CHAPTER 1: TRADING

List of Abbreviations

Companies Act – Companies Act, 2013

SCRR – Securities Contracts (Regulation) Rules, 1957

SEBI Act – Securities and Exchange Board of India Act, 1992

SECC Regulations – Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

D&P Regulations – SEBI (Depositories and Participants) Regulations, 2018

Stock Brokers Regulations – SEBI (Stock Brokers) Regulations, 1992

ICDR Regulations – SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

LODR Regulations – SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SAST Regulations – SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

PIT Regulations – SEBI (Prohibition of Insider Trading) Regulations, 2015

IPO – Initial Public Offer

ETF – Exchange Traded Fund

RBI – Reserve Bank of India

BSE – Bombay Stock Exchange

NSE – National Stock Exchange

PAN – Permanent Account Number

NBFC – Non-Banking Financial Company

ISF – Industry Standards Forum (of Exchanges)

SHCIL – Stock Holding Corporation of India Limited

1. BULK DEALS AND BLOCK DEALS IN EQUITY CASH MARKET

1.1. Bulk Deal[1]

A bulk deal constitutes all transactions in a scrip (on an exchange) where the total quantity of shares bought/sold is more than 0.5% of the number of equity shares of the company listed on the exchange. The quantitative limit of 0.5% can be reached through one or more transactions executed during the day in the normal market segment.

1.2. Block Deal[2]

A block deal is execution of large trades through a single transaction without putting either the buyer or seller in a disadvantageous position. For this purpose, stock exchanges are permitted to provide a separate trading window.

Block deals will be subject to the following conditions[3]:

1.2.1. Morning Block Deal Window: This window shall operate between 08:45 AM to 09:00 AM. The reference price for execution of block deals in this window shall be the previous day closing price of the stock. The stock exchanges shall set their trading hours between 08:45 AM to 5:00 PM with a stipulation that between 08:45 AM and 09:00AM, the stock exchanges shall operate only for executing trades in the block deal window.

1.2.2. Afternoon Block Deal Window: This window shall operate between 02:05 PM to 2:20 PM. The reference price for block deals in this window shall be the volume weighted average market price (VWAP) of the trades executed in the stock in the cash segment between 01:45 PM to 02:00 PM. Between the period 02:00 PM to 02:05 PM, the stock exchanges shall calculate and disseminate necessary information regarding the VWAP applicable for the execution of block deals in the Afternoon block deal window.

1.2.3. The orders placed shall be within ±1% of the applicable reference price in the respective windows as stated above.

1.2.4. The minimum order size for execution of trades in the block deal window shall be INR 10 crore. Every trade executed in this block deal windows must result in delivery and shall not be squared off or reversed.

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[1] SEBI Circular No. SEBI/MRD/SE/Cir-7/2004 dated January 14, 2004

[2] SEBI Circular No. MRD/DoP/SE/Cir- 19/05 dated September 2, 2005

[3] SEBI Circular No. CIR/MRD/DP/118/2017 dated October 26, 2017

1.2.5. The stock exchanges shall ensure that all appropriate trading and settlement practices as well as surveillance and risk containment measures, etc., as applicable to the normal trading segment, shall be applicable and implemented in respect of block deal windows also.

1.3. **Disclosures on bulk and block deals**

1.3.1. Exchanges shall disseminate information on bulk and block deals to the general public on the same day, after the market hours. The information disseminated shall, *inter-alia*, include the name of the scrip, name of the client, quantity of shares bought/sold and the traded price.

1.3.2. Bulk deal information disseminated shall be at client PAN level executed across members.

2. CIRCUIT BREAKER / PRICE BANDS

2.1. Index based Market wide circuit breaker[4]

2.1.1. These circuit breakers are used to stop extreme movements either way. The circuit breakers are applied at three stages of the index movement either way at 10%, 15% and 20%. The market wide circuit breakers would be triggered by movement of either BSE Sensex or the NSE Nifty 50 whichever is breached earlier, as per the following table:

<table>
<tr><th>Trigger limit for movement of either of Indices</th><th>Trigger time</th><th>Market halt duration</th></tr>
<tr><td rowspan="3">10%</td><td>Before 1:00 pm</td><td>1 hour</td></tr>
<tr><td>At or after 1:00 pm upto 2.30 pm</td><td>30 minutes</td></tr>
<tr><td>At or after 2.30 pm</td><td>No halt</td></tr>
<tr><td rowspan="3">15%</td><td>Before 1 pm</td><td>2 hours</td></tr>
<tr><td>At or after 1:00 pm before 2:00 pm</td><td>1 hour</td></tr>
<tr><td>On or after 2:00 pm</td><td>Remainder of the day</td></tr>
<tr><td>20%</td><td>Any time during market hours</td><td>Remainder of the day</td></tr>
</table>

[4] SEBI Circular No. SMDRPD/Policy/Cir-37 /2001 dated June 28, 2001

2.1.2. The stock exchange on a daily basis shall translate the 10%, 15% and 20% circuit breaker limits of market-wide index variation based on the previous day's closing level of the index.[5]

2.2. **Index based market-wide circuit breaker mechanism**[6]

2.2.1. Stock exchanges shall compute their market-wide index (NIFTY 50 and SENSEX respectively) after every trade in the index constituent stocks and shall check for breach of market-wide circuit breaker limits after every such computation of the market-wide index.

2.2.2. In the event of breach of market-wide circuit breaker limit, trading shall halt as mandated above and all unmatched orders present in the system shall thereupon be purged by the stock exchange.

2.2.3. Stock Exchanges shall implement suitable mechanism to ensure that all messages related to market-wide index circuit breakers are given higher priority over other messages. Further, the systems (including the network) for computation of market-wide index, checking for breach of circuit breaker limits and initiating message to stop matching of executable order and acceptance of fresh orders, shall not be used for any other purposes.

2.2.4. Stock Exchanges shall include in the scope of their System Audit a review of their index based market-wide circuit breaker mechanism, wherever applicable, with the view to identify improvements.

