EVENT-DRIVEN STUDY · SEPTEMBER 2026

Indian Buybacks Decoded

Every tender and open-market buyback in India from 2005 to 2026, read off the SEBI filings and backtested trade by trade. What actually decides how much a small shareholder gets out of one?

Scope 606 buybacks: 370 tender offers, 236 open market **Built from** 2,337 SEBI filings **Report** 94 pages, with a data edition

95% → 43%
Median small-shareholder acceptance, 2012–19 against 2020–26

4.6×
More small-shareholder bids per buyback: 2,724 became 12,662

21.6%
Median premium over the board-day close since 2020, up from 13.3%

63 of 63
Open-market deals one grade picked that made money, in two out-of-sample tests

The question

A company buys back its own shares and you can sell yours to it. In a tender offer it names a price, you apply, and part of what you offer is bought at that price while the rest comes back to you. On the open market it buys on the exchange over months, and you trade around it.

Everybody quotes the premium: the buyback price over today's close. I wanted to know what actually decides the outcome for a small shareholder, so I read every buyback in SEBI's archive rather than the handful people remember.

What I found

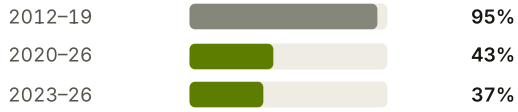
FINDING 1

Small shareholders' acceptance halved

In a typical tender buyback, small shareholders had **95%** of their shares accepted in 2012–19. Since 2020 the median is **43%**, and for deals in 2023–26 it is **37%**. The share of deals with full acceptance fell from 47% to 26%.

The difference between the two periods is statistically clear (Mann-Whitney, $p < 0.001$). The shares that are not accepted come back to you, usually at a lower price than the buyback paid.

Median small-shareholder acceptance per tender buyback



Share of tendered shares accepted. Source: Indian Buybacks Decoded, pp.15 and 49.

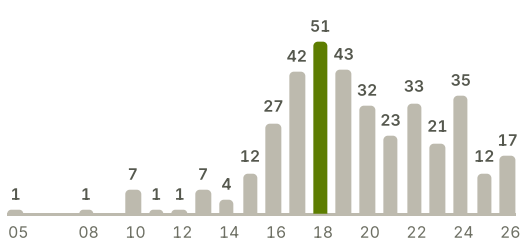
FINDING 2

The crowd found buybacks

The median number of small-shareholder bids per buyback rose from **2,724** to **12,662**, and from 134 to 766 for every crore of quota. The small category was bid 106% of its quota in a typical 2012–19 deal and 231% since 2020.

At the same time the median buyback got smaller, from 3.9% of equity to 2.3%, so more bids chased a thinner quota. Tender offers came in three eras: 10 in 2005–11, 187 in 2012–19 and 173 in 2020–26.

Tender buybacks per year, 2005–2026



370 tender offers by announcement year; 2026 runs to September. Source: the Data Edition datasets; matches the report, pp.7–8.

FINDING 3

The premium is the bait

The median premium over the board-day close rose from **13.3%** to **21.6%**, and from 8.4% to 16.8% at the cum date. A fatter premium sounds like good news. For acceptance it is the opposite: it is what brings the crowd.

The number that decides most of the acceptance is one almost nobody calculates. **Coverage** is the small-shareholder quota set against what the public actually holds. Under 1.5% is where the losing trades cluster; above 3% is where full acceptance lives.

Median premium over the board-day close



Buyback price over the close on the day the board approved it. Source: Indian Buybacks Decoded, p.16.

FINDING 4

One grade, tested on years it never saw

For open-market buybacks, a two-condition grade, known on the day you buy, made money in all **63** of its backtested deals. Found using only 2003–13, it went 26 for 26 on 2014–23. Found using only 2014–23, it went 37 for 37 on 2003–13.

Most rules that look perfect on one half of the data shrink when they meet the other. This one held, I think because it is really one idea rather than a stack of lucky filters. With about 18,000 rule-and-exit combinations tried, the out-of-sample check is the one that matters. Backtested; past results are not a promise.

63 of 63 deals made money, in two out-of-sample tests



Each dot is one deal the grade picked. Source: Indian Buybacks Decoded, p.76.

How it was built

1 Read every filing
2,337 SEBI filings, scanned pages included. Acceptance, bids, tendered shares and promoter participation read off each post-buyback announcement.

2 Build the dataset
One row per buyback. Daily closes from NSE and BSE bhavcopies, adjusted for the 12 deals with a split or bonus in the window.

3 Backtest at ₹1 lakh
A fixed ticket per trade, real delivery charges both ways, whole shares only: more than 8,000 backtested trades.

4 Test out of sample
Find a rule on 2003–13 and check it on 2014–23, then the other way round.

5 Write the playbook
Seven steps to run before the next buyback, and a one-page pre-trade checklist for each route.

Limits

- Acceptance is a category aggregate. Yours depends on your own entitlement and what you tender.
- Coverage is a proxy, built from the shareholding pattern rather than the actual register.
- Survivorship: only buybacks that completed and filed a post-buyback announcement are in the data. 35 open-market buybacks never filed one.
- Closing prices only, and today's brokerage applied to every year: a like-for-like cost lens, not what a trader paid in 2014. No tax and no dividends.
- The rule scans are in-sample descriptions of history. Only the out-of-sample checks are tests.
- Open-market buybacks: SEBI shut the route from April 2025 and brought it back on 1 August 2026.

What this shows about how I work

Every acceptance ratio traces to the announcement it came from. The number most people quote, the premium, turned out to be the wrong one, and the one rule that survived is shown beside the test that could have broken it.

Education only, not investment advice. Backtested results are history, not a forecast. The full 94-page report, the case study and the data edition are on iamgani.com.

Case study · iamgani.com/work/indian-buybacks
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