

Department: Surveillance and Risk Management	Segment: Equity Capital Market
Circular No: MSE/SURV/11848/2022	Date : May 20, 2022

Subject: Surveillance Measure for securities under IBC/ICA - Update

To All Members,

This is in partial modification of the Exchange Circular no. MSE/SURV/6417/2018 dated June 11, 2018 and MSE/SURV/8156/2019 dated September 25, 2019 regarding securities under IBC /ICA.

As per the joint Surveillance meeting of Exchanges and SEBI held on May 20, 2022, the following revised criteria shall be applicable for the above frameworks:

1. **Surveillance framework for companies under ICA**

	Revised framework	
ICA Stage I	<p><u>Shortlisting Criteria</u></p> <ol style="list-style-type: none"> 1. Close-to-Close Price Variation greater than 25% in 5 Trading days OR 2. Close-to-Close Price Variation greater than 50% in 15 Trading days OR 3. Close-to-Close Price Variation greater than 100% in 30 Trading days OR 4. Close-to-Close Price Variation greater than 200% in 3 Months <p>Review of the securities for inclusion under ICA Stage I shall be on Daily basis.</p>	<p><u>Surveillance Action</u></p> <ul style="list-style-type: none"> • (100% Margin) + (±5% Price Band) w.e.f. T+2 days. <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 ICA Stage I.</p>

Metropolitan Stock Exchange of India Limited

ICA Stage II	<p>Scripts to be reviewed for inclusion under ICA Stage II on last trading day of the month post elapsing of minimum 1 month in ICA Stage I</p> <p><u>Shortlisting Criteria</u></p> <ol style="list-style-type: none"> 1. Close-to-Close Price Variation greater than 25% in 5 Trading days OR 2. Close-to-Close Price Variation greater than 50% in 15 Trading days OR 3. Close-to-Close Price Variation greater than 100% in 30 Trading days OR 4. Close-to-Close Price Variation greater than 200% in 3 Months 	<p><u>Surveillance Actions</u></p> <ul style="list-style-type: none"> • (100% Margin) + (Gross settlement) + (±5% Price Band) w.e.f. T+2 days <p>Scripts to be reviewed for movement to Stage I on last trading day of the month post elapsing of minimum 1 month in ICA Stage II</p>
---------------------	---	--

2. Surveillance framework for companies under IBC

Revised framework		
	Shortlisting Criteria	Surveillance Action
	Receipt of corporate announcement / disclosure from the company	<ul style="list-style-type: none"> • (Gross settlement) + (price band of ±5%) + (100% margin) w.e.f. T+2 day. • For minimum period of 3 years from recommencement of trading post IBC, until non promoter holding is >=25%
IBC Stage I	<ul style="list-style-type: none"> • Close-to-Close Price Variation greater than 25% in 5 Trading days OR • Close-to-Close Price Variation greater than 50% in 15 Trading days OR • Close-to-Close Price Variation greater than 100% in 30 Trading days OR • Close-to-Close Price Variation greater than 200% in 3 Months <p>Review of the securities for inclusion under IBC Stage I shall be on Daily basis.</p>	<ul style="list-style-type: none"> • (Gross settlement) + (± 5 % price band) + (100% margin) w.e.f. T+2 basis • ASD (100% Trade Value) to be deposited by Buyer, retained for period as applicable to GSM scrips. • Once a week trading <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>

IBC Stage II	<ul style="list-style-type: none"> • Close-to-Close Price Variation greater than 25% in 5 Trading days <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Close-to-Close Price Variation greater than 50% in 15 Trading days <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Close-to-Close Price Variation greater than 100% in 30 Trading days <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Close-to-Close Price Variation greater than 200% in 3 Months <p>Review of the securities for inclusion under IBC Stage II shall be on Monthly basis.</p>	<ul style="list-style-type: none"> • (Gross settlement) + (\pm 5 % price band) + (100% margin) • ASD (100% Trade Value) to be deposited by Buyer, retained for a period as applicable to GSM scrips. • Once a week trading. • No upward movement permitted. <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>
---------------------	---	---

All other extant conditions and requirements under IBC/ICA 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 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 May 23, 2022.

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

**Shalini Rebeiro
Asst. Vice President**