2.2.5. Post-observation of the trading halt, stock exchanges shall resume trading in the Cash Market with a fifteen-minute pre-open call auction session as per provisions at para 14 of this Circular. To accommodate such pre-open call auction session, the extant duration of the market halt shall be suitably reduced by fifteen minutes.[7]

2.3. **Scrip wise price bands**[8]

2.3.1. There shall be individual scrip wise price bands up to 20% either way, for all scrips in the rolling settlement except for the scrips on which derivatives products are available.

2.4. **Dynamic Price Bands (earlier Dummy Filters or Operating Range)**[9]

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[5] Amended vide SEBI Circular No. CIR/MRD/DP/25/2013 dated September 03, 2013
[6] SEBI Circular No. CIR/MRD/DP/02/2015 dated January 12, 2015
[7] Amended vide SEBI Circular No. CIR/MRD/DP/25/2013 dated September 03, 2013
[8] SEBI Circular No. CIR/MRD/DP/04/2014 dated February 06, 2014
[9] SEBI Circular No. CIR/MRD/DP/34/2012 dated December 13, 2012

2.4.1. Dynamic price bands prevent acceptance of orders placed beyond the price limits set by stock exchanges (for scrips excluded from requirement of price bands). Such price bands are relaxed by the stock exchanges as and when a market-wide trend is observed in either direction.

2.4.2. Stock exchanges shall set the dynamic price bands at 10% of the previous day's[10] closing price for the following securities:

2.4.2.1. Stocks on which derivatives products are available,
2.4.2.2. Index futures,
2.4.2.3. Stock futures.

2.4.3. As scrip price keeps trending in one direction, it is required to provide adequate time to market participants to assimilate any company / market specific news flow thereby resulting in orderly price movement while reducing strain on settlement systems on account of extreme price movements in one direction. Accordingly, the dynamic price bands may be relaxed by stock exchanges in a calibrated manner along with higher cooling off period after each instance of meeting the criteria specified by exchanges for flexing of the price bands. The details of the same is tabulated below:[11]

Instance	**Flexing of dynamic price band by % of previous day's closing price**	**Flexing after cooling off period of**
For the first two instances of flexing	5%	15 minutes, if conditions for flexing satisfied before last half an hour of trading; 5 minutes, if conditions for flexing satisfied in the last half an hour of trading
For subsequent two instances of flexing	3%	30 minutes
For subsequent instances of flexing	2%	60 minutes

2.4.4. One of the conditions followed by stock exchanges for relaxing the price band is that a minimum of 50 trades should be executed with 10 unique UCCs and 3 Trading Members on each side of the trade at or above 9.90% and so on.

2.4.5. When conditions for flexing the price bands are satisfied on either underlying in cash market or current month futures contracts on any exchange, the price band would be flexed for the scrip and all the futures

[10] Amended vide SEBI Circular No. CIR/MRD/DP/25/2013 dated September 03, 2013
[11] SEBI Circular No. SEBI/HO/MRD/TPD-1/P/CIR/2024/58 dated May 24, 2024

contracts on this scrip across all exchanges at the end of subsequent cooling off period.

2.4.6. Whenever price band of a scrip or futures contracts is flexed in one direction, the price band on the other side would be flexed concurrently by equivalent amount in the direction of price movement. Orders pending in the erstwhile price band and the new price band, after sliding, would be cancelled by exchanges. This would limit the dynamic price band as scrip price trends in one direction and in effect limit the price volatility. This would also provide an opportunity to market participants to place their orders nearer to the prevailing market price.

2.4.7. Stock Exchanges would put in place necessary mechanism to intimate trading members/clients regarding such cancelled orders.

2.4.8. A temporary price floor or ceiling for options in the sentimental direction of price trend in the underlying, as applicable, would be placed in the options, once underlying scrip triggers cooling off. This is summarised below:

a. If the Last Traded Price (LTP) of the options contract is available and not stale, the temporary floor or ceiling as applicable, would be linked to LTP of options contract.
b. If the LTP of the options contract is unavailable or stale, the temporary floor or ceiling as applicable, would be linked to theoretical price of the options contract.
c. Such temporary floor or ceiling would allow certain absolute rupee movement or percentage movement over the last traded price/ theoretical price to allow market participants to, for instance, hedge/close their open positions by executing trades in options during cooling off.
d. Once price band for underlying scrip is flexed, at the end of cooling off period, the price band for options contracts would be flexed concurrently, thereby doing away with temporary floor or ceiling.
e. Stock Exchanges would put in place uniform formulation around the above requirements.

2.5. Trade controls in Normal Trading Session for IPO and Re-listed scrips[12]

2.5.1. Trade Timing

The normal trading session for IPO and re-listed scrips on their first day of trading shall commence only subsequent to conclusion of the Call Auction

[12] SEBI Circular No. CIR/MRD/DP/02/2012 dated January 20, 2012

session for such scrip on stock exchanges. The duration of the Call Auction session is as mentioned at para 14 of this Circular.

2.5.2. **Price Bands for Eligible Scrips:** The Price Bands for IPO scrips and Re-listed scrips is tabulated below, along with other trading conditions:

<table>
<tr><th rowspan="3"></th><th colspan="3">Price Bands (for first day) in the normal trading session</th></tr>
<tr><th colspan="2">For IPO Scrips</th><th rowspan="2">For Re-listed Scrips</th></tr>
<tr><th>Issue size up to INR 250 crore</th><th>Issue size greater than INR 250 crore</th></tr>
<tr><td>Equilibrium price discovered in Call Auction</td><td>5% of the equilibrium price</td><td>20% of the equilibrium price</td><td>5% of discovered price</td></tr>
<tr><td>Equilibrium price NOT discovered in Call Auction</td><td>5% of the issue price</td><td>20% of the issue price</td><td>The scrip continues to trade in call auction sessions until price is determined</td></tr>
<tr><td rowspan="2">On stock exchanges, not eligible to offer Call Auction</td><td>If equilibrium price is discovered on BSE/NSE, 5% of discovered equilibrium price*</td><td>If equilibrium price is discovered on BSE/NSE, 20% of discovered equilibrium price*</td><td rowspan="2">Not Applicable</td></tr>
<tr><td>If not discovered → 5% of issue price</td><td>If not discovered → 20% of issue price</td></tr>
<tr><td>Additional Condition</td><td>Trading in Trade-for-Trade (TFT) segment for first 10 days</td><td>Nil</td><td>TFT segment for first 10 days with applicable bands</td></tr>
</table>

* *in case of multiple equilibrium prices, the one closer to issue price to be taken as reference price*

2.5.3. When IPOs/re-listed scrips undergo call auction on multiple exchanges, the discovered equilibrium price can differ significantly. This disparity may lead to divergent price bands across exchanges, potentially misrepresenting the actual price range to investors. For trading on first day pursuant to IPO or re-listing (including re-listing on account of scheme of arrangement but excluding scrips for which derivative contracts are available) para 14.3 may be referred.

