

## AN OVERVIEW OF EMERGING PROJECT MANAGEMENT PRACTICES AT L&T CONSTRUCTION

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### **ABSTRACT:**

L&T construction is the biggest legacy of two Danish Engineers who built a world-class organization that is professionally managed and a leader in India's engineering and construction industry. It was the business of cement that brought the young Mr. Henning Holck-Larsen and Mr. S.K. Toubro into India. They arrived on Indian shores as representatives of the Danish engineering firm F L Smidth & Co in connection with the merger of cement companies that later grouped into the Associated Cement Companies. Together, Mr. Holck-Larsen and Mr. Toubro, founded the partnership firm of L&T in 1938, which was converted into a limited company on February 7, 1946. Today, this has metamorphosed into one of India's biggest success stories. The company has grown from humble origins to a large conglomerate spanning engineering and construction. Engineering Construction and Contracts (ECC) Division (now L&T Construction) was conceived as Engineering Construction Corporation Limited in April 1944 and was incorporated as wholly owned subsidiary of Larsen & Toubro Limited. L&T's founders Mr. Holck - Larsen and Mr. Toubro laid the foundation for L&T Construction. It has today emerged as India's leading construction organization. The primary objective of this study is to understand the various functions and strategies of the organization for its sustainability and long-term growth and to identify challenges faced by the organization and offer remedial suggestions for the betterment of the organization.

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**INDUSTRY PROFILE:**

L&T provides its people freedom at work, unmatched leadership & the opportunity to grow at a rapid pace, giving them challenging, interesting & motivating assignments which brings a sense of professional fulfillment. The company encourages entrepreneurial skills thus, enabling and empowering employees to take appropriate risks. Employee participation is encouraged by inviting suggestions & opinions, coupled with competitive compensation & rewards and training through Core Development & Behavior Development Programs, to enable them to unleash their full potential. Today L&T is growing at a rapid pace and this growth necessitates greater investment in talent. L&T provides the right platform to translate employees' imaginations to into reality, offering the opportunities in various disciplines like Technology, Engineering, and Finance, IT, HR, Research, Sales, Marketing, Legal and many more. The vision of L&T is to be the Institutional Partner of Choice for end-to-end Financial Solutions in infrastructure space. The mission of L&T is making their customers the valued partners in developing infrastructure facilities by offering total financial solutions, Creating long-term value for customers through superior product structuring by capitalizing on knowledge pool and being an organization that promotes continuous learning & innovation by fostering an entrepreneurial work culture by being a valued partner in the financial community by setting new standards. L&T's Hydrocarbon Business delivers 'design to build' world-class engineering and construction solutions on turnkey basis in oil & gas, petroleum refining, chemicals & petrochemicals and fertilizer sectors. In-house expertise and experience, synergized with strategic partnerships enables it to deliver single point solution for every phase of a project – right from the front end design through engineering, fabrication, project management, construction and installation up to commissioning. The key aspects of business philosophy are: on-time delivery, cost competitiveness, and high quality standards with focus on best in class HSE practices. Integrated strengths coupled with experienced highly-skilled engineers and workmen, are the key enablers in delivering critical and complex projects in India and in select countries overseas. L&T Hydrocarbon is equipped with qualified & experienced engineering talent, in-house engineering centers with latest technology, software, world class office facilities & robust IT infrastructure. Services are further complemented by specialized support from engineering partners like L&T-Valdel Engineering Limited, L&T-Chiyoda Limited, L&T-Gulf Private Limited. Engineering teams are located at various strategic locations: Mumbai, Faridabad, Vadodara, Bangalore, and Chennai & Sharjah.

L&T Construction figures among the World's top contractors and ranks 35th among top global contractors and 60th among international contractors as per the survey conducted by Engineering News Record magazine, USA. Many of the country's prized landmarks – its exquisite buildings, tallest structures, largest airports/ industrial projects, longest flyovers, highest viaducts, longest pipelines including many other benchmark projects have been built by L&T Construction. L&T Construction's leading edge capabilities cover every discipline of construction: civil, mechanical, electrical and instrumentation engineering and services extend to all core sector industries and infrastructure projects. Each Independent Company is further split into different Strategic Business

Units (SBUs) to take care of the specific needs of various customers. The ICs are: Each Independent Company is further split into different Strategic Business Units (SBUs) to take care of the specific needs of various customers. The ICs are:

1. Infrastructure
2. Buildings & Factories
3. Power Transmission & Distribution Projects
4. Metallurgical & Material Handling Projects

L&T Power is an Independent Company (IC) of Larsen & Toubro, with a mandate to integrate L&T's varied offerings in the thermal power sector. The Company is uniquely positioned to combine rich and diverse strands of experience in engineering, manufacturing and project execution with strong management focus on providing turnkey solutions. L&T Electrical & Automation Business has operations at different locations in India (two in Mumbai and one each in Ahmednagar, Mysore, Faridabad and Coimbatore) and one unit for manufacturing operations in China.

