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# The Curious Case of L&T

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# EDITORIAL

Always keep your mind as bright and clear as the vast sky, the great ocean, and the highest peak, empty of all thoughts. Always keep your body filled with light and heat. Fill yourself with the power of wisdom and enlightenment.

***- Morihei Ueshiba***

Dear friends,

Exams are on head and you are finding yourself pressed for time. There is much to catch up and days are counting so fast.

Make your best efforts. But in the midst of all this, do not forget that your best companion is your body, mind, and heart. Do not let them feel bogged down and stressed. It will make a negative effect on your performance. Only a happy and healthy mind and heart can understand the situation and coordinate with the body to execute the action.

This examination do your best efforts but keep in mind that your power lies in your holistic health. The thing to do is to supply light and not the heat.

Stay cool and show up to the success league.

Heartiest Wishes!

Arun Kumar

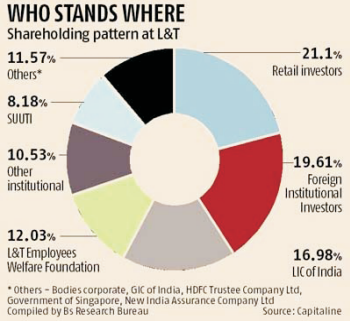
# The Curious Case of L&T


Larsen & Toubro Limited, commonly known as L&T, is one of the largest Indian multi-national firms and leading construction company in India headquartered in Mumbai, Maharashtra, India. **It was founded by two Danish engineers taking refuge in India. It is known to be "True Indian Company" for the reason that would be explain shortly.**

Lately, L&T has been in news for its efforts to acquire IT giant Mindtree.

However, in this section we will discuss in detail the 2 takeover attempts that L&T fought to survive in 1990's and 2000's and also how the company reached to become one of the most promising blue chip companies of modern India.

**"A great moment of satisfaction came when, at the end, Mr. Birla extended his hand and said 'history should never, never forget you"**
**-AM Naik**




## HOW IT ALL STARTED?

Larsen and Toubro studied together in school in Denmark and after graduating in chemical engineering joined a company manufacturing dairy equipment, the marketing of which brought them to India. Initially these equipments were being imported to India. Seeing the future potential for such business they sought to start on their own.

The business began in Powai, where Holck Larsen and Toubro first set up their facility. In the summer of 1938 the duo felt, as true entrepreneurs do, that the best way to predict the future was to create it. They set up a partnership firm in a single room in the sedate and leafy business enclave of Ballard Estate in south Mumbai. But what they lacked in physical space, the partners more than made up for in their transcending vision. They would provide engineering equipment and products for Indian industry of a kind and quality that the country had seldom seen earlier. Beginning in the tumultuous years before World War II, the firm played a distinctive role in shaping the industrial history of independent India. However, the World War II in 1939 put a halt to the trading business as imports stopped. They converted this adversity into an opportunity by seeking to manufacture in India and set up in Powai, in what was then a remote suburb of Bombay. Land was acquired and a small manufacturing unit was set up.

In the 1950s, when the Indian Government stopped imports due to scare foreign exchange, it presented yet another opportunity to diversify into many other areas of fabrication and engineering, which included, in a celebrated instance, building the bridge that was featured in the film The Bridge on the River Kwai.

## THE TAKEOVER ATTEMPTS

**(From left to right: Manu Chhabria, Dhirubhai Ambani)**

In 1987, Manu Chhabria, Dubai based NRI businessman acquired one per cent shares in L&T. Chhabria's entry was not welcomed because of the hostile nature in which he managed

hid companies. So, N M Desai, chairman of L&T, asked Reliance Industries (RIL) Chairman, Dhirubhai Ambani to invest in the company's shares as a White Knight. Now, Ambani, then well on his way of becoming one of India's most powerful businessmen, rarely let any opportunity pass and he immediately bought 12.4 per cent shares from the open market.

