total Assets, the proportion of Fixed Assets is 12.36%.

Conclusion:

1. Total Shareholders' funds is the highest in the year 2019 and the lowest in 2018.
2. These Shows the Shareholder's Fund decreases and the outsiders Liabilities increases.
3. Total noncurrent liabilities is the lowest among all the items. In 2020, it is the highest.
4. Total current liabilities shows gradual increase from 2019 to 2021 but a sudden decrease in 2019 as compared to 2018.
5. Total noncurrent assets are decreasing due to increase in fixed assets every year.
6. Increase in fixed assets of the company, due to increase of the business. Funds are required which is borrowed from the market, and borrowed funds is invested in business fixed assets to generate revenue for a business for a long period of time.
7. The total current assets has a complete opposite scenario as in the case of noncurrent assets.

4.1.3 Income Statement Analysis:

[T-4.10] Common Size Statement of Income Statement of items of Larsen and Toubro Limited for the year 2017, 2018 and 2019

Particulars	Mar-17		Mar-18		Mar-19	
	AMOUNT	COMMON SIZE (IN %)	AMOUNT	COMMON SIZE (IN %)	AMOUNT	COMMON SIZE (IN %)
INCOME						
REVENUE FROM OPERATIONS [GROSS]	3,066.36	100.88	3,526.61	100.91	4,116.87	100.91
Less: Excise/Service Tax/Other Levies	26.88	0.88	31.79	0.91	37	0.91
REVENUE FROM OPERATIONS [NET]	3,039.48	100	3,494.82	100	4,079.87	100
TOTAL OPERATING REVENUES	3,080.79	101.36	3,531.50	101.05	4,130.85	101.25
Other Income	10.14	0.33	15.87	0.45	13.13	0.32
TOTAL REVENUE	3,090.94	101.69	3,547.37	101.50	4,143.98	101.57

EXPENSES						
Cost Of Materials Consumed	1,101.70	36.25	1,231.13	35.23	1,326.31	32.51
Operating And Direct Expenses	610.24	20.08	606.77	17.36	742.43	18.20
Changes In Inventories Of FG,WIP And Stock-In Trade	-8.35	-0.27	-61.29	-1.75	-21.09	-0.52
Employee Benefit Expenses	256.84	8.45	324.04	9.27	309.78	7.59
Finance Costs	43.47	1.43	35.71	1.02	30.61	0.75
Depreciation And Amortization Expenses	39.34	1.29	54.28	1.55	54.97	1.35
Other Expenses	516.82	17.00	587.38	16.81	692.77	16.98
TOTAL EXPENSES	2,990.02	98.37	3,428.87	98.11	3,995.70	97.94
PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX	100.92	3.32	118.5	3.39	148.28	3.63
Exceptional Items	41.9	1.38	30.08	0.86	0	0
PROFIT/LOSS BEFORE TAX	142.82	4.70	148.58	4.25	148.28	3.63
TAX EXPENSES- CONTINUED OPERATIONS						
Current Tax	37.05	1.22	33.79	0.97	42.26	1.04
Less: MAT Credit Entitlement	31.79	1.05	0.77	0.02	0	0
Deferred Tax	-14.97	-0.49	-7.21	-0.21	-5.95	-0.15
Tax For Earlier Years	0	0	0	0	0	0
TOTAL TAX EXPENSES	-9.71	-0.32	25.81	0.74	36.31	0.89
PROFIT/LOSS AFTER TAX AND BEFORE EXTRAORDINARY ITEMS	152.53	5.02	122.77	3.51	111.97	2.74
PROFIT/LOSS FROM CONTINUING OPERATIONS	152.53	5.02	122.77	3.51	111.97	2.74
PROFIT/LOSS FOR THE PERIOD	152.53	5.02	122.77	3.51	111.97	2.74

[T-4.11] Common Size Statement of Income Statement of items of Larsen and Toubro Limited for the year 2020 and 2021

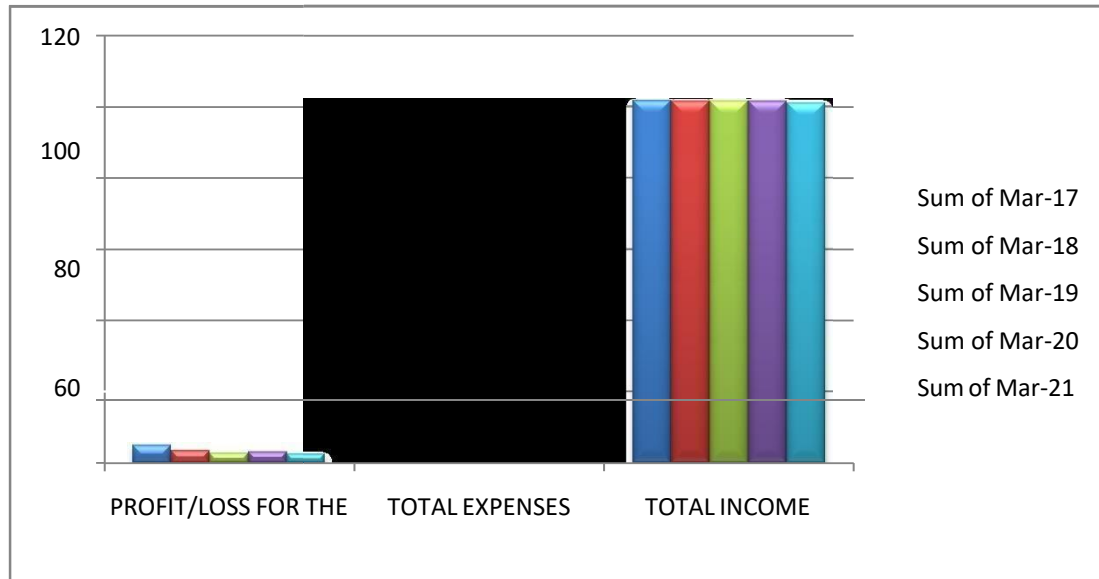
Particulars	Mar-20		Mar-21	
	AMOUNT	COMMON SIZE(IN %)	AMOUNT	COMMON SIZE(IN %)
INCOME				
REVENUE FROM OPERATIONS [GROSS]	4,262.64	100.22	4,757.97	100
Less: Excise/Service Tax/Other Levies	9.18	0.22	0	0
REVENUE FROM OPERATIONS [NET]	4,253.46	100	4,757.97	100
TOTAL OPERATING REVENUES	4,303.01	101.16	4,783.70	100.54
Other Income	16.14	0.38	23.11	0.49
TOTAL REVENUE	4,319.15	101.54	4,806.81	101.03
EXPENSES				
Cost Of Materials Consumed	1,382.40	32.50	1,393.71	29.29
Operating And Direct Expenses	992.03	23.32	1,244.60	26.16

Changes In Inventories Of FG,WIP And Stock-In Trade	-235.38	-5.53	166.99	3.51
Employee Benefit Expenses	358.77	8.43	372.69	7.83
Finance Costs	22.88	0.54	44.92	0.94
Depection And Amortization Expenses	60.57	1.42	69.18	1.45
Other Expenses	514.25	12.09	517.68	10.88
TOTAL EXPENSES	4,156.11	97.71	4,600.51	96.69
PROFIT/LOSS BEFORE EXCEPTIONAL, EXTRAORDINARY ITEMS AND TAX	163.04	3.83	206.3	4.34
Exceptional Items	17.85	0.42	-26.45	-0.56
PROFIT/LOSS BEFORE TAX	180.89	4.25	179.85	3.78
TAX EXPENSES-CONTINUED OPERATIONS				
Current Tax	40.15	0.94	30.72	0.65
Less: MAT Credit Entitlement	0	0	0	0
Deferred Tax	8.53	0.20	27.34	0.57
Tax For Earlier Years	0	0	0	0
TOTAL TAX EXPENSES	48.68	1.14	58.06	1.22
PROFIT/LOSS FROM CONTINUING OPERATIONS	132.21	3.11	121.79	2.56
PROFIT/LOSS FOR THE PERIOD	132.21	3.11	121.79	2.56

