Evidence Pack: LARSEN AND TOUBRO LIMITED

Standalone · FY2024-25 (year to 2025-03-31) with FY2023-24 comparatives · Rs Crore · generated 2026-10-31

3 of 12 flags raised. Integrity checks: 2 of 2 passed (balance sheet balances; cash flow adds up).

Revenue from operations **Rs 1,42,509 Cr**	Profit for the period **Rs 10,871 Cr**	Total assets **Rs 1,86,416 Cr**
Cash conversion (ongoing) **1.17x**	Debt to equity **0.18x**	Contingent liabilities to equity **201.25%**

What deserves a closer look

⚑ Contingent liabilities above 25% of equity

Claims, disputes or guarantees large enough to hurt the balance sheet if they turn real.

Numbers: 1,44,688.17 ÷ 71,895.84 × 100 = 201.25

Keep in mind: For construction companies and group parents, guarantees given for subsidiaries and bank guarantees for projects are often most of this figure, which is normal. The filing does not tag the split by type, so read the contingent liabilities note before drawing a conclusion.

⚑ Other income is more than 25% of profit before tax

A large part of profit does not come from the core business, so core profitability is weaker than the headline.

Numbers: 5,669.21 ÷ 13,573.76 × 100 = 41.77

Also shown: Interest income Rs 1,390.06 Cr; Dividend income Rs 2,977.27 Cr

Keep in mind: Look at the split shown. Dividends from subsidiaries and interest on surplus cash recur and are normal in a parent company's standalone accounts; gains on selling investments or assets do not recur.

⚑ Doubtful loans to related parties above 0.5% of equity

Money lent to group companies or other related parties may not come back.

Numbers: 1,270.45 ÷ 71,895.84 × 100 = 1.77

Also shown: Total lent to related parties before provision Rs 2,632.06 Cr

Checked and clear: Profit went up but operating cash flow went down, Receivables grew much faster than sales, Borrowings went up while cash could repay them, Less than 0.8 of ongoing profit arrived as cash, Interest cover below 3x, One-off gains make up more than 10% of profit, Auditor's report is qualified or has reservations, Contingent liabilities grew more than 50% in a year, Auditor fees grew much faster than revenue.

Source: AR_XBRL_LT_13012026165652.xml · SHA-256 `d2cfba3fe3d7193433ef662d8f7de9de689ec97739667fcc76ba9c51dd85e6bb`

Taxonomy: https://www.mca.gov.in/V3XBRL/2017/07/16/Taxonomy/Ind/in-ci-ent-2017-03-31.xsd · Definitions v1.4.1 · Generator v1.1.1

Every number in this pack is read from the XBRL filing above; nothing is estimated. Page 6 shows the inputs behind every flag.

2. Earnings quality: are the profits real?

Profitability and growth as filed, then whether profit turned into cash and how much came from outside the core business.

Profitability and growth

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Net profit margin Out of every Rs 100 of sales, how many rupees are left as profit.	7.63%	7.39%	`10,870.72 ÷ 1,42,509.01 × 100 = 7.63%`
EBITDA margin Operating earnings before interest, tax and depreciation, per Rs 100 of sales. Caution: Built from profit before tax, so it includes other income and any exceptional items.	12.44%	12.28%	`(13,573.76 + 2,195.46 + 1,963.02) ÷ 1,42,509.01 × 100 = 12.44%`
Return on equity Profit earned on every Rs 100 of the owners' money. Caution: Uses year-end equity, not the average of opening and closing.	15.12%	14.46%	`10,870.72 ÷ 71,895.84 × 100 = 15.12%`
Return on capital employed Profit before interest and tax earned on all long-term money in the business, owners' and lenders'. Caution: Uses year-end capital employed, not the average.	19.16%	17.78%	`(13,573.76 + 2,195.46) ÷ (1,86,416.35 - 1,04,109.06) × 100 = 19.16%`
Revenue growth How much sales grew compared with the year before.	12.89%	–	`(1,42,509.01 - 1,26,233.36) ÷ 1,26,233.36 × 100 = 12.89%`
Profit growth How much profit grew compared with the year before. Caution: Misleading when last year's profit was a loss or near zero.	16.50%	–	`(10,870.72 - 9,331.41) ÷ 9,331.41 × 100 = 16.50%`