In the next couple of months, it went on 18.5%. Reliance spent Rs 190 Crore in nearly one year. In the next few days, L&T soon realized that the advent of the Ambani may have warded off the threat from Chhabria but it was to be no picnic under the Ambani dispensation. Dhirubhai Ambani is not that person they were thinking who fits the definition of White Knight. Dhirubhai made seats for his sons and himself on the Board of Directors. In April 1989, N M Desai paid the price for his defensive strategies as he was shunted out as chairman in favour of Dhirubhai. L&T was important for Reliance because the company was constructing RIL's petrochemicals complex. But Ambani was also interested in L&T's substantial cash flows. Soon under Dhirubhai, many decisions were made which benefitted RIL. As the chairman, he took many controversial decisions. One of Ambani's first decisions was to ask the company to grant RIL supplier's credit of Rs 570 crore. The cash-rich construction company was also asked to buy RIL shares worth Rs 76 crore from the market from entities close to Reliance.

Another controversial decision by Ambani was to make L&T take on more debt.

Reliance in those days had good connections with Congress which supported them in such decisions.

However, in 1989 Congress was thrown out of power and thus the party soon ended for the Ambanis. In 1989, the new Prime Minister asked stateowned Life Insurance Corporation, the dominant shareholder, to make sure that the Ambanis were out of L&T. Dhirubhai Ambani was forced to resign from the board and former State Bank of India chairman D N Ghosh was asked to replace him as Chairman of L&T. As Chairman, Ghosh withdrew the supplier credit and also started offloading Reliance shares.

But then Congress was soon back to power in 1990 which again reinstalled Dhirubhai Ambani as its Chairman. But continuous political opposition repression and non support from financial institutions and public at large made it very difficult for Ambani's to persist as ultimately they had to resign themselves to L&T Management.

In 2000's FI's backed L&T management and Reliance had to step back. At that time KM Birla was looking for attractive acquisition opportunity and utilising this opportunity Reliance sold its entire 10.05% stake to Grasim, an Aditya Birla Group Company for 46% higher than market price. Grasim was directly competing with L&T in the cement business, which is why it wanted to take over the company.

**UNDERSTANDING A.M. NAIK**


**Today any list of India's top paid CEOs would be incomplete without a mention of AM Naik.**

But Birla completely misunderstood one person: A M Naik, the doughty CEO & MD of the company appointed only three year before. Born and educated in a Gujarat village, Naik was not to be cowed down by the corporate raiders.

AM NAIK joined L&T as a junior engineer and moved up the ranks to become MD and CEO in 1999 and then was elevated to chairman and managing director in 2003.

Over the years he garnered respect of his associates as well as his juniors. He never took a day off in the first 21 years of his working life that comes only from sheer devotion to a company. A decade before he became the CEO, Naik was witness to attempt by Dhirubhai Ambani in 1988-1990 to take over control of L&T.

He fought tooth and nail to retain L&T independent of He soon rallied L&T employees behind him and exhorted them to take destiny in their own hands.

Instead of remaining servants to others, Naik asked his employees to become owners of the company. "We should perform so well that it should become impossible for anyone to buy shares in our company because good results will make the stock expensive," Naik told them.

Under Naik, L&T finally found its true leader from within. Naik fought Birla's entry into the company tooth and nail and made representations to everyone from the prime minister to LIC to let L&T retain its professional management culture. After months of negotiations, Birla exited L&T by selling its stake to an employees' trust run by L&Ts employees in June 2003. In return, Birlas received L&T's cement division and named it UltraTech. It was a win-win deal for both. The

## Commerce Quiz

1. **OPEC is an example of :**
   (a) Oligopoly
   (b) Monopoly
   (c) Duopoly
   (d) Monopolistic Competition
2. **Kinked Demand Curve hypothesis is given by:**
   (a) Alfred Marshal
   (b) Sweezy
   (c) A.C Pigou
   (d) Hicks & Allen
3. **Fashion Retailer is business of:**
   (a) Cyclical Business
   (b) Sunrise Business
   (c) Sluggish Business
   (d) None of these
4. **Karta's Liability is:**
   (a) Limited
   (b) Unlimited
   (c) Limited by Guarantee
   (d) None of these
5. **P/E Ratio is calculated as:**
   (a) MPS/EPS
   (b) EPS/MPS
   (c) Earning/No. of Shares
   (d) Any of these

