



LARSEN & TOUBRO LIMITED

LARSEN & TOUBRO LIMITED

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Contact Person: Mr. N. Hariharan, Executive Vice President & Company Secretary and Compliance Officer

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF LARSEN & TOUBRO LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018

This Public Announcement (the "Public Announcement") is being made pursuant to Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments from time to time (the "Buyback Regulations") and contains the disclosures as specified in Schedule II to the Buyback Regulations.

OFFER TO BUY BACK UP TO 6,10,16,949 (SIX CRORE TEN LAKH SIXTEEN THOUSAND NINE HUNDRED AND FORTY NINE) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 2 (RUPEES TWO) EACH AT A PRICE OF ₹ 1,475 (RUPEES ONE THOUSAND FOUR HUNDRED AND SEVENTY FIVE ONLY) PER FULLY PAID-UP EQUITY SHARE PAYABLE IN CASH ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE THROUGH STOCK EXCHANGE MECHANISM.

- The Buyback Offer**
  - The Board of Directors of Larsen & Toubro Limited (the "Company") (the Board of Directors of the Company hereinafter referred to as the "Board", which expression shall include any Committee constituted to be constituted by the Board to exercise its powers) at its meeting held on Thursday, August 23, 2018 ("Board Meeting") has, subject to the approval of the Members of the Company by way of Special Resolution and subject to such approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved buyback of 6,00,00,000 (six crore) fully paid-up Equity Shares of face value of ₹ 2 (Rupees two) each ("Equity Shares"), or higher, depending upon the final price to be fixed by the Buyback Committee, on a proportionate basis through the "Tender Offer route through Stock Exchange mechanism" in accordance with the Companies Act, 2013 (as amended from time to time) (the "Act" or the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014 ("Share Capital Rules"), Companies (Management and Administration) Rules, 2014 ("Management and Administration Rules"), to the extent applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Buyback Regulations read with the Securities and Exchange Board of India Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended vide SEBI circular CFD/DCR2/CIR/PI/2016/131 dated December 9, 2016, including any amendments thereto ("SEBI Circulars") at a price not exceeding ₹ 1,500 (Rupees one thousand five hundred only) per Equity Share payable (final price to be decided by the Buyback Committee) in cash for an aggregate consideration not exceeding ₹ 9,000 crore (Rupees nine thousand crore only) excluding transaction costs viz. filing fees, brokerage, offer expenses, applicable taxes such as Securities Transaction Tax, Goods and Services Tax, Stamp Duty, etc. (the "Transaction Costs"), which is not exceeding 25% of the aggregate of the paid-up share capital and free reserves as per the audited financial statements of the Company as on March 31, 2018, out of the free reserves of the Company and/ or such other source as may be permitted by the Buyback Regulations or the Act, from the Members of the Company, as on Record Date, to be announced by the Board, on a proportionate basis, through the Tender Offer route through Stock Exchange mechanism as prescribed under the Buyback Regulations ("Buyback"). The shareholders of the Company approved the Buyback, by way of a special resolution, through postal ballot (including e-voting) pursuant to a postal ballot notice dated August 23, 2018 (the "Postal Ballot Notice"), the results of which were announced on October 3, 2018. The Members of the Company authorized the Board to finalise Offer Price (as defined below), resultant number of Equity Shares to be bought back within the aforesaid limits. Subsequently, the Buyback Committee at its meeting held on October 3, 2018 determined the final Buyback Price of ₹ 1,475/- (Rupees one thousand four hundred and seventy five only) per Equity Share (the "Buyback Price / Offer Price") and the total amount for Buy-back not exceeding ₹ 9,000 crore (Rupees nine thousand crore only) ("Offer Size"), excluding the Transaction Costs. Hence a total number of up to 6,10,16,949 (Six crore ten lakh sixteen thousand nine hundred and forty nine) Equity Shares would be bought back, (representing 4.35% of the total issued and paid up equity share capital of the Company, as on the date hereof).
  - The Buyback is pursuant to Article 5A of the Articles of Association of the Company, Sections 68, 69, 70 and other applicable provisions, if any, of the Act, the relevant rules framed thereunder, including the Share Capital Rules and the Management and Administration Rules, to the extent applicable, and the Buyback Regulations.
