



The buyback offer is for Rs 2,000 per share, 37% above its closing price of Rs 1457.10 a piece on Thursday at the Bombay Stock Exchange (BSE). (Reuters)

Eclerx Services, a Mumbai-based knowledge and business process outsourcing company, has in a regulatory filing said that it will buy back 11.7 lakh shares from the existing shareholders for about R234 crore from November 28.

The company has cash and equivalents of Rs 544 crore as on March 31, 2016. The buyback offer will close on December 9, 2016. The buyback is proposed to be made from all the existing shareholders, including promoters, of the company on a proportionate basis under the tender offer route.

Promoters have 50.25 % stake in the company as on September 31, 2016. The company has appointed Motilal Oswal Investment Advisors as the manager to the buyback offer.

According to Securities and Exchange Board of India, rules a company can buy back shares either from its existing shareholders on a proportionate basis through a tender offer, the open market or odd lot holders.

In the case of a tender offer, the company has to deposit 25% of the consideration in the

escrow account if the consideration does not exceed Rs 100 crore.

Companies offer buybacks to enhance their value since the shares bought back are extinguished and the earnings per share get a boost.

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