

# Bajaj Auto rides to record high after buyback announcement

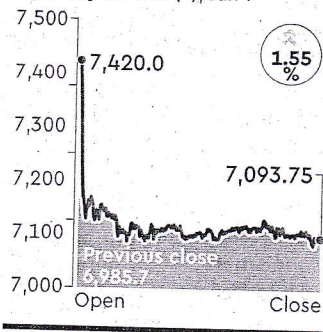
FE BUREAU  
Mumbai, January 9

**SHARES OF BAJAJ** Auto jumped 6.21% intra-day to hit an all-time high of ₹7,420 on the NSE on Tuesday after the board of directors on Monday approved a ₹4,000-crore share buyback at a price of ₹10,000 apiece through the tender offer route and on a proportionate basis.

Though the buyback price looks attractive, most retail shareholders may not be able to receive this bonanza, as the small size of the buyback offer will limit the acceptance ratio to under 10%, according to Nuvama calculations. Brokerage firm UBS has issued a 'sell' call on the stock, expecting a major portion of the buyback to go to the promoters.

## BAJAJ AUTO

Intra-day on BSE (₹), Jan 9



The share buyback announcement has driven the stock at the opening — it jumped 6.21% to reach ₹7,420 during the day on the

BSE. The scrip closed up 1.55% at ₹7,093.75. On the NSE, it advanced 1.76% to settle at ₹7,107 apiece. During the day, it climbed 6% to ₹7,399 — its 52-week high.

The company's market valuation went past the ₹2-trillion mark during the day. Its market capitalisation stood at ₹2,00,880.64 crore.

On Monday, the board approved a proposal for buy back of up to 40,00,000 shares of face value of ₹10 each for a total consideration not exceeding ₹4,000 crore.

The buyback is subject to the approval of the shareholders. Share buyback is a practice where companies decide to purchase their own shares from existing shareholders either through a tender offer or through an open market.