Quality of earnings

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Cash conversion (ongoing business) How much of the profit from the ongoing business actually arrived as cash. Around 1 or more is healthy. Caution: Profit from a business sold or demerged is taken out because it is usually an accounting gain, not cash. Operating cash flow may still include that business's cash for the part of the year it was owned.	1.17x	0.89x	`12,723.98 ÷ (10,870.72 - 0.00) = 1.17x`

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Other income share of profit How much of pre-tax profit comes from outside the core business (interest, dividends, gains).	41.77%	46.97%	`5,669.21 ÷ 13,573.76 × 100 = 41.77%`
Receivable days Roughly how many days of sales are still waiting to be collected from customers. Caution: Uses year-end receivables, not the average.	98 days	107 days	`38,330.18 ÷ 1,42,509.01 × 365 = 98 days`
Bad-debt allowance coverage Share of gross customer dues already provided for as possibly uncollectable. Caution: Neither high nor low is good on its own: compare with the company's own history and with peers. Read from sliced data; the method is shown under the allowance.	10.59%	10.09%	`4,537.67 ÷ (38,330.18 + 4,537.67) × 100 = 10.59%`

Growth can be calculated for the current year only, because a filing holds two years. Ratios use year-end figures, not averages.

3. Balance sheet and hidden obligations

Debt and liquidity, then obligations that sit outside the balance sheet.

Debt and liquidity

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Debt to equity How many rupees of borrowings the company has for each rupee of owners' money.	0.18x	0.26x	`(9,286.00 + 3,743.58) ÷ 71,895.84 = 0.18x`
Net debt Borrowings left after using all cash and short-term investments. Below zero means more cash than debt.	Rs -15,342.26 Cr	Rs -3,958.54 Cr	`9,286.00 + 3,743.58 - 3,583.55 - 24,788.29 = Rs -15,342.26 Cr`
Interest cover How many times profit before interest covers the interest bill. Below 3 is thin.	7.18x	5.72x	`(13,573.76 + 2,195.46) ÷ 2,195.46 = 7.18x`
Current ratio Whether short-term assets are enough to pay short-term bills. Above 1 is comfortable.	1.27x	1.26x	`1,32,415.12 ÷ 1,04,109.06 = 1.27x`

Off-balance-sheet: contingent liabilities

ITEM	THIS YEAR	LAST YEAR	XBRL TAG
Contingent liabilities	1,44,688.17	1,46,871.78	`ContingentLiabilities`

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Contingent liabilities to equity Possible obligations not on the balance sheet (claims, disputes, guarantees) compared with the owners' money. Caution: Includes guarantees given for group companies where the filing does; a large share can be normal for a group parent.	201.25%	227.65%	`1,44,688.17 ÷ 71,895.84 × 100 = 201.25%`

4. Related parties: where money goes inside the group

61 related parties with transactions this year; 24 carry a CIN (the MCA company number), so they can be looked up in their own filings.

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Sales to related parties Share of revenue that comes from the company's own group and other related parties. Caution: Sums the per-party schedule; not available where a filing tags related parties only as text.	0.60%	0.56%	`855.90 ÷ 1,42,509.01 × 100 = 0.60%`

Totals by type of transaction (Rs Cr)

TRANSACTION TYPE	TOTAL THIS YEAR
Loans and finance given by the company	6,787.03
Loans and finance received by the company	5,819.71
Purchases from the party	3,954.44
Other income received	3,732.66
Contributions made	1,071.98
Other expenses paid	862.98
Sales to the party	855.90
Contributions received	96.54
Purchases of property and other assets	34.64

Largest counterparties by total value of transactions

PARTY	CIN	TOTAL (RS CR)	LARGEST FLOWS
L&T Realty Properties Limited Subsidiaries	U45203MH2008PLC180029	5,470.72	Loans and finance given by the company 2,934.16; Loans and finance received by the company 2,494.16; Other expenses paid 26.49
L&T REALTY DEVELOPERS LIMITED Subsidiaries	U29119MH1997PLC109700	3,567.25	Loans and finance given by the company 1,858.00; Loans and finance received by the company 1,598.00; Sales to the party 73.75
L&T VALVES LIMITED Subsidiaries	U74999MH1961PLC012188	2,243.28	Loans and finance received by the company 1,143.00; Loans and finance given by the company 1,070.00; Other expenses paid 30.28
L&T Modular Fabrication Yard LLC Subsidiaries	–	2,196.70	Purchases from the party 2,194.91; Other income received 1.79