3. IMPLEMENTATION OF UNIFORM SECURITY SPECIFIC ACTION IN STOCK EXCHANGES

3.1. **Uniform security specific measure**[13]

3.1.1. All stock exchanges in order to maintain safety and integrity in the market shall implement the security specific decisions taken by BSE/NSE, such as transferring of scrips from rolling settlement to trade for trade segment and vice-versa, imposition of margins, suspension of trading, etc., in cases where such securities are also listed and traded on those stock exchanges. For this purpose, all the stock exchanges shall obtain the necessary information regularly from the website(s) of BSE/NSE and concurrently implement the security specific decisions taken by BSE/NSE.

3.1.2. In the event of any stock exchange not able to implement the decisions taken by BSE/NSE with regard to particular scrip, such stock exchange(s) shall not make available trading in such scrip in the normal rolling settlement.

4. **MARGIN TRADING**

4.1. **Margin trading**[14]

4.1.1. The stock brokers wishing to extend Margin Trading Facility (MTF) to their clients shall be required to obtain prior permission from the exchange where the MTF is proposed to be offered. The exchange shall have right to withdraw this permission at a later date, after giving reasons for the same. Stock Brokers shall adhere to the framework as provided below for providing this facility to their investors:

4.2. **Securities eligible for margin trading:** Equity Shares and units of equity ETFs[13] that are classified as "Group I security" as mentioned at para 1.1.3 of Chapter 4 on "Liquidity Categorization of Securities" in this Master Circular.

4.3. **Liquidation of Securities by Broker in Case of Default by the Client**
The stock broker shall list out situations/conditions in which the securities may be liquidated and such situations/conditions shall be included in the "Rights and Obligations Document". The broker shall liquidate the securities, if the client fails to meet the margin call to comply with the conditions as mentioned in this circular or specified in the "Rights and Obligations Document" specified by exchange. Other than this, the broker shall not liquidate or use client securities in any manner.

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[13] SEBI Circular No. SEBI/MRD/SE/Cir- 12/2004 dated February 26, 2004
[14] SEBI Circular No. CIR/MRD/DP/54/2017 dated June 13, 2017

4.4. **Eligibility requirements for brokers to provide MTF to clients**

4.4.1. Only corporate brokers with a "net worth" of at least INR 5 crores, or any higher value specified by the exchanges, shall be eligible to offer MTF to their clients.

4.4.2. The term "net worth" for the purpose of MTF shall be as specified in Stock Brokers Regulations.

4.4.3. The broker shall submit to the stock exchange a half-yearly certificate, as on 31st March and 30th September of each year, from an auditor confirming the net worth. Such a certificate shall be submitted not later than 31st May and 15th November every year respectively[15].

4.5. **Source of Funds[16]**

4.5.1. Stock brokers may use own funds or borrow funds from scheduled commercial banks and/or NBFCs regulated by RBI, borrow funds by way of issuance of Commercial Papers (CPs) and by way of unsecured long term loans from their promoters and directors. The borrowing by way of issuance of CPs shall be subject to compliance with appropriate RBI Guidelines. The borrowing by way of unsecured long term loans from the promoters and directors shall be subject to the appropriate provisions of Companies Act.

4.5.2. The broker shall not use the funds of any client for providing MTF to another client, even if the same is authorized by the first client.

4.6. **Leverage and Exposure Limits**

4.6.1. At any point of time, the total indebtedness of a broker for the purpose of margin trading shall not exceed 5 times of his net worth, calculated as per the Stock Brokers Regulations.

4.6.2. The maximum allowable exposure of the broker towards MTF shall be within the self-imposed prudential limits and shall not, in any case, exceed the borrowed funds and 50% of his net worth.

4.6.3. While providing the MTF, the broker shall ensure that:

4.6.3.1. Exposure to any single client at any point of time shall not exceed 10% of the broker's maximum allowable exposure, as specified in para 4.6.2 above.

4.6.3.2. Exposure towards stocks and/or units of equity ETFs purchased under MTF and collateral kept in the form of stocks and/or units of equity ETFs are well diversified. Stock brokers shall have appropriate policy approved by their board in this regard.

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[15] SEBI/HO/MRD/MRD-PoD-2/P/CIR/2025/120 dated August 26, 2025

[16] SEBI Circular No. CIR/MRD/DP/86/2017 dated August 01, 2017

4.6.3.3. For the purpose of applicable haircuts for units of equity ETFs as collateral for MTF, it is clarified that the haircuts applicable to Liquid (Group I) Equity Shares as per Chapter 4 on "Liquid Assets" in Master Circular for Comprehensive Risk Management Framework for Cash Market and Debt Segment shall be applicable to units of equity ETFs.

4.7. **Disclosure Requirement**

4.7.1. The stock broker shall disclose to the stock exchanges details on gross exposure towards MTF including name of the client, category of holding (Promoter/promoter group or Non-promoter), clients' PAN, name of the scrips (collateral stocks including units of equity ETFs and Funded stocks) and if the stock broker has borrowed funds for the purpose of providing MTF, name of the lender and amount borrowed, on or before 6 pm[17] on T+1 day. The indicative format for this disclosure by the stock broker to the stock exchange is enclosed at **Annexure 1**.

4.7.2. The stock exchange/s shall disclose the scrip wise and equity ETF wise gross outstanding in margin accounts with all brokers to the market. Such disclosure regarding margin trading done on any day shall be made available after the trading hours on the following day, through its website. The indicative formats for such disclosure by the stock exchange is enclosed at **Annexure 2**.

