Annexure

Short Term Additional Surveillance Measure (STASM) framework for SME Segment

Criteria for identification of Stocks:

A. Stage I

Criteria – 5/15 Days

Stocks witnessing Close-to-Close Price Variation ≥ (± 25% + Beta (β) of the stock x S&P BSE 500/Nifty 500 variation) in 5 trading days.	Stocks witnessing Close-to-Close Price Variation ≥ (± 40% + Beta (β) of the stock x S&P BSE 500/Nifty 500 variation) in 15 trading days.
AND	**AND**
Concentration of Top 25 clients ≥ 30% of combined trading volume of NSE & BSE in the stock in 5 trading days. Concentration excluding market makers shall be considered.	Concentration of Top 25 clients account ≥ 30% of combined trading volume of NSE & BSE in the stock in 15 trading days. Concentration excluding market makers shall be considered.

Criteria – 30 Days

For Stocks with a market capitalization more than INR 100 crore
High Low Variation on a one-month basis greater than (75%+ Beta (β) of the stock x S&P BSE 500/Nifty 500 variation)   **AND**   Average Unique PANs trading in the scrip in last one month < 25

Stocks identified as per the above criteria in any of the exchanges shall be shortlisted under the framework.

Action on the shortlisted stocks (Stage I):

I. Applicable rate of margin shall be 50% or existing total margins whichever is higher, subject to maximum rate of margins capped at 100%.

II. On identification of stocks, Exchange shall seek clarification from the company whether there is any corporate announcement that has not been disseminated to market. The clarification so received shall be disseminated to the market.

III. A surveillance dashboard shall also be displayed on the Exchange website mentioning the names of such stocks and other relevant details to inform the investors.

B. Stage II

Criteria for identification of Stocks:

Criteria – 5/15 Days

Stocks witnessing Close-to-Close Price Variation ≥ (± 25% + Beta (β) of the stock x S&P BSE 500/Nifty 500 variation) in 5 consecutive trading days during the 15 days following the inclusion in Stage I.	Stocks witnessing Close-to-Close Price Variation ≥ (± 25% + Beta (β) of the stock x S&P BSE 500/Nifty 500 variation) in 15 consecutive trading days during the 45 days following the inclusion in Stage I.
AND	**AND**
Concentration of Top 25 clients ≥ 30% of combined trading volume of NSE & BSE in the stock during the above mentioned 5 trading days. Concentration excluding market makers shall be considered.	Concentration of Top 25 clients ≥ 30% of combined trading volume of NSE & BSE in the stock during the above mentioned 15 trading days. Concentration excluding market makers shall be considered.

Stocks identified as per the above criteria in any of the exchanges shall be shortlisted under the framework.

Action on the shortlisted stocks (Stage II):

Applicable rate of margin shall be 100% or existing total margins whichever is higher, subject to maximum rate of margins capped at 100%.

❖ **Exit Criteria**

1. The stocks shall be retained in each stage as applicable for a minimum period of 5 / 15 trading days/1 month and shall be eligible for review from 6th / 16th trading day/ 1month onwards.

2. Stock shall continue to remain under appropriate stages of STASM framework if it meets the entry criteria as on the review date or if it does not qualify under any other Surveillance framework warranting more stringent action.