

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

Download Ref No: NSE/SURV/ 45111

Date: July 22, 2020

Circular Ref. No: 467/2020

**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 and NSE/SURV/43565 dated October 27, 2018; November 08, 2019; January 20, 2020 and February 14, 2020 respectively regarding Additional Surveillance Measure (ASM) framework.

As per the Joint Surveillance meeting of Exchanges and SEBI held on July 22, 2020 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% + Beta ( $\beta$ ) of the stock \* Nifty 50 variation)

**AND**

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

**AND**

Market Cap > 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 > (100% + Beta ( $\beta$ ) of the stock \* Nifty 50 variation).

**AND**

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

**AND**

Market Cap > Rs. 100 Crore as on review date

- 3)** Close–to–Close Price Variation (based on corporate action adjusted prices) in 365 days greater than > (100% + Beta ( $\beta$ ) of the stock \* Nifty 50 variation)

**AND**

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

**AND**

Market Cap > Rs. 500 Crore as on review date

**AND**

Concentration of Top 25 clients  $\geq$  30% 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  $\geq$  30% 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)

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

**AND**

PE negative OR > 2 times of Nifty 50 PE

**AND**

Market Cap < Rs. 500 Crore as on review date

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

**OR**

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

**OR**

Close-to-Close price variation of the SME stock  $\geq$   $\pm$ 90% + (Beta ( $\beta$ ) of the stock \* 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  $\geq (\pm 25\% + \text{Beta } (\beta) \text{ of the SME stock } * \text{ NIFTY SME EMERGE Index Variation})$  shall be considered.
- ii. Concentration of top 25 clients excluding market makers shall be considered.

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 satisfies 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  $< 10\%$

All other provisions of the aforesaid circular(s) remain unchanged.

The aforesaid revised criteria for shortlisting securities shall be effective from July 23, 2020.

**For National Stock Exchange of India Limited**

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