4.7.3. The stock exchanges shall also put in place a suitable mechanism to capture and maintain all relevant details including member-wise, client-wise, scrip-wise information regarding outstanding positions in MTF and also source of funds of the stock brokers, on the exchanges both on daily as well as on cumulative basis.

4.8. **Rights and Obligations for Margin Trading**

4.8.1. The stock exchanges shall frame a Rights and Obligations document laying down the rights and obligations of stock brokers and clients for the purpose of MTF. The Rights and Obligations document shall be mandatory and binding on the Broker/Trading Member and the clients for executing trade in the margin trading framework.

4.8.2. The broker/exchange may modify the Rights and Obligations document only for stipulating any additional or more stringent conditions, provided that no such modification shall have the effect of diluting any of the conditions laid down in the circular or in the Rights and Obligations document.

[17] SEBI Circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/118 dated September 11, 2024

4.9. **Maintenance of Records**

4.9.1. The stock broker shall maintain separate client-wise ledgers for funds and securities of clients availing MTF.

4.9.2. The stock broker shall maintain a separate record of details of the funds used and sources of funds for the purpose of margin trading.

4.9.3. The books of accounts, maintained by the broker, with respect to MTF offered by it, shall be audited on a half yearly basis. The broker shall submit an auditor's certificate to the exchange certifying, *inter alia*, the extent of compliance with the conditions of MTF. Such certificate shall be submitted not later than 31st May and 15th November for the half year ending 31st March and 30th September respectively, and shall be in addition to the certificate on net worth specified in para 4.4.3 above.

5. MARKET MAKING – SME SEGMENT

5.1. Market Making on Small and Medium Enterprise (SME) Segment[18]

SEBI has put in a framework for setting up of a new exchange or a separate platform in an existing stock exchange having nationwide terminals for SME (hereinafter referred to as the 'Exchange/ SME Exchange'). As per the framework, market making has been made mandatory in respect of all scrips listed and traded on SME exchange. Market making shall also be required for companies listed pursuant to schemes of arrangement except in cases of demerger wherein the demerged company has already completed the requirement of mandatory market making.[19]

5.1.1. **Applicability**

These guidelines are applicable to all the registered Market makers for making market in all scrips listed and traded on SME exchange.

5.1.2. **Registration of the Market Maker**

Any member of the Exchange shall be eligible to act as Market Maker provided the criteria laid down by the exchange are met. The member brokers desirous of acting as Market Maker in this exchange shall apply to the concerned stock exchange for registration as Market Makers unless already registered as a Market Maker. The exchange should disseminate the list of Market Makers for the respective scrip to the public.

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[18] SEBI Circular No. MRD/DP/14/2010 dated April 26, 2010

[19] SEBI letters to NSE nos. SEBI/MRD/SEC-1/2024/30430 dated September 26, 2024 and SEBI/MRD/SEC-1/2025/15910 dated June 13, 2025

5.1.3. **The obligations and responsibilities of Market Makers**

The Market Maker shall fulfil the following conditions to provide depth and continuity on this exchange:

5.1.3.1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.

5.1.3.2. The minimum depth of the quote shall be INR 1 lakh. However, the investors with holdings of value less than INR 1 lakh shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

5.1.3.3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.

5.1.3.4. There shall not be more than five Market Makers for a scrip. These shall be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The number of companies in whose shares a Market Maker would make market should be linked to his capital adequacy as decided by the exchange.

5.1.3.5. Once registered as a Market Maker, they have to start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the exchange.

5.1.3.6. The Market Maker may compete with other Market Makers for better quotes to the investors.

5.1.3.7. Once registered as a Market Maker, they have to act in that capacity for a period as mutually decided between the Merchant Banker and the market maker.

5.1.3.8. Further, the Market Maker shall be allowed to deregister by giving one month notice to the exchange, subject to clause 5.1.3.7 above.

5.1.4. **Price Band and Spreads**

The exchanges shall prescribe the maximum spread between bid and ask price. The exchange, may at its discretion also prescribe the price bands for the same. Further, in case of new issue the spread shall also be specified in the offer document with the prior approval of the exchange.

5.2. Inventory Management for Market Makers of SME Exchange/Platform[20]

5.2.1. The following limits will be applicable to market makers on the upper side during market making process taking into consideration the issue size in the following manner:

Issue Size	Buy quote exemption threshold *(including mandatory initial inventory of 5% of issue size)*	Re-entry threshold for buy quotes *(including mandatory initial inventory of 5% of issue size)*
Up to 20 crore	25%	24%
20 crore to 50 crore	20%	19%
50 crore to 80 crore	15%	14%
Above 80 crore	12%	11%

Further, the following shall apply to market makers while managing their inventory during the process of market making:

5.2.1.1. The exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

5.2.1.2. Threshold for market making as prescribed will be inclusive of mandatory inventory of 5% of issue size at the time of allotment in the issue.

5.2.1.3. Any initial holdings over and above such 5% of issue size would not be counted towards the inventory levels prescribed.

5.2.1.4. Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold.

5.2.1.5. Threshold limit will take into consideration, the inventory level across market makers.

5.2.1.6. The market maker shall give two way quotes till he reaches the upper limit threshold, thereafter he has the option to give only sell quotes.

5.2.1.7. Two way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

5.2.1.8. In view of the market maker obligation, there shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

[20] SEBI Circular No. MRD/DSA/31/2012 dated November 27, 2012

6. MARKET MAKING / LIQUIDITY ENHANCEMENT SCHEMES [21, 22]

6.1. Market Making / Liquidity Enhancement Schemes in the Equity Cash, Equity Derivatives and Commodity Derivatives Segment

6.1.1. The stock exchange may introduce market making / liquidity enhancement schemes (LES), or any other scheme to enhance trading volume at the exchange [all of them referred to as 'scheme(s)' in this section], in the equity cash, equity derivatives and commodity derivatives segments subject to the following:

6.1.1.1. The scheme shall have prior approval of the board of directors of the Stock exchange. Further, its implementation, effectiveness and outcome shall be reviewed by the board of directors at half-yearly intervals[23]. Based on the review, the board of directors may decide to discontinue the scheme.

6.1.1.2. The scheme shall comply with all the relevant laws and shall be objective, transparent, non-discretionary and non-discriminatory.