[T-4.12] Common Size Statement of Income Statement of items of Larsen and Toubro Limited for the year 2017 to 2021

Particulars	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
NET REPORTED PROFIT	5.02	3.51	2.74	3.11	2.56
TOTAL INCOME	101.69	101.50	101.57	101.54	101.03
TOTAL EXPENSES	98.37	98.11	97.94	97.71	96.69

[G-4.4] Common Size Statement of Income Statement



Interpretations:

The Common Size Statement of Profit & Loss A/c shows that out of the Total Revenue generated by the Company, the Proportion of Operating Expenses is 20.08%, the proportion of Employee Benefit Expenses is 8.45%, the Proportion of Finance Cost is 1.43%, the proportion of Depreciation and Amortization Expenses is 1.29%, the proportion of Other Expenses is 17.00%, the proportion of current tax is 1.22%.

2017-18:

In 2017-18, Out of the Total Revenue generated by the Company, the Proportion of Operating Expenses is 17.36%, the proportion of Employee Benefit Expenses is 9.27%, the Proportion of Finance Cost is 1.02%, the proportion of Depreciation an

Amortization Expenses is 1.55%, the proportion of Other Expenses is 16.81%, and the proportion of current tax is 0.97%.

2017-18:

In 2017-18, Out the Total Revenue generated by the Company, the Proportion of Operating Expenses is 18.20 %, the proportion of Employee Benefit Expenses is 7.59%, the Proportion of Finance Cost is 0.75%, the proportion of Depreciation and Amortization Expenses is 1.35%, the proportion of Other Expenses is 16.98%, and the proportion of current tax is 1.04%.

2018-19:

In 2018-19, Out the Total Revenue generated by the Company, the Proportion of Operating Expenses is 23.32%, the proportion of Employee Benefit Expenses is 8.43%, the Proportion of Finance Cost is 0.54%, the proportion of Depreciation and Amortization Expenses is 1.42%, the proportion of Other Expenses is 12.09%, and the proportion of current tax is 0.94%.

2019-20:

In 2019-20, Out the Total Revenue generated by the Company, the Proportion of Operating Expenses is 26.16%, the proportion of Employee Benefit Expenses is 7.83%, the Proportion of Finance Cost is 0.94%, the proportion of Depreciation and Amortization Expenses is 1.45%, the proportion of Other Expenses is 10.88%, and the proportion of current tax is 0.65%.

Conclusion:

1. Total profit has a fluctuating trend from 2017 to 2021 due to decrease in sales.
2. It shows an decrease of almost 1% of profit in 2020 as compared to 2019.
3. Net sales has an upward trend showing the growth in turnover of the company.
4. Company's total expenses has a gradual decrease every year.
5. Company's total income is consistent throughout the year.

Capital structure of Larsen and Toubro ltd

Period		Instrument	--- CAPITAL (Rs. cr) -		- P A I D U P -		
From	To		Authorized	Issued	No. of Shares	Face Value	Capital
2021	2020	Equity Share	56.72	19.26	96313888	2	19.3
2020	2021	Equity Share	56.72	19.2	95999788	2	19.2
2017	2018	Equity Share	56.72	19.11	95570388	2	19.1
2015	2016	Equity Share	56.72	17.99	89951105	2	18.0
2014	2015	Equity Share	29.74	17.99	89936105	2	18.0
2013	2014	Equity Share	29.74	17.99	89936105	2	18.0
2012	2013	Equity Share	29.74	17.99	89936105	2	18.0
2011	2012	Equity Share	29.74	17.99	89936105	2	18.0
2010	2011	Equity Share	29.74	17.99	89936105	2	18.0
2009	2010	Equity Share	29.74	17.99	89936105	2	18.0
2008	2009	Equity Share	29.74	17.99	89936105	2	18.0
2007	2008	Equity Share	29.74	17.99	89936105	2	18.0
2006	2007	Equity Share	29.74	17.99	89936105	2	18.0
2005	2006	Equity Share	29.74	17.99	17987221	10	18.0
2004	2005	Equity Share	29.74	17.99	17987221	10	18.0
2003	2004	Equity Share	29.74	17.99	17987221	10	18.0
2002	2003	Equity Share	29.74	17.98	17984400	10	18.0
2001	2002	Equity Share	29.74	20.32	19299765	10	19.3
2000	2001	Equity Share	29.74	20.32	3187	10	0.0
1995	1999	Equity Share	29.74	27.1	27097102	10	27.1
1994	1995	Equity Share	14.74	10.05	10048551	10	10.1
1993	1994	Equity Share	14.74	9.95	9948551	10	10.0
1992	1993	Equity Share	14.74	7.11	7106108	10	7.1
1991	1992	Equity Share	7.24	7.11	7106108	10	7.1
1990	1991	Equity Share	7.24	3.55	3553054	10	3.6
1986	1990	Equity Share	4.74	3.55	3553054	10	3.6
1982	1986	Equity Share	4.74	2.22	2220659	10	2.2
1979	1982	Equity Share	2.24	1.39	1387912	10	1.4
1974	1979	Equity Share	1.24	0.93	925275	10	0.9
1970	1974	Equity Share	0.84	0.71	707500	10	0.7
1969	1970	Equity Share	0.84	0.57	566000	10	0.6

RATIO ANALYSIS:

4.4.1. CURRENT RATIO:

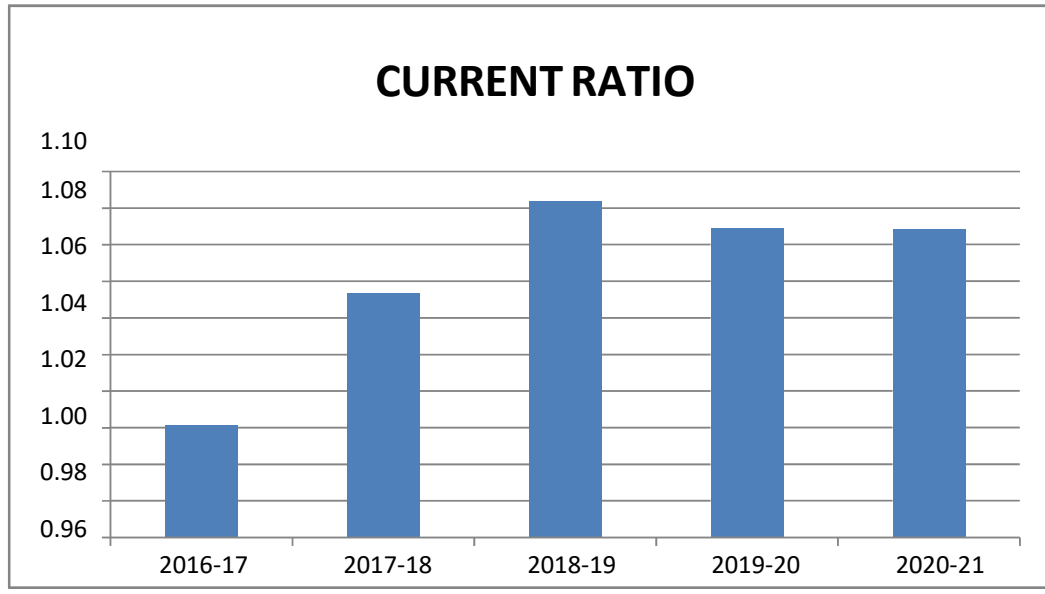
Current ratio may be as the relation between current assets and current liabilities it is the most common ratio for measuring liquidity. Current assets includes Inventory, Debtors, Cash & Bank Balance, Bills Receivable, Prepaid Expenses, Loans and Advances, short term investments and any other assets which is likely to be converted into cash within next 12 months. Current liabilities includes Creditors, Short term loans, Bank overdraft, Cash Credit, Outstanding Expenses, Provision for Taxation, Proposed Dividend, Unclaimed Dividend, Bills Payable, Advance income, and any other liability which is likely to be payable in next 12 months. Higher the ratio better is the solvency of the company. This ratio is of prime importance to short term creditors since it gives an indication of the company's ability to meet his current obligations. A simple measure the whether the business can pay short term debts. **Ideal ratio is 2:1.**

