NATIONAL STOCK EXCHANGE OF INDIA LIMITED

DEPARTMENT : CAPITAL MARKET SEGMENT	
Download Ref No : NSE/CMTR/37202	Date : March 14, 2018
Circular Ref. No : 20/2018	

All Members,

Revision of Trading Parameters of SME securities in Capital Market segment

This is in partial modification to Exchange circular no. NSE/SME/MEM/21427 dated August 06, 2012, NSE/CMTR/21587 dated August 31, 2012 and consolidated circular no. NSE/CMTR/34597 dated April 07, 2017.

With reference to SEBI circular CIR/MRD/DP/02/2012 dated January 20, 2012 new SME IPO securities shall form part of Special Pre-Open Session (pre-open 2 session) conducted using call auction mechanism for price discovery before being made available for trading in normal market. With reference to SEBI circular CIR/MRD/DP/ 6/2013 dated February 14, 2013 existing listed SME securities shall form part of daily pre-open session (Regular).

Members are requested to note the relevant trading parameters for SME securities:

A) In case of Listing/Relisting

a) Market timings:-

Special pre-open session (pre-open 2 session) using call auction mechanism of duration of 60 minutes from 09:00 am to 10:00 am shall be applicable as below:-

Pre-open2 session	**Time**	**Remark**
Order Entry Period	9:00 am - 9:45 am (*)	• Order entry, Modification and Cancellation • (*) System driven Random closure between 44th and 45th minute
Order Matching & trade Confirmation Period	9:45 am(*) – 9:55 am	• (*) Order matching period will start immediately after completion of order collection period. ○ Opening price determination. ○ Order matching and trade confirmation.
Buffer Period	9:55 am – 10:00 am	• Transition from pre-open to Normal market

b) Market Parameters

Series	SM/ST
Market	**"G"**
Book Type	**CB**
Lot size	Applicable Lot Size
Tick size	Rs. 0.05
Price band	No Band

c) Trading in securities will move in the Normal market only after the prescribed time i.e. 10:00 am subject to certain conditions.

d) Risk Management

Orders received during pre-open 2 session shall be validated for sufficiency of available capital at 100% of order value prior to acceptance of such orders.

e) With reference to Exchange's capital market consolidated circular no. NSE/CMTR/34597 dated April 07, 2017, all other conditions in regards with special pre-open session (pre-open session 2) shall remain unchanged and applicable to SME securities as well.

B) In case of existing listed SME securities

a) Market timings:

The pre-open session (regular) using call auction mechanism of duration of 15 minutes from 9:00 am to 9:15 am shall be applicable as below:-

Session	**Time**	**Remark**
Order Entry Period	9:00 am - 9:08 am (*)	• Order entry, Modification and Cancellation • (*) System driven Random closure between 7th and 8th minute
Order Matching & trade Confirmation Period	9:08 am(*) – 9:12 am	• (*) Order matching period will start immediately after completion of order entry period. ○ Opening price determination. ○ Order matching and trade confirmation.
Buffer Period	9:12 am - 9:15 am	• Transition from pre-open to continuous trading session

b) Market parameters

Series	**SM/ST**
Market	**“N”**
Book type	PO
Lot Size	Applicable Lot size
Tick Size	0.05
Price Band	Applicable Price Band

c) Risk Management

All orders received in pre-open session shall be validated at the applicable margins for sufficiency of available capital prior to acceptance of the orders. If the available capital of the member is insufficient to cover the margin requirement of the order placed, the same shall not be accepted for the pre-open session.

d) With reference to Exchange’s capital market consolidated circular no. NSE/CMTR/34597 dated April 07, 2017, all other conditions in regards with regular pre-open session shall remain unchanged and applicable to SME securities as well.

Further, in partial modification to Exchange circular no. NSE/SME/MEM/21427 dated August 06, 2012, any market making activity during special pre-open and regular pre-open session shall not be considered for market making obligation/compliance.

The circular shall be effective from March 26, 2018.

For and on behalf of
National Stock Exchange of India Limited

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