National Stock Exchange of India
Circular

Department: SURVEILLANCE	
Download Ref No: NSE/SURV/64402	**Date:** October 04, 2024
Circular Ref. No: 854/2024	

To All NSE Members

Sub: Cautionary Messages on Trading Terminal - Update

This is in continuation to Exchange circular(s) NSE/SURV/39327, NSE/SURV/45768, NSE/SURV/53054, NSE/SURV/54513, NSE/SURV/55831, NSE/SURV/57110, NSE/SURV/57778, NSE/SURV/60281, NSE/SURV/60574 and NSE/SURV/63563 dated November 02, 2018, September 21, 2020, July 22, 2022, November 18, 2022, June 14, 2023, July 31, 2023, January 16, 2024, February 6, 2024 and August 23, 2024 respectively.

1. Exchange vide circular no. NSE/SURV/60281 dated January 16, 2024 informed the Trading Members (TMs) about introduction of a new file REG_INDDDMMYY.csv for standardization of the format across Exchanges and facilitating dissemination of scrip specific cautionary messages (single/multiple) on trading terminals at the time of order entry. Exchange provides the REG_INDDDMMYY.csv file to identify securities which are under Surveillance and Other actions and is made available daily on the Exchange website at path https://www.nseindia.com/all-reports.

   As of now TMs are required to provide the following pop-up alert messages which need to be disseminated on non-NEAT front end including IBT, STWT, CTCL etc. All these messages are mandatory wherever applicable for a scrip in CM segment.

Sr. No.	Broad Criteria	Pop-up Alert Message	
1.1.	Graded Surveillance Measure (GSM)	1.1.1.	Scrips in GSM
		1.1.2.	Stage 1 GSM scrip
		1.1.3.	Stage 2 GSM scrip
		1.1.4.	Stage 3 GSM scrip
		1.1.5.	Stage 4 GSM scrip
		1.1.6.	Stage 6 GSM scrip

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Sr. No.	Broad Criteria	Pop-up Alert Message
1.2.	Long Term Additional Surveillance Measure (Long Term ASM)	1.2.1. Stage 1 Long Term ASM scrip 1.2.2. Stage 2 Long Term ASM scrip 1.2.3. Stage 3 Long Term ASM scrip 1.2.4. Stage 4 Long Term ASM scrip
1.3.	Short Term Additional Surveillance Measure (Short Term ASM)	1.3.1. Stage 1 Short Term ASM scrip 1.3.2. Stage 2 Short Term ASM scrip
1.4.	Enhanced Surveillance Measure (ESM)	1.4.1. Stage 1 ESM Scrip 1.4.2. Stage 2 ESM scrip
1.5.	Unsolicited SMS	1.5.1. Under SMS – stock under 'Current Watchlist' 1.5.2. Under SMS – stock under 'For Information' List
1.6.	Insolvency Resolution Process (IRP)	1.6.1. Identified as 'Receipt of Corporate Announcement / Disclosure from the Company' 1.6.2. IBC stage 1 1.6.3. IBC Stage 2
1.7.	Inter Credit Agreement (ICA)	1.7.1. Identified under ICA 1.7.2. Identified under Surveillance Measure for ICA
1.8.	Default	1.8.1. Identified under disclosure of Default. 1.8.2. Identified under Additional Surveillance Measure for disclosure of Default.
1.9.	Pledge	Identified under Surveillance measure in respect of companies with high promoter pledge.
1.10.	Total Pledge	Identified under Regulatory measure on companies as per pledge holding of both promoter as well as non-promoter
1.11.	Social Media Platforms	Under Social Media Platforms – stocks under 'Surveillance Measure list'
1.12.	Loss making	The company has been loss making for at least the last 8 quarters for main board and last 2 years for SME companies on consolidated basis.
1.13.	The Overall encumbered share in the scrip is more than 50 Percent.	Encumbrance of Promoters/ promoter group shareholding of at least 50% of the total capital
1.14.	Under BZ/SZ Series	The company is in BZ/SZ series due to non-compliance with SEBI SOP Circular

