

DELHI SCHOOL OF BUSINESS

By Vivekananda Institute of Professional Studies - TC

Delhi School of Business
PGDM (Gen)Program
END- TERM EXAMINATION, OCT 2023
TERM – I (Batch: 2023-25)

Course Name	Financial Reporting & Analysis	Course Code	FRA
Duration	2.5 hours	Max. Marks	40

Instructions:

1. Attempt all questions.
2. Your answer should be in neat, clean and legible handwriting with no crossings/cuttings etc.

Q1. (A) L&T is a company that has multiple businesses. You are required to analyse its financial performance based on different parameters like profitability, liquidity, solvency, operating performance and market perception of the company. Draw your inferences. (15 Marks) CO3

(B) Apply DUPONT Analysis of L&T and draw your conclusions. (8 Marks) CO3

Q2. Ratio Analysis is only first step towards understanding Financial Health of a business organization. Elaborate. Also, explain how companies manipulate their accounts (*Window Dressing*) (7 Marks) CO2

Q3. Write short Notes on: (10 Marks, CO1,2)

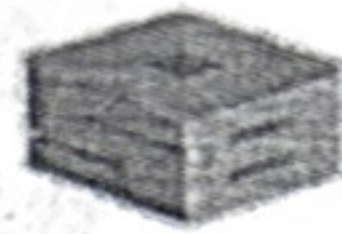
1. Property, Plant & Equipment
2. Other Comprehensive Income
3. Financial Risk Management Policy
4. Share Capital of a company
5. Leases & their classification.

Please find below the balance sheet of L&T

LARSEN & TOUBRO
BALANCESHEET AS ON MARCH 31
Year


DELHI SCHOOL OF BUSINESS
 By Vivekananda Institute of Professional Studies - TC

	2022	2023
ASSETS		
NON-CURRENT ASSETS		
property, plant and equipment	7908.37	8570.7
capital work-on-progress	571.5	1938.38
investment property	589.64	568.57
goodwill	47.29	47.29
other tangible assets	147.29	146.81
intangible assets under development	11.26	16.39
right-of-use assets	420.59	422.59
financial assets		
Investments	27049.5	27036.97
Loans	4048.58	3306.81
Other financial assets	523.8	407.22
Deferred tax assets (net)	31657.88	30751
Other non-current assets	1140.3	1539.14
	3990.3	3883.03
SUB TOTAL- NON-CURRENT ASSETS	46484.42	47883.9
CURRENT ASSETS		
Inventories	3132.51	3428.56
Financial assets		
Investments +	18478.22	20224.29
Trade receivables +	36347.35	33152.58
Cash and cash equivalents +	5718.23	3802.49
Other bank balances +	780.28	767.25
Loans +	249.6	168.29
other financial assets =	2182.44	3527.9
	63756.12	61642.7
other current assets	55129.23	57128.31
SUB-TOTAL -CURRENT ASSETS	122017.86	122199.6
group of assets classified as held for sale		2341.02
TOTAL ASSETS	168502.28	172424.5
EQUITY AND LIABILITIES		
EQUITY		
equity share capital	281.01	281.1
other equity	66833.04	71'246.85
total equity	67114.05	71527.95
LIABILITIES		
a. Non-current liabilities		
Financial liabilities		



DELHI SCHOOL OF BUSINESS

By Vivekananda Institute of Professional Studies - TC

borrowings	12968.41	9390.85
lease liability	53.98	50.12
other financial liabilities	145.25	108.41
	13167.64	9549.38
Provisions	645.27	636.97
other non-current liabilities	7.84	7.05
SUB-TOTAL-NON-CURRENT LIABILITIES	13820.75	10193.4
b. Current Liabilities		
Financial liabilities		
borrowings	2097.39	3179.36
current maturities of long term borrowings	5232.49	5580.88
lease liability	124.44	137.32
trade payables due to MSME	473.67	751.71
due to others	44911.67	41028.66
other financial liabilities	3317.63	4117.92
sub-total	56157.29	54795.85
other current liabilities	28888.84	32277.37
provisions	1861.48	1832.37
current tax liabilities (net)	659.87	799.07
sub-total current liabilities	87567.48	89704.66
liabilities associated with the group of assets		
classified as held for sale		998.48
TOTAL LIABILITIES	101388.23	100896.5
TOTAL EQUITY AND LIABILITIES	168502.28	172424.5

PROFIT AND LOSS YEAR ENDED MARCH,31		
	2022	2023
INCOME		
revenue from operators	101000.41	110501
other income(net)	3612.65	4034.95
TOTAL INCOME	104613.06	114535.9
EXPENSES :		
Manufacturing, construction and operating expenses		
cost of raw materials components consumed	12590.86	13163.05
construction materials consumed	31445.49	38098.69



DELHI SCHOOL OF BUSINESS

By Vivekananda Institute of Professional Studies - TC

purchase of stock-in-trade	1070.62	1076.29
stores, spares and tools consumed	2718.52	4260.17
sub-contracting charges	25166.38	24352.62
changes in inventories of finished goods, stock-in-trade and work in progress	-1944.37	-2930.73
other manufacturing, construction and operating expenses	10517.85	12373.24
sub-total	81565.35	90394.33
Employee benefits expense	7396.88	8298.22
Sales, administration and other expenses	2982.68	2513.81
Finance costs	1754.24	2125.23
Depreciation, amortisation, impairment and obsolescence	1172.5	1371.64
TOTAL EXPENSE	94871.41	104703.2
Profit before exceptional items	9741.41	9832.7
Exceptional items before tax (net) (gain/loss)	290.06	
Tax expense on exceptional items	22.77	
Exceptional items (net of tax)	267.29	
PROFIT BEFORE TAX	10008.7	9832.7
Tax expenses :		
current tax	2405.17	2334.76
deferrerd tax	275.92	351.03
TOTAL TAX EXPENSES	2129.25	1983.73
NET PROFIT AFTER TAX	7879.45	7848.97
OTHER COMPREHENSIVE INCOME		
A. ITEMS THAT WILL NOT BE RECLASSIFIED TO P/L		
gain/loss on remeasurement of the defined benefits plan	77.53	-33.9
income tax (expenses/income on remeasurment of definedbenefits plan carried forward - other comprehensive income	-19.51	8.53
brought carried forward - other comprehensive income	58.02	-25.37
	58.02	-25.37
B. ITEMS THAT WILL BE RECLASSIFIED TO P/L		
debt instruments through other comprehensive income	-177.9	-381.13



DELHI SCHOOL OF BUSINESS
By Vivekananda Institute of Professional Studies - TC

income tax (expense)/income on debt instruments through other comprehensive income		
	40.7	87.2
	-137.2	-293.93
Exchange differences in translating the financial statements of foreign operations	-26.59	-14.12
income tax(expenses)income on exchange differences I	6.69	3.55
	-19.9	-10.57

effective portion of gains/losses on hedging instruments in a cash flow hedge	69.17	132.89
income tax(expenses)income on effective portion of gains/losses) on hedging instruments in a cash flow hedge	-8.59	10.3
	60.58	122.59
cost of hedging reserve	3.06	0.06
income tax(expenses)income on cost of hedging reserve	-0.77	0.02
	2.29	0.04
Other comprehensive income for the year (net of tax)	-36.21	-452.5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	7843.24	7396.47
EARNINGS PER SHARE (EPS) OF RS2 EACH		
basic earnings share rs	56.09	55.85
diluted earnings per equity share rs	56.09	55.81
face value per equity share	2	2