

National Stock Exchange of India Limited

Circular

Department: CAPITAL MARKET SEGMENT	
Download Ref No: NSE/CMTR/64593	Date: October 16, 2024
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All Members,

Introduction of a special call auction mechanism for price discovery of scrips of listed Investment Companies (ICs) and listed Investment Holding Companies (IHCs) – update

This is in reference to NSE circular no. NSE/CML/64544 dated October 14, 2024 regarding List of Investment Companies (ICs) and Investment Holding Companies (IHCs) eligible for special call-auction mechanism for price discovery, NSE circular NSE/CMTR/63747 dated September 04, 2024 regarding modification in duration for Call Auction in Pre-Open session 2 and in partial modification to Exchange consolidated circular NSE/CMTR/61813 dated April 29, 2024.

Members are requested to note the below update with respect to chapter 1.2 Pre-open session for first day trading of IPO /SME IPO and Re-listed securities (Pre-open session 2) of Exchange consolidated circular NSE/CMTR/61813 dated April 29, 2024:

A) Eligible securities:

Special preopen session (SPOS) shall also be applicable to Investment Companies (ICs) and Investment Holding Companies (IHCs). The initial list is shared through the circular NSE/CML/64544 dated October 14, 2024 for which the special pre-open session shall be held on October 28, 2024. Subsequent list shall be communicated through separate circular from time to time.

B) Determination of Equilibrium / Opening price:

For such Investment Companies (ICs) and Investment Holding Companies (IHCs) securities, there shall be additional validation while determining the equilibrium / opening price as below:

- The SPOS shall be treated as successful, if price discovery is based on orders received from at least 5 Permanent Account Number (PAN) based unique buyers and sellers i.e. at least 5 unique PAN on each side.
- In case the security is listed on multiple stock exchanges and the SPOS is successful on any one stock exchange then the price discovered at that stock exchange will form the base for normal market trading at other stock exchange.
- If the SPOS for the security is not successful on day 1, then such session shall be conducted on the subsequent trading days, until price is discovered at any of the Exchanges.

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- In case the minimum criteria for 5 PAN based unique buyers and sellers is not met i.e. unsuccessful price discovery, all the outstanding orders shall be cancelled by the Exchange at the end of session (including matchable orders, if available). This shall be irrespective of status of price discovery in that security at the other Exchanges.

All other provisions mentioned in NSE circular NSE/CMTR/63747 and under chapter 1.2 of the above consolidated circular NSE/CMTR/61813 shall remain unchanged for such securities under SPOS.

For and on behalf of
National Stock Exchange of India Limited

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