

Company Background

Welspun India Ltd (WIL), part of \$2.7bn Welspun Group, is a global leader in Home textiles. With a distribution network in more than 50 countries and world class manufacturing facilities in India, Welspun is a strategic partner with top global retailers. WIL is driven by its differentiation strategy based on Branding, Innovation and Sustainability.

WIL is one of the top three home textile manufacturers globally and the largest home textile company in Asia. It has modern manufacturing facilities at Anjar and Vapi in Gujarat where it produces an entire range of home textiles for bed & bath category. WIL has ranked No1. among home textile suppliers in the US and also a leading home textile export player to Europe. It is one of the prime beneficiaries from robust demand for home textile products particularly from US.

Buyback Details

- **Maximum number of fully paid up equity shares to be bought back** – 1,66,66,666
- **Percentage of Buyback in the paid-up share capital of the Company** – 6.36%
- **Buyback price per share** – Rs. 120 for each fully paid equity share.
- **Total Buyback consideration** – An aggregate consideration not exceeding Rs. 200 crore excluding transaction costs.
- **Buyback Mechanism** – The buyback is proposed to be made from the shareholders of the Company on a proportionate basis under the tender offer route using the stock exchange mechanism in accordance with the provisions contained in the SEBI (Buy Back of Securities) Regulations, 1998 (hereinafter referred to as the "Buyback Regulations") and the Companies Act, 2013 and rules made there under.
- **Eligibility for participation in buyback** – Shareholders who hold equity shares as on the record date.
- **Promoter participation in Buyback** – Promoters and Promoter Group of the Company have expressed their intention to only tender up to a maximum of 81,70,000 Equity Shares (amounting to 0.81% of the equity share capital of the Company) out of the 70,33,33,463 Equity Shares held by them (amounting to 70.00% of the equity share capital of the Company).
- **Record date for Buyback – May 26, 2021**
- *Markets regulator Securities and Exchange Board of India has made it mandatory to reserve 15% of the offer for retail investors with holdings up to Rs. 2 lakh in the company. These shareholders typically own a fraction of the company's shares, which essentially means higher acceptance ratio for retail shareholders.*

Following are the Key Market Indicators as on May 18, 2021 and Pre-Buyback summarized shareholding pattern:

| Welspun India Ltd. | | Shareholding Pattern as on May,07 2021 | No. of Shareholders | No. of Shares | % of Shares |
|--------------------------|----------------|---|---------------------|-----------------------|-------------|
| INDUSTRY | Textiles | | | | |
| Price (18/05/2021) | 97.25 | Promoters and Promoter Group | 7 | 70,33,33,462 | 70.00 |
| Latest Reserve (Rs. Crs) | 3,544.21 | Mutual Funds/AIFs/Financial Institutional/Banks/Insurance Company | 18 | 7,20,50,082 | 7.17 |
| Latest EV (Rs. Crs) | 13,384.51 | FPIs/FIIs | 114 | 6,42,32,944 | 6.39 |
| Book Value (Rs) | 36.28 | Bodies Corporate | 573 | 4,05,47,708 | 4.03 |
| EPS (Rs.) | 5.37 | Indian Public/Clearing Member/IEPF/Trusts/HUF/N BFC | 75248 | 12,18,76,625 | 12.14 |
| Face value (Rs) | 1.00 | NRIs/Foreign Nationals/Overseas Body Corporate | 1390 | 26,84,329 | 0.27 |
| Mkt. Cap (Rs. Crs) | 9,770.71 | Total | 77350 | 1,00,47,25,150 | 100 |
| P/E (x) | 18.85 | | | | |
| P/BV (x) | 2.79 | | | | |
| 52 W H/L (Rs.) | 104.40 / 23.80 | | | | |
| Avg. Monthly Volume | 41,75,990 | | | | |
| Dividend Yield % | 0.15 | | | | |

The Buyback price represents a premium of ~23.39% over the CMP of Rs. 97.25 At current market price the stock trades at ~2.79 times of the consolidated Book Value per Share of the company.

We recommend investors to participate in the Buyback.

Aum Capital RESEARCH DESK

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