  - The Buyback is further subject to approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications, if any, from time to time from statutory, regulatory or governmental authorities as required under applicable laws, including but not limited to Securities and Exchange Board of India ("SEBI") and the stock exchanges where the Equity Shares of the Company are listed i.e. the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (collectively, "Stock Exchanges"). Further, the global depository shares ("GDSs") of the Company are listed on Luxembourg Stock Exchange and admitted for trading on London Stock Exchange.
  - The Buyback is within 25% of the aggregate of paid-up capital and free reserves of the Company as per audited financial statements of the Company as on March 31, 2018 (the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). The maximum number of shares proposed to be purchased under the Buyback shall not exceed 25% of the total number of shares in the paid-up equity capital as per the audited balance sheet as on March 31, 2018.
  - The Offer Size of the Buyback constitutes 18.72% of the aggregate paid-up equity share capital and free reserves as per the audited financial statements of the Company as on March 31, 2018 and represents 4.35% of the total issued and paid-up equity share capital of the Company, as on the date hereof.
  - The Equity Shares shall be bought back on a proportionate basis from all the equity shareholders of the Company as on the Record Date (as defined below), including holders of GDS of the Company, who cancel any of their GDS and withdraw the underlying Equity Shares prior to the Record Date, such that they become equity shareholders of the Company as on the Record Date ("Eligible Shareholders") through the "Tender Offer" route, as prescribed under the Buyback Regulations, and subject to applicable laws, facilitated through the stock exchange mechanism as specified by SEBI in the SEBI Circulars. Please refer to Paragraph 10 below for details regarding the Record Date and share entitlement for tender in the Buyback.
  - Under applicable Indian laws, holders of GDS will not be eligible to tender GDSs in the Buyback. In order for such GDS holders to participate in the Buyback, they must take certain actions, which may include cancelling their existing GDSs and withdrawing the Equity Shares underlying the GDSs held by them prior to the Record Date such that they become Equity Shareholders on or prior to the Record Date (i.e. they should become Eligible Shareholders) and then tender those Equity Shares back to the Company through their respective stock brokers. There can be no assurance that all the Equity Shares tendered by a GDS holder who withdraws the Equity Shares underlying the GDSs held by such holder and then tendered in the Buyback will be accepted.
  - Employees of the Company holding the Equity Shares as on Record Date may also participate in the Buyback as per their individual discretion.
  - In terms of the Buyback Regulations, under the Tender Offer route, promoters have the option to participate in a buyback. However, the Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control.
- Participation in the Buyback by Eligible Shareholders may trigger capital gains taxation in India and/or in their country of residence. The transaction of Buyback would also be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive a Letter of Offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, the Eligible Shareholders are advised to consult their own legal, financial, accounting and tax advisors prior to participating in the Buyback.
- Notice to US holders of Equity Shares:
  - The Buyback is in relation to the securities of an Indian company and is subject to Indian disclosure requirements, which are different from those of the United States. The financial information of the Company has been prepared in accordance with the provisions of the Act and the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Buyback will be conducted in the United States pursuant to an exemption from the US tender offer rules provided by Rule 14d-1(c) under the US Exchange Act and otherwise in accordance with the requirements of the Act, the relevant rules framed thereunder, including the Share Capital Rules and the Management and Administration Rules, to the extent applicable, and the Buyback Regulations. Accordingly, the Buyback will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law.
  - The receipt of cash pursuant to the Buyback by a US holder of Equity Shares may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other, tax laws. Each holder of Equity Shares is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Buyback.
  - It may be difficult for US holders of Equity Shares to enforce their rights and claims arising out of the US federal securities laws since the Company is located in a country other than the United States and some or all of its officers and directors may be residents of a country other than the United States. US holders of Equity Shares may not be able to sue the Company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel the Company and its affiliates to subject themselves to a US court's judgement.

