



T A PAI MANAGEMENT INSTITUTE

MANIPAL - 576104

Research Seminar

**Announcement Effect of Open Market Share
Buybacks in India : Part -I**

Speaker

Prof. S. Narayan Rao

TAPMI, Manipal (on sabbatical leave from IIT – Bombay)

2:00 PM, December 15th , 2010 (Wednesday)

F2 Class Room, TAPMI Campus

ALL ARE INVITED

Announcement Effect of Open Market Share Buybacks in India: Part-I

ABSTRACT

Information related to share buybacks is released in two stages in India. In the first stage information about the approval of buyback is released to stock exchanges (in some cases through print media). In the second stage detailed information about the buybacks is released through print media. In most of the cases, there is sizable gap between the two stages. This part of the study examines the effects of announcement of approval of open market buyback in India. The sample consists of 64 open market share buybacks approved during 2003-2010 (till June). The evidence suggests that significant sustainable increases in firm values occur around the announcement of buyback approval. The results support information signaling hypothesis of share buyback.

JEL classification: G35

Keywords: Announcement effect; share buyback, information signaling

Contact:

Research Promotion Committee (RPC),
T A PAI Management Institute (TAPMI)

Email: rpc@tapmi.edu.in

Web: www.tapmi.edu.in