

**A
RESEARCH PAPER
ON
EQUITY ANALYSIS ON LARSEN AND TOUBRO FINANCE LIMITED**



Submitted To

**TEERTHANKER MAHAVEERUNIVERSITY
MORADABAD**

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Abstract

In Today's world of competitive environment where people look for opportunities to earn extra income apart from their salaries. Investment is an option to use their savings to invest in various financial services. Investment decisions differs from individual to individual and every individual has his/her risk-return choice and capability. Equity analysis is the systematic study of the performance of a company in stock market with the help of fundamental and technical analysis. This research paper is an analysis of financial data and trend for Larsen and Toubro Finance Limited. Larsen and Toubro Finance Limited is one of the most well known subsidiary of Larsen and Toubro(L&T) and was incorporated as Non-Banking Financial Company in November,1994. It provides various financial products and services for trade, industry, and agriculture. The outcome of the research is to know that before investing in any company one should study about the Equity Analysis.

Key Words: Equity Analysis, Finance, Fundamental Analysis, Investment, Technical Analysis.

INTRODUCTION

This research study aims at evaluating equity and its importance in current scenario. Equity refers to the possession interest of investors in a business organization. These shares are owned by investors in the form of stock or preferred stock. Equity analysis is an important term which refers in evaluating of a trading instrument. Generally two types of analysis are being used –

1. Fundamental analysis
2. Technical analysis.

Under equity analysis, calculations are depended on FACTS and not on HOPE. It is seen in equity analysis that it does not take into consideration how to buy and sell these shares but it takes into consideration the decision of investors in buying and selling. Thus, the project report aims to analyse growth and interpret accordingly due to which it has resulted that investments in a few shares for a long period results in good yield. Larsen and Tourbo limited is basically a technology based driven engineering and construction one of the largest company which provides various

financial products and services for trade, industry, and agriculture. The outcome of the research is to know that before investing in any company one should study about the Equity Analysis.

OBJECTIVES

- To understand and gain knowledge of equity market and equity analysis.
- To examine the present behaviour of equity market and also predicting the future behaviour of equity market.
- To assess and generate more information about the shares .

Literature Review

Bettman, Emma j. Schultz, Jenni L in 2008 founded that Fundamental analysis and technical analysis both is flattering in nature and its has superior explanatory power when they are integrated.

Meenakshi gupta and Sannjay Sehgal in 2005 had discovery that investor's uses Technical data analysis along with the Fundamental analysis for the selection of the security.

Stephen H. Penman and Doron Nissim (2001) in his research **Envisages** had found out that the investor of L & T finance traditionally use Fundamental analysis for the equity valuation. They find this analysis more useful for them.

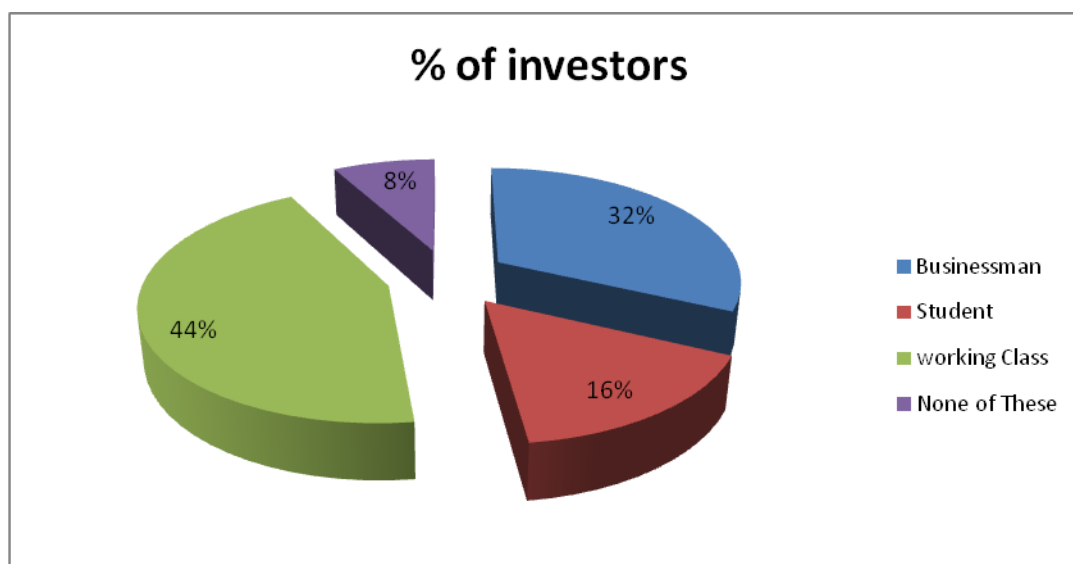
Thomas Oberlechner in 2001 had found out that Technical analysis is more well known and important as compared with the other forecasting approaches.