- A copy of this Public Announcement is available on the website of the Company at [www.Larsentoubro.com](http://www.Larsentoubro.com) and is expected to be available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) during the period of Buyback and on the website of the Stock Exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

Objective of the Buyback

The Company is currently following an asset-light business model and hence any significant investments which may utilize the cash is not envisaged. Hence, it is proposed to undertake a Buyback of Equity Shares.

Maximum number of Securities that the Company proposes to Buyback

The Company proposes to buyback up to 6,10,16,949 (Six crore ten lakh sixteen thousand nine hundred and forty nine) Equity Shares of face value of ₹ 2 (Rupees two) each of the Company.

Buyback Price and Basis of Determining Price of the Buyback

- The Equity Shares of the Company are proposed to be bought back at a price of ₹ 1,475 (Rupees one thousand four hundred and seventy five only) per Equity Share. The Offer Price has been arrived at after considering trends in the closing price of the Equity Shares on the BSE and the NSE where the Equity Shares of the Company are listed in the past one year. The specific offer price has been finalized by the Buyback Committee of the Board appointed for this purpose based on a premium over the daily average of the closing price on NSE in the immediately preceding two weeks' prior to the date of Buyback Committee meeting subject to a maximum price of ₹ 1,500 (Rupees one thousand five hundred only) per Equity Share.

The Buyback Price represents:

- Premium of 12.58% and 12.66% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for the three (3) months immediately preceding the date of Buyback Committee meeting;
  - Premium of 13.53% and 13.75% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for the two (2) weeks preceding the date of Buyback Committee meeting;
  - Premium of 18.53% and 18.43% over the closing market price of the Equity Shares on BSE and NSE, respectively, as on the date of Buyback Committee meeting; and
  - Premium of 12.78% over the daily average of the closing market price of the Equity Shares on NSE in the immediately preceding two weeks' prior to the date of Buyback Committee meeting.

Maximum amount required for Buyback, Its percentage of the total paid-up Capital and free reserves and source of funds from which Buyback would be financed

- The maximum amount required for Buyback will not exceed ₹ 9,000 crore (Rupees nine thousand crore only) excluding Transaction Costs. The said amount works out to 18.72% of the aggregate of the fully paid up share capital and free reserves as per the audited financial statements of the Company as on March 31, 2018 which is within the prescribed limit of 25% under the Act.
- The funds for the implementation of the Buyback shall be sourced out of the free reserves of the Company and/or such other source as may be permitted by the Buyback Regulations or the Act.
- The Company shall transfer from its free reserves, a sum equal to the nominal value of the equity shares so bought back to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statements.

- The funds borrowed from banks and financial institutions will not be used for the Buyback.

Details of holding and transactions in the shares of the Company

The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control.

- Aggregate shareholding of the Promoter Companies as on August 23, 2018:  
Not Applicable
- Aggregate shareholding of the Directors of Promoter Companies as on August 23, 2018:  
Not Applicable
- The aggregate shareholding of the Directors and Key Managerial Personnel of the Company as on the date of the Postal Ballot Notice i.e., August 23, 2018, are as follows:

S. No.	Name	Designation	Number of Equity Shares held	% Shareholding
1.	Mr. A.M Naik	Non-Executive Chairman	4,24,958	0.03
2.	Mr. S.N Subrahmanyam	Chief Executive Officer and Managing Director	2,65,584	0.02
3.	Mr. R. Shankar Raman	Whole-time Director	3,28,500	0.02
4.	Mr. Shailendra Roy	Whole-time Director	90,125	0.01
5.	Mr. Dip Kishore Sen	Whole-time Director	46,054	0.00
6.	Mr. M.V Satish	Whole-time Director	64,312	0.00
7.	Mr. Jayant Patil	Whole-time Director	1,72,260	0.01
8.	Mr. M.M Chitale	Independent Director	2,443	0.00
9.	Mr. Subodh Bhargava	Independent Director	1,125	0.00
10.	Mr. M. Damodaran	Independent Director	225	0.00
11.	Mr. Vikram Singh Mehta	Independent Director	1,327	0.00
12.	Mr. Adil Zainulbhai	Independent Director	150	0.00
13.	Mr. Akhilesh Krishna Gupta	Independent Director	7,680	0.00
14.	Mrs. Sunita Sharma*	Nominee Director	150	0.00
15.	Mr. Thomas Mathew†	Independent Director	150	0.00
16.	Mr. Ajay Shankar	Independent Director	150	0.00
17.	Mr. Subramanian Sarma	Non-Executive Director	63,150	0.00
18.	Mrs. Naina Lal Kidwai	Independent Director	150	0.00
19.	Mr. Sanjeev Aga	Independent Director	4,500	0.00
20.	Mr. N. Kumar	Independent Director	1,500	0.00
21.	Mr. Arvind Gupta*	Nominee Director	100	0.00
22.	Mr. Hemant Bhargava	Nominee Director	90	0.00
23.	Mr. N. Hariharan	Company Secretary	34,710	0.00