## Beat the Heat

According to Ayurveda, summer represents the following qualities like hot, sharp and penetrating. That is why our pitta dosha, which is the subtle energy that controls our metabolism including digestion and can cause our body to overheat ; flares up when the external temperature/environmental temperature rises so it is very important to know the dos and don'ts.

Some of the best pitta-pacifying foods are leafy greens, coconut, cucumber, cantaloupe, and watermelon. The best dairy products are yogurt, milk, and ghee (clarified butter). Garnish salads and other dishes with cooling cilantro, parsley, and alfalfa sprouts, and avoid hot drinks, spicy food, alcohol, caffeine, and chilies.

Pitta-aggravating activities such as overworking, frequency deadlines and long commutes are even more stressful during a summer heat wave when our emotional well-being is already under siege.

So emphasize activities that have a cooling influence, both emotionally and environmentally. Try to take the time to vacation more during the summer season so you have time to enjoy the outdoors. Leisure activities also reduce Pitta by mellowing intense, fiery emotions and increasing our happiness and contentment.

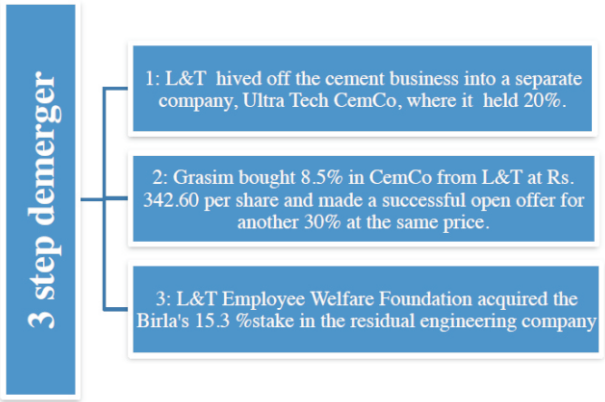
Take time to enjoy life. Swimming is very cooling, and so are leisurely evening strolls when the night air is cool and refreshing. A walk in the moonlight is especially soothing to a Pitta-aggravated mind and to the emotions.

Sleep with open windows, if possible, and engage in as many outdoor activities as you can. But avoid overexposure to the sun, especially during the hottest part of the day, from 10:00 a.m. to 2:00 p.m.

Go on and follow these important Ayurvedic tips to keep cool in order to beat the heat. Happy Summers!

fate of L&T was finally in the hands of its own employees.

**UNDERSTANDING THE DEAL IN DETAIL**




On 18th November, 2001, Reliance sold 10.05% stake of L&T to Grasim at an average price of Rs. 306.6 per share, 46% higher than market price. Then subsidiary of Grasim acquired 4.48% additional stake raising the total sake to 14.53%.

Meanwhile in December 2002, L&T management tried to outsmart Grasim by mooting a proposal to carve out its cement business into a subsidiary wherein L&T would have retained around 75 percent stake and the shareholders of have got balance 25 percent or so. This would have brought down Grasim's direct stake in the cement business to about 3.75 percent as against its 14.53 percent stake in L&T. Grasim managed to get a stay from the court on this proposed de-merger. Subsequently Grasim further raised its stake in L&T to 15.73%.

However, it soon became known that while L&T management was not interested in having Birla as its shareholder, Birla was only interested in its Cement Division.

Thereafter, in June 2003 itself the L&T management and Birlas hammered out a deal to carry out a structured de-merger of cement business of L&T and about further terms and conditions of Grasim's takeover of control of the resultant cement company.