RESEARCH METHODOLOGY

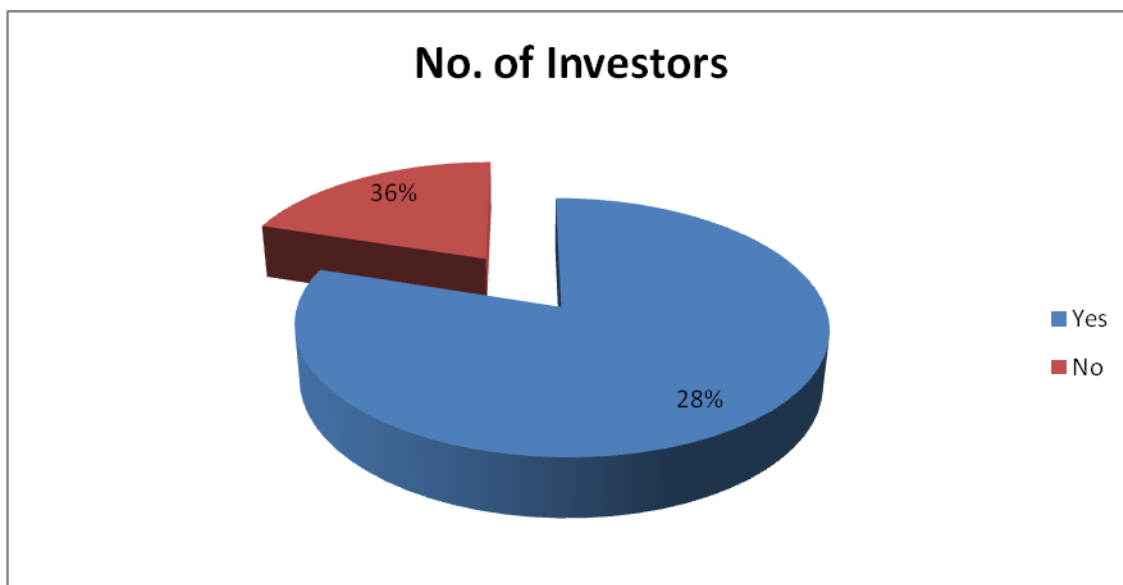
Data type	Primary and secondary data
Sampling Unit	Investors
Sampling Type	Convenience sampling
Sample Size	50
Research Tool	Questionnaire
Type of Research	Analytical research
Type Of Questions	Open Ended & Close Ended.
Data Collection Method	Questionnaire
Area	Rampur (U.P)

ANALYSIS & INTERPRETATION

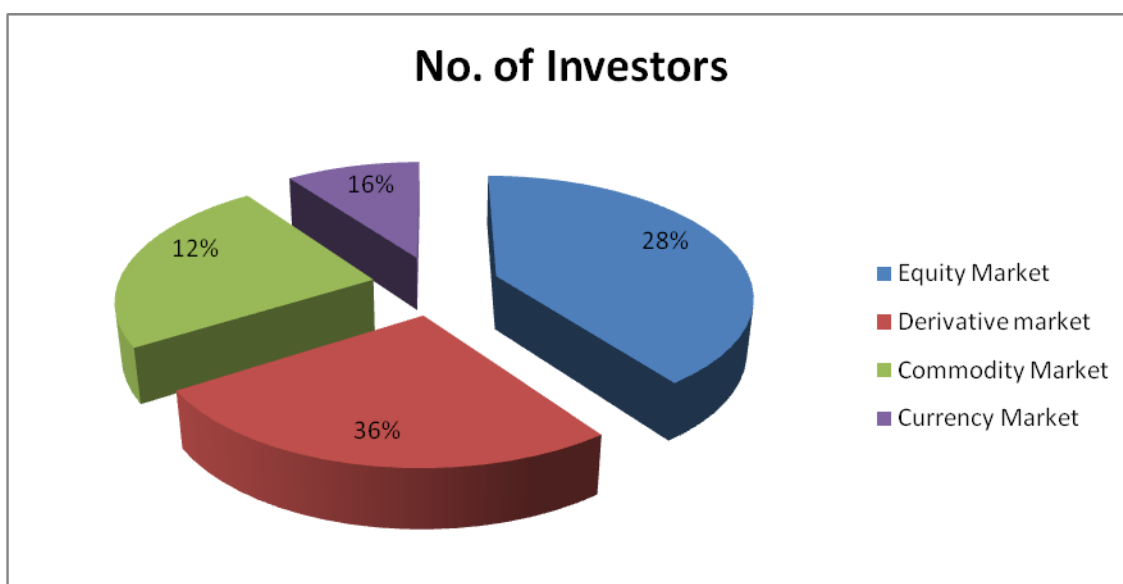
1. What is your occupation?