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Sr. No.	Broad Criteria	Pop-up Alert Message
1.15.	Company has failed to pay Annual listing fee	The company has failed to pay Annual listing fee.
1.16.	Derivative contracts in the scrip to be moved out of F and O	The security is scheduled to move out of derivatives. No fresh far month contracts shall be issued.
1.17.	Add-on PB	Identified under Add-on Price Band
1.18.	Security is in BAN for Trade on account of breach of 95% of MWPL (i.e.,20% of Non-promoter holding) *****	Security is in 'BAN period' in F&O

* *Details regarding securities in Ban Period is not available in Regulatory Indicator file and members to use 'fo_secban_DDMMYYYY.csv' file from extranet path: \FAOFTP\FaoCommon\Limit Files (as per Annexure-2, Point B of circular NSE/FAOP/37975 dated June 08, 2018).*

In case multiple messages are eligible to be displayed, it is mandatory for the TMs to provide all eligible messages in the pop-up.

2. Exchange vide circular no. NSE/SURV/63563 dated August 23, 2024 directed the Trading Members (TMs) to inform investors about scrips under gross settlement (Trade for Trade) by developing a cautionary message to their clients based on the series (BE/ BZ/ ST or SZ) populated in the REG_INDDDMMYY.csv file.

Sr. No.	Broad Criteria	Pop-up Alert Message
2.1.	Trade for Trade (TFT)	Security is under Gross settlement (Trade for Trade)

This is in addition to the other pop-up messages mentioned at point no.1 above.

3. As per Joint Surveillance Meeting of Exchanges and SEBI held on October 4, 2024, the abovementioned cautionary messages pop-up alerts messages were reviewed, and it was decided to:
    3.1. Introduce additional mandatory pop-up alert messages applicable for all scrips
    3.2. Introduce additional mandatory pop-up alert messages applicable for all SME scrips
    3.3. Introduce additional pop-up alert messages applicable for some scrips based on close-to-close Price Variation and high/low price variations. These thresholds are similar to thresholds in existing ASM/ESM criteria

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4. Pursuant to the above additions of pop-up alert messages, the list of mandatory pop up alert messages is as under:

    4.1. List of Pop-up alert messages which are mandatory for ALL scrips wherever applicable based on various price variation criteria.

Sr. No.	Broad Criteria	Pop-up Alert Message
4.1.1.	Graded Surveillance Measure (GSM)	4.1.1.1. Scrips in GSM 4.1.1.2. Stage 1 GSM scrip 4.1.1.3. Stage 2 GSM scrip 4.1.1.4. Stage 3 GSM scrip 4.1.1.5. Stage 4 GSM scrip 4.1.1.6. Stage 6 GSM scrip
4.1.2.	Long Term Additional Surveillance Measure (Long Term ASM)	4.1.2.1. Stage 1 Long Term ASM scrip 4.1.2.2. Stage 2 Long Term ASM scrip 4.1.2.3. Stage 3 Long Term ASM scrip 4.1.2.4. Stage 4 Long Term ASM scrip
4.1.3.	Short Term Additional Surveillance Measure (Short Term ASM)	4.1.3.1. Stage 1 Short Term ASM scrip 4.1.3.2. Stage 2 Short Term ASM scrip
4.1.4.	Enhanced Surveillance Measure (ESM)	4.1.4.1. Stage 1 ESM Scrip 4.1.4.2. Stage 2 ESM scrip
4.1.5.	Unsolicited SMS	4.1.5.1. Under SMS – stock under 'Current Watchlist' 4.1.5.2. Under SMS – stock under 'For Information' List
4.1.6.	Insolvency Resolution Process (IRP)	4.1.6.1. Identified as 'Receipt of Corporate Announcement / Disclosure from the Company' 4.1.6.2. IBC stage 1 4.1.6.3. IBC Stage 2
4.1.7.	Inter Credit Agreement (ICA)	4.1.7.1. Identified under ICA 4.1.7.2. Identified under Surveillance Measure for ICA
4.1.8.	Default	4.1.8.1. Identified under disclosure of Default. 4.1.8.2. Identified under Additional Surveillance Measure for disclosure of Default.
4.1.9.	Pledge	Identified under Surveillance measure in respect of companies with high promoter pledge.