LIQUID RATIOS: Liquid ratio measure a company's ability to pay debt obligations and its margin of safety.

CURRENT RATIO = CURRENT ASSET/CURRENT LIABILITIES

YEARS	CURRENT ASSETS (IN RS.CR.)	CURRENT LIABILITIES (IN RS.CR.)	CURRENT RATIO
2016-17	1502.8	1562.99	0.96
2017-18	1774.56	1716.91	1.03
2018-19	1828.45	1687.28	1.08
2019-20	2385.04	2231.21	1.07
2020-21	2415.22	2260.66	1.07

[G-4.5]CURRENT RATIO



Interpretations:

- The above table and diagram shows that the Current Ratio are 0.96,1.03,1.08,1.07and 1.07 in the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 respectively.
- It indicates that for every one rupee current liability the company has 0.96 in 2016-17, 1.03 in 2017-18, 1.08 in 2018-19, 1.07 in 2019-20 and 1.07 in 2020-21 year, in the form of current assets.
- It shows that the company being below the standard 2, is not satisfactory and isnot capable to pay its short term liability out of its current assets.

4.4.2. QUICKRATIO:

Quick ratio also known as Acid Test Ratio and Liquid ratio. Quick ratio compare the quick assets with quick liability. Quick ratio measures the ability to meet the current debt

immediately. **Ideal ratio is 1:1.** It is expressed in the form of pure ratio.

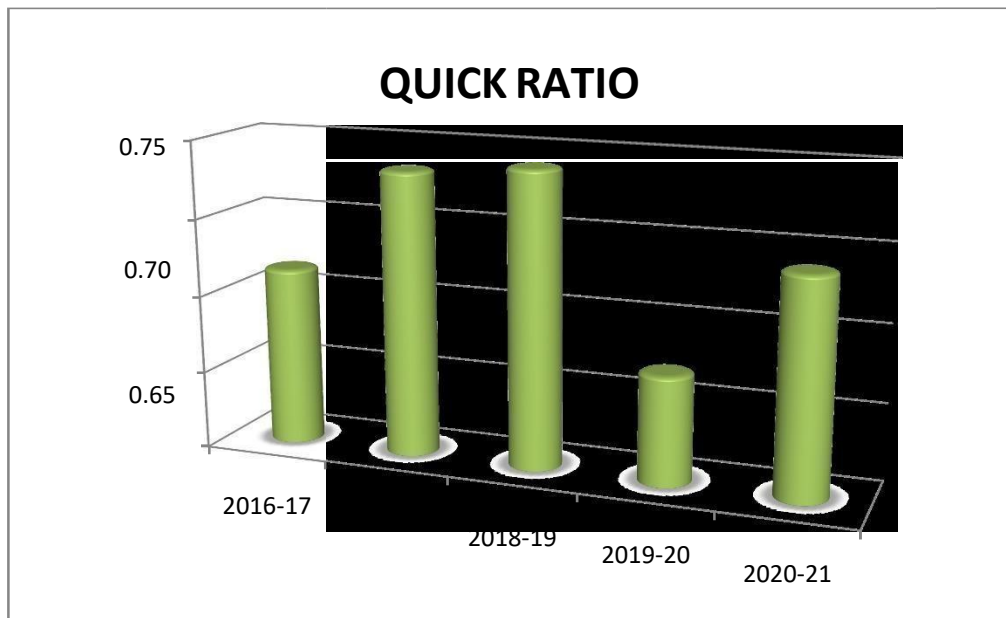
QUICK ASSET: TOTAL CURRENT ASSET–INVENTORY

QUICK RATIO = QUICK ASSETS/ CURRENT LIABILITIES

(Data related to financial balance sheets are collected from money control app.)

YEARS	CURRENT ASSETS (IN RS.CR.)	INVENTORIES (IN RS.CR.)	QUICK ASSETS (IN RS.CR.)	CURRENT LIABILITIES (IN RS.CR.)	QUICK RATIOS
2016-17	1502.8	462.83	1039.97	1562.99	0.67
2017-18	1774.56	515.48	1259.08	1716.91	0.73
2018-19	1828.45	580.45	1248	1687.28	0.74
2019-20	2385.04	1,002.07	1382.97	2231.21	0.62
2020-21	2415.22	857.75	1557.47	2260.66	0.69

[G-4.6.] QUICK RATIO



Interpretations:

- The above table and diagram shows that the Quick Ratio are 0.67,0.73,0.74,0.62,0.69 in the year 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 respectively.
- It indicates that for every one rupee current liability the company has 0.67 in 2016-17, 0.73 in 2017-18, 0.74 in 2018-19, 0.62 in 2019-20 and 0.69 in 2020-21 year, in the form of liquid assets.
- It shows that the company is not able to pay its short term liability out of its quick assets.

4.4.3. NET PROFIT RATIO:

The ratio indicates what portion of sales is left to the proprietors after meeting all expenses. This ratio signifies the total net earnings of a business from all sources including business and investment. Therefore to find out the net profit from business operations only then the ratio of operating net profit to net sales is a guide to the efficiency or otherwise of the business operation.

$$\text{NET PROFIT RATIO} = \text{NET PROFIT} / \text{NET SALES} \times 100$$

YEARS	NETPROFIT (IN RS.CR.)	NET SALES (IN RS.CR.)	NET PROFIT RATIO
2016-17	152.53	3,039.48	4.95
2017-18	122.77	3,494.82	3.47
2018-19	111.97	4,079.87	2.71
2019-20	132.21	4,253.46	3.07
2020-21	121.79	4,757.97	2.54

Interpretations:

- The above table and diagram shows the Net Profit Ratio are fluctuating from 2017to 2021.
- Net Profit Margin is declining i.e. in the year 2014-15 as 4.95%, 2017-18 as 3.47%, 2018-19 as 2.71%, 2019-20 as 3.07% and in 2020-21 as 2.54% respectively.
- It is the highest in the year 2016-17 and has around 2% decrease in 2019.
- The company is making consistent profits but at a low speed.