\* jointly held with Life Insurance Corporation of India

† jointly held with Administrator of the Specified Undertaking of the Unit Trust of India

- Aggregate Equity Shares purchased or sold by (i) the Promoter Companies; (ii) Directors of the Promoter Companies; and (iii) Directors & Key Managerial Personnel of the Company during a period of six months preceding the date of the Board Meeting at which the Buyback was approved till the date of the Postal Ballot Notice i.e. August 23, 2018:

- Aggregate of Equity Shares purchased or sold by the Promoter Companies:

Not Applicable

- Aggregate Equity Shares purchased or sold by the Directors of the Promoter Companies:

Not Applicable

- Aggregate Equity Shares purchased or sold by the Directors and Key Managerial Personnel of the Company:

S. No.	Name of the Person	No. of shares (Face value ₹ 2 each) purchased / sold	Nature of Transaction	Date of Transaction / Allotment	Price (in ₹)
1.	Mr. Subramanian Sarma	31,500	Exercise of Stock Options	April 5, 2018	7.80
2.	Mr. S. N Subrahmanyam	52,500	Exercise of Stock Options	August 11, 2018	7.80
3.	Mr. R. Shankar Raman	22,500	Exercise of Stock Options	August 11, 2018	7.80
4.	Mr. Shailendra Roy	15,000	Exercise of Stock Options	August 11, 2018	7.80

- Intention of Promoter and Promoter Group to participate in Buyback:

Not Applicable

- The details of the date and price of acquisition of the Equity Shares that the Promoters intend to tender are set-out below:

Not Applicable

Confirmations from the Company as per the provisions of the Buyback Regulations and the Companies Act

- All Equity Shares of the Company are fully paid-up.
- The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of payment of consideration to shareholders who have accepted the Buyback offer will be made.
- The Company shall not raise further capital for a period of one year from the date of payment of consideration to shareholders who have accepted the Buyback offer, except in discharge of subsisting obligations.
- The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the Public Announcement for the Buyback is made.
- The Company shall not buyback locked-in shares and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.
- The Company is not undertaking the Buyback to delist its Equity Shares from the Stock Exchanges.
- The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statements.
- The Company shall pay the consideration only by way of cash.
- The Company confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or redemption of preference shares or repayment of term loans to any financial institution or banks.
- The Company shall not buyback its Equity Shares from any person through a negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback.
- The ratio of the aggregate of secured and unsecured debts owed by the Company on standalone basis after the Buyback will not be more than twice the paid-up capital and free reserves after the Buyback.
- The funds borrowed from banks and financial institutions will not be used for the Buyback.
- The Buyback shall be completed within a period of one year from the date of passing of the special resolution.
- The Company is in compliance with the conditions under Regulation 4 of the Buyback Regulations.

Confirmations from the Board

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

- Immediately following the date of the Board Meeting, and the date on which the result of shareholders' resolution passed by way of Postal Ballot/E-voting ("Postal Ballot Resolution") was declared, approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts;
- As regards the Company's prospects for the year immediately following the date of the Board Meeting approving the Buyback as well as for the year immediately following the date of passing of the Postal Ballot Resolution, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting as also from the date of passing of the Postal Ballot Resolution;
- In forming an opinion as aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities), as if the Company was being wound up under the provisions of the Companies Act, 2013/ Insolvency and Bankruptcy Code, 2016, as applicable.

