

National Stock Exchange of India Limited

Circular

Department: CAPITAL MARKET SEGMENT	
Download Ref No: NSE/CMTR/56034	Date: March 17, 2023
Circular Ref. No: 36/2023	

All Members,

Open Market Buyback

This is in reference to SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/35 dated March 08, 2023 and in continuation to Exchange circular NSE/CML/2023/19 dated March 09, 2023 regarding Operational Guidance - Amendment to Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (“Buy-back Regulations”)

Members are required to note the following changes w.r.t buyback order entry.

- A) Applicable for on-going open market buybacks
- Buyback orders shall be placed through the Regular Lot (RL) book in the normal market
 - Buyback order entry shall be placed by specifying initial seven characters as “BUYBACK***” under client account field in the order entry request.
 - For further details, refer Exchange circular NSE/CMTR/52770 dated June 28, 2022 regarding Enhancement in Buyback Order entry functionality
- B) Applicable for open market buyback announced from March 09, 2023 onwards

Based on the above SEBI circular, open market buyback shall going forward take place through a separate Buyback window. The following trading parameters shall be applicable:

Segment	Capital Market Segment
Market Type	Normal (N)
Book Type	Regular Lot (RL)
Symbol of the security	To be intimated separately from time to time
Series	‘BO’ series shall be applicable for buyback scrip.

National Stock Exchange of India Limited

Trading hours	<ul style="list-style-type: none"> Buyback window shall be available during 9:45 am to 3:00 pm on all normal trading days during the Buyback period. Buyback window shall not be allowed during: <ul style="list-style-type: none"> pre-open market first thirty minutes of the regular trading session Last thirty minutes of the regular trading session Block deal sessions
Order Type	<ul style="list-style-type: none"> Buyback order must be for Limit Price i.e Market price attribute shall not be allowed for Buyback orders. Sell orders shall be allowed with IOC time attribute only i.e. Seller can place only IOC orders. Orders with special terms like Stop loss, Disclosed Qty shall not be allowed for both Buyback and Sell orders.
Order Matching	Price-time priority-based order matching principle shall be applicable for this window.
Order Modification/ cancellation	<ul style="list-style-type: none"> Buyback order cancellation & modification shall be allowed. Sell order cancellation & modification will not be allowed by virtue of its order type i.e. IOC.
Buyback order entry	Buyback order entry shall be placed by specifying initial seven characters as "BUYBACK****" under client account field in the order entry request.
Close Price	Last trade price of the security shall be the close price for the day for the 'BO' series. It shall be the latest available close price, if security is not traded for the day.
Tick Size	Tick size shall be same as applicable to the parent series of the security (for eg. EQ, BE, SM, ST, etc.)
Price	<ul style="list-style-type: none"> Buyback orders shall be allowed within +/-1% range of prevailing LTP of security in parent series, subject to order price is within prevailing applicable price band for the buyback security. Price received in buyback order modification request shall be validated against +/-1% range prevailing LTP of security in parent series. If an active sell order likely to match with passive buyback order such that resultant trade price shall be outside +/-1% range of prevailing LTP of security in parent series, then the passive buy order shall be cancelled by the Exchange. Price validation of +/-1% range of prevailing LTP of security in parent series, shall not be applicable for Sell orders. Sell orders shall be allowed at any price between prevailing price band.

National Stock Exchange of India Limited

	<ul style="list-style-type: none"> In case security in parent series is not traded for the day, base price of the parent series shall be considered for validation of order/trade prices to be within +/-1% range in Buyback window.
Price Bands	Price band will be same as applicable to parent series in the normal market.
Special trading days/scenarios	<p>Muhurat trading session:</p> <ul style="list-style-type: none"> Buyback window shall not be available for trading on Muhurat trading day <p>Intraday market re-open:</p> <ul style="list-style-type: none"> If a buyback trading window is in progress and normal market closes due to index circuit hit /DR switchover, then ongoing buyback window will be closed along with the normal market. Reopening of buyback window on such days, shall be handled on a case-to-case basis, after considering various factors like availability of market timings for rest of the day, time of circuit hit scenarios, etc.
Trade value check	<ul style="list-style-type: none"> As per the circular, the company shall not purchase more than 25% of the average daily trading volume (in value) of its shares or other specified securities in the ten trading days preceding the day in which such purchases are made. This trade value check must be ensured by the trading member who is placing the buyback order on behalf of the company. A penalty of Rs. 10000/- shall be levied on the trading member who violates the provision. <p>In case of any queries related to trade value check member shall send mail on takeover@nse.co.in</p>

For ease and convenience, latest FAQ on Open Market Buyback is attached as Annexure 1 and the same shall be made available on Exchange website on the below link:

<https://www.nseindia.com/trade/all-member-faqs>

For and on behalf of
National Stock Exchange of India Limited

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