

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

Download Ref No: NSE/SURV/48506

Date: June 04, 2021

Circular Ref. No: 368/2021

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 and NSE/SURV/45111 dated October 27, 2018; November 08, 2019; January 20, 2020; February 14, 2020 and July 22, 2020 respectively regarding Additional Surveillance Measure (ASM) framework.

As per the Joint Surveillance meeting of Exchanges and SEBI held on June 04, 2021 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% + Beta ( $\beta$ ) of the stock \* Nifty 50 variation)

**AND**

High-Low Price Variation (based on corporate action adjusted prices) in 365 days  $\geq$  (200% + Beta ( $\beta$ ) of the stock \* 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% + Beta ( $\beta$ ) of the stock \* 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 > 25% + (Beta \* 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  $\geq 2$  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  $\geq (+ 25\% + \text{Beta } (\beta) \text{ of the SME stock} * \text{NIFTY SME EMERGE Index Variation})$  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:

High-Low Price Variation (based on corporate action adjusted prices) in 6 months  $\geq (200\% + \text{Beta } (\beta) \text{ of the stock} * \text{Nifty variation})$

**AND**

Non-Promoter holding in the stock < 10%

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**

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