Report addressed to the Board of Directors by the Company's Auditors on permissible capital payment and opinion formed by directors regarding insolvency

The text of the Report dated August 23, 2018 of Deloitte Haskins & Sells, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

The Board of Directors  
Larsen & Toubro Limited  
L&T House  
Ballard Estate  
Mumbai 400 001

Dear Sirs,

Auditor's Report on the matters specified in clause (xi) of Part A of Schedule II of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "SEBI Buyback Regulations") for proposed buyback of equity shares of the Company

- This report is issued in accordance with the terms of our engagement letter dated 14 September, 2017.
- We, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366WW/100018), the Statutory Auditors of Larsen & Toubro Limited ("L&T" the "Company"), have been informed by the Management of the Company that the Board of Directors of the Company has approved a proposed buy-back of equity shares of the Company at its meeting held on 23 August 2018, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 (the "Act") and the SEBI Buyback Regulations.
- The responsibility for preparing the accompanying Statement of permissible capital payment ("Annexure A") as at 31 March 2018 (hereinafter referred together as the "Statement") is prepared by the Management of the Company and same is initiated by us for identification purposes only.
- Management's Responsibility for the Statement**
  - The Management of the Company is responsible for the preparation of the Statement in accordance with Section 68 (2)(c) of the Companies Act, 2013 and to comply with the SEBI Buyback Regulations, including the computation of the amount of the permissible capital payment, preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance with all applicable guidelines issued in connection with the proposed buy back of equity shares of the Company.
  - The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of meeting at which the proposal for buy-back was approved by the Board of Directors of the Company.

Auditor's Responsibility for the Statement

- Pursuant to the requirements of SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance on:

- Whether we have inquired into the state of affairs of the Company in relation to the audited standalone financial statements as at and for the financial year ended 31 March 2018 which are subject to adoption by the members of the Company at their Annual General Meeting;
- the amounts used for computing the permissible capital payment as stated in Annexure A, have been accurately extracted from the audited standalone financial statements of the Company for the financial year ended 31 March 2018 and whether the computation is in accordance with Section 68(2)(c) of the Act; and
- Whether Board of Directors of the Company in their meeting dated 23 August 2018 have formed the opinion as specified in clause (x) of Part A of Schedule II to the SEBI Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of passing of Board meeting resolution dated 23 August 2018.

- The audited standalone financial statements referred to in paragraph 6 above, as of and for the financial year ended 31 March 2018, have been audited by us on which we have issued an unmodified audit opinion vide our report dated 28 May 2018.

The audited standalone financial statement referred to above for the financial year ended March 31, 2018 has been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. Our audit of the standalone financial statement for the financial year ended 31 March, 2018 was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

- We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Criteria and Scope

- The criteria against which the information contained in the Statement is evaluated are following:
  - Audited standalone financial statements of the Company for the financial year ended 31 March, 2018;
  - Letter of Announcement of Buyback submitted by the Company's Board of Directors to Stock exchange as per Regulation 30 of Listing obligations and disclosure requirements of Securities Exchange Board of India;
  - Board Resolution passed at the Board Meeting held on 23 August, 2018;
  - Articles of Association of the Company; and
  - Books of accounts and other records and written representation obtained from the Management of the Company.

Opinion

- Based on our examination, as stated above and according to the information, explanations and written representations provided to us by the Management of the Company, we report that:

- We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements as at and for the financial year ended 31 March 2018;
- The amount of permissible capital payment towards the proposed buy back of equity shares as stated in Annexure A is in accordance with Section 68(2) (c) of the Act and the amounts of share capital and free reserves used in computation of permissible capital payment have been accurately extracted from the audited standalone financial statements of the Company for the financial year ended 31 March 2018; and
- The Board of Directors of the Company, in their meeting held on 23 August 2018 have formed their opinion as specified in clause (x) of Part A of Schedule II to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated 23 August 2018.

