

Pennar Industries announces buyback of equity shares

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Hyderabad, November 15

Pennar Industries (PIL), a Hyderabad-based engineering products and solutions company, has announced a buyback of equity shares.

The board of directors, at its meeting held on November 12, approved buyback of the company's fully paid-up equity shares of face value ₹5 each from eligible equity shareholders of the company other than the promoters, promoter groups and persons in control of the company. It has set an offer price not exceeding ₹45 an equity share (maximum buyback price), for an aggregate amount not exceeding ₹40 crore (maximum buyback size).

This is payable in cash through the open market route, under the Buyback Regulations and the Companies Act. The maximum buyback size represents 6.14 per

cent and 6.16 per cent of the aggregate of the company's paid-up equity capital and free reserves, based on the audited, consolidated and standalone financial statements, respectively, of the company as at March 31, 2019. This is in compliance with the maximum permissible limit of 10 per cent of the total paid-up equity share capital and free reserves, in accordance with Section 68(2) of the Companies Act.

The company believes the buyback will create long-term value for shareholders. It is not likely to have any material impact on the profitability/ earnings of the company. The share buyback will reduce the outstanding number of equity shares, and consequently, improve over a period of time, the earnings per share and key return ratios, such as return on net worth and return on assets, and will help effectively utilise the available cash.