The deal was as follows -

1. With effect from April 1, 2003, the cement business of L&T was vested in a separate company (UltraTech Cement Limited). It was decided that post de-merger, Grasim will acquire the control of the resultant cement company. However, L&T managed to retain certain key assets like L&T brand, ready mix cement (RMC) business, the gas power plant in Andhra Pradesh, and the entire residential and office property of the cement division.
2. As a part of the scheme of de-merger / arrangement, L&T's equity capital of Rs, 248.67 crore, consisting of approx. 24.88 crore shares of Rs. 10/- each was reduced. L&T's paid up capital was brought down to Rs. 24.88 crores consisting of 12.44 crore shares of Rs. 2 each. Accordingly shareholders of L&T received one share of Rs. 2/- face value of new L&T for every two shares of Rs. 10/- face value of old L&T.
3. UltraTech's paid up capital was fixed at Rs. 124.91 crores consisting of approx. 12.49 crore shares of Rs. 10/- face value. L&T was allotted 20 percent of UlraTech's equity.
4. The remaining 80 per cent was allotted to shareholders of L&T in the same proportion as the stake held by them i.e. for every five shares held in L&T shareholders got two shares of UltraTech. With this Grasim would receive approx. 12.5 percent stake in UltraTech against its 15.73 percent stake in L&T.
5. It was decided that out of L&T's 20 percent stake in Ultra Tech, L&T will sell 8.5 percent stake to Grasim at a price of Rs. 171.30 per share as against the earlier offer of Grasim at Rs. 130/- per share. With this, Grasim will hold approx. 21 per cent in UltraTech. Grasim would then make an open offer for 30 percent of the UltraTech's equity at the same price and would take its stake to 51 per cent.
6. The open offer by Grasim was meant for not only taking control of UltraTech, but to give a chance to FIs to bring down their stake, in the process making hefty capital gains.
7. In subsequent developments, Grasim bought L&T's stake actually at Rs. 342.60 per share and made an open offer at the same price. Grasim, thus, had to shell out Rs. 362 crores to L&T and Rs. 1298 crores in the open offer.
8. It was also decided that the residual stake of L&T in UltraTech of approx. 11.5 percent would be liquidated by L&T in small trenches and to non cement entities by 2009, if Birlas do exercise their right of first refusal in negative.
9. In turn, Grasim sold approx. 14.93 percent of its 15.73 per cent stake in L&T to an employee's trust of L&T at Rs 120/- per pre de-merger share or Rs. 240/-per post de-merger share. The remaining approx. 0.8 percent would be sold when the employee trust would dilute its stake by 1 percent or so.

**WHY L&T - BIRLA MOTIVE**

As on 31st March 2003, the total cement capacity in India was approx. 135 mn tonnes. There were over 400 plants in the country consisting of 120 or so large plants and the rest mini cement plants. In terms of company wise capacity, L&T had the largest capacity of 18mn tonnes, followed by ACC at 15 nm tonnes, Grasim at 13 mn tonnes and Gujrat Ambuja at 12.5 mn tonnes. In acquiring L&T's cement business, Birlas had a simple motive of growth through acquisition. After acquisition the combined capacity of Grasim and UltraTech went up to 31 mn tonnes, making Grasim the largest producer in India and the eighth largest in the world.

L&T was also considered as a premium brand and used to fetch higher price. Though this brand would not be available to Grasim in the long run, L&T allowed Grasim to use it for more than a year post acquisition. Later on, Grasim managed to transfer brand equity of L&T cement to UltraTech cement. While Grasim was strong in the Southern markets, L&T was strong in the rest of India. L&T's strong distribution network was very vital to Grasim to push its own brands also.

**LESSONS LEARNT**

The whole case simply explains us that every company acquires another company just to get the benefit of synergies. One need to identify how that synergy could be obtained for the other company. If the acquired company is against the acquiring company, there are many ways in which they could fight off the acquisition. However the most effective could be demerging the unit that acquiring company looks to acquire and sell it to acquiring company at market valuation or higher than that thereby leading to win win situations for both. The same was the case with L&T which even after being acquired came with a way to fight off the acquisition.