Restriction on Use

- This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the SEBI Buyback Regulations solely to enable the Board of Directors of the Company to include it in postal ballot notice, public announcement and in the letter of offer to be circulated to the Members of the Company and filed with various regulatory authorities, in connection with the Buyback, in pursuance of the provisions of sections 68, 69 and 70 of the Act and the SEBI Buyback Regulations, and should not be used for any other purpose or by any other person.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366WW/100018)

Mukesh Jain

Partner

(Membership No. 106262)

Mumbai, 23 August, 2018

Annexure A:

Statement of computation of permissible capital payment for the proposed Buyback of the Equity Shares of the Company in accordance with Section 68(2) (c) of the Act, based on audited financial statements for the financial year ended 31 March 2018:

Particulars	(A)	Amount (Rs in crore)
<b>Paid-up equity share capital as at 31 March 2018</b> <b>(140,13,69,456 equity shares of face value Rs. 2 each fully paid up)</b>		<b>280.27</b>
<b>Free Reserves as at 31 March 2018*</b>		
i. Securities Premium account		8,363.02
ii. General Reserves		25,395.78
iii. Retained Earnings (net of unrealised gain amounting to Rs. 216.09 crore on investment in Equity Shares/ Preference Shares/Bonds)		14,033.92
<b>Total Free Reserves</b>	<b>(B)</b>	<b>47,792.72</b>
<b>Total Paid-up equity share capital and Free Reserves as at 31 March 2018</b>	<b>C=(A+B)</b>	<b>48,072.99</b>
<b>Permissible capital payment in accordance with the provisions of Section 68 of the Act</b> <b>(25% of the total paid up equity share capital and Free Reserves as at 31 March 2018)</b>	<b>D=(C*25%)</b>	<b>12,018.25</b>
<b>Amount proposed by Board Resolution dated 23 August 2018 approving the Buyback, subject to shareholders approval by special resolution, based on the audited financial statements for the year ended 31 March 2018</b>		<b>9,000.00</b>

\* Free Reserves are computed in accordance with the provisions of section 2 (43) of Companies Act, 2013 read along with the Explanation II provided in Section 68 of the Act.

Record Date and Shareholders Entitlement

- As required under the Buyback Regulations, the Company has announced Monday, October 15, 2018 as the record date ("Record Date") for the purpose of determining the entitlement and the names of the Shareholders who will be eligible to participate in the Buyback.

- In due course, Eligible Shareholders will receive a letter of offer in relation to the Buyback ("Letter of Offer") along with a tender offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback.

- The Equity Shares proposed to be bought back by the Company shall be divided into two categories; (i) reserved category for Small Shareholders (defined below) and (ii) the general category for all other Eligible Shareholders.

- As defined under the Buyback Regulations, a "Small Shareholder" is an Eligible Shareholder who holds Equity Shares having market value, on the basis of closing price on BSE or NSE, on which the highest trading volume in respect of the Equity Shares on the Record Date was recorded, of not more than ₹ 200,000 (Rupees two lakhs only).

- In accordance with Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes to buy back or the number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.

- On the basis of the shareholding as on the Record Date, the Company will determine the entitlement of each Eligible Shareholder, including Small Shareholders, to tender their Equity Shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Eligible Shareholder belongs. The final number of Equity Shares the Company will purchase from each Eligible Shareholder will be based on the total number of Equity Shares tendered. Accordingly, the Company may not purchase all of the Equity Shares tendered by the Eligible Shareholders in the Buyback.

- After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Shareholders in that category, and thereafter from Eligible Shareholders who have tendered over and above their entitlement in the other category.

- In order to ensure that the same shareholders with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Company proposes to club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of physical shareholders, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds/trusts and insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar (defined below) as per the shareholder records received from the Depositories.




- The participation of the Eligible Shareholders in the Buyback is voluntary. Eligible Shareholders may opt to participate, in part or in full, and receive cash in lieu of the Equity Shares accepted under the Buyback, or they may opt not to participate and enjoy a resultant increase in their percentage shareholding, after the completion of the Buyback, without any additional investment. Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any.

