



## NOTICES

Notice No.	20210809-41	Notice Date	09 Aug 2021
Category	Trading	Segment	Equity
Subject	Introduction of Add-on Price Band Framework for BSE exclusive securities		

## Content

Exchanges in consultation with SEBI, have introduced various surveillance measures such as Graded Surveillance Measures (GSM), Additional Surveillance Measure (LT-ASM), Short-Term Additional Surveillance Measure (ST-ASM), Trade for Trade (TT) etc.

In continuation with our endeavor to maintain market integrity and curb excessive price movement in securities listed exclusively on BSE Trading Platform, a need has been felt to further strengthen the extant surveillance measures. Accordingly, a new surveillance framework viz. Add-on Price Band Framework is being introduced by the Exchange for securities listed exclusively on BSE Trading Platform.

This framework shall be applicable on securities shortlisted based on pre-defined objective criteria as below:

Price Movement in the past period (calendar period)				
Reference Price	6 Months	1 Year	2 Years	3 Years
X	> 6X	>12x	>20X	>30x

Under the aforesaid framework, the shortlisted securities shall be subjected to additional periodic price limits viz. Weekly, Monthly and Quarterly price limits.

These add-on price bands shall be in addition to the applicable daily price bands of such securities.

Further, the Add-on price band shall be expressed in terms of a ratio of close price of the security and depending upon the daily price band slab applicable for the security, there will be different ratios of add-on price bands as given below -

Daily Price Band Slab	Reference Price	Weekly		Monthly		Quarterly	
		Upper	Lower	Upper	Lower	Upper	Lower
20	X	1.6X	0.6X	2X	0.5X	3X	0.3X
10	X	1.3X	0.75X	1.6X	0.6X	2X	0.5X
5	X	1.2X	0.8X	1.3X	0.75X	1.6X	0.6X
2	X	1.1X	0.9X	1.2X	0.8X	1.3X	0.75X

Where:

➤ X= the close price of the security preceding the date of applicability.

Once the security reaches the respective price limit of a period, trading shall be allowed only within the respective prescribed price range and the same shall not be revised till the beginning of next cycle i.e. next Week/Month/Quarter wherein new price limits shall be computed for the respective periods.

Final upper daily price band shall be minimum of all individual upper price band limits and final lower daily price band shall be maximum of all individual lower price band limits.

To begin with, the reference price for setting up the add-on price bands shall be as follows:

Price band	Reference price	Remarks
Weekly	Close price of last trading day of the	Whenever there is no trading on the

	preceding week	relevant day, previous close price as available shall be considered as a reference price.
Monthly	Close price of last trading day of preceding calendar month	
Quarterly*	Close price of last trading day of preceding calendar quarter	

\* Close price as on July 30, 2021

Example: If the security is having a daily price band slab of 10%, periodic price limits under Add-on Price Band Framework shall be as follows:

Daily Price Band Slab (%)	Weekly Limits		Quarterly Limits		Quarterly Limits	
	Upper	Lower	Upper	Lower	Upper	Lower
10	1.3X	0.75X	1.6X	0.6X	2X	0.5X
X = Close price as on 30 <sup>th</sup> July, 2021 i.e. Rs. 100	Rs.130	Rs. 25	Rs. 160	Rs. 40	Rs. 200	Rs. 50

Review Cycle: A security placed in Add-on Price Band Framework shall remain in the framework for a minimum period of 90 calendar days and shall be eligible to move out if it does not qualify the provisions of the above framework thereafter. Review of the shortlisted securities under the framework i.e. inclusion/exclusion shall be carried out on monthly basis.

Market participants may note that above framework shall be in conjunction with all other prevailing surveillance measures being imposed by the Exchanges from time to time.

Also, it may be noted that the shortlisting of securities under aforesaid framework is purely on account of market surveillance and it should not be construed as an adverse action against the concerned company/entity.

The provisions of this circular shall come in effect from August 23, 2021.

For any clarifications, trading members are advised to contact on 022-22725158/5091.

**Yogendra Daxini**  
Asst. Gen. Manager  
Surveillance

**Saji Sunilkumar**  
Senior Manager  
Surveillance

August 09, 2021