

GSK Pharma rallies 21% after open offer

GAINING ACCEPTANCE

GlaxoSmithKline Pharma shareholding pattern as on Sept 30, 2013

Category	No. of shares	% stake
Promoters	42,917,488	50.67
Public	41,785,529	49.33
Aberdeen AMC	11,336,124	13.38
LIC	4,822,848	5.69
GIC	1,000,225	1.18



fe Bureau

Mumbai, Dec 30: The shares of GlaxoSmithKline Pharmaceuticals have rallied over 21% since the parent company GSK Plc announced a ₹6,389-crore open offer on December 16, 2013. Analysts expect the open offer to be successful with the acceptance ratio in the range of 50-80%.

"If Aberdeen, the largest public shareholder in GSK Pharmaceuticals, does not participate in the open offer, the acceptance ratio could be as high as 70%. If they do, number of shares available in the open offer would rise, which would bring down the acceptance ratio to 50%," said Alok Dalal, vice-president, healthcare, Motilal Oswal Financial Services.

If the open offer meets its target of 24.33% or 2.06 crore shares, the promoters holding would rise from 50.67% to 75%. As per Securities and Exchange Board of India (Sebi) norms, all private sector listed companies need to maintain 25% minimum public

shareholding. The public shareholders are allowed to tender their shares between February 7 to 21.

As per market sources, Aberdeen is likely to tender most of its stake as it is facing redemption pressures. Among other institutional shareholders, LIC holds 5.69% or 48 lakh shares. "If LIC does not participate in the offer, the acceptance ratio could be around 57%," added another analyst with an investment banking firm. "While, if both LIC and Aberdeen stay away from the offer, the ratio could be as high as 80%," he added. The scrip gained 18.69% on December 16, reacting to the announcement. At ₹3,100 per share, the offer price was pegged at 26% premium to the then close of ₹2,468.4. On Friday, the stock closed marginally higher at ₹2,989.95.

"The attractive pricing should make the offer a success," says Rahul Sharma, analyst, Karvy Stock Broking. The offer follows the pharma major's announcement it would invest ₹864 crore in India to set up a factory.

Company.

h168