

PRESS RELEASE

SUBDUED ACTIVITY IN TAKEOVERS, BUYBACKS & DELISTINGS IN 2015-16 DESPITE POOR MARKETS: PRIME DATABASE

TAKEOVER OPEN OFFERS

73 companies made open offers worth Rs.11,795 crore in 2015-16 under the Takeover Regulations. According to Pranav Haldea, Managing Director of PRIME, the country's premier database on primary capital market, this represented a significant decrease of 32 per cent from last year which had 60 open offers worth Rs. 17,352 crore.

According to Haldea, this decrease can be attributed primarily to the base effect as 2014-15 had one mega offer of Rs. 11,449 crore from Relay BV for United Spirits Ltd.

On the acceptance side too, shareholders tendered far lesser shares; just Rs.2,971 crore or 25 per cent of the offer amount made (same period last year Rs. 13,009 crore, 75 per cent of the amount on offer).

Number of Offers, Offer Amount and Acquired Amount for the last 5 years are given below:

YEAR	NO.OF OFFERS	OFFER AMOUNT (Rs.crore)	ACQUIRED AMOUNT (Rs.crore)	SUCCESS %
2010-11	112	18,879	12,499	66
2011-12	75	19,409	10,342	53
2012-13	86	11,332	6,770	60
2013-14	75	45,411	28,359	62
2014-15	60	17,352	13,009	75
2015-16	73	11,795	2,971	25

Open offers are made by company promoters and other entities for either **consolidation of their holdings** or as part of **substantial acquisition/change in control of management** in publicly listed companies.

According to Haldea, in 2015-16, out of the 73 open offers, 60 offers worth Rs. 7,541 crore (acquired amount Rs. 2,559 crore) were made for substantial acquisition/change in control of management while 13 open offers valued at Rs. 4,254 crore (acquired amount Rs. 412 crore) were made by entities for consolidation of holdings.

In terms of acquirer type, 10 offers worth Rs.5,642 crore or 48 per cent of the offer amount (acquired amount Rs. 1,344 crore) were made by foreign entities while 63 offers worth Rs. 6,153 crore (acquired amount Rs. 1,627 crore) were made by domestic entities.

The largest offer was that by Family Investment/Sunrise Associates/Goldenstar Enterprises and others for Suzlon Energy for Rs. 2,838 crore. However, it saw a 0 per cent acceptance. This was followed by GE Energy Europe BV for Alstom T&D India for Rs.1,927 crore and FIH Mauritius Investments for IIFL Holdings for Rs.1,621 crore.

25 per cent of offer amount was in the Electric/ Electronics Equipment sector followed by 24 per cent in the Power Generation & Supply.

BUYBACK OFFERS

Only 15 buyback offers were concluded in 2015-16 with a total acquired amount of Rs. 1,713 crore. The total amount on offer was Rs.1,763 crore, the lowest in 7 years. According to Haldea, while 4 of these were through the stock exchange route, the balance 11 were through the tender route. **The largest buyback completed was by Bayer Cropscience for Rs. 506 crore.**

Offer Amount and Acquired Amount for **buyback offers which closed in the last 5 years** are given below:

YEAR	NO.OF OFFERS	OFFER AMOUNT (Rs.crore)	ACQUIRED AMOUNT (Rs.crore)	%AGE
2010-11	23	4,181	4,008	96
2011-12	19	2,582	1,152	45
2012-13	26	12,532	4,746	38
2013-14	31	5,704	4,426	78
2014-15	20	6,816	1,909	28
2015-16	15	1,763	1,713	97

Buyback of shares means repurchase of outstanding shares using surplus cash in the balance sheet of a company. It results into a reduction in share capital to the extent shares bought back. The move also leads to an increase in promoter holding and improvement in earnings per share for the future period. Shareholders can participate either through the tender offer route or by selling shares in the open market as may be decided by the company.

In terms of buyback offers which opened in this period, there were 16 such offers in 2015-16 offering to buy shares worth Rs. 1,834 crore. 14 of these offers have closed till now. The offer amount in these 14 offers was Rs. 1,757 crore and the acquired amount was Rs. 1,707 crore. 2 offers are still presently open.

Offer amount and acquired amount for **buyback offers which opened in the last 5 years** are given below:

YEAR	NO.OF OFFERS	OFFER AMOUNT (Rs.crore)	ACQUIRED AMOUNT (Rs.crore)	%AGE
2010-11	20	4,295	4,149	97
2011-12	31	13,765	4,853	35
2012-13	21	1,694	1,107	65
2013-14	32	11,380	5,666	50
2014-15	10	605	436	72
2015-16 *	16	1,834	1,708	93

*2 offers still open

DELISTING OFFERS

9 delisting offers worth Rs. 5,479 crore were made in 2015-16, of which 8 offers worth Rs. 5,474 crore were successful (the status for one is still unknown).

The largest delisting offer was that of Essar Oil (Offer amount: Rs. 3745 crore) followed by Essar Ports (Rs. 1427 crore) and Fulbord India (Rs. 234 crore).