

Analysis of Open Market Share Repurchases -Selected Indian Companies

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Abstract

One way for a company to change its capital structure is through Share Repurchase. In this type of restructuring, the equity of the company gets cancelled or reduced and hence the proportionate debt increases. This alters the capital structure of the company. Any type of restructuring activity basically is aimed at increasing the shareholders' wealth or improving the financial status of the company. This study strives to understand the implications of repurchases through open market offers on the share prices. It has been found that repurchases lead to increase in abnormal returns to share holders post announcement of the offer.

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