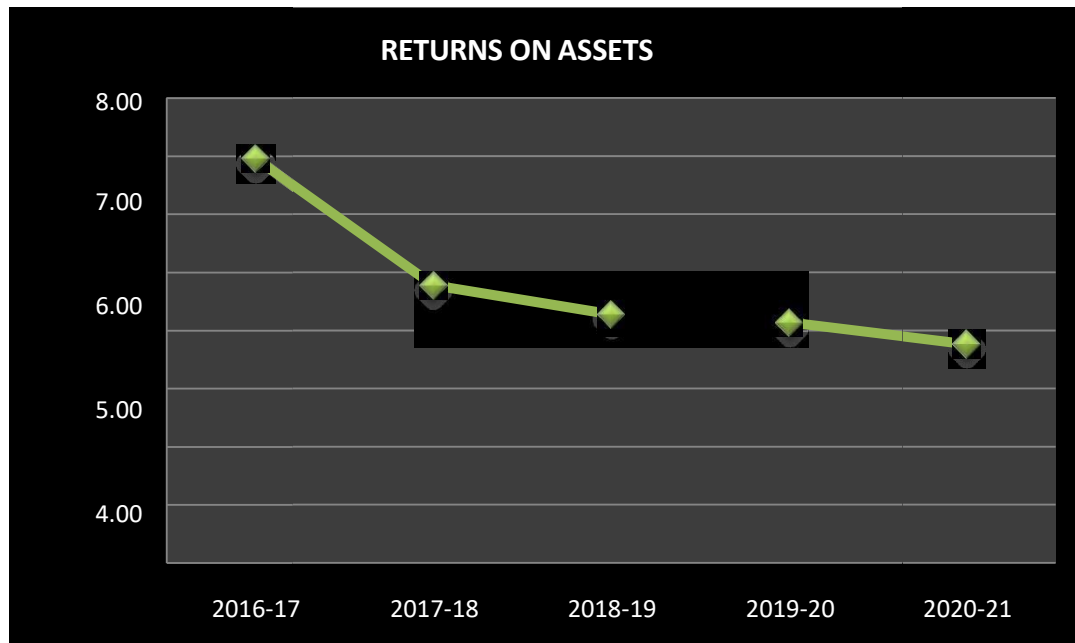
4.4.4. RETURNS ON ASSETS:

Return on assets is a profitability ratio that provides how much profit a company is able to generate from its assets. In other words, return on assets(ROA)measures how efficient a company's management is in generating earnings from their economic resources or assets on their balance sheet. ROA is shown as a percentage, and the higher the number, the more efficient a company's management is at managing its balance sheet to generate profits. It measures net profit per rupee of average total assets/ average tangible assets/ average fixed assets. Average total assets are used in calculating ROA because a company's asset total can vary over time due to the purchase or sale of vehicles, land or equipment, inventory changes, or seasonal sales fluctuations. As a result, calculating the average total assets for the period in question is more accurate than the total assets for one period. A company's total assets can easily be found on the balance sheet.

RETURN ON ASSETS = NET PROFIT AFTER TAXES/ AVERAGE TOTALASSETS X 100

YEARS	NET PROFIT AFTER TAX(IN RS.CR.)	AVERAGE TOTAL ASSETS (IN RS. CR.)	RETURN ON ASSETS
2016-17	152.53	2,192.57	6.96
2017-18	122.77	2,571.58	4.77
2018-19	111.97	2,619.86	4.27
2019-20	132.21	3,198.81	4.13
2020-21	121.79	3,239.66	3.76

[G-4.8.] RETURNS ON ASSET



Interpretations:

- The above table and diagram shows how efficient a company's management is in generating earnings from their economic resources or assets on their balance sheet.
- The returns on assets in the year 2016-17 was 6.96% which shows the company is more efficient in managing its balance sheet to generate profits.
- Further the company's return on assets decreases every year i.e. in 2017-18 as 4.77%, 2018-19 as 4.27% ,2019-20 as 4.13% and 2020-21 as 3.76% respectively.

4.4.5. EARNINGS PER SHARE:

Earnings per Share measures the overall profit generated for each share in existence over a particular period. Earnings on share capital shows that how much company is able to utilize their capital in proper manner. The investors also get the idea of how efficiently company works and protect the interest of investors. Earnings per share of company depends on profit of the company.

EARNING PER SHARE = NET PROFIT AVAILABLE FOR EQUITY SHAREHOLDERS/ NO. OF EQUITY SHARES.

YEARS	NET PROFIT AVAILABLE FOR EQUITY SHAREHOLDERS (IN RS.CR.)	NO. OF SHARES	EARNINGS PER SHARE
2016-17	152.53	89,936,105	16.96
2017-18	122.77	89,951,105	13.65
2018-19	111.97	95,570,388	11.72
2019-20	132.21	95,999,788	13.77
2020-21	121.79	96,313,888	12.65

Interpretations:

- The above table and diagram shows the earnings on per equity share of company. Earnings per share of the company in 2016-17 is 16.96.
- It shows decline of earning per share in the year 2017-18 as 13.65 and 2018-19 as 11.72 respectively.
- In the year 2019-20 the EPS of the company is 13.77, it shows that the company management works very efficiently and effectively to change the picture of the company. But further it shows decrease in EPS to 12.65 in 2020-21.

4.4.6. DIVIDEND PER SHARE:

This ratio gives the amount of dividend available for each equity share. This ratio is useful for shareholders to know what amount of current income they are going to earn on one equity share.

DIVIDEND PER SHARE = EQUITY DIVIDEND/ NO. OF EQUITY SHARES

YEARS	Equity Dividend (IN RS.CR.)	NO. OF SHARES	Dividend Per Share
2016-17	44.97	89,936,105	5
2017-18	58.47	89,951,105	6.5
2018-19	71.68	95,570,388	7.5
2019-20	96.00	95,999,788	10
2020-21	96.31	96,313,888	10

Interpretations:

- ❑ The above table and diagram shows the dividend on per equity share of company.
- ❑ There is a positive growth in the dividend per share of company as there is increase in profit available for equity shareholders.
- ❑ Dividend per share of the company in 2016-17 is Rs.5, 2017-18 as Rs.6.5, 2018-19 as Rs.7.5,2019-20 as Rs.10 and 2020-21 as Rs.10 respectively.
- ❑ The high interest is paid to protect the interest of investors in the company.

4.4.7. DIVIDEND PAYOUT RATIO:

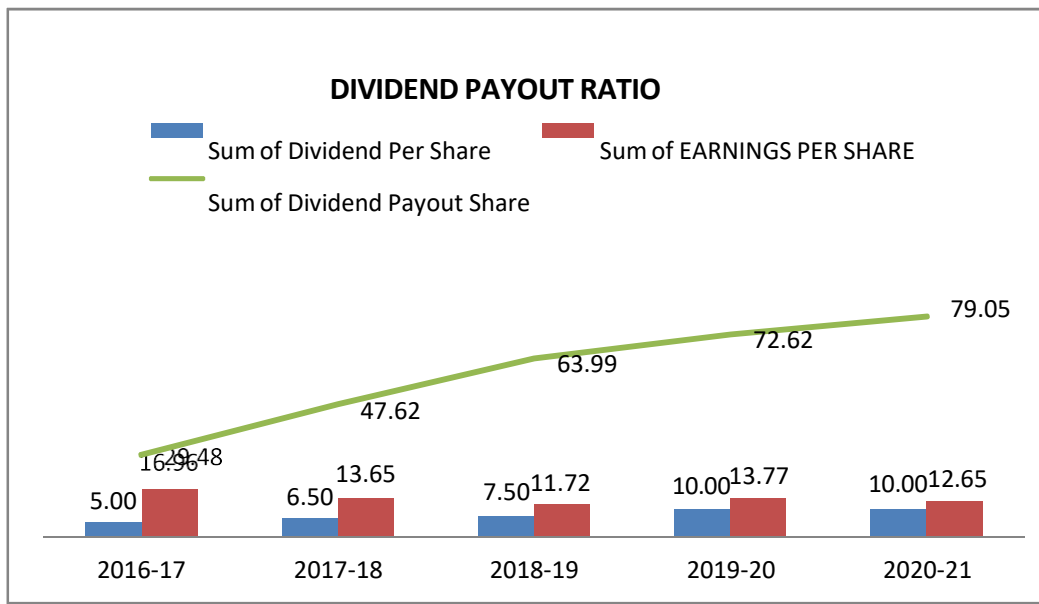
Pay-out Ratio relates dividend payment to company's profits. Payout ratio shows dividend policy of the company. Normally a Growth Share will have low Payout ratio as company will re-invest most of its profits on new projects.