6.1.1.3. The scheme shall specify the incentives available to market makers/ liquidity providers and such incentives may include discount in fees, adjustment in fees in other segments, cash payment or issue of shares, including options and warrants.

6.1.1.4. The scheme shall not compromise market integrity or risk management and create unwarranted unfair competition with other exchanges.

6.1.1.5. The scheme, including any modification therein or its discontinuation, shall be disclosed to the market at least fifteen days in advance.

6.1.1.6. Outcome of the scheme (incentives granted and volume achieved – market maker wise and security wise) shall be disseminated monthly.

6.1.2. Securities eligible for LES - The exchange shall formulate its own benchmarks for selecting the eligible securities for LES or schemes with the broad objective of enhancing liquidity in illiquid securities or turnover at the exchange.

6.1.2.1. An exchange may introduce LES in securities where an LES has been introduced in another exchange. Such schemes cannot be continued beyond the period of the LES of the initiating exchange.

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[21] SEBI Circular No. CIR/MRD/DP/14/2014 dated April 23, 2014
[22] SEBI Circular No. SEBI/HO/CDMRD/DRMP/CIR/P/2018/55 dated March 26, 2018
[23] SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2021/623 dated September 01, 2021

6.1.2.2. The list of securities for which LES / market making / any other scheme under these provisions has been introduced shall be disseminated to the market.

6.1.2.3. Any commodity that is classified as 'sensitive commodity' by the exchange, shall not be eligible for LES or any other scheme under these provisions.

6.1.2.4. If any commodity derivative product is 'liquid' on any of the exchanges i.e. there is at least one exchange where the average daily turnover in options or/and futures on similar underlying commodity is more than or equal to INR 200 crore for agricultural and agri-processed commodity, and INR 1000 crore for non-agricultural commodity during the last six months, then no other exchange is eligible to launch LES on the same derivative product, unless the exchange where the product is liquid, has itself also launched an LES on said product. Exchanges may arrive at higher threshold for the liquid products in consultation with Industry Standard Forum of MIIs.

6.1.3. The incentives under such schemes shall be transparent and measurable, and may take either of the following forms:

6.1.3.1. Discount in fees, adjustment in fees in other segments or cash payment, waivers in connectivity and support charges – The incentives during a financial year shall not exceed 25% of the net profits or 25% of the free reserves of the exchange, whichever is higher, as per the audited financial statements of the preceding financial year.

6.1.3.2. Shares, including options and warrants, of the stock exchange – The shares that may accrue on exercise of warrants or options, given as incentives, during a financial year, shall not exceed 25% of the issued and outstanding shares of the stock exchange as on the last day of the preceding financial year. Further, the stock exchange shall ensure that this is in compliance with the SECC Regulations at all times.

6.1.4. Stock exchanges are exempted, during their first five years of operation in a new segment from the date of SEBI's approval for commencement/recommencement of their business in that segment, from the applicability of para 6.1.3 above[24], subject to adherence to the following conditions:

6.1.4.1. The yearly incentives across all segments that such an exchange can earmark for such schemes shall not exceed 25% of the audited net-

[24] SEBI Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2019/84 dated July 26, 2019

worth of the said exchange as on the last day of the previous financial year.

6.1.4.2. Such exchange shall create a reserve specifically to meet the incentives/expenses under such schemes, and transfer funds to such reserve accordingly. However, such reserves shall not be included in the calculation of the net worth of that exchange.

6.1.4.3. For those exchanges who have not been able to attain net profitability and do not have any free reserves, the Exchanges may provide yearly incentives earmarked for LES up to 10% of the audited net-worth (as on last day of the previous financial year) for a maximum period of five years, provided that all other regulatory requirements are met.

6.1.4.4. Such exchange shall continuously comply with the minimum net-worth requirements as per SECC Regulations.

6.1.5. Market integrity – The exchange shall ensure the following:

6.1.5.1. The stock exchanges shall put in place a mechanism to ensure that such scheme does not create artificial volumes, does not take away liquidity form the market, is not manipulative in nature and shall not lead to mis-selling of the product in the market.

6.1.5.2. The exchange shall have systems and defined procedures in place to monitor collusion between stock brokers indulging in trades solely for seeking incentives and prevent payment of incentives in such cases.

6.1.5.3. Incentives shall not be provided for the trades where the counterparty is self, i.e., same UCC/PAN is on both sides of the transaction.

6.1.6. Market maker / liquidity enhancer - The exchange shall prescribe and monitor the eligibility criteria and obligations of market-maker (liquidity provider, liquidity enhancer, maker-taker or by whatever name called), which shall include capital adequacy, net worth, infrastructure, minimum volume of business, etc.

6.1.6.1. All market maker / liquidity enhancer orders / trades should be identifiable by the stock exchange.

6.1.6.2. A conflict of interest framework shall be put in place by the stock exchange for the scheme. Such a framework shall provide for obligation on the part of the market maker / liquidity enhancer to disclose any conflict of interest while participating in the scheme. The same s be disclosed by the stock exchange on their website.

This section shall not be applicable to securities listed on SME Platform or SME Exchange.

7. **ORDER AND TRADE TYPES**

7.1. **Order Level Checks**[25]

7.1.1. Stock exchanges shall implement minimum pre-trade risk controls for all categories of orders placed on Stocks, ETFs, Index Futures and Stock futures as follows:

7.1.1.1. Value/Quantity Limit per order:

a. Any order with value exceeding INR 10 crore per order shall not be accepted by the stock exchange for execution in the normal market.
b. In addition, stock exchange shall ensure that appropriate checks for value and/or quantity are implemented by the stock brokers based on the respective risk profile of their clients.

7.1.1.2. Cumulative limit on value of unexecuted orders of a stock broker:

a. Stock exchanges are directed to ensure that trading algorithms of the brokers have a 'client level cumulative open order value check'.
b. In continuation to the above, exchanges are directed to ensure that brokers put-in place a mechanism to limit the cumulative value of all unexecuted orders placed from their terminals to below a threshold limit set by the brokers.

