

Department: Surveillance and Risk Management	Segment: Equity Capital Market
Circular No: MSE/SURV/9267/2020	Date : July 22, 2020

Subject: Long -Term Additional Surveillance Measure (LT- ASM) 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/8328/2019 dated November 11, 2019 and Circular no. MSE/SURV/8562/2020 dated January 21, 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 inclusion 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 (β) of the stock * Nifty 50 variation).

AND

Concentration of Top 25 clients account \geq 30% of combined trading volume at all exchanges 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 (β) of the stock * Nifty 50 variation).

AND

Concentration of Top 25 clients \geq 30% of combined trading volume at all exchanges 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 (β) of the stock * Nifty 50 variation).

AND

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

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AND

Market Cap > Rs.500 Crore as on review date.

AND

Concentration of Top 25 clients \geq 30% of combined trading volume at all exchanges 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 all exchanges

AND

Concentration of Top 25 clients \geq 30% of combined trading volume at all exchanges 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 is \geq (50% + Beta (β) of the stock * Nifty 50 variation).

5. Close to Close price variation \geq 25% + (Beta * Nifty 50 Variation) in a month

AND

PE negative OR \geq 2 times of Nifty 50 PE

AND

Market Cap < Rs. 500 Crores as on review date.

In addition to the above, the stock 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 stock satisfies the criteria:

High-Low Price Variation (based on corporate action adjusted prices) in 6 months \geq (200% + Beta (β) of the stock * Nifty 50 variation) AND Non-promoter holding in the stock < 10%

All other provisions of the aforesaid Notices remain unchanged.

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

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**

**Shailendra Singh
Asst. Vice President**