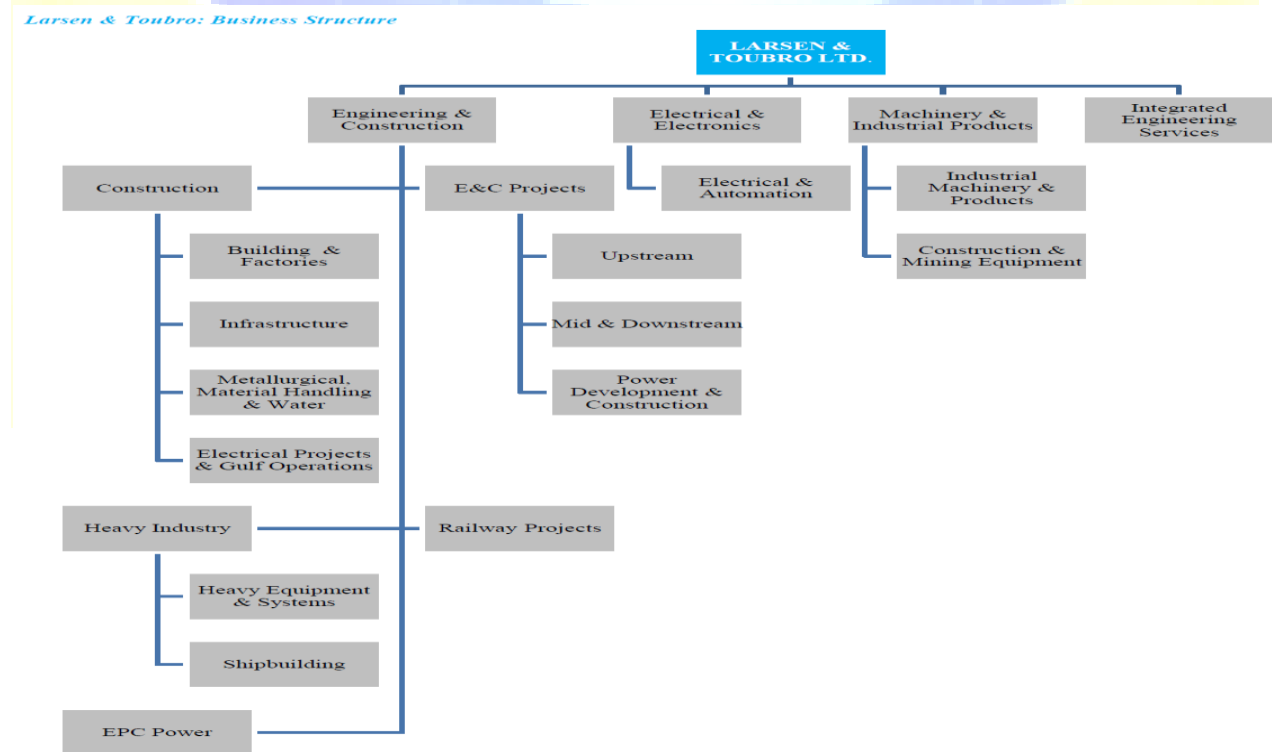
LTM Business Unit is a part of the Machinery and Industrial Products Division of L&T. It offers a wide range of Rubber Processing Machinery. The unit was incorporated in 1972 as a joint venture between L&T and McNeil Akron Inc. of USA. L&T InfoTech is a global IT services and solutions provider, providing the winning edge to our clients by leveraging our Business-to-IT Connect and deeply committed people. L&T's clients include industry leaders like Chevron, Freescale, Hitachi, Sanyo and Lafarge, among others. L&T Finance Limited (LTF) is a subsidiary of Larsen and Toubro. It was incorporated as a Non Banking Finance Company in November 1994. Through LTF, L&T aims at making a strong foray in the ever-expanding financial services sector. L&T's Shipbuilding facility has been created at Hazira Works to cater to the needs of growing global demand for construction of specialized oceangoing vessels. The Buildings & Factories Independent Company is equipped with the domain knowledge, requisite expertise and wide-ranging experience to undertake Engineering, Procurement and Construction (EPC) of all types of building and factory structures. As part of its R&D efforts, L&T Construction constantly upgrades its knowledge and expertise in construction technology and complements the operations. In additions, it has full-fledged laboratories for concrete and soil testing including asphalt technology at its campus in Chennai. L&T Construction's laboratory is NABL (National Accreditation Board for testing & calibration laboratories) certified for mechanical and chemical testing of construction materials. L&T is the first construction company to get the accreditation of this kind. L&T Construction Division is committed to environmental and societal well being. In tune with the call of the environmentalists all over the globe, L&T is well on its way in implementing several sustainability measures at many of its projects for preserving and sustaining the life on planet earth. Sustainability has been an integral part of L&T's operations and project success.