7.1.1.3. No exchange shall allow the 'All or None' or 'Minimum Fill' order facility in their trading system.[26]

7.1.1.4. Stock exchanges shall enhance monitoring of the operating controls of the stock brokers to ensure implementation of the checks mentioned at point 7.1.1.1.b and 7.1.1.2.b above; and levy deterrent penalty in case any failure is observed at the end of stockbroker in implementing such checks.

7.2. **Deals Not Permitted**

7.2.1. Negotiated deals (including cross deals) shall not be permitted.[27] Exemption may be provided for disinvestment of Public Sector Enterprises by SEBI on a case to case basis.[28]

8. **PRO-ACCOUNT TRADING TERMINAL**[29]

[25] SEBI Circular No. CIR/MRD/DP/34/2012 dated December 13, 2012
[26] SEBI Circular No. SMDRP/POLICY CIR-**2**/99 dated January 14, 1999
[27] SEBI Circular No. SMDRP/POLICY/CIR-32/99 dated September 14, 1999
[28] SEBI Circular No. SMDRP/Policy/Cir-41/2000 dated September 11, 2000
[29] SEBI Circular no. SEBI/MRD/SE/Cir- 32/2003/27/08 dated August 27, 2003

8.1. It was noted that some brokers were placing numerous "pro-account" orders from various locations, instead of using terminals at the corporate office where owners/directors typically operate. Furthermore, trades executed under pro-account from different locations were often subsequently transferred to respective clients in the back office, which violates the requirement to place client orders under the appropriate client code through trading terminals.

8.2. In order to prevent any misuse of this facility, if any, stock exchanges should ensure the following:

8.2.1. Facility of placing orders on pro-account through trading terminals shall be extended only at one location of the members as specified/ required by the members

8.2.2. Trading terminals located at places other than the above location shall have a facility to place orders only for and on behalf of a client by entering client code details as required/ specified by the Exchange/ SEBI.

8.2.3. In case any member requires the facility of using pro-account through trading terminals from more than one location, such member shall be required to submit an undertaking to the stock exchange stating the reason for using the pro-account at multiple locations and the stock exchange may, on case to case need basis after due diligence, consider extending the facility of allowing use of pro-account from more than one location in line with a detailed policy framed in this regards.

9. SHORT SELLING

9.1. Broad Framework for Short Selling[30]

9.1.1. The guidelines for short selling are specified below:

i. "Short selling" shall be defined as selling a stock which the seller does not own at the time of trade.

ii. All classes of investors shall be permitted to short sell.

iii. Naked short selling shall not be permitted in the Indian securities market and accordingly, all investors would be required to mandatorily honour their obligation of delivering the securities at the time of settlement.

iv. No institutional investor shall be allowed to do day trading i.e., square-off their transactions intra-day. In other words, all transactions

[30] SEBI Circular No. MRD/DoP/SE/Dep/Cir- 14 /2007 dated December 20, 2007.

would be grossed for institutional investors at the custodians' level and the institutions would be required to fulfil their obligations on a gross basis. The custodians, however, would continue to settle their deliveries on a net basis with the clearing corporations.

v. The securities traded in F&O segment shall be eligible for short selling. SEBI may review the list of stocks that are eligible for short selling transactions from time to time.

vi. The institutional investors shall disclose upfront at the time of placement of order whether the transaction is a short sale. However, retail investors will be permitted to make a similar disclosure by end of trading hours on the transaction day.

vii. The brokers shall be mandated to collect the details on scrip-wise short sell positions, collate the data and upload it to the stock exchanges before the commencement of trading on the following trading day. The stock exchanges shall then consolidate such information and disseminate the same on their websites for the information of the public on a daily basis. The frequency of such disclosure may be reviewed from time to time with the approval of SEBI.

In order to provide a mechanism for borrowing of securities to enable settlement of securities in short selling, a full-fledged securities lending and borrowing (SLB) scheme has been put in place for all market participants in the Indian securities market and the provisions for the same are mentioned in the Master Circular for Clearing Corporations.

10. SECURITIES TRANSACTION TAX

10.1. Implementation of Securities Transaction Tax (STT)[31]

10.1.1. STT shall be levied on all transactions done on the stock exchange.

10.1.2. No stock exchange shall permit trading activity unless it implements necessary software and procedures for the levy, collection and remittance of STT on all transactions from the date of notification by the Government of India and that the MDs/EDs/Administrators of the respective exchanges certify to the effect that necessary systems and procedures are in place for the said purpose.

11. TRADING IN GOVERNMENT SECURITIES

11.1. Government Securities[32]

[31] SEBI Circular No. MRD/DoP/SE/Cir-28/2004 dated August 23, 2004

[32] SEBI Circular No. SMDRP/POLICY/CIR-14/2002 dated June 25, 2002

11.1.1. Trading in government securities can be done in demat using Subsidiary General ledger (SGL), by entities who have an account with the RBI. These entities are allowed to open Constituent SGL (CSGL) accounts on behalf of their client in order to facilitate trading of government securities in the demat form. RBI has mentioned in detail steps for eliminating trading of government securities in the physical form.

11.1.2. RBI has been encouraging holding of government securities in demat in the following ways:

11.1.2.1. All entities having SGL account with RBI are allowed to open CSGL accounts on behalf of their clients. Non-banks like depositories and organisations such as SHCIL have been provided an additional SGL account to open CSGL accounts on behalf of their clients.

11.1.2.2. The cost of postage incurred by the depositories on remitting interest and redemption proceeds is being reimbursed by RBI so as to encourage demat holding and retail participation.

11.1.2.3. Guidelines have been issued to the banks prescribing the safeguards to be adopted for maintenance of CSGL accounts.

11.1.3. To impart transparency in government securities traded by clients (through CSGL accounts), a special feature has been incorporated in the Negotiated Dealing System (NDS) for reporting and settlement of such trades. Provision has also been made in the NDS for giving quotes on behalf of clients, i.e., CSGL account holders.

12. UNIQUE CLIENT CODE (UCC) AND MANDATORY PERMANENT ACCOUNT NUMBER (PAN) REQUIREMENTS

12.1. Mandatory PAN requirement for transaction in securities market[33,34]

12.1.1. PAN allotted by the Income Tax Department shall be the sole identification number and mandatory for all entities/persons who are desirous of transacting in the securities market, irrespective of the amount of transaction. The Stock exchanges shall ensure that the members of their exchanges shall:

12.1.1.1. Collect copies of PAN cards issued to their existing as well as new clients by the Income Tax Department and maintain the same in their record after verifying with the original.

