

# GAIL (India) Ltd.

Buyback Update

24-May-2022



# GAIL (India) Ltd. - Buyback Update

Gail (India) Ltd. has announced the buyback tender offer dates from 25<sup>th</sup> May to 7<sup>th</sup> June 2022. The buyback will be at Rs 190 per share for 569.85 lakh shares entailing total outgo of Rs 1083cr.

## Schedule of activities:

Buyback opens on	May 25, 2022
Buyback Closes on	June 7, 2022
Last date of settlement of bids on the Stock Exchanges	June 16, 2022

As defined in the Buyback Regulations, Small Shareholder includes a shareholder, who holds shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than Two Lakh Rupees. As on the Record Date, the closing price on the NSE was Rs 164.2. Accordingly all Shareholders holding not more than 1,218 Equity Shares as on the Record Date are classified as 'Small Shareholders' for the purpose of the Buyback.

Based on the above definition, there are 7.34 lakh Small Shareholders of the Company with aggregate shareholding of 1064.60 lakh Equity Shares as on the Record Date, which constitutes 2.40% of the outstanding number of Equity Shares of the Company.

Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 569.85 lakh Equity Shares which is 85.48 lakh Equity Shares are reserved for small shareholders. The entitlement ratio for small shareholders is 2 shares out of 25 shares held as on the record date which works out to 8.0%. It means that if all the small shareholders tender their full shares in the offer then only 8.0% of the shares would be accepted.

The General Category shall consist of 484.38 lakh Equity Shares. In the general category, the entitlement ratio works out to 2 out of 179 shares (1.1%).

## Likely scenario:

A study of the past few tender offers indicate that generally not all the small shareholders participate in the offer and the acceptance ratio is higher than the entitlement ratio. In the last few buyback offers we have seen that the acceptance ratio for small shareholders has mostly been in the range of 2x-5x of the entitlement ratio. Going by this trend, we could see an acceptance ratio of between 20-30% of their offered shares in the case of GAIL.

The CMP of the company is ~Rs 154. Small shareholders may thus offer the entire shares held by them on the record date in the offer, closer to the buyback close date. In case the price moves above the buyback price then the shareholders may look to sell the shares in the market. The record date for the Buyback was April 22, 2022. As the record date has already passed new buyers will not be eligible to tender their shares in the Buyback.

The letter of offer is available here ([Link](#)). Please ensure to correctly follow the Procedure to be followed by Eligible Shareholders (Residents, Non Residents and shareholders holding physical shares) so that the bid is valid and is not rejected on technical grounds.

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Details of Buyback Tender Offers announced and completed in the last 1 year (data as of May 23, 2022):