**TRAINING AND EMPOWERING THE RURAL YOUTH:**

L&T Construction promotes vocational training construction in India in a professional manner through its Construction Skills Training Institute (CSTI). Spread across India, CSTI turns out significant numbers of trained workmen. Basic training is imparted in twelve trades.

- Formwork Carpentry
- Bar Bending and Steel Fixing
- Masonry (brick and block work)
- Plumbing and Sanitary
- Electrical
- Scaffolding
- General Assistants
- Welding (Pipe Welding)
- Welding (Structural Welding)
- Pre-stressing
- Transmission Line Tower Erection
- Railway Electrification

**HR OBSERVATIONS: TALENT ACQUISITION & MANPOWER PLANNING:**



The core HR observations is that L &T shall remain aligned to business and strive to acquire the right talent at the right time based on merit through a transparent recruitment and selection process. L&T adopts IT enabled recruitment practices, in a cost effective manner and act proactively to meet talent requirements of business to delight internal customers. The annual Manpower exercise will be taken up during December of every year. The manpower requirements are arrived based on the following.

- Requirements for the existing jobs.
- Requirements for the anticipated jobs.
- Releases from the existing jobs.

The net requirements get freezes taking in to account the anticipated staff productivity. Staff productivity is calculated based on PBIT per staff man months. The benchmarks for the same are finalized every year by the Core group. Resource Department plays a pivotal role in this exercise and the final requirement of manpower is arrived by the resource department taking into account the internal availability of talent. Net requirement of manpower is finalized by the resource department after examining and exploring the possibility of filling up the vacancy through internal resources, either through transfer, job rotation. HR Department has the ownership of the entire Talent acquisition function and will ensure that all requirements are met and the required talent is on board at the required time. HR Department based on the requirements decides on the action plan to ensure that the right candidates are selected. HR will ensure that the process of selection will be based on merit, ability, competence, experience, expertise and potential of the candidate in line with the requirements. The HR Department will identify the suitable profiles from the internal database and shortlist the candidates who meet the requirements of the vacancy for a particular opening. Internal database consist of pool of resumes that are available with the HR E-mail / post and placement consultants. Resumes can be sourced from any of the following modes listed below. HR Department will decide upon the best option based on the position ensuring cost effectiveness.

- a) Internal availability of selected/waitlisted candidates
- b) Internal Data Bank
- c) Employee referrals
- d) Job portals
- e) Authorized Manpower consultants
- f) Advertisement
- g) Any other

The HR Department will do the initial screening & short listing of resumes for the position. HR Department during the short listing will focus on Education, Experience, Current roles & responsibilities, Internal positioning, Technical/Functional/Domain knowledge, No of job shifts, culture fit etc. as provides in the job Description. The short listed resumes are sent to the Head of the intending department for shortlisting. HR will ensure

