

The book is interesting to read, and is worth perusing for the sake of learning about this particular viewpoint.

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Indian Share Buyback Practices & Their Regulation by L. C. Gupta, Naveen Jain and Anil Kumar. 2006. New Delhi: Society for Capital Market Research & Development. Rs. 200

This book is the outcome of an empirical study undertaken by the authors on the share buyback practices in India with focus on its effects on share prices, dividends and corporate finance, and the necessary regulatory changes for better and more transparent buyback system.

The Government allowed share buyback in India in 1998 and since then many companies have bought back their shares, though the number of companies buying back their shares in any year is not very large yet. But as the authors point out, the scope of manipulation in open market offer for share buyback is large enough to merit a serious re-look at the existing regulation.

The study is all-encompassing in the sense that all pertinent issues connected with the subject have been lucidly covered along with a review of the international practices. The empirical study brings out the motives behind share buybacks in India, trends and characteristics of share buybacks in India, effects of share buyback on share price, EPS and dividend per share, share buyback regulations and policy changes necessary to improve the practices.

This study is important from the shareholders' perspective as it highlights the existing loopholes in the practices so that the shareholders do not fall victim to the price manipulations in open market buyback offers.

This book will be useful to regulators and policy makers for modifying the existing regulations. Corporate analysts, practitioners and researchers will also gain practical insights into the corporate buyback practices in India till November, 2004, the period of study covered by the authors.

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