

Member **FAQ's** on “Open market Buyback through separate window”

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Frequently Asked Questions (FAQ)

1. What is Buyback?

Buyback is process through which company can buy back its shares from existing shareholders. Currently, same can be done through Tender offer or Open market.

2. How is Buyback through Open market done?

Buyback through Open market is a process where the company appoints member/broker to place buyback orders during the buyback period on behalf of company in Equity market.

3. In which segment buyback window is allowed?

Buyback window is allowed only in Capital Market Segment for open market.

4. Who are the eligible participants for Buyback process?

All the existing shareholders of the company shall be eligible to participate in the Buyback process through open market.

5. What are the market parameters for Buyback through open market ?

The below are the market parameters for open market buyback through separate window:

Particulars	Equity Market
Series	BO*
Lot Size	Same as Normal Market
Tick Size	Same as Normal Market
Price Band	Same as parent series in the normal market
Market Type	“N”
Book type	RL

* new series for buyback window applicable to products in equity (including SME), InvITs, REITs.

6. What are the prerequisite for placing a buyback order for the company?

Members who are appointed by the company to do buyback can place buy order by specifying the initial seven characters as “BUYBACK***” in the Client code field. The remaining characters of the client code field can be populated as per the discretion of the member and should be in line with the format specified for “Client code” field in the UCI file format.

7. What will be the market timings for buyback window?

The below will be the market timings for the buy back window:

Buy Back Session	Time	Remark
Order Entry, Order Matching & Trade Confirmation Period	9:45 am to 3:00 pm	<ul style="list-style-type: none">Order entry in buyback window shall not be allowed during pre-open market, first thirty minutes and the last thirty minutes of the regular trading session

Note: Buyback window shall not be available for trading on Muhurat trading day

8. Will the block deals be allowed for buyback?

Block deal shall not be applicable for the separate series created for Buyback, however block deals will be allowed on parent securities.

9. Who can place orders in buyback window?

The Company whose buyback is ongoing can place only Buy orders through an appointed broker. The sell orders can be placed by the existing shareholders through the broker.

10. Will modification be allowed in buyback trading?

Buyback order cancellation & modification shall be allowed, Sell order modification & cancellation will not be allowed by virtue of its order type i.e. IOC.

11. What price range shall be considered while placing orders?

The below are the attributes which shall be applicable while placing orders:

Type of Order	Order type	Range
Buyback	New	Allowed within +/-1% range of prevailing LTP of that security in parent series. subject to order price is within prevailing applicable price band for the buyback security
Buyback	Modification	+/-1% range prevailing LTP of that security in parent series
Sell	New	Price validation of +/-1% range of prevailing LTP shall not be applicable for Sell orders. Sell orders shall be allowed at any price between prevailing price band

Note: If security in parent series is not traded for the day, base price of parent series shall be considered while validating order/trade prices to be within +/-1% range in Buyback window

12. Under what circumstances a Buyback order shall be cancelled?

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 that security in parent series, then the passive buyback order shall be cancelled by the Exchange. Order cancel error code shall be **16247- Invalid price in the price field**.

Note : Considering the scenario wherein LTP of the parent series moves such that passive buyback order in book is rendered outside the +/-1% range of prevailing LTP. Any matching of such passive order shall result in trade price which will be outside +/-1% of range of prevailing LTP and hence cancellation is necessary. Subsequently, member can place fresh order again.

13. What are the Order entry attributes in buyback window?

The below are the order entry attributes:

Order Conditions	BUY order	SELL order
Time Condition	Day	IOC
Price Condition	Limit Order	Limit Order & Market Order
Stop Loss	Not allowed	Not allowed
Disclosed qty order	Not allowed	Not allowed

14. Which price will be considered as close price for the scrip in buyback window?

The Last trade price of the security shall be considered as the close price for the day.

15. When can a seller place orders in buyback window?

A seller can place an order, only when a passive buyback order is available in the order book of buy back window for the respective security.

16. How will the order matching mechanism work?

Orders would be matched based on price time priority on a continuous basis.

17. Whether CP / INST are allowed to place sell order in Buyback Window?

Yes

18. What will happen if there will be scenario of Intraday market re-open?

If a buyback trading session is in progress and normal market closes due to index based market-wide circuit filter breach/DR switchover, then ongoing buyback window will be closed along with the normal market. Subsequent buyback window for the day, shall be handled on case-to-case basis, after considering availability market timings for rest of the day, time of circuit hit scenarios, etc.

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