PARTY	CIN	TOTAL (RS CR)	LARGEST FLOWS
LTIMINDTREE LIMITED Subsidiaries	L72900MH1996PLC104693	1,873.44	Other income received 1,516.25; Other expenses paid 194.09; Sales to the party 154.52
Larsen & Toubro Saudi Arabia LLC Subsidiaries	–	1,145.86	Purchases from the party 1,028.69; Other income received 116.28; Other expenses paid 0.89
L&T - MHI POWER TURBINE GENERATORS PRIVATE LIMITED Joint ventures where entity is venturer	U31101MH2006PTC166541	939.32	Loans and finance given by the company 477.87; Loans and finance received by the company 435.55; Other expenses paid 12.99
L & T FINANCE LIMITED Subsidiaries	U65990MH1994PLC083147	575.55	Other income received 575.55
L&T TECHNOLOGY SERVICES LIMITED Subsidiaries	L72900MH2012PLC232169	478.51	Other income received 466.42; Other expenses paid 6.72; Purchases of property and other assets 5.37
L&T SPECIAL STEELS AND HEAVY FORGINGS PRIVATE LIMITED Joint ventures where entity is venturer	U27109MH2009PTC193699	458.54	Purchases from the party 447.67; Other income received 7.76; Sales to the party 3.11

Loans to related parties

LOANS TO RELATED PARTIES	THIS YEAR	LAST YEAR
Total lent, before provision	2,632.06	2,372.28
Less: provided for as doubtful	1,270.45	1,730.39
Net of provision (carrying amount)	1,361.61	641.89

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Loans to related parties to equity How much of the owners' money is lent to group companies and other related parties.	1.89%	0.99%	`1,361.61 ÷ 71,895.84 × 100 = 1.89%`
Related-party loans provided as doubtful Out of every Rs 100 lent to group companies and other related parties, how much is already written down as unlikely to come back.	48.27%	72.94%	`1,270.45 ÷ 2,632.06 × 100 = 48.27%`

Standalone accounts include sales to the company's own subsidiaries; consolidated accounts remove them. Read related-party shares with the reporting scope in mind.

5. The auditor

Audit opinion	Not qualified (clean opinion) (field `WhetherAuditorsReportHasBeenQualified…`)

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Auditor fee growth How fast the audit bill is growing; compare it with revenue growth.	23.35%	–	`(10.83 - 8.78) ÷ 8.78 × 100 = 23.35%`

Compare auditor fee growth with revenue growth (12.89% this year); a flag is raised when fees grow more than 15 points faster.

CARO: points the auditor must report on

Favourable remarks (14 topics)

Fixed Assets	As detailed in footnote
Fixed Assets - Quantitative Detail	(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in progress, investment properties and relevant details of right-of-use assets. (B) The Company has maintained proper records showing full particulars of intangible assets.
Fixed Assets - Physical Verification	The Company has a program of physical verification of its property, plant and equipment and investment properties so to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain assets were due for verification during the year and were physically verified by the Management...
Title Deeds of Immovable Property	As detailed in footnote
Inventories	(a) The inventories except for goods in transit, were physically verified during the year by the Management at reasonable intervals. In case of real estate inventory wherein, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification to the extent of work completion by competent persons, are at reasonable intervals. In our...
Loans	As detailed in footnote
Compliance - Sections 185/186	The Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities during the year, as applicable.
Cost Records Maintenance	The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained during the year by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost...

Statutory Dues	In respect of statutory dues: (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. (b) There were no undisputed amounts payable in respect of Provident ...
Statutory Dues - Undisputed	(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insuran...
Statutory Dues - Disputed	Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below: Rs. crore Name of Statute Nature of Dues Forum where Dispute is Pending Period to which amount relates Amount Involved Amount Unpaid Goods and Services Tax Act, 2017 Dispute of questions of law, Classification dispute, Tax levied on goods-in-transit, labour charges &...
Default in Repayment of Financial Dues	(a) In our opinion, during the year, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority. (c) The Company has not taken any term loan during the year and there are no unutilized term loans at t...
Fraud Reporting	(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year. (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report. (c) We have taken into consideration, the whistle blow...
Related Party Transaction Compliance	In our opinion, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties undertaken during the year and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

Favourable remarks (1 topics)

Use of IPO/Term Loan Proceeds	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

6. Evidence and limitations

The inputs behind every raised flag and every integrity check, so each can be checked against the filing.