- The maximum tender under the Buy



- details as may be required by such BSE registered stock broker in compliance with applicable law). In case the Eligible Shareholder is unable to register himself by using quick UCC facility through any other BSE registered stock broker, then that Eligible Shareholder may approach the Company's Broker, viz. JM Financial Services Limited, to register himself by using quick UCC facility.
- 11.7. Procedure to be followed by Eligible Shareholders holding Equity Shares in Dematerialised Form
- 11.7.1. Eligible Shareholders who desire to tender their Equity Shares held by them in dematerialised form under the Buyback would have to do so through their respective Stock Broker by indicating to the concerned Stock Broker, the details of Equity Shares they intend to tender under the Buyback.
- 11.7.2. The Stock Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of BSE. Before placing the order/bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to the special account of Indian Clearing Corporation Limited (referred to as the "**Clearing Corporation**") by using the early pay-in mechanism as prescribed by BSE or the Clearing Corporation prior to placing the bid by the Stock Broker.
- 11.7.3. The details of the special account of the Clearing Corporation and the settlement number shall be informed in the issue opening circular that will be issued by BSE and/or the Clearing Corporation.
- 11.7.4. For custodian participant orders for dematerialized Equity Shares, early pay-in is mandatory prior to confirmation of order by custodian participant. The custodian participant shall either confirm or reject the orders no later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- 11.7.5. Upon placing the bid, the Stock Broker shall provide a Transaction Registration Slip ("**TRS**") generated by the Exchange Bidding System to the Eligible Shareholder on whose behalf the bid has been placed. The TRS will contain the details of order submitted such as bid ID number, application number, Depository Participant ID, client ID, number of Equity Shares tendered, etc.
- 11.8. **Procedure to be followed by Eligible Shareholders holding Equity Shares in Physical Form**
- 11.8.1. Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buyback will be required to approach their respective Stock Broker(s) along with the complete set of documents for verification procedures to be carried out. Such documents include (i) the tender form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares (ii) original Equity Share certificate(s), (iii) valid share transfer form(s) i.e. Form SH-4 duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company/ its Registrar & Share Transfer Agent) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of the Eligible Shareholder's PAN card, (v) any other relevant documents such as, but not limited to, duly attested power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Eligible Shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- 11.8.2. Based on the aforesaid documents, the Stock Broker shall place the bid on behalf of the Eligible Shareholder who is holding Equity Shares in physical form and intends to tender Equity Shares in the Buyback using the Acquisition Window of BSE. Upon placing the bid, the Stock Broker shall provide a TRS generated by the Exchange Bidding System to the Eligible Shareholder. The TRS will contain the details of order submitted such as folio number, Equity Share certificate number, distinctive number, number of Equity Shares tendered, etc.
- 11.8.3. The Stock Broker / Eligible Shareholder is required to deliver the original Equity Share certificate(s) and documents (as mentioned in Paragraph 11.8.1 above) along with 2 (two) copies of the TRS either by registered post or courier or hand delivery to the registrar to the Buyback i.e. Karvy Computershare Private Limited ("**Registrar**") at the address mentioned at Paragraph 14 below or the collection centre of the Registrar, details of which will be included in the Letter of Offer, within 2 days of the last day of the Buyback tendering period. The envelope should be super-scribed as "**L&T Buyback Offer 2018**". One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Stock Broker / Eligible Shareholder on another copy of the TRS.
- 11.8.4. Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time BSE shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'Confirmed Bids'.