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Sr. No.	Broad Criteria	Pop-up Alert Message
4.1.10.	Total Pledge	Identified under Regulatory measure on companies as per pledge holding of both promoter as well as non-promoter
4.1.11.	Social Media Platforms	Under Social Media Platforms – stocks under 'Surveillance Measure list'
4.1.12.	Add-on PB	Identified under Add-on Price Band
4.1.13.	Trade for Trade (TFT)	Security is under Gross settlement (Trade for Trade)

4.2. List of Pop-up alert messages which are mandatory for ALL scrips wherever applicable based on criteria other than price variation.

Sr. No.	Broad Criteria	Pop-up Alert Message
4.2.1.	Loss making	The company has been loss making for at least the last 8 quarters for main board and last 2 years for SME companies on consolidated basis.
4.2.2.	The Overall encumbered share in the scrip is more than 50 Percent.	Encumbrance of Promoters/ promoter group shareholding of at least 50% of the total capital
4.2.3.	Under BZ/SZ Series	The company is in BZ/SZ series due to non-compliance with SEBI SOP Circular
4.2.4.	Company has failed to pay Annual listing fee	The company has failed to pay Annual listing fee.
4.2.5.	Derivative contracts in the scrip to be moved out of F and O	The security is scheduled to move out of derivatives. No fresh far month contracts shall be issued.
4.2.6.	Security is in BAN for Trade on account of breach of 95% of MWPL (i.e.,20% of Non-promoter holding) *	Security is in 'BAN period' in F&O

4.3. List of additional Pop-up alert messages which are mandatory for ALL scrips wherever applicable.

Sr. No.	Broad Criteria	Pop-up Alert Message
4.3.1.	Scrip PE is greater than 50 (4 trailing quarters)	The scrip PE is greater than 50 for previous 4 trailing quarters

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Sr. No.	Broad Criteria	Pop-up Alert Message
4.3.2.	EPS in the scrip is zero (4 trailing quarters)	EPS based on previous 4 trailing quarters in the scrip is zero
4.3.3.	Less than 100 unique PAN traded in previous 30 days	Average daily number of unique Clients/PAN traded in the scrip in previous 30 days is less than 100

4.4. List of additional Pop-up alert messages which are mandatory for ALL SME scrips wherever applicable.

Sr. No.	Broad Criteria	Pop-up Alert Message
4.4.1.	Mandatory Market making period in SME scrip is over	Mandatory Market making period in this scrip is over, exit may be difficult.
4.4.2.	SME scrip is not regularly traded	The scrip is not regularly traded, and exit may be difficult.

4.5. Additionally, Top 3 (based on price movement per day) (Top 2 from close-to-close price variation and Top from High-low variation list) from the below list of pop-up alert messages will be applicable for all scrips for which alert messages mentioned in para 4.1 is not appliable.

Sr. No.	Broad Criteria	Pop-up Alert Message
4.5.1.	Close to Close price movement greater than 25% in previous 5 trading days	Close to Close price movement was greater than 25% in previous 5 trading days
4.5.2.	Close to Close price movement greater than 40% in previous 15 trading days	Close to Close price movement was greater than 40% in previous 15 trading days
4.5.3.	Close to Close price movement greater than 100% in previous 60 trading Days	Close to Close price movement was greater than 100% in previous 60 trading Days
4.5.4.	Close to Close price movement greater than 25% in previous 15 Days	Close to Close price movement was greater than 25% in previous 15 Days
4.5.5.	Close to Close price movement greater than 50% in previous 1 month	Close to Close price movement was greater than 50% in previous 1 month
4.5.6.	Close to Close price movement greater than 90% in previous 3 months	Close to Close price movement was greater than 90% in previous 3 months
4.5.7.	Close to Close price movement greater than 25% in previous 1 month	Close to Close price movement was greater than 25% in previous 1 month

