

<b>Department: Surveillance</b>	<b>Segment: Equity Capital Market</b>
<b>Circular No: MSE/SURV/13038/2023</b>	<b>Date : February 10, 2023</b>

**Subject: Surveillance Measure for Securities under IBC – Update**

To All Members,

This is in partial modification of the Exchange Circular no. MSE/SURV/6417/2018 dated June 11, 2018, MSE/SURV/8156/2019 dated September 25, 2019 and MSE/SURV/11848/2022 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.

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

**Vipul Vaishnav  
Ast. Vice President**

**Metropolitan Stock Exchange of India Limited**

## Annexure

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

	Shortlisting criteria	Surveillance Action												
	Receipt of corporate announcement / disclosure from the company	<p>(Gross settlement) + (price band of <math>\pm 5\%</math>) + (100% margin) w.e.f. T+2 day.</p> <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>.</p> <p>Examples as under:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Particulars</th> <th>Review Date</th> <th>MPS Compliance Date</th> <th>Scrip Move out Date</th> </tr> </thead> <tbody> <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> </tbody> </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											
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											
<b>IBC Stage I</b>	<ul style="list-style-type: none"> <li>Close-to-Close Price Variation greater than</li> </ul>	<ul style="list-style-type: none"> <li>(Gross settlement) + (<math>\pm 5\%</math> price band) + (100% margin) w.e.f. T+2 basis</li> </ul>												

### Metropolitan Stock Exchange of India Limited

	<p>25% in 5 Trading days</p> <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>• 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>Scripts 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>
<p><b>IBC Stage II</b></p>	<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</li> </ul>	<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> </ul>

### Metropolitan Stock Exchange of India Limited

	<p>Variation greater than 100% in 30 Trading days</p> <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 II shall be on Monthly basis.</p>	<ul style="list-style-type: none"> <li>No upward movement permitted.</li> </ul> <p>Scripts 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>
--	---	---

**2. Surveillance framework for companies under IBC (Securities on which Derivative Products are available)**

	Shortlisting Criteria	Revised Framework
	<p>Receipt of corporate announcement / disclosure from the company</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. (Gross settlement) + (price band of <math>\pm 5\%</math>) + (100% margin) w.e.f. T+2 day.</p>

**Metropolitan Stock Exchange of India Limited**

		# Note 1: w.r.t securities attained non promoter holding $\geq 25\%$ applicable in this stage as well.
<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>	<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 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</li> </ul>	Action of <b>100% margin</b> shall be levied w.e.f T +2 basis and no fresh

### Metropolitan Stock Exchange of India Limited

	<p>Variation greater than 25% in 5 Trading days</p> <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 II shall be on Monthly basis.</p>	<p>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> <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>
--	--	---

### Metropolitan Stock Exchange of India Limited