



# DCM SHRIRAM

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## Growing with trust

The board of DCM Shriram approved a proposal to buy back shares for up to Rs 250 crore. The firm proposes to repurchase up to 55.55 lakh shares at a price of Rs 450 per piece, a 42% premium to the stock's closing price of Rs 316.85 on Bombay Stock Exchange (BSE).

The board of DCM Shriram on Monday approved a proposal to buy back shares for up to Rs 250 crore. The firm proposes to repurchase up to 55.55 lakh shares at a price of Rs 450 per piece, a 42% premium to the stock's closing price of Rs 316.85 on Monday on Bombay Stock Exchange (BSE). The company's share price rose by 7.75% intraday after the buyback announcement before ending the session at Rs 316.85, a gain of 3.58% from its previous close. The offer represents 3.42% of the total paid-up equity share capital of the company. The promoters and promoter group hold 63.88 % as of June 15, 2018. The company had cash and cash equivalents of Rs 148.5 crore as on March 2018, data sourced from Bloomberg revealed. In 2017-18 companies who returned their surpluses to the shareholder, through share repurchases, drove up buyback offers to a 20-year high. In all, 59 companies completed buybacks worth a staggering Rs 53,306.94 crore. Buybacks have become the preferred route for companies to return wealth to shareholders, especially since dividend income, of over Rs 10 lakh per annum, is taxable at 10% in the hands of all residents, domestic companies, trusts or funds except those established for religious, educational or charitable purposes. Buybacks are the process by which companies repurchase their shares

from stakeholders. The bought-back shares are extinguished shrinking the firms' equity base.

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