Sr. No.	Broad Criteria	Pop-up Alert Message
4.5.8.	Close to Close price movement greater than 50% in previous 3 months	Close to Close price movement was greater than 50% in previous 3 months
4.5.9.	Close to Close price movement greater than 200% in previous 365 Days	Close to Close price movement was greater than 200% in previous 365 Days
4.5.10.	Close to Close price movement greater than 75% in previous 6 months	Close to Close price movement was greater than 75% in previous 6 months
4.5.11.	Close to Close price movement greater than 100% in previous 365 Days	Close to Close price movement was greater than 100% in previous 365 Days
4.5.12.	High low price variation greater than 75% in previous 1 month	High low price variation was greater than 75% in previous 1 month
4.5.13.	High low price variation greater than 150% in previous 3 months	High low price variation was greater than 150% in previous 3 months
4.5.14.	High low price variation greater than 75% in previous 3 months	High low price variation was greater than 75% in previous 3 months
4.5.15.	High low price variation greater than 300% in previous 365 Days	High low price variation was greater than 300% in previous 365 Days
4.5.16.	High low price variation greater than 100% in previous 6 months	High low price variation was greater than 100% in previous 6 months
4.5.17.	High low price variation greater than 200% in previous 365 Days	High low price variation was greater than 200% in previous 365 Days
4.5.18.	High low price variation greater than 150% in previous 12 months	High low price variation was greater than 150% in previous 12 months

Exchange shall update the file structure to accommodate the aforesaid additional messages and provide the relevant indicators in the REG_INDDDMMYY.csv file.

In order to inform investors about these additional alert messages, trading members are directed to develop a cautionary message to their clients based on the additional fields populated in the REG_INDDDMMYY.csv file.

Trading Members are required to develop a functionality on their non-NEAT front end including IBT, STWT, CTCL etc., whereby any person while placing an order in a security for which the cautionary indicators are applicable (as per the REG_INDDDMMYY.csv file and 'fo_secban_DDMMYYYY.csv'), gets

the following message so that the person placing the order is aware of such single/multiple actions on the scrip before placing the order. The message shall be as under:

"Security is under - , would you like to continue?" Yes / No.

For example: If a security qualifies for a combination of multiple actions, e.g. Qualifies for 'GSM-0', 'ESM-1', 'Failed to pay Annual listing fee' & 'BAN period' in F&O', then the pop-up message while placing an order for that security shall display all the 3 messages. In this case, sample message should be "Security is under - GSM-0, ESM-1, Failed to pay Annual listing fee & BAN period in F&O, would you like to continue?" Yes / No. This is applicable for any combination of mandatory pop up alert message indicated in para 4.

The functionality will provide the option for the person placing the order to either select "Yes" or "No". The order shall be sent to the Exchange only if option "Yes" is selected.

Trading members may please note that the aforesaid verbatim of the pop-up message should mandatorily be included in the pop-up message on the trading front-end.

Trading Members are also required to maintain a LOG of all such displays per scrip and the options selected by the investor on the order entry screen. Management of the TM needs to provide such LOGs to the Board of the Trading Member and must satisfy them that all alerts were displayed at the time of order entry and the option chosen by the client on the system was also recorded.

The System Auditor should also check in the periodic submission, whether the above functionality was properly deployed.

Sample format of the revised file (REG_INDDDMMYY.csv) along with the file structure will be provided vide a separate circular.

The file (REG_INDDDMMYY.csv) shall continue to be made available daily on the Exchange website at path https://www.nseindia.com/all-reports.

Further it is reiterated that the aforesaid feature is mandatory for trading members with retail clients.

Trading members are requested to build the requisite functionality and comply with the circular **preferably by December 10, 2024** and **mandatorily by January 10, 2025**.

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In case of any further queries, you may write to us at surveillance@nse.co.in.

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