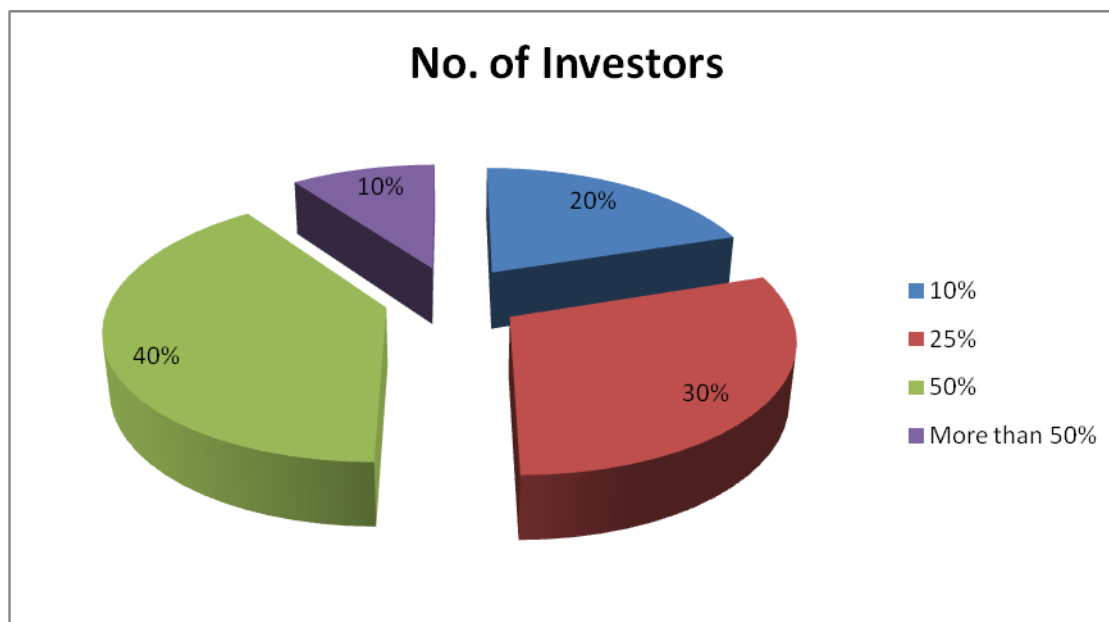
2. Are you Aware of Equity trading?



