



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/CFD/PoD-2/P/CIR/2023/35

March 08, 2023

To,  
All Listed Entities  
All Recognized Stock Exchanges  
All Registered Merchant Bankers

Dear Sir / Madam,

**Sub: Operational Guidance - Amendment to Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (“Buy-back Regulations”)**

1. SEBI has notified Securities and Exchange Board of India (Buy-Back of Securities) (Amendment) Regulations, 2023 on February 07, 2023. The link for the same: [https://www.sebi.gov.in/sebi\\_data/commondocs/mar-2023/Gazette\\_Notification\\_p.pdf](https://www.sebi.gov.in/sebi_data/commondocs/mar-2023/Gazette_Notification_p.pdf)

**Applicability of Regulations**

2. The aforementioned amendment regulations shall come into force on 30th day of the date of notification.
3. Accordingly, the amendment regulations shall be made effective for all buy-back offers where the Board of Directors of the company approve resolution with respect to Buy-back on or after 30<sup>th</sup> day of the date of notification of this amendment in the official gazette (i.e. March 09, 2023).

**Buyback through Stock Exchange Route- Restrictions on placement of bids, price and volume**

4. As per Clause (vi) of Regulation 16 of the Buy-back Regulations, the buy-back through stock exchanges shall be subject to the restrictions on placement of bids, price and volume, as specified by SEBI.
5. In this regard, in consultation with the Stock Exchanges, the following restrictions have been set-out for the companies undertaking buy-back through stock exchange route: -
  - a) 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.



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- b) The company shall not place bids in the pre-open market, first thirty minutes and the last thirty minutes of the regular trading session.
  - c) The company's purchase order price should be within the range of  $\pm 1\%$  from the last traded price.
6. In this regard, the company as well as its appointed broker shall ensure the compliance with the aforesaid provisions. The Stock Exchange shall monitor their compliance and in case of any instance(s) of such non-compliance shall impose appropriate fines and/or other enforcement actions as deem fit.

## **Margin Requirement for deposits in Escrow Account**

7. As per the sub-clause (c) of Clause (xi) of Regulation 9 and Clause (ii) of Regulation 20 of the Buy-back Regulations, the escrow account shall consist of cash and/or other than the cash.
8. The portion of escrow account in the form of other than the cash shall be subject to appropriate haircut, in accordance with the SEBI Master Circular for Stock Exchange and Clearing Corporations dated July 05, 2021, as amended from time to time.
9. Merchant Banker to buy-back offer is advised to ensure that the adequate amount after the applicable haircut is available in escrow account till the completion of all formalities of buy-back.

## **General**

10. The recognized Stock Exchanges is directed to bring the provisions of this circular to the notice of all listed entities and also disseminate the same on their websites.
11. This Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors and to promote the development of, and to regulate the securities market.
12. A copy of this circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework → Circulars".

Yours faithfully,

**Yogita Jadhav**  
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