# David taking over Goliath - Havells acquisition of Sylvania

SPARC Hansraj College
Casecading Series
26 December 2018

HAVELLS

2007 was a landmark year for Indian Corporates. This was the year of many high profiles acquisitions by Indian Industry. But what stands out apart was that most of these acquisitions were of International Companies operating in developed nations, upsetting the fact that developing nations would never be able to overtake developed nations. Going by figures, in 2006, Indian treasury had spent around $7.7 billions to buy international companies and the same figure jumped around 5 times to $40 billion in 2007. Quite a jump right? One such unique acquisition was of Sylvania Lighting International by Havells which at that time was 1.5 times the size of Havells. So in this case we are going to discuss how and why Havells acquired such a huge company, what went wrong and how Havells was able to sort the issue.

**INTRODUCTION**

Havells is one of the largest electronic good manufacturing company of India with a huge global presence. In business since 1958, Havells has been successfully catering to industrial and commercial demand of the country and abroad. Havells brand which boasts of many successful acquisitions currently consists of Havells, Lloyd, Crabtree, Standard Electric, and Promptech. The company is operational in 50 countries and has been consistently amongst the top trusted brands of country. In 2005, Havells annual turnover was almost Rs. 700 crores with a net profit of Rs. 30 crores. They were seen as a mid size group, with a potential to enter big leagues and compete with the like of Philips and Siemens. That was also a time when Indian corporates were going global with many high profile acquisitions such as Tetley by Tata Tea which was almost twice the size of Tata Tea. Tata Tea acquired Tetley through a leveraged buyout which meant that acquisition was funded by debt raised on the Balance Sheet of the acquired company, and the debt, and the interest on it, would be paid out of cash generated by it. This one acquisition got the attention of Havells and Mr. Anil Rai Gupta (the then JMD of Havells and son of Qimat Rai Gupta, Founder of Havells) as they started looking for global opportunities. After they had met with a opportunity to acquire Geyer, a Greek company which they rejected and they failed to acquire Electrium since they were outbid by Siemens that they came across Sylvania.

Sylvania had a illustrious past. It had started life as Hygrade Sylvania in 1931 in USA. In 1939, it made the world's first tubular fluorescent lamp. In 1959, it merged with General Telephones to form General Telephones and Electronics. This company, in 1993, decided to sell Sylvania Lighting Business to Osram of Germany.

Sylvania was strong in Europe and America. When Osram was set to acquire it, Europe Commission said it would lead to Monopoly in Europe. So Osram acquired only America business and the rest was sold to Citi Ventures Capital. Sylvania then went to bankruptcy, which then was purchased by a clutch of Private Equity Funds - DDJ Capital, Cerberus Capital Management and JP Morgan - which turned it around and put in block for sale as they felt it was time to book profit. Typical Investment Bankers!

Havells found a perfect match in Sylvania and started with the process of its acquisition which we are going to cover in detail forward.

Now this introduction was enough for topics that we are going to cover forward.

**REASON OF ACQUISITION - THE RATIONALE**

- Merger rationale for Havells –
  1. Established professional and consumer lighting brand of Sylvania, manufacturing facilities across Europe, Latin America and Africa
  2. India then was punctuated with increasing imports of commoditized bulbs and lighting instruments for residential and commercial spaces from China, The acquisition would help them leverage new production bases for these products in India.
  3. The acquisition of Sylvania would give Havells a foothold in the fixtures and Energy efficient markets in Europe where they had no earlier

expertise. That is a direct entry.