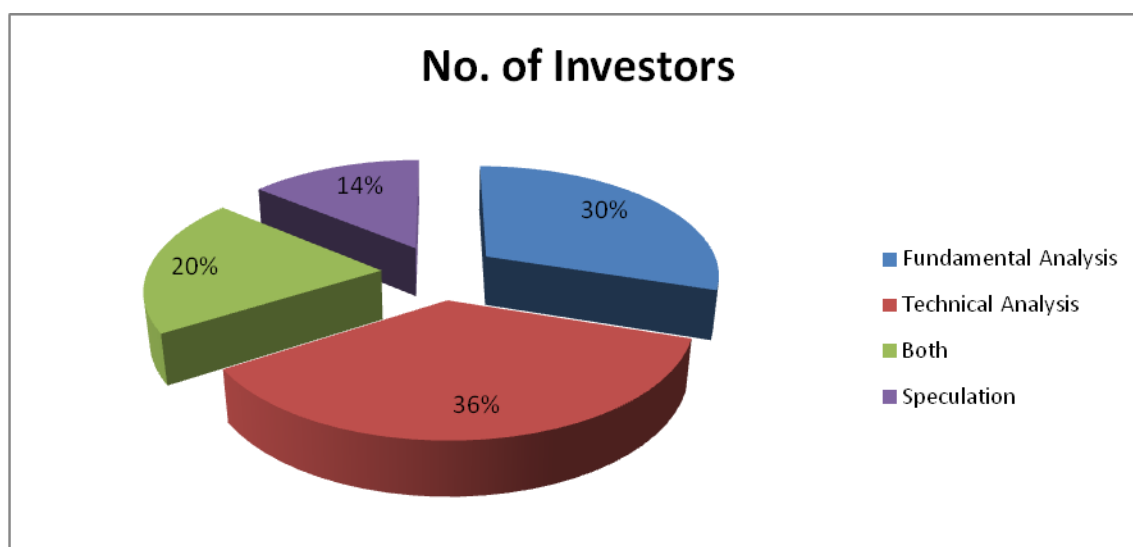
3. If Yes, how much % you invest in trading?



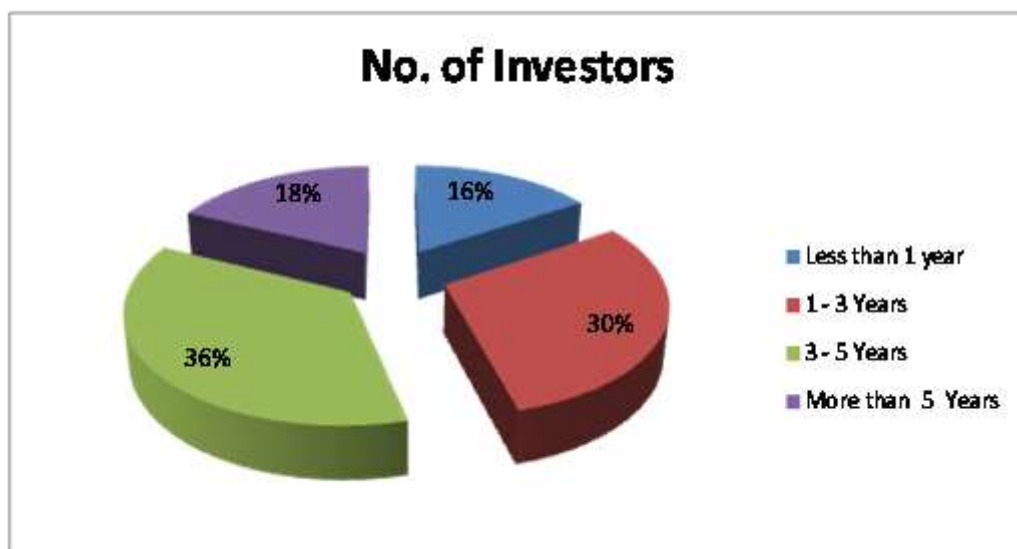
4. Is Yes, how much % you invest in trading?



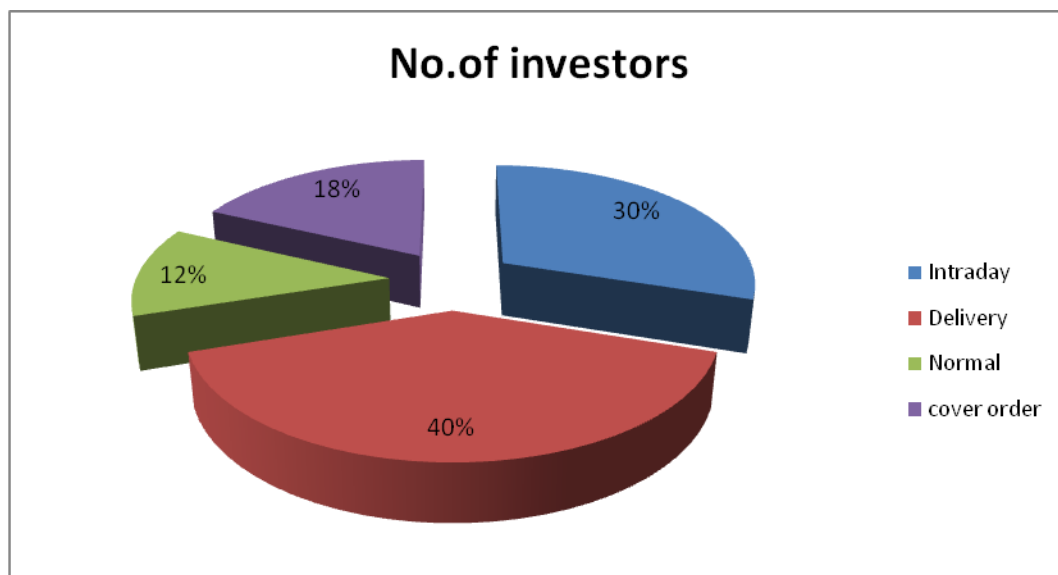
5. What are the factors to invest in Particular company?



