

Internship Report on  
**IMPACT OF BUYBACK ANNOUNCEMENT ON STOCK RETURNS: A  
STUDY CONDUCTED AT PREMIER INVESTMENTS, UDUPI**

**BY**

**PRAMOD H K**

**USN: 4LV15MBA03**

Submitted to

**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI**

*In partial fulfillment of the requirements for the award of the degree of*

**MASTER OF BUSSINESS ADMINISTRATION**

*Under the guidance of*

**INTERNAL GUIDE**

**Dr. Kushalappa S**

**Associate Professor**

**Department of MBA**

**AIET, Mijar, Moodbidri.**

**EXTERNAL GUIDE**

**Mr. Harish B**

**Branch Manager**

**Premier Investments**

**Udupi.**



**Department of MBA**

**Alva's Institute of Engineering and Technology  
Shobhavana Campus, Mijar, Moodbidri**

**2015-2017**



## Premier Investments

Premier Centre  
Old Post Office Road,  
Udupi - 576 101  
Phone: 0820 - 2525264, 2522641



Udupi

03/05/2017

### CERTIFICATE

This is to certify that Mr. Pramod H K, ( USN 4LV15MBA03), student of M.B.A. at Alva's Institute of Engineering and Technology, Moodbidri, Karnataka has done a project work on "Impact of Buyback Announcement on Stock Returns: A Study Conducted at Premier Investments, Udupi " a franchisee of Motilal Oswal Securities Limited, Mumbai from 02<sup>nd</sup> January 2017 to 10<sup>th</sup> March 2017.

During this period, his conduct and performance were good.

For Premier Investments,

  
Harish B



## **ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY**

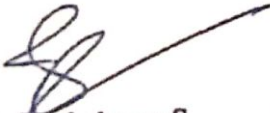
A Unit of Alva's Education Foundation (R)  
( Affiliated to Vishvesvaraya Technological University, Belagavi  
Approved by AICTE, New Delhi & Recognised by Government of Karnataka )  
Shobhavana Campus, Mijar, Moodbidri - 574 225, Mangalore, D.K., Karnataka State.  
Phone : 08258-262724 (O), 262725 (P), Telefax:08258-262726  
Email : principalaiet08@gmail.com, Web:www.aiet.org.in


**Date: 26-April-2017**

### **Certificate**

This is certified that Mr. **PRAMOD H K** bearing USN 4LV15MBA03 is a bonafide student of the Master of Business Administration course of the Institute (2015-17), affiliated to Vishvesvaraya Technological University, Belgaum.

The internship report on **Impact of Buyback Announcement on Stock Returns: A Study Conducted at Premier Investments, Udupi** is prepared by him under the guidance of Dr. Kushalappa S, Associate Professor, Department of MBA in partial fulfillment of the requirements for the award of the degree of Master of Business Administration of Vishvesvaraya Technological University, Belgaum, Karnataka.

  
Dr. Kushalappa S.  
Project Guide

  
Prof. P. Ramakrishna Chadaga  
Dean - MBA

  
Dr. Peter Fernandes  
Principal

## DECLARATION

I, **PRAMOD H K**, hereby declare that the internship report entitled "**IMPACT OF BUYBACK ANNOUNCEMENT ON STOCK RETURNS**": A STUDY CONDUCTED AT **PREMIER INVESTMENTS, UDUPI**" prepared by me under the guidance of **Dr. Kushalappa S**, Associate Professor, Department of M.B.A, Alva's Institute of Engineering and Technology and External assistance by **Mr. Harish B**, Branch Manager, Premier Investment, Udupi.

I also declare that this internship work is towards the partial fulfillment of the university regulation for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi.

I have undergone a summer internship for a period of Twelve weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University/ Institution.



Signature of the student

Place: Mijar

Date: 15/05/2017



## ACKNOWLEDGEMENT

Completion of a task by shaping and achieving the objective is often a result of valuable contribution from number of individuals, directly or indirectly.

Firstly I thank almighty God for showering his choicest blessing and keeping me in good health throughout the tenure of the project.

I wish to express my heartfelt gratitude to a number of people who have been associated with me throughout this project. At the outset I would like to acknowledge my gratitude to **Dr. Ramakrishna chadaga**, Dean of Department of Business Administration.

I am deeply indebted to my faculty guide **Dr. Kushalappa S**, Associate Professor, Department of Business Administration, for his regular supervision and valuable suggestions. I am thankful to **Mr. Harish B**, Branch Manager, Premier Investment, Udupi and his staff for granting permission and providing requisite information regarding the project.

It's my privilege to thank our beloved principal **Dr. Peter Fernandes** for giving me the opportunity to take up this project. My profound gratitude to all the faculty members of the Department of Business Administration, Alva's Institute of Engineering and Technology, Mijar, Moodbidri.

Finally I extend my gratitude to my parents and friends for their constant co-operation, encouragement and support without which this work would not have completed successfully.

## CONTENTS

Chapter No.	Title	Page No.
I	INTRODUCTION	1-11
II	INDUSTRY AND COMPANY PROFILE	12-32
III	CONCEPTUAL FRAME WORK	33-40
IV	DATA ANALYSIS AND INTERPRETATION	40-52
V	SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION	53-54
	BIBLIOGRAPHY	55-59

## **EXECUTIVE SUMMERY**

Share repurchase implies that a company buys back its own shares in market. Buyback share is an alternative method to pay cash dividends. Buy back reduce the number of equity share outstanding in the market. No change in corporate earnings and price earnings ratio, share buyback not only convey a positive signal to shareholder that management believes that the share is undervalued but also helps in preventing decline in the firms share prices. It's similar to the payment of cash dividends.

The study has been undertaken at Premier Investments, Udupi. The study comprises the abnormal returns of 185 stocks listed in the Bombay stock Exchange (BSE). This study takes into buy back announcement for period 2006-2016. The concept of impact of buy back announcement on stock return, the literature review, and the data sources involved, the research methodology used and the analysis is explained in detail. The study makes an attempt to analyze the performance of the stocks on the date of announcement, during the past sixteen days before the announcement and sixteen days after the buyback announcement.