that the availability, be provided for short listing. Once the resumes are shortlisted by the intending department the HR representatives finalizes the interview panel in consultation with the intending department. The panel formation will be guided by clause of the guidelines. HR Representative is to block a suitable venue for organizing the interviews, salary negotiation, and a waiting area for the candidates. Interview call letters to be released along with the Employment Application form to the candidates by the most effective method, and ensure that the candidate gets sufficient notice to attend the interview. The candidate may be advised to produce the original or Xerox copy of his/her testimonial in respect of age, qualification & experience for verification at the time of interview. The HR representative also gets the confirmation from the candidate that she/he attends the interview at the scheduled date & time. It's always advisable to call the candidate in person to the nearest cluster office or HQ for interview. Considering the time & cost factor interviews can be organized through Video Conferencing. Under circumstances wherein the above option is not available, the preliminary interview can be held through Skype, Tele- conference, and the shortlisted candidates to go through a final interview as per the provisions mentioned above. Advance intimation is provided to the interview panel regarding the proposed interviews along with the job Description, Interview Schedule and the applications of the candidates called for interview. Interview panel will be identified in consultation with the intending department. The panel members should have good knowledge of L&T Systems, procedures and practices. Retired staff members with proven track record can be considered for interview panel. Interview panel should consist of minimum three staff members, out of the three, at least one member should be from the concerned discipline for which interview is being conducted and one from HR. In case of a referred candidate, the staff that had referred the candidate should be in the interview panel.

- Verification of Documents
- Frequent Job Shifts
- Self-Employment
- Break in Employment

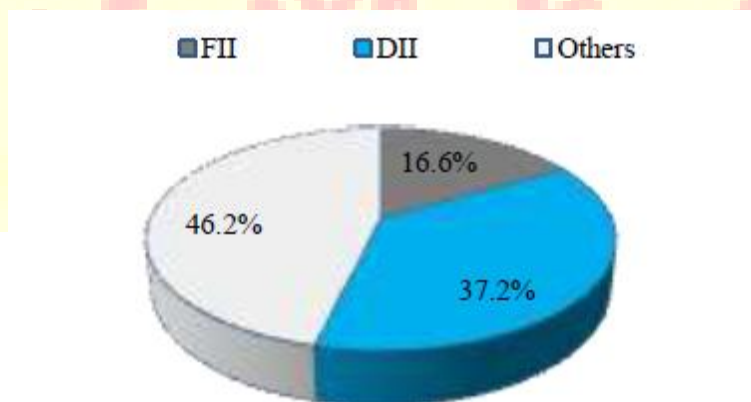
Before commencement of the interview, the HR Representative verifies the information declared by the original or provisional documents produced by candidate.

- a) Name & Age as per School Leaving Certificate
  - b) Percentage of marks scored in academics
  - c) Educational Qualification
  - d) Duration-Type of course(Full Time. part Time/Correspondence)
  - e) Year of passing
  - f) Institute/University and its recognition
  - g) Experience based on Service Certificate (In absence of the same, verification based on any of the following documents).
1. From 16 for each year of employment

2. Appointment letter with salary slips
3. Provident fund statement
4. Bank statement
5. In case of overseas employment, appoint letter with entry and visa stamp

The concerned HR should get convinced that the details mentioned are genuine and the reasons for non-submission of documents to be mentioned in the Employment, appointment form. In case the candidate has not produced proof of his/her testimonial, HR representative to get the confirmation from the candidate that/he will be in a position to produce the documents in original at the time of joining and the remarks to be endorsed in the EAF. The HR representative should verify whether the applicant had frequent job shifts .If so it must be highlighted separately and selection will be decided based on merit and criticality of the position. However, if the average tenure of employment is less than 2 years in previous companies, candidate should not be considered for employment. Self-employment can be considered as valid experience provided the same is in relevant field for which the candidate is being interviewed. Testimonials issued by clients are not considered as proof of working experience. Gap between two employments if any, should be probed & recorded in the Employment Application form along with the reasons by the HR representative. In case of valid reasons, the fixation of cadre / pay should be based on the post-passing, to discount the gap between employments. All selected candidates, after Salary Acceptance need to undergo a pre-employment medical check-up compulsorily, at the pre-approved medical centers. Pre-employment medical check-up will be organized for the candidate in the Hospitals, which are duly approved by HQ-HR. Candidates will be issued pre-employment medical letter by the HR representative advising the candidates to undergo pre-employment medical test.

#### SHAREHOLDING PATTERN:



Source: BSE. As on Dec 31, 2010

**INVESTMENT RATIONALE: VALUE UNLOCKING GOING FORWARD:**

The L&T board has approved the restructuring of the company and implementation of the plan is underway. As per the plan, the engineering and infrastructure giant will be divided into nine virtual companies, each of which will have full fledged management team of its own and will also manage its own profit and loss account. Some of the companies formed out of L&T will be listed on the bourses before 2015. Power, hydrocarbon, machinery and product, switchgear, heavy engineering, infrastructure, building and factories, metals & minerals and electrical businesses will together make up the nine independent companies. Each of them is worth a billion dollars in revenues or has the potential to reach there soon.