- 11.9. Modification / cancellation of orders and multiple bids will be allowed during the tendering period of the Buyback. Multiple bids made by a single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as "one bid" for the purposes of acceptance.
- 11.10. The cumulative quantity of Equity Shares tendered shall be made available on BSE's website: www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.
12. **Method of Settlement**
- 12.1. Upon finalization of the basis of acceptance as per Buyback Regulations:
- 12.1.1. The settlement of trades shall be carried out in the manner as detailed in the following paragraphs, which is similar to settlement of trades in the secondary market.
- 12.1.2. The Company will pay the consideration to the Company Broker which will transfer the consideration pertaining to the Buyback to the Clearing Corporation's Bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If any Eligible Shareholder's bank account details are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Stock Brokers' for onward transfer to such Eligible Shareholder.
- 12.1.3. The Equity Shares bought back in dematerialized form would be transferred directly to the escrow account of the Company ("**Company Demat Account**") provided it is indicated by the Company Broker, otherwise it will be transferred by the Company Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.
- 12.1.4. Eligible Shareholder will have to ensure that they keep their depository participant ("**DP**") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of shares under the Buyback. Excess Equity Shares or unaccepted Equity Shares, in dematerialised form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Stock Broker's depository pool account for onward transfer to the shareholder. Any excess Equity Shares, in physical form, pursuant to proportionate acceptance / rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Shareholders holding Equity Shares in the physical form.
- 12.1.5. The Stock Brokers would issue a contract note to the respective Eligible Shareholders for the Equity Shares accepted under the Buyback. The Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- 12.1.6. Eligible Shareholders who intend to participate in the Buyback should consult their respective Stock Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Stock Broker upon the selling Eligible Shareholders placing the order to sell the Equity Shares on behalf of the Eligible Shareholders. The Buyback consideration received by the selling Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Managers to the Buyback and the Company accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred by the selling Eligible Shareholders.
- 12.1.7. The Equity Shares lying to the credit of the Company Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.
13. **Compliance Officer**  
The Company has designated Mr. N. Hariharan as the Compliance Officer for the Buyback:  
**Mr. N. Hariharan**,  
Executive Vice President & Company Secretary  
**Address:**  
L&T House, Ballard Estate, Mumbai-400001  
**Tel No.:** 022-67525656,  
**Fax No.:** 022-67525893  
**Email:** buyback@larsentoubro.com,  
**Website:** www.Larsentoubro.com  
In case of any clarifications or to address investor grievance, the Eligible Shareholders may contact the Compliance Officer or the Secretarial Department, on all working days, from Monday to Friday between 10 am to 5 pm, at the above mentioned address.

14. **Registrar to the Buyback**
-  **Karvy Computershare Private Limited**  
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad 500 032, India  
**Tel:** +91 40 6716 2222; **Fax:** +91 40 2343 1551  
**Contact person:** Mr. M. Murali Krishna, **Email:** l&t.buybackoffer@karvy.com  
**Website:** https://karisma.karvy.com, **SEBI Registration Number:** INR00000221  
**Corporate Identification Number:** U72400TG2003PTC041636
- In case of any queries, Eligible Shareholders may also contact the Registrar to the Buyback, on all working days, from Monday to Friday between 10 am to 5 pm, at the above mentioned address.
15. **Managers to the Buyback**
-  **JM Financial Limited**  
7th Floor, Nergay,  
Appasaheb Marathe Marg, Prabhadevi,  
Mumbai – 400025, Maharashtra, India  
**Tel:** +91 22 6630 3030  
**Fax:** +91 22 6630 3330  
**Contact Person:** Ms. Prachee Dhuri  
**Email:** Int.buyback@jmfl.com  
**SEBI Registration Number:** INM000010361  
**Corporate Identification Number:** L67120MH1986PLC038784
-  **Axis Capital Limited**  
1st Floor, Axis House,  
C-2, Wadia International Centre  
Pandurang Budhkar Marg  
Worli, Mumbai – 400 025, Maharashtra, India.  
**Tel:** +91-22-4325 2183  
**Fax:** +91-22-4325 3000  
**Contact Person:** Mr. Sagar Jatakiya  
**Email:** Int.buyback@axiscap.in  
**SEBI Registration Number:** INM000012029  
**Corporate Identification Number:** U51900MH2005PLC157853
16. **Directors' Responsibility**  
As per Regulation 24(i)(a) of the Buyback Regulations, the Board accepts full and final responsibility for the information contained in this Public Announcement and confirms that this Public Announcement contains true, factual and material information and does not contain any misleading information.
- For and behalf of the Board of Directors of LARSEN & TOUBRO LIMITED**
- Sd/-**  
**S.N Subrahmanyam**  
*Chief Executive Officer & Managing Director*  
[DIN: 02255382]
- Sd/-**  
**R. Shankar Raman**  
*Whole-time Director and Chief Financial Officer*  
[DIN: 00019798]
- Sd/-**  
**N. Hariharan**  
*Executive Vice-President & Company Secretary*  
[Membership No. – A3471]
- Date:** October 4, 2018  
**Place:** Mumbai