

## National Stock Exchange of India Circular

Department: SURVEILLANCE	
<b>Download Ref No:</b> NSE/SURV/ 55582	<b>Date:</b> February 10, 2023
<b>Circular Ref. No:</b> 94/2023	

To All NSE Members

### **Sub: Surveillance Measure for securities under IBC - Update**

This is in partial modification of the Exchange notice NSE/SURV/37979 dated June 08, 2018, NSE/SURV/42218 dated September 24, 2019 and NSE/SURV/ 52368 dated May 20, 2022 regarding securities under IBC.

There shall be no change in the Surveillance framework for companies under ICA.

As per the joint Surveillance meeting of Exchanges and SEBI held on February 10, 2023, the revised criteria for the above frameworks is attached as **Annexure**.

All other extant conditions and requirements under IBC frameworks shall continue to apply.

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

Further, it may also be noted that the shortlisting of securities under the 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 aforesaid revised framework shall be effective from February 13, 2023 and accordingly securities shall be monitored under the Framework.

# National Stock Exchange of India

For National Stock Exchange of India Limited

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## Annexure

### 1. Surveillance framework for companies under IBC ( Non-Derivative Securities)

	Shortlisting criteria	Surveillance Action												
	Receipt of corporate announcement / disclosure from the company	<ul style="list-style-type: none"><li>(Gross settlement) + (price band of <math>\pm 5\%</math>) + (100% margin) w.e.f. T+2 day.</li></ul> <p><b># Note 1:</b> Post attainment of non-promoter holding <math>\geq 25\%</math>* the securities shall be moved out of corresponding Surveillance Action after completion of subsequent 3 calendar months from attaining of non - promoter holding <math>\geq 25\%</math>. Examples as under:</p> <table><tr><th>Particulars</th><th>Review Date</th><th>MPS Compliance Date</th><th>Scrip Move out Date</th></tr><tr><td>Case 1</td><td>28th Feb 2023</td><td>1st Jan 2023</td><td>3rd April 2023</td></tr><tr><td>Case 2</td><td>28th Feb 2023</td><td>16th April 2022 (Completed 3 Months)</td><td>2nd March 2023</td></tr></table> <p>(*as per the quarterly shareholding pattern reporting or ad-hoc updation of shareholding pattern by the company whichever is earlier).</p>	Particulars	Review Date	MPS Compliance Date	Scrip Move out Date	Case 1	28th Feb 2023	1st Jan 2023	3rd April 2023	Case 2	28th Feb 2023	16th April 2022 (Completed 3 Months)	2nd March 2023
Particulars	Review Date	MPS Compliance Date	Scrip Move out Date											
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<b>IBC Stage I</b>	<ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 25% in 5 Trading days</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 50% in 15 Trading days</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 100% in 30 Trading days</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 200% in 3 Months</li> </ul> <p>Review of the securities for inclusion under IBC Stage I shall be on Daily basis.</p>	<ul style="list-style-type: none"> <li>(Gross settlement) + (<math>\pm 5\%</math> price band) + (100% margin) w.e.f. T+2 basis</li> <li>ASD (100% Trade Value) to be deposited by Buyer, retained for period as applicable to GSM scrips.</li> <li>Once a week trading</li> </ul> <p>Scrips to be reviewed for exit from stage I or movement to Stage II on last trading day of the month post elapsing of minimum 1 month in IBC Stage I.</p> <p># Note 1: w.r.t securities attained non promoter holding <math>\geq 25\%</math> applicable in this stage as well.</p>
<b>IBC Stage II</b>	<ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 25% in 5 Trading days</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 50% in 15 Trading days</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 100% in 30 Trading days</li> </ul> <p>OR</p>	<ul style="list-style-type: none"> <li>(Gross settlement) + (<math>\pm 5\%</math> price band) + (100% margin)</li> <li>ASD (100% Trade Value) to be deposited by Buyer, retained for a period as applicable to GSM scrips.</li> <li>Once a week trading.</li> <li>No upward movement permitted.</li> </ul> <p>Scrips to be reviewed for movement to Stage I on last trading day of the month post elapsing of minimum 1 month in IBC Stage II.</p> <p># Note 1: w.r.t securities attained non promoter holding <math>\geq 25\%</math> applicable in this stage as well.</p>

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	<ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 200% in 3 Months.</li> </ul> <p>Review of the securities for inclusion under IBC Stage II shall be on Monthly basis.</p>	
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### 2. Surveillance framework for companies under IBC (Securities on which Derivative Products are available)

	Shortlisting Criteria	Revised Framework
	Receipt of corporate announcement / disclosure from the company	<p>Action of <b>100% margin</b> shall be levied w.e.f T +2 basis and no fresh contracts shall be issued.</p> <p>After the expiry of existing contracts, all existing surveillance actions as under of the IBC framework shall be applicable on such securities.</p> <p>(Gross settlement) + (price band of <math>\pm 5\%</math>) + (100% margin) w.e.f. T+2 day.</p> <p># Note 1: w.r.t securities attained non promoter holding <math>\geq 25\%</math> applicable in this stage as well.</p>
<b>IBC Stage I</b>	<ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 25% in 5 Trading days</li> </ul> <p>OR</p>	<p>Action of <b>100% margin</b> shall be levied w.e.f T +2 basis and no fresh contracts shall be issued.</p> <p>After the expiry of existing contracts, all existing surveillance actions as under of the IBC framework shall be applicable on such securities.</p>

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	<ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 50% in 15 Trading days</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 100% in 30 Trading days</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 200% in 3 Months</li> </ul> <p>Review of the securities for inclusion under IBC Stage I shall be on Daily basis.</p>	<ul style="list-style-type: none"> <li>(Gross settlement) + (price band of <math>\pm 5\%</math>) + (100% margin) w.e.f. T+2 day.</li> <li>ASD (100% Trade Value) to be deposited by Buyer, retained for period as applicable to GSM scrips.</li> <li>Once a week trading</li> </ul> <p>Scrips to be reviewed for exit from stage I or movement to Stage II on last trading day of the month post elapsing of minimum 1 month in IBC Stage I.</p> <p># Note 1: w.r.t securities attained non promoter holding <math>\geq 25\%</math> applicable in this stage as well.</p>
<b>IBC Stage II</b>	<ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 25% in 5 Trading days</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 50% in 15 Trading days</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 100% in 30 Trading days</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than 200% in 3 Months.</li> </ul>	<p>Action of <b>100% margin</b> shall be levied w.e.f T +2 basis and no fresh contracts shall be issued.</p> <p>After the expiry of existing contracts, all existing surveillance actions as under of the IBC framework shall be applicable on such securities.</p> <ul style="list-style-type: none"> <li>(Gross settlement) + (price band of <math>\pm 5\%</math>) + (100% margin) w.e.f. T+2 day.</li> <li>ASD (100% Trade Value) to be deposited by Buyer, retained for a period as applicable to GSM scrips.</li> <li>Once a week trading.</li> <li>No upward movement permitted.</li> </ul>

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	Review of the securities for inclusion under IBC Stage II shall be on Monthly basis.	Scrips to be reviewed for movement to Stage I on last trading day of the month post elapsing of minimum 1 month in IBC Stage II.  # Note 1: w.r.t securities attained non promoter holding $\geq 25\%$ applicable in this stage as well.
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