

## MARKET THIS WEEK

INDEX	26-Mar-21	Weekly Change (%)
Broad Market Indexes		
NIFTY 50	14,507.30	-1.6%
NIFTY 500	12,148.90	-1.3%
NIFTY MIDCAP 100	23,213.95	-0.8%
NIFTY SMALLCAP 100	7,982.65	-2.7%
Volatility Index		
INDIA VIX	20.65	3.3%
Sectoral Indexes		
NIFTY BANK	33,318.20	-2.5%
NIFTY AUTO	9,771.50	-4.1%
NIFTY FINANCIAL SERVICES	15,717.20	-1.7%
NIFTY FMCG	33,818.45	-0.6%
NIFTY IT	25,385.10	-0.7%
NIFTY MEDIA	1,544.50	-6.6%
NIFTY METAL	3,855.30	0.6%
NIFTY PHARMA	11,883.20	1.9%
NIFTY REALTY	328.6	-0.1%

Continuing last week's decline, Markets declined for this week too. Nifty 50 declined by -1.6%, while Nifty 500 declined by -1.3%. Midcaps performed relatively better, declining by -0.8%. Small caps performed relatively worse, declining by -2.7%.

Among sectoral indexes, only Nifty Pharma gave positive return, while all other major sectoral indexes declined for the week. Nifty Pharma gained 1.9% for the week. Nifty Auto and Nifty Media were the worst performers, declining -4.1% and -6.6% respectively.

## IPO

Bids for the IPO of Barbeque-Nation Hospitality, a casual dining restaurant, opened on March 24, 2021 and closed on March 26, 2021. The issue was subscribed by 6 times. Company received bids for 30 million shares compared to the 5 million shares on offer.

The IPO listing of five companies occurred during the week. Details are noted below.

Company	Listing Day's Close	IPO Price	Gain (%)
Anupam Rasayan	526.80	555.00	-5.1%
Laxmi Organic Industries	164.45	130.00	26.5%
Craftsman Automation	1435.60	1490.00	-3.7%
Kalyan Jewellers	74.35	87.00	-14.5%
Suryoday Small Finance Bank	272.05	305.00	-10.8%

Shares of Laxmi Organic Industries closed at a premium of 26.5% to the issue price. Shares of all other four companies closed below the issue price.

## OPEN OFFER - MAJESCO LIMITED

Dam Capital Advisors Limited, for and on behalf of 'Aurum Platz IT Private Limited', on March 22, 2021, made a public announcement of an 'Open Offer' to the public shareholders of Majesco Limited, for acquisition of up to 74,43,720 fully paid-up equity shares of face value of ₹ 5 each representing 26.00% of the voting share capital of 'Majesco Limited'.

The Offer Price, as per the announcement, is ₹ 77/- and the total consideration for the open offer is ₹ 57.31 crores paid in cash. As on Dec 31, 2020, the equity shares of 'Majesco Limited' held by Public Shareholders were 2,43,98,010. The offer represents 30.51% of the public shareholding.

The Open Offer was triggered pursuant to 'Aurum Platz IT Private Limited' acquiring 42,31,679 equity shares of 'Majesco Limited' for a cash consideration of ₹ 32.58 crores from the promoters of 'Majesco Limited'. This represents a 14.78% of total voting equity capital of 'Majesco Limited'. The existing promoters will not hold any equity shares once the acquisition is completed.

On March 23, 2021, the equity shares of 'Majesco Limited' hit the upper circuit of 5% and closed at ₹ 69.80. This gives the offer price of ₹ 77/- a premium of 10.31%.

## BUYBACK - GAIL INDIA - A REVIEW

Gail India announced a share buyback through the tender route on January 20, 2021. Company informed its intention to purchase up to 6,97,56,641 fully paid-up equity shares from all equity shareholders of Gail India. The buyback size represented 1.55% of total equity capital of Gail India as on December 31, 2020. The offer price was ₹150, and the company intends to spend an aggregate of ₹1,047 crores on the buyback. The record date was fixed on January 28, 2021.

Bids for the buyback offer opened on March 10, 2021 and closed on March 23, 2021. A total of 10,35,33,416 equity shares were tendered. That is a subscription rate of 148.42%. Of these, 6,97,56,641 equity shares were accepted, and the rest of the equity shares were returned to respective shareholders. So, the acceptance rate was 67%. The cash for the accepted shares, and the unaccepted shares were returned to eligible shareholders by March 19, 2021.

Suppose an investor had purchased 1,000 equity shares of Gail India to participate in the buyback offer. The market price of Gail India averaged ₹136, 2 days after the public announcement of the buyback offer. If the investor had purchased at ₹136, his total cost of investment would be ₹1,36,000.

Next, he participates in the buyback offer by tendering all the 1,000 equity shares owned by him. At the acceptance ratio of 67%, of the 1,000 equity shares, 670 shares will be accepted by the company and cash credited to the investor's bank account, and the remaining 330 shares will be credited back to the investor's demat account. Since the investor's intention in purchasing the equity shares, in the first place, was solely to participate in the buyback offer, he sells the unaccepted equity shares credited back to him in the secondary market.

The market price of Gail India averaged ₹134, two days after the unaccepted equity shares were credited back. The investor received ₹1,00,500 when 670 shares of the 1,000 shares tendered by him were accepted. He sold the remaining 330 shares in the secondary market at ₹134, receiving ₹44,220. He received a total of ₹1,44,720. His cost of investment was ₹1,36,000. So, the total return on investment was 6.41%, and the return on an annualized basis will be 47.8%.

## BUYBACK - AARTI DRUGS

Aarti Drugs, on March 23, 2021, made a public announcement of an offer for buyback of equity shares of the company through the tender offer process. The company intends to buy back up to 6,00,000 fully paid-up equity shares at a Price of ₹1,000/- per fully paid-up equity share from all equity shareholders of the company. The company has fixed Friday, April 01, 2021 as the record date.

As of December 31, 2020, Aarti Drugs has total outstanding equity shares of 9,32,00,000. The buyback offer for 6,00,000 equity shares represents 0.64% of the total outstanding equity shares. On March 26, 2021, equity shares of Aarti Drugs were trading around ₹720. The buyback price is at a premium of 38.88% to current market price.

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