

NTPC Share Buy Back Trade

Buyback (Shares)	197,891,146
Total Value for Buyback (Rs in Crs)	2,276
% Total Shareholding	2%
Total No. Shares as on Oct' 20	9,894,557,280
Buyback Price	115
CMP as on 3/11/20	86

Details of Buyback

- NTPC has announced a Buy Back scheme for an aggregate amount not exceeding INR 2,276 crores offering 197,891,146 shares at a price of INR 115 per share. The buyback will be on a proportionate basis under the tender offer route.
- Company has fixed 13th November, 2020 as the record date for the purpose of ascertaining the eligibility of shareholders for Buyback of equity shares.

Offering to Small Shareholders (up to 2 lakhs)

Reserved for Small Shareholders* (A)	29,683,672
Tendered to Small Shareholders (Proportionate basis) (B)	4,498,815
Whichever is higher (A>B)*	29,683,672
% of Acceptance	13%

*As per the SEBI Regulations on Buy-Back of Securities

- If 100% of the retail shareholders participate in the buyback, the acceptance ratio will be around 13%. Any decrease in the participation will in turn increase the acceptance ratio

Buy-Back Trade

Buy NTPC up to INR 2 lakhs i.e. around 2,300 shares and tender it in Buy back

1) 100% Participation, 13% Acceptance

Particulars	No. of Shares	Rate	Amount
Shares to Buy	2300	85.9	197,570
Shares to be accepted in Buy Back	304	115	34,960
Untendered Shares	1996	85.9	171,456
Profit/(Loss)			4.5%

2) 60% Participation, 22% Acceptance

Particulars	No. of Shares	Rate	Amount
Shares to Buy	2300	85.90	197,570
Shares to be accepted in Buy Back	506	115	58,190
Untendered Shares	1794	85.90	154,105
Profit/(Loss)			7.5%

Higher the Acceptance higher the Gains

Risk in Trade

- Rally in the stock price on account of increase in the retail participation will reduce the gains from the trade.

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LKP Research

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