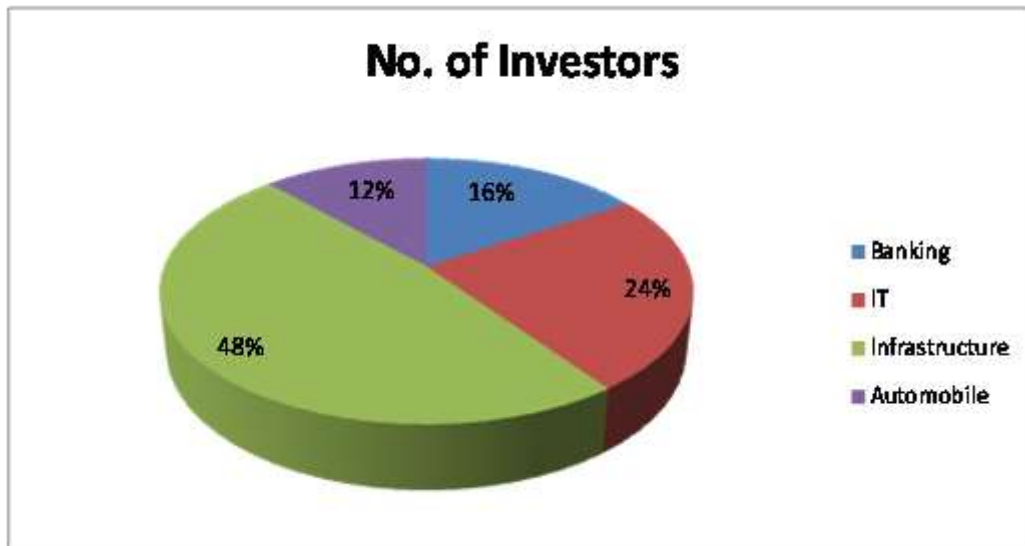
6. From how long you are investing in equity market?



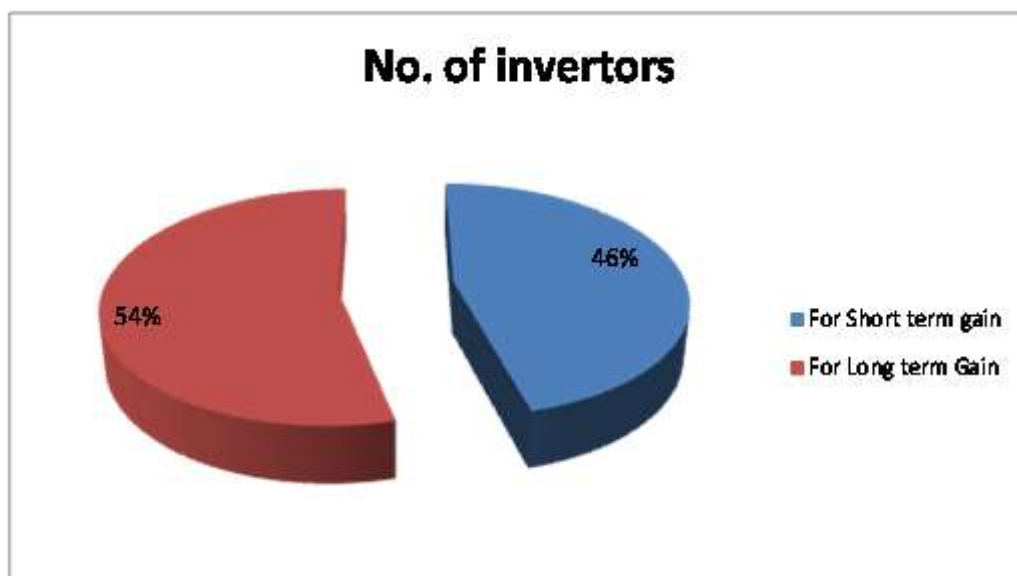
7. Generally what are the holding period for particular share?