- Merger rationale for Sylvania –
  1. Havells had a track record of five successful acquisitions, and high growth in its Indian operations.
  2. At the time of proposed deal, the major investors in Sylvania which included a Private Equity consortium of DDJ Capital, Cerberus Capital Management and JP Morgan Securities and who were in the control of company were in throws of management change.
  3. Anti monopolistic and anti trust issues in UK, USA, Germany, France etc : In 2007, the world's lighting market was dominated by four players - Sylvania, GE, Philips and Osram, each of whom had roughly a quarter of the market. As the imminent need for consolidation was felt within the major players, the next issue arose that with an outright takeover by any one of the other three, the proposed deal would likely run afoul of competition laws in different markets

**DEAL STRUCTURE:**

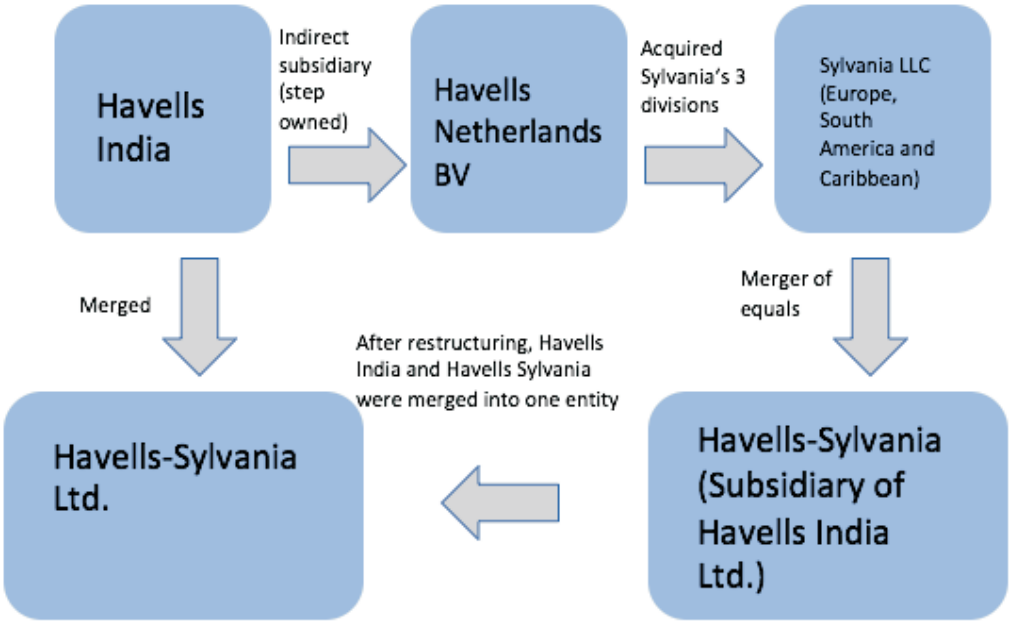
**Valuation**

The maths was quite straightforward. Sylvania had a turnover of almost € 500 Million and an operational profit of around € 30 million. The investment bankers were looking for P/E of 7. So, for around € 210 million (€ 30 million*7) they were willing to sell the company.

Therefore, Havells acquired the South American, European, and Asian division of Sylvania ltd for €227 million. This consideration of €227 million was financed entirely by debt of €200 million, €27 million worth of pension liabilities were also taken over by havells , thus making this deal of worth €227 million.

**Deal Structure**

Actual acquisition was undertaken by havells Netherlands B.V which was the step subsidiary of Havells but was incorporated in Europe. Havells Netherlands B.V acquired Sylvania LLC in all three geographies .This was renamed as Havells-Sylvania.




**Raising of Capital**

The Sylvania Deal was financially well crafted. €120 million debt was raised on Sylvania's balance sheet, with no guarantee of any kind from Havells, and another €80 millions on Havells Balance Sheet.

Therefore, out of the total debt of €200 millions, €80 millions was on balance sheet to Havells, which was funded by bridge loan of €50millions and term loan of €30millions. The company repaid this bridge loan and term loan through the proceeds of private placement to Warburg Pincus Group Company (Seacrest Investment Ltd) for a 11% equity in Havells. Remaining €120millions of the total debt on balance sheet of Sylvania (now Havells Netherlands B.V.) was in the form of €80millions in term loan while €40millions as revolver facility. The revolver loan of €40m has to be repaid in bullet payment in April'12-13.