[33] SEBI Circular No. MRD/DoP/SE/Cir- 8 /2006 dated July 13, 2006

[34] SEBI Circular No. MRD/DoP/Cir-05/2007 dated April 27, 2007

12.1.1.2. Cross-check the aforesaid details collected from their clients with the details on the website of the Income Tax Department.

12.1.1.3. Upload details of PAN so collected to the Exchanges as part of unique client code.

12.1.2. However, investors residing in the State of Sikkim are exempted for PAN, subject to the relevant DP/broker/MF verifying the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence in such manner as specified by SEBI through circular(s) issued from time to time.[35]

12.1.3. Further, PAN may not be insisted upon in the following cases:

12.1.3.1. Transactions undertaken on behalf of Central Government and State Government, and by the officials appointed by the courts, e.g., Official liquidator, Court receiver etc. (under the category of Government).[36]

12.1.3.2. In respect of institutional clients[37], other than FPIs, where custodians shall verify the PAN details with the original PAN card and provide copy of verified PAN details to the brokers duly certified. PAN application and verification for FPI clients is detailed in Master Circular for FPIs, DDPs and EFIs.

12.1.3.3. In case of UN entities/ multilateral agencies which are exempt from paying taxes/filling tax returns in India subject to the DPs collecting documentary evidence in support of such claim. [38]

12.1.4. In case of HUF, Association of Persons (AoP), Partnership Firm, Unregistered Trust, etc. – though the BO account would be in the name of natural persons, PAN of the respective HUF, AoP, Partnership Firm, Unregistered Trust, etc. shall be obtained. As regards Registered Trust, Corporate Bodies and minors, PAN of the respective entities shall be obtained when accounts are opened in their respective names.[39]

12.1.5. In case of slight mismatch in PAN card details as well as difference in maiden name and current name (predominantly in the case of married women) of the investors[40], DPs can collect the PAN card proof as submitted by the account holder. However, this would be subject to the DPs verifying

[35] SEBI Circular No. MRD/DoP/Dep/Cir-09/06 dated July 20, 2006

[36] SEBI Circular No. MRD/DoP/Cir-20/2008 dated June 30, 2008

[37] SEBI Circular No. MRD/DoP/Dep/SE/Cir-13/06 dated September 26, 2006 and Circular No. MRD/ DoP/Dep/Cir-09/06 dated July 20, 2006

[38] SEBI Circular No. MRD/DoP/Dep/Cir-09/06 dated July 20, 2006

[39] SEBI Circular No. MRD/DoP/Dep/Cir-09/06 dated July 20, 2006

[40] SEBI Circular No. MRD/DoP/Dep/SE/Cir -09/06 dated July 20, 2006

the claim of such investors by collecting sufficient documentary evidence in support of the identity of the investors in such manner as specified by SEBI through circular(s) issued from time to time.

12.2. **Unique Client Code**[41]

12.2.1. It shall be mandatory for the broker to use unique client code for all clients. For this purpose, the broker shall collect and maintain in their back office the PAN allotted by the Income Tax Department for all their clients.

12.2.2. In case of other entities:

12.2.2.1. Brokers shall verify the documents with respect to the unique code and retain a copy of the document.

12.2.2.2. Brokers shall also be required to furnish the above particulars of their clients to the stock exchanges/clearing corporations at the frequency specified by the SEs.

12.2.2.3. Exchanges shall be required to maintain a database of client details submitted by brokers. Historical records of all submissions shall be maintained for a period of 7 years by the exchanges.

12.3. **Modification of Client Codes of Trades Executed on Stock Exchanges (All Segments)**[42]

12.3.1. **Modification of Client Codes**

12.3.1.1. Exchanges may allow multiple client codes for certain client categories and modifications of such client codes (linked to same PAN) of trades may be allowed without levying of penalty. The Stock Exchanges in consultation with Industry Standards Forum (ISF) may come up with a common list of such client categories without compromising on risks associated with modification of client codes like tax evasion, potential misuse such as circular trading or artificial volume creation etc.

12.3.1.2. Modifications of client codes carried out from Market Makers to the Asset Management Companies, viz. associated ETF scheme(s) may be

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[41] SEBI Circular No. SMDRP/Policy/CIR-39/2001 dated July 18, 2001

[42] SEBI Circular No. CIR/DNPD/6/2011 and SEBI Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/73 dated August 19, 2016

permitted, in pursuance to Market Making Settlement Process for domestic Equity ETFs of Master Circular for Mutual Funds.

12.3.1.3. Exchanges may allow modifications of client codes in other cases only to rectify a genuine error in entry of client code at the time of placing/ modifying the related order in all segments.

12.3.1.4. The following shall be classified as genuine errors for the purpose of client code modification:

a. Error due to communication and/or punching or typing such that the original client code/name and the modified client code/name are similar to each other.
b. Modification within relatives ('Relative' for this purpose would mean as defined under Companies Act).

12.3.1.5. A Stock Exchange shall set up a mechanism to monitor that the trading members modify client codes only to rectify a genuine error and shall ensure that modification of client codes is covered in the internal audit of trading members.

12.3.2. **Penalty Structure**

12.3.2.1. The Stock Exchanges shall levy a penalty from trading members and credit the same to its Investor Protection Fund as under:

'a' as % of 'b'	Penalty as % of 'a'
≤ 5	1
> 5	2

Where,

a = Value (turnover) of trades (institutional/non-institutional considered separately) where client codes have been modified by a trading member in a segment during a month.

b = Value (turnover) of trades (institutional/non-institutional considered separately) of the trading member in the segment during the month.

12.3.2.2. The Stock Exchange shall monitor on regular basis the trading members to ascertain whether the modifications of client codes are being carried out only to rectify genuine errors as mentioned above, if 'a' as a % of 'b', as defined above, exceeds 1% during a month or broker undertakes frequent client code modifications and take appropriate disciplinary action.