**NUCLEAR POWER PRESENTS A HUGE OPPORTUNITY:**

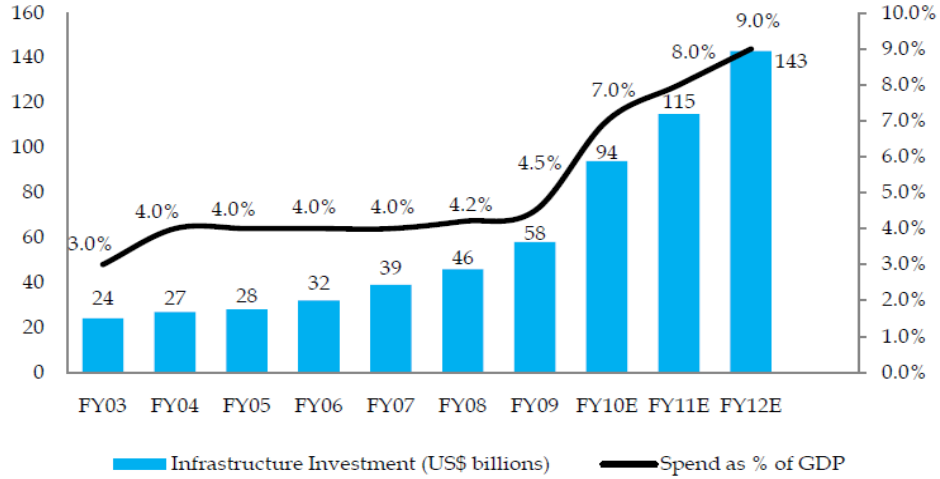
Awarding of nuclear power projects to the tune of approximately Rs. 100,000 cr. is scheduled over the next 5 years in India. The government has announced its intention of installing 62,000 mw of nuclear power capacity by 2032, of which 25,000 mw is expected to be added by 2020. This will be partly done through indigenous technology driven reactors for a capacity addition of about 7000 mw and the balance through technology transfers from countries such as Russia, France and USA. L&T has a substantial role to play in this programme through its own manufacturing & EPC capabilities. Towards this, the company signed MoUs with almost all the major international nuclear technology suppliers. In order to further meet these demands; L&T has set up a joint venture with Nuclear Power Corporation of India (NPCIL), to set up a heavy forging manufacturing facility at Hazira, Gujarat. The company has also created and augmented dedicated nuclear reactors and steam generator manufacturing capacity at Hazira. L&T is aiming to build complete nuclear plants on a turnkey basis.

**INFRASTRUCTURE INVESTMENT PICKING UP:**

Infrastructure investment in India is set to grow dramatically. For the Indian economy to maintain its growth momentum, the provision of adequate infrastructure facilities is critical. The eleventh five year plan (2007-2012) identifies high quality infrastructure as the most critical physical requirement for attaining faster growth in a competitive global environment and also for ensuring investment in less-developed regions. Moreover, the Planning Commission states that the total investment needed in infrastructure would have to increase to ~9% of India's GDP by the final year of the eleventh plan period to meet India's target GDP growth rate of 9%. Due to the shortage of high quality construction companies in India, L&T is in an enviable position.

