



## Metropolitan Stock Exchange of India Limited

**Department:** Market Operations - Surveillance and Risk      **Segment:** Capital Market

**Circular No:** MSE/SURV/7317/2019

**Date :** February 11, 2019

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**Subject:** Operating ranges applicable to No Price Band Securities

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To All Members,

This is further to SEBI circular no. CIR/MRD/DP/34/2012 dated December 13, 2012 regarding “PreTrade Risk Controls” and the Exchange circular no. MCX-SX/SURV/909/2012 dated December 14, 2012 and circular no. MCX-SX/SURV/1922/2014 dated May 12, 2014. It has been decided, in consultation with Secondary Market Advisory Committee (SMAC) of SEBI to review the mechanism for relaxation of the operating ranges applicable to securities for which derivative products are available. Members are requested to note the below mentioned changes.

There is no price band in respect of securities, for which derivative products are available. However in order to prevent members from entering orders at non-genuine prices in such securities based on Pre-trade risk control guidelines, the Exchange has set the dummy circuit (dynamic price bands) filter (operating range) at 10%.

In the event of a market trend in either direction, the dynamic price bands may be relaxed by 5% at a time in the direction of the price movement during the day in co-ordination with the other Exchanges as follows:

- If the last trade occurs at 9.90 % or more of the base price, the dynamic price band shall be relaxed to 15%. Subsequently, if the last trade occurs at 14.90% or more then the same would be relaxed to 20% and so on by relaxing dynamic price band in multiples of 5%.
- For the purpose of relaxing the dynamic price bands, the Exchange will take into account that a minimum of 25 trades must be executed with 5 different UCCs on each side of the trade at or above 9.90 % or more of the base price.
- If the dynamic price band is relaxed by another Exchange.
- Any order beyond the dynamic price band of 10% or subsequent relaxed price band, as the case may be, over the base price shall be subject to price freeze. Exchange shall suo moto cancel these orders.
- In exceptional circumstances, all the exchanges shall consult and relax the dynamic price band.



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Further, please note that all other provisions except as mentioned above shall remain unchanged. The effective date of implementation of the above provisions shall be intimated separately.

Members are requested to take note of the above.

For any clarifications kindly contact Surveillance & Risk Management Department on 022-61129060/61 or send an email to [surveillance@msei.in](mailto:surveillance@msei.in).

**For and on behalf of  
Metropolitan Stock Exchange of India Limited**

**Shailendra Singh  
Sr. Manager**