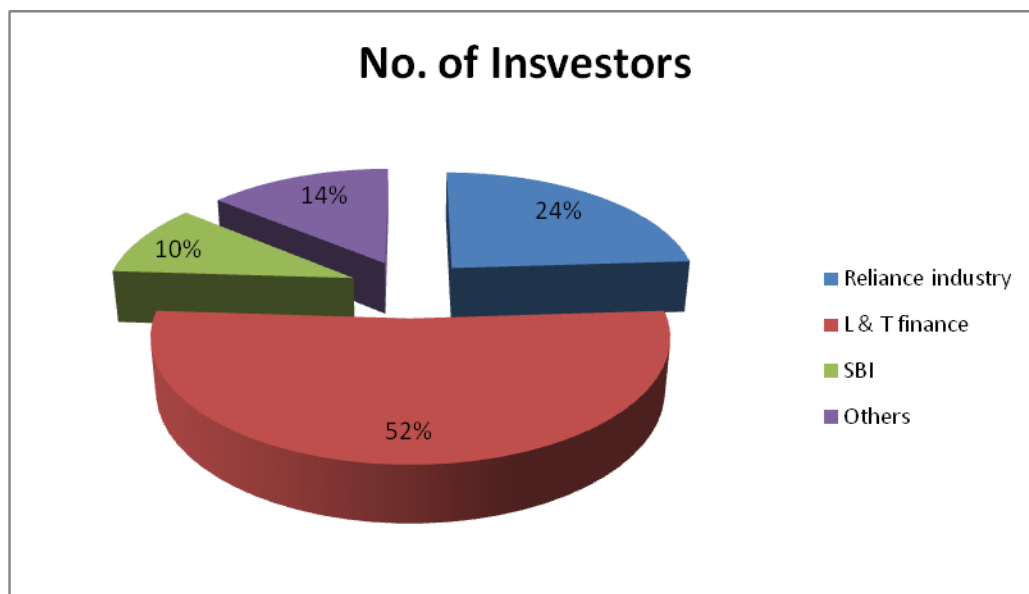
8. In which sector do you invest more in equity market?



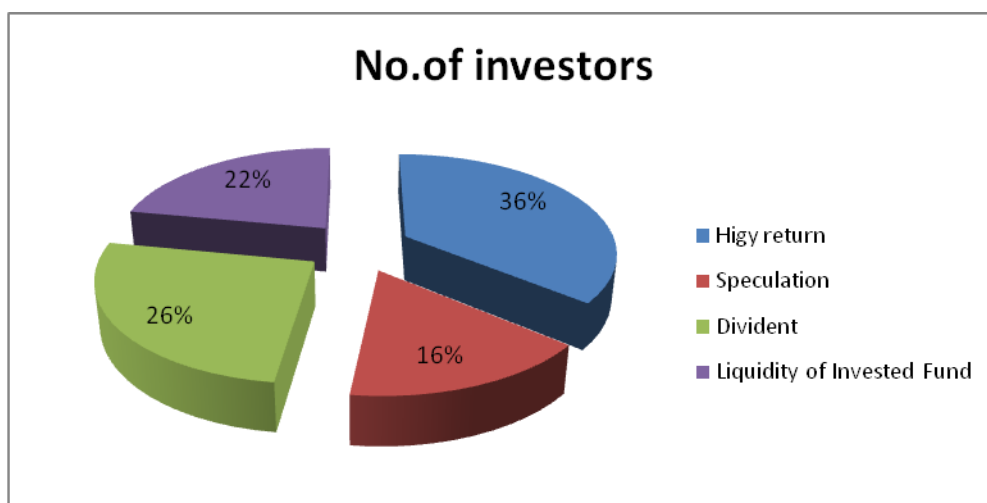
9. Why do you invest in Equity more?