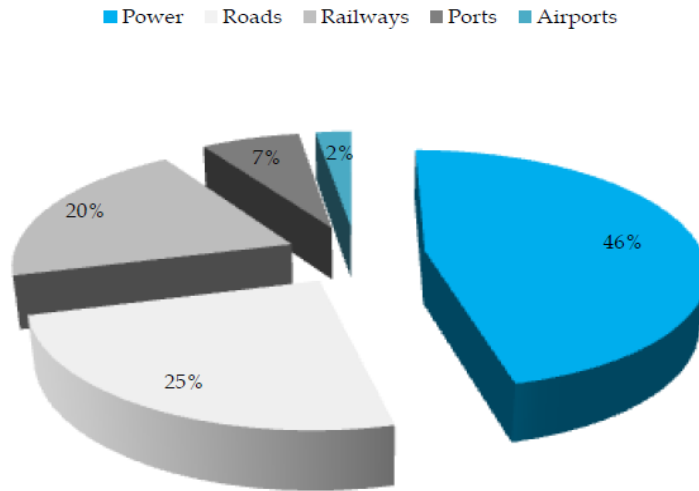


*Infrastructure investment by government*



Source: Goldman Sachs Research

*Government's infrastructure investment pie (11<sup>th</sup> plan)*



**L&T CONCENTRATING ON CITY RAIL PROJECTS:**

L&T along with Scmi rail of Malaysia has already bagged the contract for the first mono rail project in Mumbai given by Mumbai Metropolitan Region Development Authority (MMRDA). The company is also handling the Hyderabad metro rail project. It has bagged an order from Chennai Metro Rail Ltd. (CMRL) for the design & construction of track work that is valued at Rs 449.2 cr. CMRL is a JV between the state govt. and the centre to set up a Rs 14000 cr. metro rail in Chennai The railway unit of L&T has secured a slew of orders aggregating Rs

1103 cr. From various power plant developers for the construction of dedicated railway lines to link power plant sites to mainline rail network.

### **L&T'S POWER SUBSIDIARY GROWING AT A BRISK PACE:**

The sales of L&T Power is expected to jump from US\$ 400 mn to US\$ 3 bn. L&T Power has a joint venture with Japan's Mitsubishi Heavy Industries for manufacturing of supercritical technology-based boilers and turbine-generator sets for thermal power units. The company has an order book worth Rs. 32,000 cr. deliverable over the next two and a half years. With the Commissioning of the country's largest integrated Boiler, Turbine, Generator (BTG) factory at Hazira in Gujarat, L&T is well placed to meet its ~8,000 mw of boiler orders and ~9,000 mw of Turbine orders in hand.

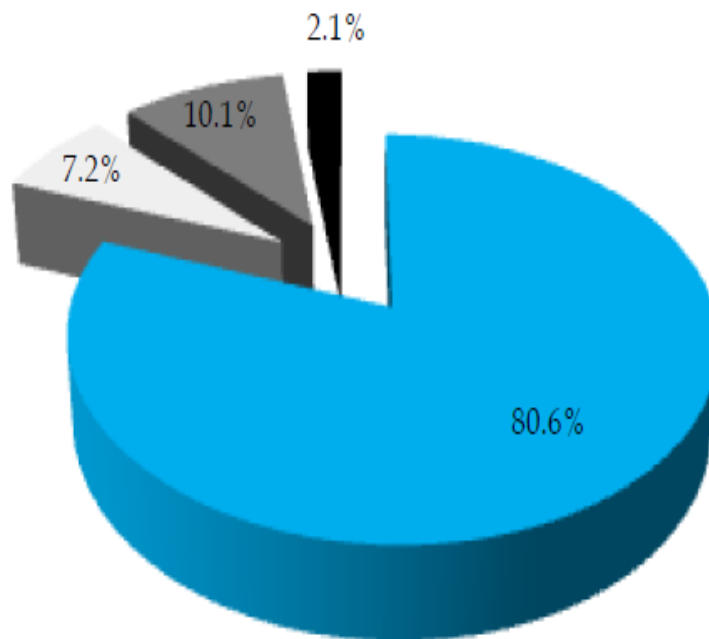
### **OPPORTUNITIES IN MIDDLE-EAST:**

The L&T-Galfar consortium, through international competitive bidding, has been awarded a US\$ 764 mn order for the design and development of the New Salalah International Airport in the Sultanate of Oman. This is L&T's largest overseas EPC order. L&T's scope will be ~US\$ 500 mn and the order is to be completed in 30 months. The Middle East comprises close to ~6% of the company's order-book, while other overseas geographies comprise ~2%. FIFA 2022 has been awarded to Qatar. This will result into significant investments in the infrastructure development in Qatar over the next decade, probably starting as soon as 12 months from now.

### **HUGE ORDER BOOK POSITION:**

The order book of L&T as on 6th January, 2011 stands at Rs.1,15,400 cr, 2.6 times its FY10 revenue. Road development portfolio of the company currently comprise of 5,682 lane kms spread over 15 projects. The company also has 3 power projects with an aggregate generation capacity of 1559 mw. Apart from this, the company has 3 port projects (excluding Dhamra port) with aggregate handling capacity of 45 mtpa involving a project cost of Rs 5,300 cr. Another prestigious project being handled by L&T is the Hyderabad metro rail for 71.2 kms at a cost of Rs 12,132 cr. The company has 14 urban infrastructure projects at a cost of Rs 7,800 cr. Currently the export orders accounts for just around 8% of the total order book. The robust order book of the company clearly reflects the growth prospects in its future revenue earnings.