Company	Board Approval Date	Price on Board approval date + 1 (Rs)	Buyback Size (Rs Cr)	Buyback Price (Rs)	Record Date	Offer Open Date	Offer Close Date	Last Date for Payout	Shares reserved for small sharehol. (lakhs)	Theoretical Acceptance Ratio based on Ann. Rep.	Entitlement ratio as per offer letter	Actual Acceptance Ratio	CMP on Payout Date (Rs)	Annualised Returns p.a.*
FDC	09-Feb-22	299.9	138	475	19-Feb-22	12-Apr-22	29-Apr-22	09-May-22	4.4	NA	6.5%	13.8%	255.3	-19.4%
KPR Mill	07-Feb-22	658.2	180	805	19-Feb-22	25-Mar-22	07-Apr-22	19-Apr-22	3.4	30.2%	6.3%	34.7%	647.2	34.1%
Gulf Oil Lubricants	09-Feb-22	490.8	85	600	21-Feb-22	25-Mar-22	07-Apr-22	20-Apr-22	2.1	7.8%	7.2%	28.0%	453.3	3.7%
Mayur Uniquoters	09-Feb-22	491.8	41	650	23-Feb-22	24-Mar-22	06-Apr-22	19-Apr-22	0.9	2.1%	3.4%	9.4%	406.5	-67.2%
TCS	12-Jan-22	3897.7	18000	4500	23-Feb-22	09-Mar-22	23-Mar-22	01-Apr-22	60.0	26.9%	14.3%	23.7%	3756.9	4.2%
James Warren Tea	29-Nov-21	254.4	25	295	14-Jan-22	23-Feb-22	09-Mar-22	21-Mar-22	1.3	2.1%	17.1%	100.0%	277.7	52.0%
Ajanta Pharma	28-Dec-21	2268.4	286	2550	14-Jan-22	03-Feb-22	16-Feb-22	25-Feb-22	1.7	9.2%	19.9%	56.2%	1741.6	-19.9%
MOIL	10-Nov-21	176.4	694	250	31-Dec-21	28-Jan-22	10-Feb-22	21-Feb-22	50.8	17.4%	19.7%	66.3%	171.2	94.6%
MPS Ltd.	27-Oct-21	703.3	85	900	17-Dec-21	14-Jan-22	28-Jan-22	08-Feb-22	1.4	16.8%	18.3%	46.6%	658.4	33.8%
Cheviot Co.	04-Dec-21	1453.0	43	1725	17-Dec-21	10-Jan-22	21-Jan-22	31-Jan-22	0.4	5.9%	9.2%	30.7%	1353.1	6.2%
Nucleus Software	24-Sep-21	599.4	159	700	27-Nov-21	03-Jan-22	14-Jan-22	25-Jan-22	3.4	17.5%	15.4%	50.4%	571.5	18.2%
SH Kelkar	29-Oct-21	144.4	61	210	12-Nov-21	15-Dec-21	28-Dec-21	06-Jan-22	4.4	7.6%	5.9%	29.9%	169.8	137.0%
Goldiam Intl.	13-Sep-21	1018.0	46	1200	27-Oct-21	26-Nov-21	09-Dec-21	20-Dec-21	0.6	3.9%	6.4%	55.2%	775.9	-3.0%
eClerx Services (2021)	13-Aug-21	2172.4	303	2850	30-Sep-21	18-Oct-21	01-Nov-21	09-Nov-21	1.6	6.9%	17.6%	45.2%	2379.3	80.2%
Mahalaxmi Rubtech	09-Jul-21	64.9	19	70	27-Aug-21	29-Sep-21	12-Oct-21	25-Oct-21	4.1	41.9%	34.2%	100.0%	77.6	26.6%
Star Cement	13-Aug-21	116.7	124	150	26-Aug-21	22-Sep-21	05-Oct-21	14-Oct-21	12.4	14.7%	12.8%	28.8%	104.0	2.8%
Gandhi Spl. Tubes	22-Jun-21	417.9	42	550	31-Aug-21	21-Sep-21	04-Oct-21	13-Oct-21	1.1	8.9%	12.5%	40.8%	434.2	49.1%
R Systems	06-Aug-21	198.2	30	225	27-Aug-21	20-Sep-21	01-Oct-21	12-Oct-21	2.0	5.2%	7.1%	87.4%	209.5	68.3%
Shriram Pistons	02-Aug-21	1026.0	36	1020	12-Aug-21	17-Sep-21	30-Sep-21	11-Oct-21	0.5	71.1%	87.8%	100.0%	925.3	-3.0%
Welspun India	14-May-21	101.3	200	120	24-May-21	22-Jun-21	05-Jul-21	14-Jul-21	25.0	9.8%	9.2%	78.2%	122.7	114.3%
Quick Heal Tech	10-Mar-21	199.4	155	245	30-Apr-21	31-May-21	11-Jun-21	22-Jun-21	9.5	22.1%	12.2%	100.0%	276.9	80.4%
SIS	15-Feb-21	433.8	100	550	09-Apr-21	12-May-21	27-May-21	07-Jun-21	2.7	35.3%	9.9%	23.8%	431.0	19.1%
Smartlink Hold.	04-Dec-20	90.1	32	95	01-Mar-21	30-Apr-21	14-May-21	25-May-21	5.0	25.3%	25.0%	100.0%	96.5	11.7%
Aarti Drugs	19-Mar-21	733.0	60	1000	01-Apr-21	27-Apr-21	10-May-21	20-May-21	0.9	4.9%	1.4%	9.4%	756.6	37.3%
Savita Oil Tech	19-Feb-21	1104.2	35	1400	05-Mar-21	15-Apr-21	29-Apr-21	10-May-21	0.4	5.4%	4.8%	19.2%	1065.1	10.4%
NIIT Ltd	24-Dec-20	207.4	237	240	24-Feb-21	12-Apr-21	28-Apr-21	07-May-21	14.8	15.6%	11.1%	30.4%	169.7	-21.3%
Gujarat Apollo	13-Feb-21	216.5	19	222	26-Feb-21	08-Apr-21	26-Apr-21	05-May-21	1.3	11.4%	13.7%	100.0%	212.7	11.4%
Suprajit Engg.	10-Feb-21	257.4	48	320	22-Feb-21	08-Apr-21	26-Apr-21	05-May-21	2.3	3.1%	3.7%	27.2%	255.0	25.8%
Bharat Rasayan	12-Jan-21	10514.2	107	11500	05-Mar-21	26-Mar-21	12-Apr-21	22-Apr-21	0.1	3.9%	15.2%	36.2%	9893.0	-1.4%

\*=assuming balance unaccepted shares sold immediately on payout day

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