⚑ Contingent liabilities above 25% of equity

Rule: Contingent liabilities ÷ equity × 100 > 25
`1,44,688.17 ÷ 71,895.84 × 100 = 201.25 > 25.00 → yes`
Keep in mind: For construction companies and group parents, guarantees given for subsidiaries and bank guarantees for projects are often most of this figure, which is normal. The filing does not tag the split by type, so read the contingent liabilities note before drawing a conclusion.

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Contingent liabilities	`ContingentLiabilities`	1,44,688.17	Claims and guarantees not recognised as liabilities; may include guarantees given for group companies.
Total equity	`Equity`	71,895.84	

⚑ Other income is more than 25% of profit before tax

Rule: Profit before tax > 0 AND other income ÷ profit before tax × 100 > 25
`13,573.76 = 13,573.76 > 0.00 → yes`
`5,669.21 ÷ 13,573.76 × 100 = 41.77 > 25.00 → yes`
Keep in mind: Look at the split shown. Dividends from subsidiaries and interest on surplus cash recur and are normal in a parent company's standalone accounts; gains on selling investments or assets do not recur.

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Other income	`OtherIncome`	5,669.21	
Profit before tax	`ProfitBeforeTax`	13,573.76	
Interest income (shown for context, not used in the rule)	`InterestIncome`	1,390.06	
Dividend income (shown for context, not used in the rule)	`DividendIncome`	2,977.27	

⚑ Doubtful loans to related parties above 0.5% of equity

Rule: Allowance for doubtful loans to related parties ÷ equity × 100 > 0.5
`1,270.45 ÷ 71,895.84 × 100 = 1.77 > 0.50 → yes`

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Allowance for doubtful loans to related parties	`AllowanceForBadAndDoubtfulLoans [related parties]`	1,270.45	Read as: related-parties total; sum of security split.
Total equity	`Equity`	71,895.84	
Total lent to related parties before provision (shown for context, not used in the rule)	`LoansGross [ClassificationOfLoansAxis=related parties]`	2,632.06	Read as: related-parties total; sum of security split.

✓ Balance sheet balances

Rule: Total assets - Total equity and liabilities is within 0.5 Cr of zero
`1,86,416.35 - 1,86,416.35 = 0.00 <= 0.50 → yes`
`1,86,416.35 - 1,86,416.35 = 0.00 >= -0.50 → yes`

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Total assets	`Assets`	1,86,416.35	
Total equity and liabilities	`EquityAndLiabilities`	1,86,416.35	

✓ Cash flow adds up to the change in cash

Rule: (Operating + Investing + Financing + Currency effect) - Change in cash is within 0.5 Cr of zero
`12,723.98 + -6,352.28 + -6,725.16 + -3.98 - -357.44 = 0.00 <= 0.50 → yes`
`12,723.98 + -6,352.28 + -6,725.16 + -3.98 - -357.44 = 0.00 >= -0.50 → yes`

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Net cash from operating activities	`CashFlowsFromUsedInOperatingActivities`	12,723.98	
Net cash from investing activities	`CashFlowsFromUsedInInvestingActivities`	-6,352.28	
Net cash from financing activities	`CashFlowsFromUsedInFinancingActivities`	-6,725.16	
Effect of exchange rate changes	`EffectOfExchangeRateChangesOnCashAndCashEquivalents`	-3.98	
Net change in cash	`IncreaseDecreaseInCashAndCashEquivalents`	-357.44	

Source and method

Source file	AR_XBRL_LT_13012026165652.xml
SHA-256 fingerprint	`d2cfba3fe3d7193433ef662d8f7de9de689ec97739667fcc76ba9c51dd85e6bb`
Periods in the file	this year `I2025` (2025-03-31) · last year `I2024` (2024-03-31)
Taxonomy	https://www.mca.gov.in/V3XBRL/2017/07/16/Taxonomy/Ind/in-ci-ent-2017-03-31.xsd
Definitions	v1.4.1: formulas and thresholds are kept in one versioned file

Limitations

- Two years only (this year and last year), from one filing. No multi-year trends.
- Non-financial companies only. Banks, NBFCs and insurers use different layouts and are not covered.
- Receivable ageing and capital-work-in-progress ageing are not tagged in these filings and are not covered.
- Ratios use year-end values, not averages. Thresholds are common analyst rules of thumb, stated with each flag.
- Where a filing tags only text (for example a related-party schedule), the pack says so instead of estimating.

Descriptive analysis of a public regulatory filing. Not investment advice, a credit rating or an audit opinion. Flags are reasons to look closer.