Dividend payout ratio is a type of coverage ratio. Dividend Payout Ratio shows the relationship between the dividend paid to equity shareholders out of the profits available to the equity shareholders.

DPS = DIVIDEND PAID TO EQUITY SHAREHOLDERS / PROFIT AVAILABLE TO EQUITY SHAREHOLDERS X 100

YEARS	DIVIDEND PER SHARE	EARNINGS PER SHARE	DIVIDEND PAYOUT RATIO
2016-17	5.00	16.96	29.48
2017-18	6.50	13.65	47.62
2018-19	7.50	11.72	63.99
2019-20	10.00	13.77	72.62
2020-21	10.00	12.65	79.05

[G-4.11.] DIVIDEND PAYOUT RATIO:



Interpretations:

- The above table and diagram shows the relationship between the profits and the claims of outsiders to be paid out of such profits.
- Its purpose is to measure the dividend paying capacity of the company. The company pays 29.48% of EPS in 2016-17.
- In the year 2017-18 ,2018-19, 2019-20 and 2020-21, the company pays 47.62%, 63.99%, 72.62% and 79.05% respectively.
- The company pays more dividend so as to protect the interest of investors in the company.

4.4.8. INVENTORY TURNOVER RATIO:

It measures the efficiency of the firm to manage its inventory. Inventory turnover indicates the efficiency of the firm in producing and selling its product. It is calculated by dividing the cost of goods sold by the average inventory. The Inventory turnover shows how rapidly the inventory is turning into receivable through sales.

A high inventory turnover indicates good inventory management.

A low inventory turnover implies excessive inventory levels than warranted by production and sales activities or a slow moving or obsolete inventory.

INVENTORY TURNOVER RATIO = SALES / AVERAGE INVENTORY

YEARS	SALES (IN RS.CR.)	INVENTORY (IN RS.CR.)	INVENTORY TURNOVER RATIO
2016-17	3039.48	462.83	6.57
2017-18	3494.82	515.48	6.78
2018-19	4079.87	580.45	7.03
2019-20	4253.46	1002.07	4.24
2020-21	4757.97	857.75	5.55

Interpretations:

- The above table and diagram shows how rapidly the inventory is turning into receivable through sales.
- The inventory turnover ratio in the year 2016-17 and 2017-18 is 6.57 times and 6.78 times which means that during the year the stock was converted into sales 6.57 times and 6.78 times respectively.
- The inventory turnover further decreases in the year 2017-18 as 4.24 times and 2018-19 as 5.55 times which shows that stock is being turned into sales at a slow speed. In the year 2016-17, the stock was converted into sales 7.03 times which is better for the company's future.

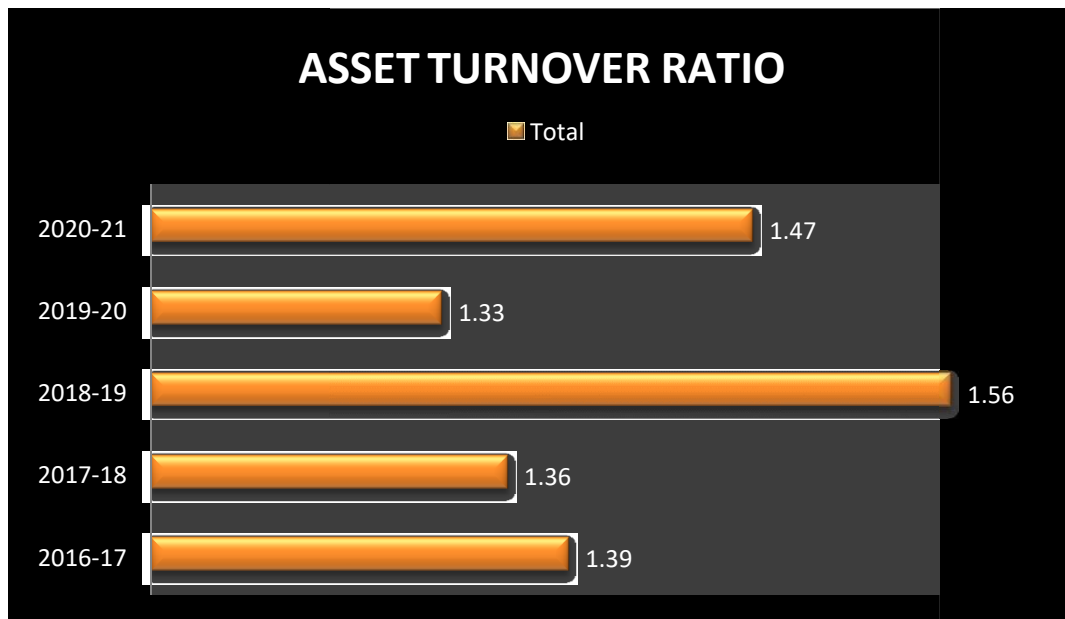
4.4.9. ASSETS TURNOVER RATIO:

A measure of total asset utilization it helps to answer the questions – what sales are generated by each rupee's worth of assets invested in the business. This ratio shows the Company's ability in generating sales from all financial resources committed to total assets.

Total Assets Turnover Ratio = Sales / Total Assets

YEARS	SALES (IN RS.CR.)	TOTAL ASSETS (IN RS. CR.)	ASSET TURNOVER RATIO
2016-17	3039.48	2,192.57	1.39
2017-18	3494.82	2,571.58	1.36
2018-19	4079.87	2,619.86	1.56
2019-20	4253.46	3,198.81	1.33
2020-21	4757.97	3,239.66	1.47

[G-4.13.] ASSET TURNOVER RATIO:



Interpretations:

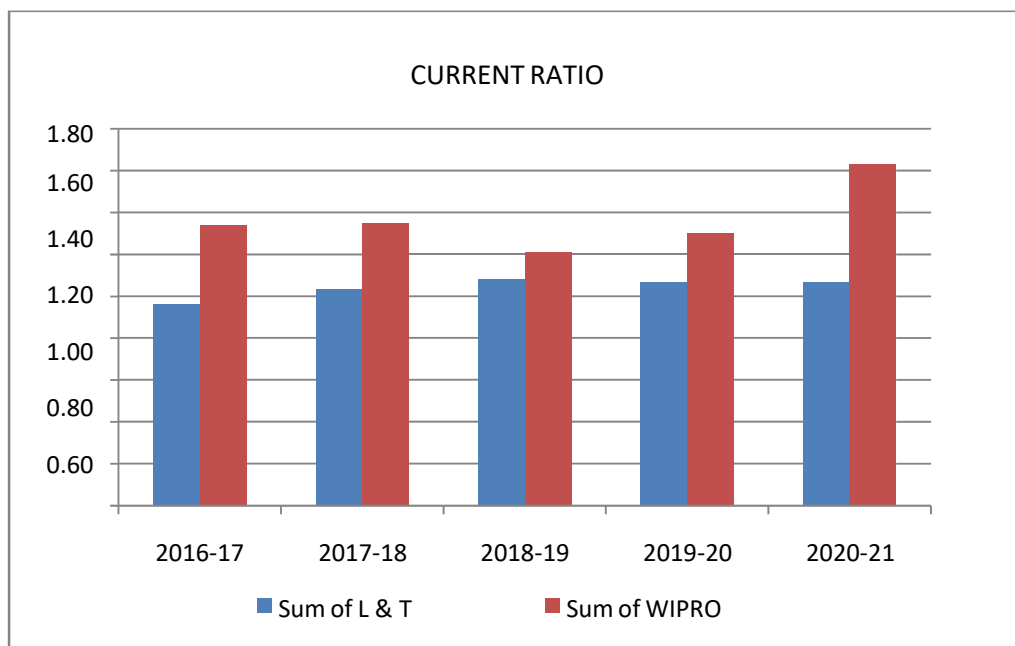
- Asset turnover ratio is the total sales or revenue to average assets. This metric helps investors understand how effectively companies are using their assets to generate sales.
- The Asset Turnover Ratio of Blue Star Limited has a fluctuating trend from the year 2020 to 2019.
- It is the highest in the year 2016-17 which indicates that the company is using their assets effectively to generate sales.
- It is the lowest in 2017-18 but has a sudden increase in 2018-19 which shows a good current position of the company.

4.5 INTER COMPANY RATIO ANALYSIS:

4.5.1. Current Ratio:

YEARS	L&T	WIPRO
2016-17	0.96	1.34
2017-18	1.03	1.35
2018-19	1.08	1.21
2019-20	1.07	1.3
2020-21	1.07	1.63

[G-4.14.] CURRENT RATIO:



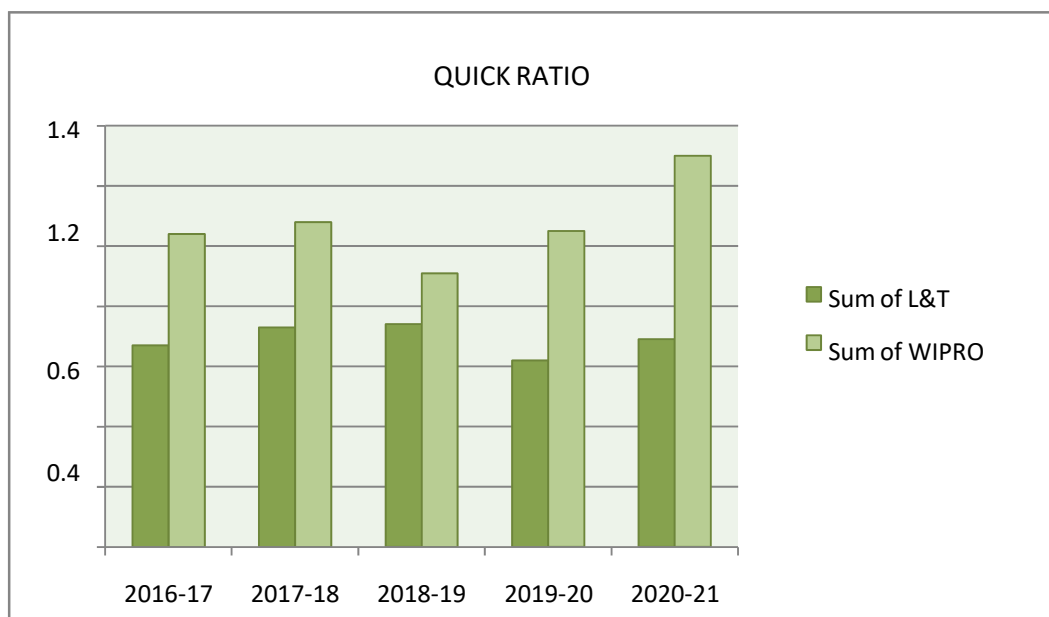
Interpretations:

- The above table and diagram shows that the current ratio of WIPRO is more better than the current ratio of L &T Company.
- It indicates that the Wipro is more capable to pay its short term liability through its current assets as compared to L&T.

4.5.2. QUICK RATIO:

YEARS	L&T	WIPRO
2014-15	0.67	1.04
2015-16	0.73	1.08
2016-17	0.74	0.91
2017-18	0.62	1.05
2018-19	0.69	1.3

[G-4.15.] QUICK RATIO:

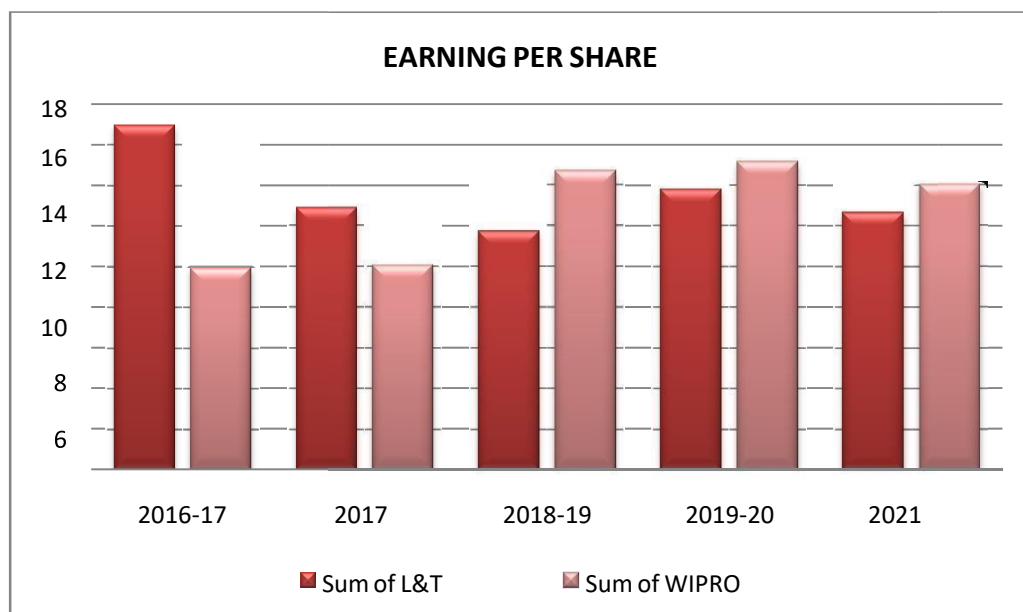


Interpretations:

- The above table and diagram shows that the Quick ratio of Wipro is more better than the Quick ratio of L&T Company.
- It indicates that the Wipro is more capable to pay its short term liability through its quick assets as compared to L&T Ltd.

