

SEBI (Buyback of Securities) (Amendment) Regulations , 2023

[SEBI Notification dated 07.02.2023](#)

Applicability

On whom?

Listed entities intending to undertake Buyback of shares or specified securities

From when?

30th day from publication in Official Gazette (09.03.2023)

What is Buyback?

Buyback refers to purchase of its own shares by the company from the shareholders

Other changes applicable to all modes

- ✓ Timeline for creation of Escrow Account revised and additional modes of deposit added
- ✓ Minimum required validity of Bank Guarantee in light of post buy back compliances extended
- ✓ **Minimum utilization** amount for Buyback increased to **75%**
- ✓ Days wherever appear have been replaced with **working days**
- ✓ All **filings** to be done **electronically** to the SEBI signed by CS or person authorized
- ✓ Reference to **secretarial auditor** in place of **statutory auditor** for few compliances
- ✓ Prior consent of lender in case of default of covenant needed

MODES OF BUYBACK

TENDER OFFER

- Requirement of review of **draft letter of offer** by SEBI **removed**
- **Revision in the offer price** till one day prior to opening of offer allowed
- **Reduction** in the **timeline** for tender offer (offer opening date , period , payment of consideration)
- Required limits to be calculated on standalone or consolidated basis whichever is lower

OPEN MARKET

a) Through Stock Exchange

- **Glide path exit** (maximum limit and offer period reduced)
- Restricted to only frequently traded securities
- Separate window created for such buyback

b) Through Book Building

- Revised mechanism notified

Buyback from **odd lot holders** **omitted**.

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For detailed discussion of the Circular, click [here](#)

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