*Cont...*

# What is Bank audit and its Process in India

**Sachin Agrawal**
B.com, CA Final
Firozabad

*Last month Cont...*

For the purpose of Audit - Internal or External Auditors are given the 'audit engagement' - and the purpose of the audit is expicitly laid out in the audit engagement letter.

RBI + ICAI appoint CAs to conduct Statutory Audits/ Year end audits of Branches of Banks. Internal/ Concurrent Auditors are apointed by the bank itself

1. It is the Branch's responsibility to prepare reports such as daily transaction reports/ cash reports etc. and present it to the auditors.

2. The auditors on their part prepare a detailed 'audit programme' - listing out the various areas they will/ are required to examine and report on.

3. There usually is an 'audit team' which carries out the audit procedures with the help of the bank personnels.

4. Audit is a very important aspect in any organisation - more so in banks as they deal with public money

1. After 'audit' has been conducted - be it internal, concurrent or statutory - an 'Audit Report' is always prepared and submitted, either to Zonal/Regional/Head Office depending on which office engaged the auditors.
2. 'Audit Report' consists of particulars on which the the authority engaging the auditors want the auditors to examine/ check and report on specifically - the contents may slightly vary from Bank to Bank - but for the Statutory Audit it is same for all Banks and Branches and it is mandated by the RBI.
3. Concurrent Audit Report is usually a monthly audit report, whereas Statutory Audit Report is an annual Report.

**Internal Audit/ Information Systems Audit**

- Many banks instead of having concurrent audit or even in addition to having concurrent audits may use 'internal auditing'.
- Internal Auditing is when any organization, including a bank, constitutes an audit team within its own organization to cater to its auditing requirements.
- These internal auditors will visit branches one by one where and when required and carry out auditing.
- Internal Audit may focus on any specified area or cover every aspect of the branch, depending on its audit programme and requirement; main thing is it is conducted by the bank itself.
- However one important thing in internal audit is – information systems audit; information systems audit is a new area gaining prominence in the last few years.
- With rapid computerization in banking sector – core banking, ATMs, mobile banking, internet banking, completely computerized banking functions – it becomes necessary to have a periodical review of how these systems are working.
- Internal Control audit looks are the information flow, the channels, the security (of information) etc.
- It also checks for the workability of new banking softwares and how it rates on security and access.

**Statutory Audit**

- 'Statutory Audit' is conducted by a 'Statutory Auditor' – the word 'statute' means – mandated or compulsorily required by any law or Act; in Bank's case it is the RBI's mandate.
- Every year around the very last days of March (end of financial year) and the beginning of April (first two weeks of April) – in every branch of every bank a very rigorous activity is held – know as the year end audit or the statutory audit!
- This audit is the most important event for a bank as this decides among other things – the NPA!
- Which by now, I think most of you would know and appreciate how important it is for any bank – NPA and its provisioning affect the profits of a bank and hence the Balance Sheet and profit and Loss Account and finally the shareholder's dividends.


- Thus Statutory Audit is very important.
- Statutory Auditors are appointed by RBI in association with the ICAI, to empanel Chartered Accountants for the job.
- Statutory Audit does not look at the nitty-gritties of the banking transactions (these are looked at by concurrent and internal audits); instead they rely on the concurrent audit reports and test checking to form their opinion.
- Statutory Audit mainly looks at the loans and advances, compliance with PSL requirements, CRR, SLR etc. and other statutory norms compliance as per the latest RBI circulars.

Thus Bank Audit is an important activity undertaken by internal and external auditors, to ensure no fraud is being committed – the overall aim to ensure fair and just banking practice.

So when the next time you go to your local branch and witness audit going on specially the Stat Audit – cut 'em some slack! They're trying their best to reduce the NPA and its provisioning!