■ Engineering & Construction ■ Electricals & Electronics ■ Machinery & Industrial Products ■ Others



#### **ENGINEERING & CONSTRUCTION SEGMENT:**

Export order growth driven by Transmission & Distribution (T&D) segment. Boiler, Turbine, Generator (BTG) orders are seeing execution ramp up.

#### **ELECTRICAL & ELECTRONICS SEGMENT:**

- Sales are being driven by gradual increase in the industrial demand.
- L&T is making an effort to pass on the increased costs to the customers.
- There has been a drop in exports in this segment.

#### **MACHINERY & INDUSTRIAL PRODUCTS SEGMENT:**

Growth in sales is due to the increased off-take in industrial valves.  
Growth in revenue is also due to the increase in sales of mining & construction equipment.

Financials

Income Statement (Quarterly): Standalone

Rs. Cr.

Particulars	Q3FY11	Q2FY11	Q3FY10	QoQ (%)	YoY (%)
Net Sales	11321.7	9260.8	8071.4	22.3	40.3
Total Income	11660.3	9713.0	8379.3	20.0	39.2
Total Expenditure	10175.2	8325.1	7138.8	22.2	42.5
PBIDT	1485.1	1387.9	1240.5	7.0	19.7
<b>PBIDT Margin %</b>	<b>13.1</b>	<b>15.0</b>	<b>15.4</b>		
Interest	175.7	193.2	133.9	-9.0	31.2
Depreciation	128.1	121.2	104.5	5.7	22.6
Tax	376.0	379.4	305.8	-0.9	23.0
APAT	840.5	765.0	758.8	9.9	10.8
<b>APATM (%)</b>	<b>7.4</b>	<b>8.3</b>	<b>9.4</b>		

Financials (Annual): Consolidated

Rs. Cr.

	9MFY11 (Standalone)	201003	200903	200803	200703	200603	200503	5 yr CAGR %
Share Capital	121.8	120.4	117.1	58.5	56.7	27.5	26.0	
Networth		20611.0	13682.8	10632.4	6797.1	4876.1	3216.1	
Capital Employed		46655.0	35383.9	24015.2	13954.5	8516.4	6802.9	
Debt		24607.3	20370.0	12315.9	6432.2	3498.7	3453.8	
CWIP		6618.4	6205.4	3053.1	1455.3	426.6	176.3	
Inventory		2378.2	2501.7	5019.0	3678.0	2477.4	2449.6	
Sundry Debtors		12528.0	11491.1	8234.4	6110.4	5282.3	4315.8	
Cash & Bank Balance		3321.6	1459.0	1560.8	1718.0	816.0	988.2	
Revenues	28417.5	43969.8	40511.1	29456.9	20512.9	16561.3	14496.9	24.8
Total Income	29485.3	46594.3	41178.7	29882.0	21406.6	17076.9	15075.0	25.3
Total Expenditure	25378.5	36749.5	34845.4	25327.9	17705.3	14847.1	13213.0	22.7
PBIDT	4106.8	9844.9	6333.2	4554.1	3701.3	2229.8	1862.0	39.5
Interest	511.2	1520.2	1244.6	625.7	351.4	318.0	244.6	44.1
Depreciation	363.5	979.3	728.3	509.7	344.9	243.5	212.2	35.8
APAT	2176.8	3845.3	2924.3	2231.9	1800.0	1017.4	760.2	38.3
Cash Flow from Operating Activities		2117.8	496.0	-1239.2	2324.4	1061.7	353.7	
Cash Flow from Investing Activities		-5107.8	-5076.9	-6615.3	-2562.5	-1353.8	-83.8	
Cash Flow from Financing Activities		4880.8	4479.2	7697.3	1140.1	119.8	184.4	
Free Cash Flows		-2989.9	-4580.9	-7854.6	-238.1	-292.0	269.9	
Dividend %		625.0	525.0	850.0	650.0	1100.0	1375.0	
EPS (Rs.)	36.4	88.3	51.5	39.8	39.5	22.7	20.2	
Debt-Equity Ratio		1.3	1.3	1.1	0.9	0.9	1.1	
RoNW %		31.0	24.1	26.1	38.9	30.6	39.0	
Total Asset Turnover Ratio		0.7	0.8	0.9	1.0	1.1	1.2	
Fixed Asset Turnover Ratio		3.1	4.0	4.3	4.0	4.2	4.0	
PBIDT Margin %	14.5	22.4	15.6	15.5	18.0	13.5	12.8	
APAT Margin %	7.7	8.7	7.2	7.6	8.8	6.1	5.2	

