

Adani Ports and SEZ Buy Back Overview

Buy Back Key Info

Previous Day Closing Price	426
Type	Tender
Buy Back Price	500
Buy Back Size: Rs. Cr	1960
Buy Back Size: Shares	39,200,000
Total No of Shares	2,070,951,761
Buyback Offer Size:	1.89%
Date of Board Meeting approving the proposal:	Jun 04 2019
Date of Public Announcement:	Jun 04 2019
Shares Reserved : Retail	5,880,000
Buy Back Entitlement	28.00%

Our View

Company has Debt of Rs 22,826 Cr on balance sheet on that they are paying interest of Rs 1,385 Cr which is very low therefore the company might be capitalizing the interest cost.

Indian Promoter's stake has decreased from 49.75% to 46.03% during FY19. Promoters have also pledged 42.31% of their holding.

Therefore considering above point our recommendation is to avoid fresh position existing shareholders can tender their shares in the buyback.

Following the scenario analysis for the buyback.

	28%	50%	75%	100%
Acceptance Ratio	28%	50%	75%	100%
Amount Invested in BUYBACK	170,400	170,400	170,400	170,400
No. of Shares Buyback	112	200	300	400
Buy Back Profit	8,288	14,800	22,200	29,600
Profit as % of amount invested	4.9%	8.7%	13.0%	17.4%

*Acceptance Ratio 28% (Most likely scenario)

*Since latest shareholding details are not available so we have referred to FY 18 annual report to calculate total retail shareholding

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BONANZA PORTFOLIO LTD

New Delhi: 4353/4C, Madan Mohan Street, Ansari Road, Darya Ganj, New Delhi - 110002. Tel: 91 11 30181290/94 Fax: 91 11 30412657

Mumbai: Bonanza House, Plot No. M-2, Cama Industrial Estate, Walbhatt Road, Goregaon (E)
Mumbai - 400063