# Varun Agrawal

Varun Agarwal is an Indian first-generation entrepreneur, film maker, and author. He has co-founded three companies, including Alma Mater, an online store for student and alumni merchandise, and authored a national bestseller How I Braved Anu Aunty and Co-Founded a Million Dollar Company. His book is being made into a Bollywood movie by Nitesh Tiwari, the director of Dangal, and produced by Siddarth Roy Kapur and Ronnie Screwvala. As a motivational speaker he has given talks in over 100 schools and colleges.

Brought up in Bangalore, Varun did his schooling from Bishop Cotton Boys' School and studied engineering at CMR Institute of Technology. Coming from a time in India where parents would force their kids to become future engineers and doctors, Varun also went through the painful drag of completing his engineering. Despite the pressure of the parents and society to follow the crowd and get a job, Varun came up with an idea of selling school merchandise throughout the country and ended up featuring among the top entrepreneurs in the nation. Varun has also worked as a film-maker with the Oscar winner A.R. Rehman at the age of 21 years only.He has given over 500 talks in 8 different countries at the top corporations and colleges. His talks and videos have been seen by over 10 million people globally and has a following of over half a million people.

Varun's latest venture is Grades Don't Matter. An online video platform that aims to inspire young students to pursue alternative career paths.

# The Monkey & the Cat

Once upon a time a Cat and a Monkey lived as pets in the same house. They were great friends and were constantly in all sorts of mischief together. What they seemed to think of more than anything else was to get something to eat, and it did not matter much to them how they got it.

One day they were sitting by the fire, watching some chestnuts roasting on the hearth. How to get them was the question.

"I would gladly get them," said the cunning Monkey, "but you are much more skillful at such things than I am. Pull them out and I'll divide them between us."

Pussy stretched out her paw very carefully, pushed aside some of the cinders, and drew back her paw very quickly. Then she tried it again, this time pulling a chestnut half out of the fire. A third time and she drew out the chestnut. This performance she went through several times, each time singeing her paw severely. As fast as she pulled the chestnuts out of the fire, the Monkey ate them up.

Now the master came in, and away scampered the rascals, Mistress Cat with a burnt paw and no chestnuts. From that time on, they say, she contented herself with mice and rats and had little to do with Sir Monkey.

The flatterer seeks some benefit at your expense.

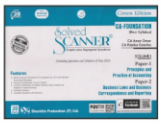
May 2019 Attempt

# Scanner of CA Full Range

Green Edition

**[ Question of Nov. 2018 in Chapter with Analysis-Solutions Online ]**

## CA FOUNDATION (NS)



VOLUME-I

1. Principles and Practice of Accounting
   Paper : 1
2. Business Laws and Business Correspondence and Reporting
   Paper : 2

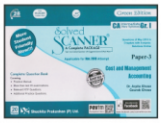
VOLUME-II

3. Business Mathematics, Logical Reasoning and Statistics
   Paper : 3
4. Business Economics and Business and Commercial Knowledge
   Paper : 4

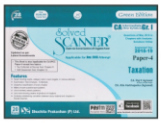
## CA INTER (NS)

1. Accounting
   Paper : 1

2. Corporate and Other Laws
   Paper : 2



3. Cost and Management Accounting
   Paper : 3



4. Taxation
   Paper : 4

5. Advanced Accounting
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6. Auditing and Assurance
   Paper : 6

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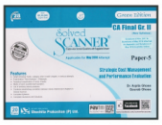
   Paper : 7

8. Financial Management and Economics for Finance
   Paper : 8



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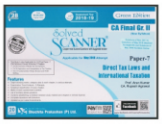

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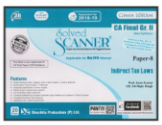

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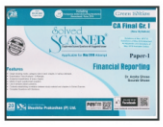
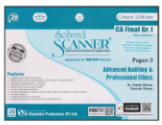


1. Financial Reporting
   Paper : 1

2. Strategic Finacial Management
   Paper : 2



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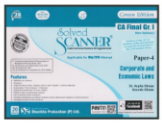
   Paper : 3



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