4.5.3. EARNINGS PER SHARE:

YEARS	L&T	Wipro
2016-17	16.96	9.95
2017-18	12.88	10.06
2018-19	11.73	14.69
2019-20	13.80	15.15
2020-21	12.66	14.04



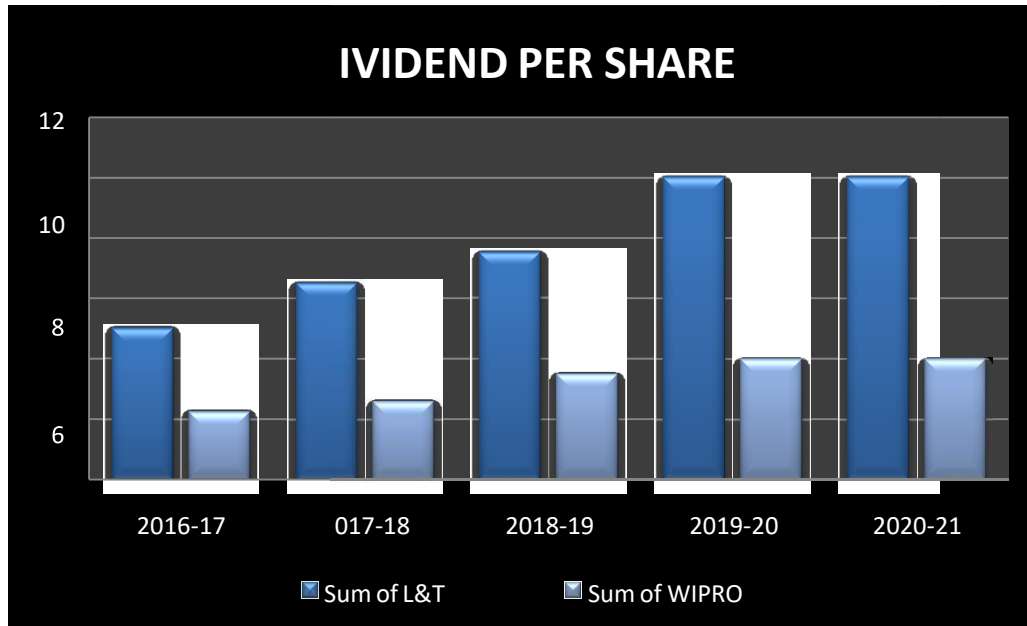
Interpretations:

- The above table and diagram shows that earnings on per equity share of companies.
- Earning on share capital shows that how much companies are able to utilized there capital in proper manner.
- The investors also get the idea of how efficiently companies works and protect the interest of investors. It depends on profit of the company.
- The earnings per share of L&T was better than earnings per share of Wipro ltd in the year 2016-17 and 2017-18.
- From 2018-19 onwards, wipro company is in better position due to its optimumutilization of capital resources.

4.5.4. DIVIDEND PER SHARE.

YEARS	L&T	WIPRO
2016-17	5.00	2.25
2017-18	6.50	2.60
2018-19	7.50	3.50
2019-20	10.00	4.00
2020-21	10.00	4.00

[G-4.17.] DIVIDEND PER SHARE



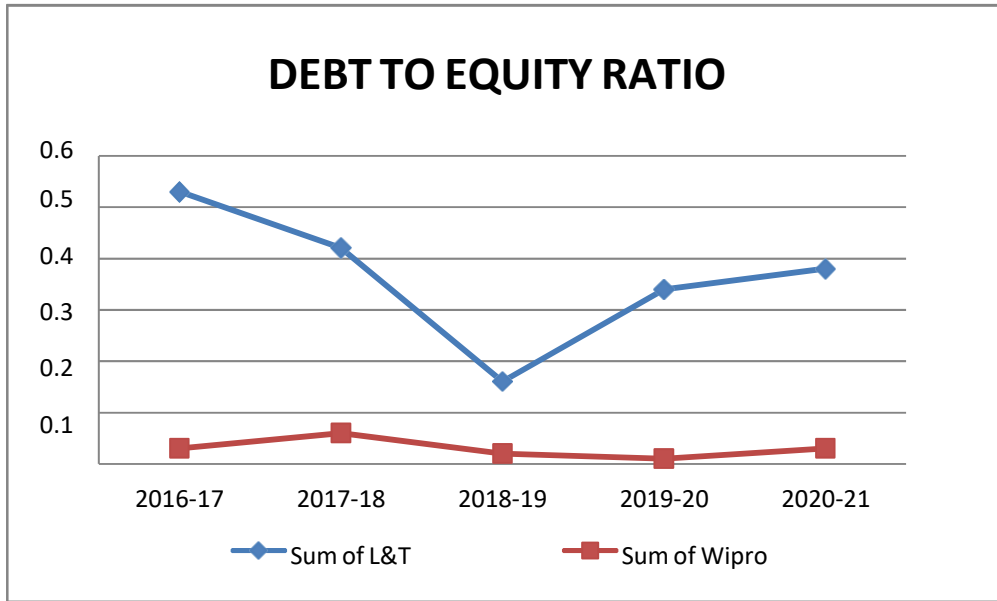
Interpretations:

- The above table and diagram shows the dividend on per equity share of company.
- There is a positive growth in the dividend per share of L&T Ltd as there is increase in profit available for equity shareholders.
- Dividend per share of the L&T Ltd is more as compared to Wipro Ltd.
- The high interest is paid to protect the interest of investors in the company.

4.5.5. DEBT EQUITY RATIO:

YEARS	L&T	Wipro
2016-17	0.53	0.03
2017-18	0.42	0.06
2018-19	0.16	0.02
2019-20	0.34	0.01
2020-21	0.38	0.03

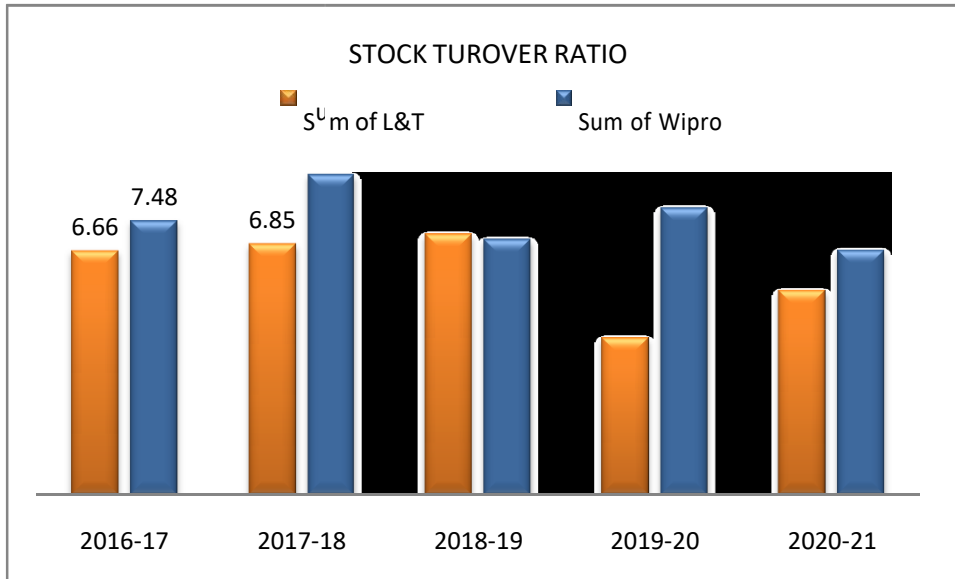
[G-4.18.] DEBT TO EQUITY RATIO



4.5.6. STOCK TURNOVER RATIO:

YEARS	L&T	Wipro
2016-17	6.66	7.48
2017-18	6.85	8.73
2018-19	7.12	6.97
2019-20	4.29	7.83
2020-21	5.58	6.67