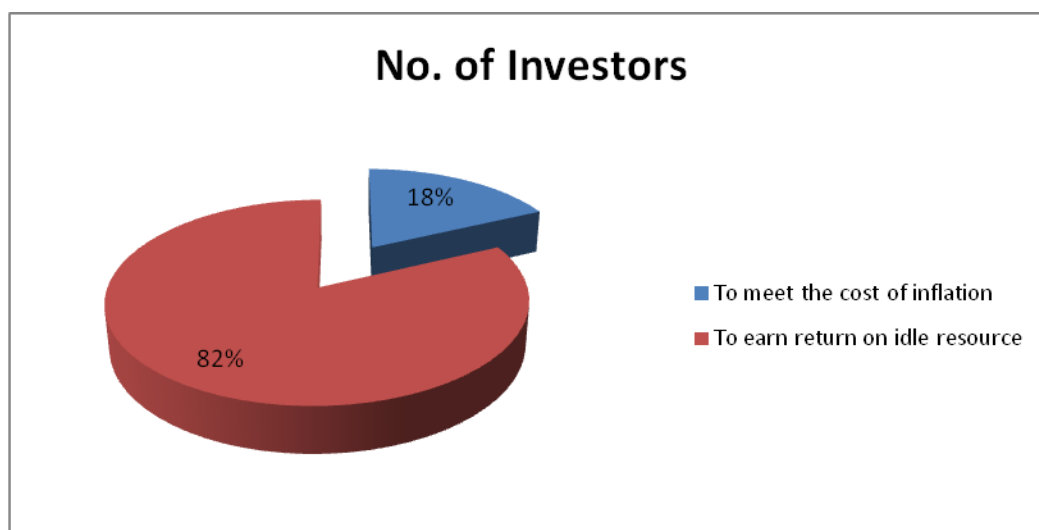
10. In which company do you invest more in Equity market?



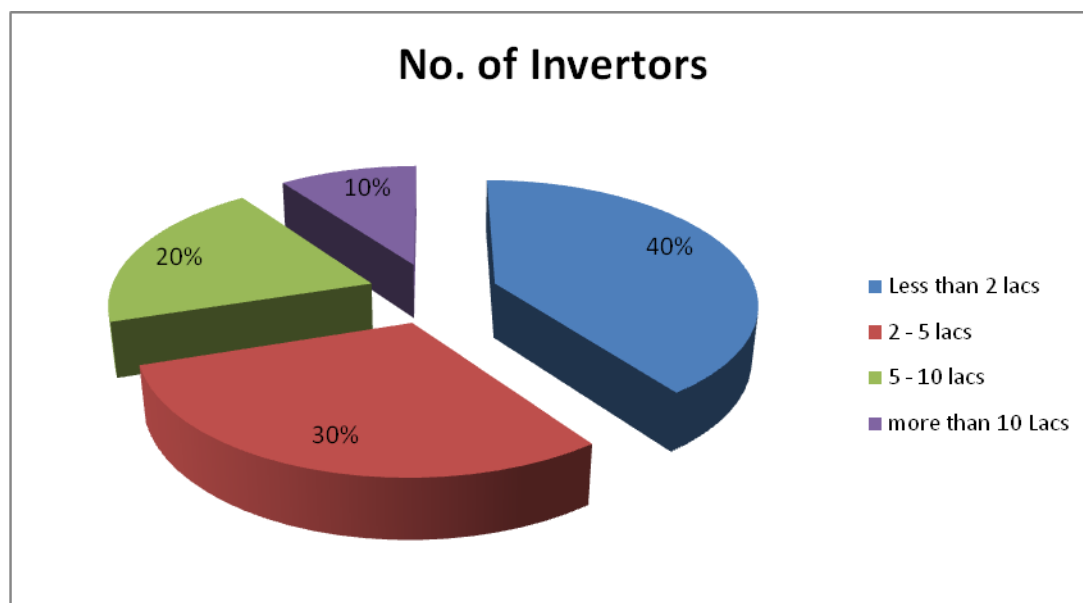
11. What attract towards the L & T finance?



