

Department: Surveillance and Risk Management	Segment: Equity Capital Market
Circular No: MSE/SURV/9816/2020	Date : December 05, 2020

Subject: Additional Surveillance Measure framework- Update

To All Members,

This is in partial modification to Exchange Circular no. MSE/SURV/6932/2018 dated October 29, 2018, Circular no. MSE/SURV/7927/2019 dated July 22, 2019 respectively regarding Additional Surveillance Measure (ASM) framework.

As per the joint Surveillance meeting of Exchanges and SEBI held on December 04, 2020, the surveillance actions applicable on scrips under the Short Term & Long Term ASM framework stands revised as under:

(1) Short Term ASM

Stage	Surveillance action (Existing)	Surveillance action (Revised)
I	Applicable margin rate for the shortlisted scrip - Higher of (40% OR existing margin), subject to maximum rate of 100%	Applicable margin rate for the shortlisted scrip - Higher of (50% OR existing margin), subject to maximum rate of 100% #
	Top 10 clients based on gross traded value, subject to their gross traded value being greater than Rs.10 lakhs, shall be levied 100% margin on their gross traded value at End-of-Day (EoD).	Discontinued w.e.f. December 07, 2020
II	Applicable margin rate for the shortlisted scrip - Higher of (80% OR existing margin), subject to maximum rate of 100%	Applicable margin rate for the shortlisted scrip - Higher of (100% OR existing margin), subject to maximum rate of 100% #
	Top 10 clients based on gross traded value, subject to their gross traded value being greater than Rs.10 lakhs, shall be levied 100% margin on their gross traded value at End-of-Day (EoD).	Discontinued w.e.f. December 07, 2020

(2) Long Term ASM

Stage	Surveillance action (Existing)	Surveillance action (Revised)
I	Applicable margin shall be 80% from T+3 day	Applicable margin shall be 100% from T+3 day #
II	Reduction of price band to next lower level and applicable margin shall be 100% from T+3 day	Reduction of price band to next lower level and applicable margin shall be 100% from T+3 day

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III	Further reduction of price band to next lower level and applicable margin shall be 100% from T+3 day	Further reduction of price band to next lower level and applicable margin shall be 100% from T+3 day
IV	Settlement shall be on Gross basis with 100% margin for all clients and 5% price band.	Settlement shall be on Gross basis with 100% margin for all clients and 5% price band.

The revision in the applicable rate of margin on scrips currently shortlisted shall be w.e.f. December 09, 2020 on all open positions as on December 08, 2020 and new positions created from December 09, 2020.

Market participants may note that ASM 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 ASM is purely on account of market surveillance and it should not be construed as an adverse action against the concerned company / entity.

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

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

**Shalini Rebeiro
Asst. Vice President**