

**The stock was up 7% to Rs 290 on the BSE in intra-day trade after the company announced that board will meet on Monday, June 18, to consider share buyback proposal.**

[SI Reporter](#) | Mumbai Last Updated at June 12, 2018 11:15 IST



Shares of [DCM Shriram](#) were up 7% at Rs 290 on the BSE in intra-day trade, after the company announced that board will meet on Monday, June 18, to consider [share buyback](#) proposal.

“A meeting of the board of directors of the Company will be held on June 18, 2018, to consider the proposal to buy-back the fully paid up equity shares of the Company and the matters related thereto,” [DCM Shriram](#) said in a regulatory filing.

The primary objective of a [share buyback](#) programme is to arrest the fall in the value of a stock by reducing the supply of the stock, which essentially pushes up the share price through a better P/E multiple. The other objective is to improve earnings per share (since the same dividend amount is now distributed among fewer shares).

Thus far in the calendar year 2018, the stock price has more than halved from Rs 558 to Rs 271, as compared to 4% rise in the S&P BSE Sensex till Monday. The scrip touched a 52-week low of Rs 223 on May 16, 2018 on the BSE in intra-day trade.

[DCM Shriram](#) had reported 68% year-on-year drop in net profit at Rs 510 million in March quarter (Q4FY18), due to poor performance of its sugar business. It had posted profit of Rs 1,560 million in year ago quarter. Operations revenue was down 3% at Rs 15.66 billion against Rs 16.16 billion in the corresponding quarter of previous fiscal.

“Sugar business is experiencing difficult price situation with prices significantly below cost. Industry has been pursuing with government for immediate support as well as a rational policy framework. There is need for urgent action in this regard to ensure that farmers’ interests are protected,” Ajay Shriram, Chairman & Senior Managing Director, and Vikram Shriram, Vice Chairman & Managing Director, said on the performance of the company.

First Published: Tue, June 12 2018. 11:10 IST

[PREVIOUS STORY](#)

[NEXT STORY](#)