**TOWS MATRIX: (SWOT ANALYSIS)****STRENGTH:**

• Huge order book position: L&T had order book of 1, 15,400 cr. which is 2.6 times its FY10 revenues. The orders are spread along all the segments of the infrastructure sector. 2. A big player in the power sector: Power sector is booming and L&T Power has an order book worth Rs 32000 cr. to be executed in next 32 months. Dhamra Port has started operations: L&T in a 50:50 JV with Tata Steel has built the Dhamra port in Orissa on BOOST basis for a period of 34 years extendable by 20 years. • Commissioning of the BTG factory: The Company has commissioned the country's first integrated boiler, turbine, and generator factory at Hazira in Gujarat. • A leader in the city rail segment: L&T has already bagged the Hyderabad metro rail and the Mumbai mono rail projects. It is also a frontrunner for the Ahmadabad old city mono rail project. • Healthy growth in net sales: The net sales have grown by 40% in Q3FY11 compared to the same quarter, a year ago.

**WEAKNESS:** Rising interest costs: The interest costs of L&T has been rising due to higher borrowing by the company and the rise in interest rates.

**OPPORTUNITIES:** • Huge investment expected in infrastructure sector: Huge investment is expected in India's infrastructure going ahead as its current state is a big bottleneck in the economic growth achieving its full potential. • Value unlocking in the company: L&T is in the process of dividing the company into 9 separate units, each, acting as a profit centre with separate management. In due times, these units would get listed, resulting into value unlocking for the shareholders. • Nuclear power is a huge opportunity: The government is planning nuclear power generation in a big away and planning to award contracts worth Rs. 100,000 cr. in the next 5 years. L&T has tied up with international companies to grab this opportunity with the longer term aim of building the complete nuclear plant by itself. • Opportunities in the Middle East: L&T's majority international order book is from the Middle East and it is expecting more opportunities to open up with the FIFA world cup being awarded to Qatar.

**THREATS:** • Increase in raw material cost: Increase in the cost of steel, cement, copper, aluminum etc. would negatively impact L&T's bottom-line. • Slow decision making in the hydrocarbon space: Apart from the slow & tardy decision-making, there is stiff competition especially from the Koreans in this segment. • Political situation in the Middle East: L&T gets 6% of its revenues from the Middle East markets. In case the political situation there continues to boil, it would impact the business prospects of the company in those markets. De-acceleration of India's GDP growth rate: As L&T mirrors the growth of the country having its stake in practically all the segments of the physical infrastructure pie, any decrease in GDP growth rate would impact the company's prospects too. • Political instability: As the government including PSU's account for 46% of the company's order book, any kind of political instability that impacts decision making in the government sector would hamper the company's fortunes. • Execution

delays: Any delays in execution would have a negative bearing on the company's business prospects.

## CONCLUSION:

*L&T being the largest company in the Engineering/Construction/Infrastructure sector, it has a big role to play in the coming years as India plans to revamp its Infrastructure drastically, to make sure that its economy has a stable with double GDP growth. The government of India, realizing the acute necessity of improving the infrastructure is expected to take the infrastructure spending to 9% of the GDP in FY12. L&T is taking a major restructuring exercise where it is dividing the company into 9 separate profit centers. These divisions are going to be listed in due time leading to value unlocking for the shareholders. L&T has geared up for the massive need for power equipment in the coming years with the commissioning of its BTG facility in Gujarat. In the field of nuclear power, the government of India plans awarding 100,000 cr. of projects in the next 5 years. L&T has signed agreements with major nuclear equipment manufacturers around the world to cater to this demand. In the long run, the company is planning to develop its own nuclear power plants. The Reason for L&T's success is making the company's vision come true in all its dimensions.*

## Source:

(Most of the contents this article have taken the source of the company websites and the company manuals)