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MOTIVES FOR BUYBACK OF SHARES: A CONCEPTUAL ANALYSIS**Dr. Chandrashekhar R¹**

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ABSTRACT

When a firm is buyback its shares, it sends a message to the market that the company is strong in terms of financial conditions. The stock repurchase reduces the floating shares and thereby support the share price of the company. The company could use a favourable market condition to reissue these stocks to public. This study is conducted to understand and examine the objectives of buyback of shares. Prior researchers reveals different reasons behind the buyback announcement. The findings of prior research reveals multiple motives behind the announcement of share buyback. It is clear from the prior studies that there is no single reason for buyback of share and it depends on the situations of the firm.

KEY WORDS: Buyback, Motives, Repurchase, Floating Shares.