

### L&T Share Buyback 2023

- L&T has announced a share buyback program amounting to ₹10,000Cr. The good news for investors is that, unlike other buyback programs in the recent past, it will be through a tender route - which means investors can tender their shares at the buyback price. The buy-back offer provides retail investors a possible opportunity to offer their shares at a price higher than the prevalent market prices. Also, given the buy-back quantum is not too large, price impact post closure of the issue may not be much. Hence, may give an opportunity to buy the shares on the market again.
- The L&T board has approved a buyback of 3.125Cr shares which translates to 2.22% of total equity shares on a proportionate basis. The company will buy back shares at ₹3200 per share from investors.
- As per SEBI guidelines, 15% of the buyback (in this case, ₹1,500Cr) has to be reserved for retail investors. Investors holding L&T shares with an investment below ₹2 lakh will fall under the retail category.
- The board of directors of the company has fixed buyback ratio at 9:38 for small shareholders whereas Larsen & Turbo buyback ratio for general category of all kinds of shareholders has been fixed at 11:574.

Buyback Type:	Tender Offer
Buyback Record Date:	Sep 12 2023
Buyback Opening Date:	Sep 18 2023
Buyback Closing Date:	Sep 25 2023
Buyback Offer Amount:	₹10,000Cr.
Date of Board Meeting approving the proposal:	Jul 25 2023
Date of Public Announcement:	Jul 25 2023
Buyback Offer Size:	2.22%
Buyback Number of Shares:	3,12,50,000
Price Type:	Tender Offer
FV:	2
Buyback Price:	₹ 3200 Per Equity Share

### SALIENT FINANCIAL PARAMETERS

Particulars (₹ Crs)	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023
Sales	135,220	145,452	135,979	156,521	183,341
Expenses	112,354	120,899	112,519	132,195	156,561
Operating Profit	22,866	24,553	23,460	24,327	26,780
OPM %	17%	17%	17%	16%	15%
Other Income	2,701	3,015	8,111	2,364	3,065
Interest	9,339	11,021	11,750	9,235	9,234
Depreciation	1,923	2,462	2,904	2,948	3,502
Profit before tax	14,305	14,086	16,918	14,508	17,109
Tax %	28%	23%	24%	29%	26%
Net Profit +	10,217	10,894	12,921	10,419	12,531
EPS in ₹	63.48	68.02	82.47	61.7	74.5
Dividend Payout %	28%	26%	44%	36%	32%

### HOW TO PARTICIPATE IN BUYBACK?

1. Firstly, to be eligible for the buyback the investor should have shares of Larsen & Toubro Limited in Demat or physical form as on the record date [To 12-09-2023].
2. Once you have shares in Demat, you can participate in the buyback process which is opening from [18-09-2023] by selling your shares through your broker on NSE or BSE.
3. Then on [25-09-2023], the payment will be given to you for accepted shares and unaccepted shares will be returned to your Demat account.


 18<sup>th</sup> September 2023

**CMP: 2,908.55**
**MCap: ~Rs4100bn**
**PROFIT FROM THE BUYBACK ON THE BASES OF ACCEPTANCE RATIO**

<b>Max Value for Retail (₹) – A</b>	200000
<b>Buyback price- B</b>	3200
<b>No of shares</b>	62 (A/B)
<b>Price (₹) as on 12Sep23</b>	2948.5
<b>Amt Invested (₹)</b>	180,231

<b>Acceptance Ratio</b>	<b>20%</b>	<b>25%</b>	<b>33%</b>	<b>50%</b>	<b>60%</b>	<b>75%</b>
Amt Invested (₹)	1,82,807	1,82,807	1,82,807	1,82,807	1,82,807	1,82,807
No of Shares	12	16	20	31	37	46
Buyback Profit (₹)	3119	3898	5030	7797	9356	11569
<b>Buyback Profit (%)</b>	<b>1.7</b>	<b>2.1</b>	<b>2.8</b>	<b>4.3</b>	<b>5.1</b>	<b>6.3</b>

**Assuming 25-60% of the tendered share are accepted, the profit made out of tendered share will be close to 2.1-5.1% at CMP of ₹2948.5 as on 12Sep23**

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**Disclosure of Interest Statement Larsen & Toubro Ltd. as on 18<sup>th</sup> September 2023**

Name of the Security	Larsen & Toubro Ltd
Name of the analyst	Jayakanth Kasthuri
Analysts' ownership of any stock related to the information contained	
Financial Interest	No
Analyst :	No
Analyst's Relative : Yes / No	No
Date of buying	
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
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