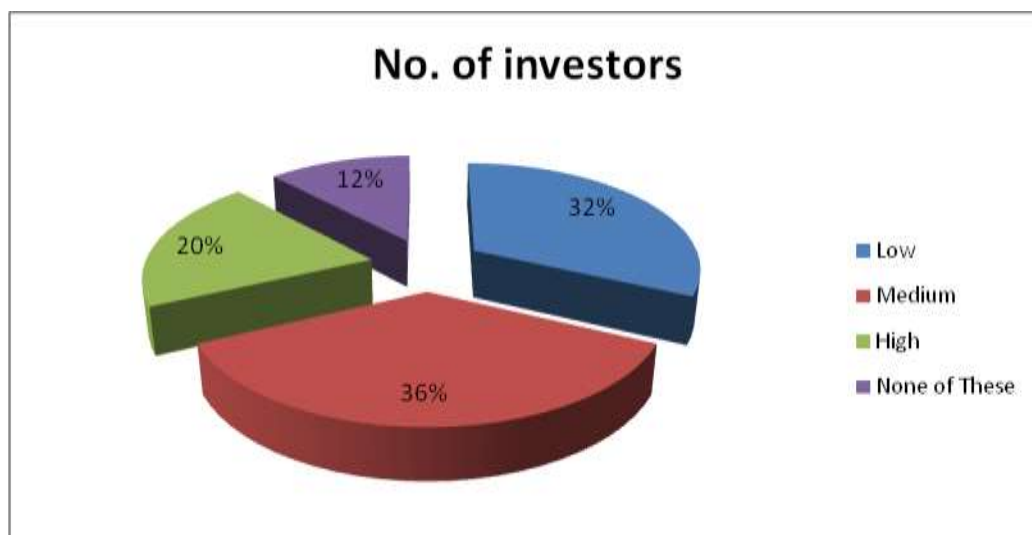
12. What is your purpose to invest in L & T share?



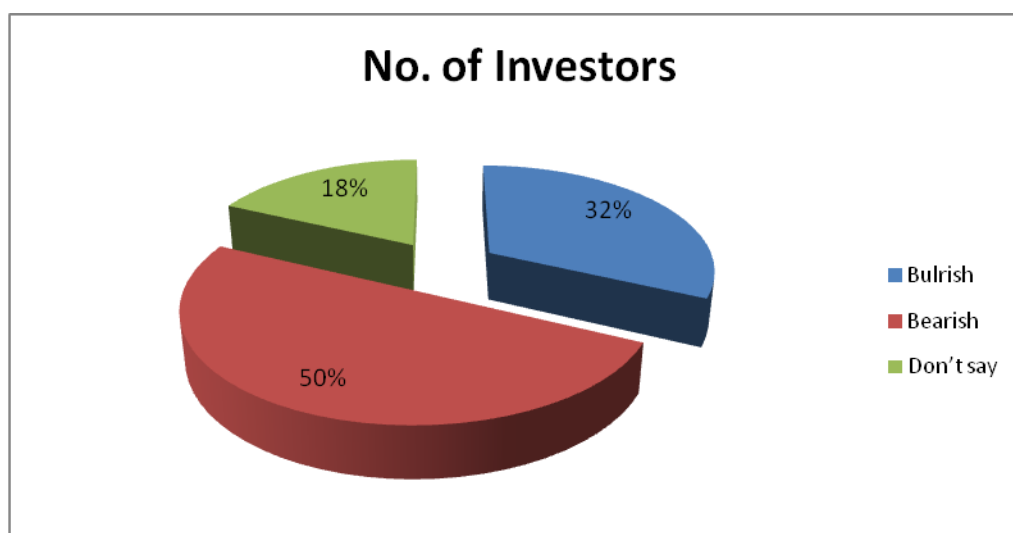
13. How much you invest in L & T finance Annually?



14. What is your risk appetite ?



15. As per you what is the future of equity share?



FINDINGS

- Most of the investor likes to invest in the infrastructure sector.
- The risk appetite of the investor is medium.
- The investor invest in L & T finance to earn return on idle resources.

CONCLUSIONS

- This research paper is mainly concern with investors awareness towards equity market of L & T finance.
- This research has analyze financial data and trend for Larsen and Toubro Finance Limited

SUGGESTIONS & RECOMMENDATIONS

- The company should also consider the speculation market for further growth.
- Company should increase the short term gains of the investors.
- Company should try to raise its cost of inflation.

LIMITATIONS

- The research is based on limited investor,
- There is a restriction of time available and the size of the project considered as discussed by tools (fundamental & Technical analysis).

REFERENCES

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- **Management accounting and Business Finance – By R.K.Sharma and Shashi K Gupta 2008.**
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