[G-4.19.] STOCK TURNOVER RATIO



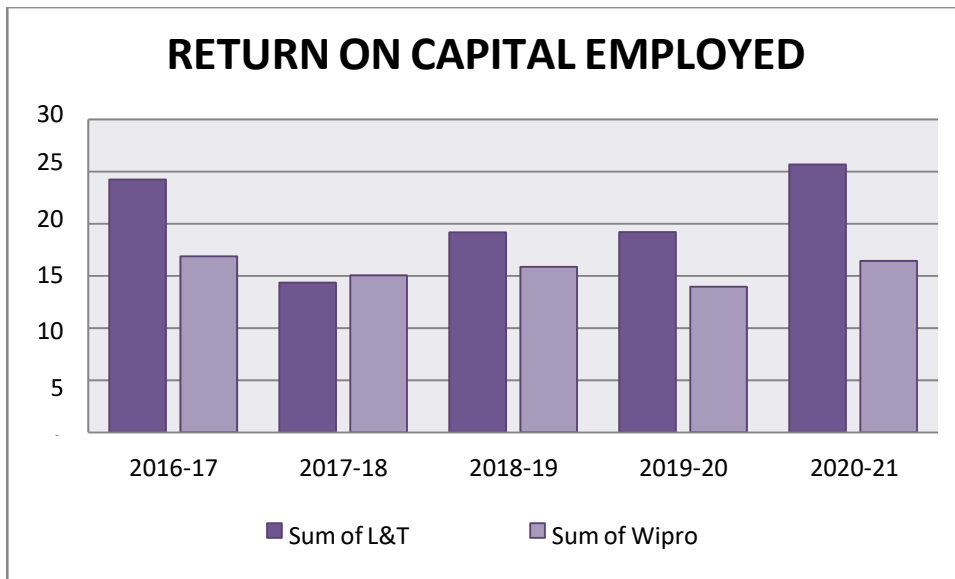
Interpretations:

- Stock turnover ratio of wipro ltd indicates how efficiently the stocks are managed and utilized to generate sales.

RETURN ON CAPITAL EMPLOYED:

YEARS	L&T	Wipro
2016-17	24.22	16.86
2017-18	14.36	15.07
2018-19	19.18	15.87
2019-20	19.21	13.96
2020-21	25.66	16.45

RETURN ON CAPITAL EMPLOYED



Interpretations:

- The above table and diagram shows that how well a company is generating profit from its capital employed. The return on capital employed of L&T is more better than the Return on capital employed of Wipro ltd.

CHAPTER NO.5:

Findings, Suggestions and Conclusion

FINDINGS

1. According to the Trend analysis of Balance Sheet of L&T Limited from the year 2017 to 2021 in which the base year is 2017, there is a increase in Non- Current liability of 300.89% as compared to 2017. Non- Current Assets has an increase of only 19.53% as compared to 2017.
2. According to the Trend analysis of Income Statement of L&T Limited from the year 2017 to 2021 in which the base year is 2017. There is a decrease in Net profit of 20.15% in comparison to the base year. The overall scenario reveals that the performance of the company is not good in 2021 as compared to the previous years.
3. According to the Common Size Balance Sheet of L&T Limited from the year 2017 to 2021, it is found that non-current assets are 25.45% of the total assets while non-current liabilities are 0.56% of the total liabilities. As compared to the previous years, the shareholder's funds are highest in the year 2019.
4. According to the Common Size Income Statement of L&T Limited from the year 2017 to 2021, in comparison to the Gross Revenue of 2021, the company earns above 100% total income but the expenditure of the company is around 97% which leaves the company with the profit of nearly 3% which is very low. This shows that there is a decline in the current profits of the company.
5. According to the Intra Company Ratio Analysis of L&T Limited from the year 2017 to 2021, it is found that :
 - As per the profitability ratios, the profitability of the company in the year 2021 has declined as compared to the previous years.
 - As per the liquidity and solvency ratios, the total assets of the company are funded maximum by the owned funds.

- The debt of the company was nil throughout the five financial years which shows the imbalanced leverage of the company.
- The current and quick ratios of the company are average in the year 2021 as compared to the previous years. It shows that the company being below the standard 2, is not satisfactory and is not capable to pay its short term liability out of its current assets.
- As per the Management Efficiency ratios, the overall management of the company is good during the period from 2017 to 2021. But the inventory turnover decreases in the year 2018-19 as 5.55 times which shows that stock is being turned into sales at a slow speed.

6. According to the Inter Company Ratio Analysis of L&T Limited with Wipro Ltd from the year 2017 to 2021, it is found that :

- As the Profitability ratios, the profitability of L&T Limited is better than Wipro Limited.
- As per the liquidity and solvency ratios, the overall solvency and liquidity of Wipro Limited is the highest as compared to L&T Ltd except the Debt Equity ratio which is the highest of the L&T Limited.
- Management efficiency ratios of Wipro Limited are good in terms of the inventory turnover ratio because the company invests more in current assets and current liabilities rather than inventories and accounts receivables.

SUGGESTIONS

- ✓ The leverage of the company must be managed properly which will improve the liquidity and solvency ratios of the company.
- ✓ The company needs to reduce the overall expenditure so that the overall profit increases.
- ✓ L&T Limited needs to increase the debt equity ratio by adding borrowed funds to the capital and reducing the dependency on the owned funds.
- ✓ The company must adopt the strategies followed by Wipro Limited and improve its overall performance.
- ✓ The management of the company must also study the market position and also the demand prevailing in the market for the products and thus will guide them to enhance their sales volume.
- ✓ Management of the company is overall good though has a scope of improvement so as to increase the valuation of the company.

Conclusions

This study was conducted to evaluate the financial performance analysis of Larsen and Toubro Limited, for the period of 5 years ranging from 2017 to 2021. It helps to explore the strength and weakness of the company . it also helps to know the financial position of every year and differentiate between this five years , the growth pf the company and its finances . Examination and explanation of financial statements show that, the present financial position of Larsen and Toubro Limited is great as compared to the previous year but better than the position in the year 2019. The central focus of the study was to conduct an evaluative study of the financial statement of the company by using ratio investigation, income statement , common size financial statements and trend analysis by taking into accounts the past years of the company's financial statements. The study concluded that company's overall financial performance is good and further it can improve if the company concentrates on its operating, administrative and selling expenses and by reducing expenses .

Bibliography

- [https://en.wikipedia.org/wiki/Larsen & Toubro](https://en.wikipedia.org/wiki/Larsen_%26_Toubro)
- <https://www.wallstreetmojo.com/types-of-financial-statements/>
[https://en.wikipedia.org/wiki/Major appliance](https://en.wikipedia.org/wiki/Major_appliance)
- www.larsenandtoubro.com
- <https://www.moneycontrol.com/india/stockpricequote/infrastructure-general/larsentoubro/LT>
- <https://www.tickertape.in/stocks/larsen-and-toubro-LART/financials?checklist=basic>
- <https://graduateway.com/a-literature-review-analysis/>
- [https://en.wikipedia.org/wiki/Larsen %26 Toubro](https://en.wikipedia.org/wiki/Larsen_%26_Toubro)
- <https://www.forbes.com/companies/larsen-toubro/?sh=>
- <https://www.equitymaster.com/research-it/annual-results-analysis/LART/LT-2019-20-Annual-Report-Analysis/841>
- <https://www.equitymaster.com/research-it/annual-results-analysis/LART/LT-2020-21-Annual-Report-Analysis/950>
- <https://www.equitymaster.com/research-it/annual-results-analysis/LART/LT-2018-19-Annual-Report-Analysis/950>
- <https://www.equitymaster.com/research-it/annual-results-analysis/LART/LT-2017-18-Annual-Report-Analysis/12/>
- <https://corporatefinanceinstitute.com/resources/knowledge/finance/ratio-analysis/>
- <https://www.moneycontrol.com/annual-report/larsentoubro/directors-report/lt#lt>
- https://www.moneycontrol.com/india/stockpricequote/infrastructure-general/larsentoubro/lt#sec_finanl
- <https://www.moneycontrol.com/financials/larsen&toubro/consolidated-balance-sheetVI/lt>