

National Stock Exchange Of India Limited**Department : SURVEILLANCE**

Download Ref No: NSE/SURV/52090

Date: April 22, 2022

Circular Ref. No: 255/2022

To All NSE Members

Sub: Long -Term Additional Surveillance Measure (LT- ASM) framework - Update

This is in partial modification to Exchange Circular nos. NSE/SURV/39265; NSE/SURV/42633; NSE/SURV/43281; NSE/SURV/43565; NSE/SURV/45111 and NSE/SURV/48506 dated October 27, 2018; November 08, 2019; January 20, 2020; February 14, 2020, July 22, 2020 and June 04, 2021 respectively regarding Additional Surveillance Measure (ASM) framework.

As per the Joint Surveillance meeting of Exchanges and SEBI held on April 22, 2022 the following revised criteria shall be applicable for shortlisting of stocks under the Long Term ASM framework:

- 1)** High–Low Price Variation (based on corporate action adjusted prices) in 3 months $\geq (150\% + \text{Beta } (\beta) \text{ of the stock } * \text{ Nifty 50 variation})$

AND

Concentration of Top 25 clients $\geq 25\%$ of combined trading volume of NSE & BSE in the stock in last 30 days.

AND

Market Capitalisation > Rs. 100 Crore as on review date.

- 2)** Close–to–Close Price Variation (based on corporate action adjusted prices) in the last 60 trading days $\geq (100\% + \text{Beta } (\beta) \text{ of the stock } * \text{ Nifty 50 variation})$.

AND

Concentration of Top 25 clients $\geq 25\%$ of combined trading volume of NSE & BSE in the stock in last 30 days.

AND

Market Capitalisation > Rs. 100 Crore as on review date.

- 3) Close-to-Close Price Variation (based on corporate action adjusted prices) in 365 days $\geq (100\% + \text{Beta } (\beta) \text{ of the stock } * \text{ Nifty 50 variation})$

AND

High-Low Price Variation (based on corporate action adjusted prices) in 365 days $\geq (200\% + \text{Beta } (\beta) \text{ of the stock } * \text{ Nifty 50 variation})$

AND

Market Capitalisation > Rs. 500 Crore as on review date

AND

Concentration of Top 25 clients $\geq 25\%$ of combined trading volume of NSE & BSE in the stock in last 30 days.

- 4) Average daily Volume in a month is $\geq 10,000$ shares & monthly volume variation in a stock is $> 500\%$ of Average daily volumes in preceding 3 months at both Exchanges (NSE and BSE)

AND

Concentration of Top 25 clients $\geq 25\%$ of combined trading volume of NSE & BSE in the stock in last 30 days.

AND

Average Delivery % is less than 50% in last 3 months

AND

Market Capitalisation > Rs. 500 Crore as on review date

AND

Close-to-Close price variation (based on corporate action adjusted prices) in last one month $\geq (50\% + \text{Beta } (\beta) \text{ of the stock } * \text{ Nifty 50 variation})$

Exemption: Bulk / Block (maximum of buy /sell value), i.e., Average Volume of Bulk or Block Quantity / Average Volume of the Security greater than 50%.

- 5) Close to Close price variation $\geq 25\% + (\text{Beta } * \text{ Nifty 50 Variation})$ in a month

AND

PE negative OR ≥ 2 times of PE of Nifty 50

AND

Market Capitalisation < Rs. 500 Crores as on review date.

- 6)** Close-to-Close price variation of the SME stock $\geq \pm 25\% + (\text{Beta } (\beta) \text{ of the stock} * \text{NIFTY SME EMERGE Index Variation})$ in 15 days

OR

Close-to-Close price variation of the SME stock $\geq \pm 50\% + (\text{Beta } (\beta) \text{ of the stock} * \text{NIFTY SME EMERGE Index Variation})$ in 30 days

OR

Close-to-Close price variation of the SME stock $\geq \pm 90\% + (\text{Beta } (\beta) \text{ of the stock} * \text{NIFTY SME EMERGE Index Variation})$ in 3 months

AND

PE of the stock is negative OR PE of the stock ≥ 2 times the PE of NIFTY SME EMERGE Index.

Note:

For stagewise surveillance action on SME stock after inclusion in Long Term ASM criteria 6:

- i. Price variation $\geq (\pm 25\% + \text{Beta } (\beta) \text{ of the SME stock} * \text{NIFTY SME EMERGE Index Variation})$ shall be considered.
- ii. Concentration of Top 25 clients excluding market makers shall be considered.

- 7)** Scrips with price band of $\pm 10\%, \pm 5\%, \pm 2\%$

AND

Close-to-Close Price Variation (based on corporate action adjusted prices) in 365 days $\geq (200\% + \text{Beta } (\beta) \text{ of the stock} * \text{Nifty 50 variation})$

AND

High-Low Price Variation (based on corporate action adjusted prices) in 365 days $\geq (300\% + \text{Beta } (\beta) \text{ of the stock} * \text{Nifty 50 variation})$

AND

Market Capitalisation > Rs. 1000 Crores as on review date

AND

Concentration of Top 25 clients $\geq 25\%$ of combined trading volume of NSE & BSE in the stock in last 30 days

Action on the stocks shortlisted as per Criteria 7:

- i. The shortlisted scrips shall be placed directly in Stage IV of Long Term ASM w.e.f. beginning of T+3 days (T day being the day on which scrip was shortlisted).
- ii. The shortlisted scrips shall be retained in Stage IV for a minimum period of 90 calendar days.
- iii. Post completion of 90 calendar days, such scrips shall be subjected to stage-wise review (that is at present undertaken on weekly basis by the Stock Exchanges).

Securities completing 90 calendar days in Long-term ASM Framework would be eligible for exit from the framework subject to stage-wise exit.

In addition to the above, the stocks satisfying the below criteria after inclusion / stage - wise movement under the Long Term ASM shall be placed in Stage IV of Long Term ASM and shall be retained in Stage IV till such time the stocks satisfy the criteria:

Non-promoter holding in the stock < 25%

AND

Price Variation as under:

High-Low Price Variation (based on corporate action adjusted price) in 1 month \geq (50% + Beta (β) of the stock * Nifty variation)

OR

High-Low Price Variation (based on corporate action adjusted price) in 3 months \geq (100% + Beta (β) of the stock * Nifty variation)

OR

High-Low Price Variation (based on corporate action adjusted price) in 6 months \geq (200% + Beta (β) of the stock * Nifty variation)

The aforesaid revised criteria for shortlisting stocks shall be effective from May 02, 2022. In case of any further queries, members are requested to contact on +91-22-2659 8129 / 8166 or +91-44-6630 9949 / 9993.

For National Stock Exchange of India Limited

Binoy Yohannan
Chief Manager
Surveillance

Telephone No	Email id
+91-22-26598129 / 26598166	surveillance@nse.co.in