12.3.3. **Error Account**

12.3.3.1. Shifting of trades to the error account of broker would not be treated as modification of client code, provided the trades in error account are subsequently liquidated in the market and not shifted to some other code.

12.3.3.2. Further, brokers shall disclose the codes of accounts which are classified as 'error accounts' to the Exchanges. Each broker should have a well-documented error policy approved by the management of the broker. Exchanges shall periodically review the trades flowing to the error accounts of the brokers.

12.3.4. **Waiver of Penalty**[43]

12.3.4.1. Stock exchanges may waive penalty for a client code modification where stock broker is able to produce evidence to the satisfaction of the stock exchange to establish that the modification was on account of a genuine error.

12.3.4.2. Not more than one such waiver per month may be given to a stock broker for modification in a client code. Explanation: If penalty waiver has been given with regard to a genuine client code modification from client code AB to client code BA, no more penalty waivers shall be allowed to the stock broker in the month for modifications related to client codes AB and BA.

12.3.4.3. Proprietary trades shall not be allowed to be modified as client trade and vice versa.

13. TRANSACTION CHARGES and UTILIZATION OF REGULATORY FEE FORGONE BY SEBI

13.1. Charges levied by Stock Exchanges – True to label[44]

13.1.1. Exchanges shall comply with following principles while designing the processes for charges levied on their members which are to be recovered from the end clients:

13.1.1.1. The exchange charges which are to be recovered from the end client should be True to Label i.e. if certain exchange charge is levied on the end client by members (i.e. stock brokers), it should be ensured by exchanges that the same amount is received by them.

[43] SEBI Circular No. CIR/MRD/DP/29/2014 dated October 21, 2014
[44] SEBI Circular No. SEBI/HO/MRD/TPD-1/P/CIR/2024/92 dated July 01, 2024

13.1.1.2. The charge structure of the exchange should be uniform and equal for all its members instead of slab-wise viz. dependent on volume/ activity of members.

13.1.1.3. To begin with, the new charge structure designed by exchanges should give due consideration to the existing per unit charges realized by exchanges so that the end clients are benefitted with the reduction of charges.

13.2. **Revision of transaction charges by the Stock Exchanges[45, 46]**

13.2.1. Transaction charges are being levied by the stock exchange on the trades executed on their trading platform.

13.2.2. Stock exchanges, while revising such transaction charges, are advised to ensure that:

13.2.2.1. The stock exchange system is capable of handling additional load.

13.2.2.2. It does not result in any market irregularities, including generation of artificial demand, affecting the existing risk management system, etc.

13.2.2.3. It is imposed in fair and transparent manner and is uniformly applied to trades of similar nature and similar category of investor.

13.2.1. For the commodity segment in exchanges[47, 48]:

13.2.1.1. The exchanges may levy different transaction charges for different commodities' contracts, even in the case of contracts of the same commodity.

13.2.1.2. The exchanges shall ensure that the ratio between highest to lowest transaction charges in the turnover slab of any contract is not more than 2:1.

13.2.1.3. In the slab system the concessional transactional charges shall be charged only on the incremental volume/turnover and not on the entire volume/turnover.

13.2.1.4. The transaction charges shall be charged on post-facto basis, i.e., after the trades are executed.

13.3. **UTILIZATION OF REGULATORY FEE FORGONE BY SEBI[49]**

13.3.1. SEBI has reduced the regulatory fee on exchanges with respect to turnover in agricultural commodity derivatives. The objective was to reduce

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[45] SEBI Circular No. MRD/DoP/SE/Cir-14/2009 dated October 14, 2009

[46] SEBI Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/82 dated September 07, 2016

[47] SEBI Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/82 dated September 07, 2016

[48] SEBI Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2018/1 dated January 03, 2018

[49] SEBI Circular No. SEBI/HO/CDMRD/DMP/IR/P/2019/40 dated March 20, 2019

the cost burden on farmers/FPOs from the amount saved due to reduction of regulatory fee, thereby encouraging their participation in agricultural commodity derivatives markets.

13.3.2. The exchanges dealing with agricultural commodity derivatives shall create a separate fund in which, the regulatory fee forgone by SEBI shall be deposited. Any income on investments from the fund shall also be ploughed back into the same fund. In this regard, the exchanges shall follow the guiding principles outlined below for utilization of the earmarked fund:

i. The exchange shall endeavor to utilize the fund primarily for reducing transaction cost and facilitating ease of trading by farmers/FPOs.
ii. The exchange shall draw an action plan for full utilization of regulatory fee foregone by SEBI in any financial year to be utilized during the succeeding financial year. Such action plan shall be drawn up by the 10th of April (of the year in which the fund must be utilized) keeping in view the amount of fund available for the purpose.
iii. The exchange shall disseminate details of the action plan including the financial assistance proposed to be rendered to farmers/FPOs, activities to be subsidized/facilitated with respect to participation by farmers/FPOs during the financial year on their website under intimation to SEBI.
iv. The fund shall not be clubbed with any other funds such as Investor Protection Fund (IPF)/ Investor Services Fund (ISF)/ Corporate Social Responsibility (CSR) Funds etc.
v. The exchange shall ensure that participating farmers/FPOs are treated in a fair and equitable manner while utilizing proceeds of the fund for their benefit. Accordingly, the choice of activities for utilizing the fund and the rate of benefit should be such that benefits with respect to the activity are imparted to all farmers/FPOs participating during the year and are not restricted to a select few farmers/FPOs.

13.3.3. While preparing the action plan for a financial year, the exchanges may consider one or more of the following activities for utilization of the fund for benefit of farmers/FPOs –

i. Funding of Warehousing and/or Assaying charges – Waiver/subsidy in warehousing and/or assaying charges for agricultural commodities deposited for delivery on the platform of exchange by farmers/FPOs.
ii. Cost of bags and transportation for the farmers/FPOs for delivery on exchange platform – The cost of bags may be reimbursed or bags may be provided to farmers/FPOs for deposits on the stock exchange

platform. To incentivize delivery-based participation by farmers/FPOs, certain percentage of transportation expenses may also be considered for reimbursement to farmers/FPOs.

iii. Cost of Mark to Market (MTM) funding – The cost of or a part of the cost of MTM funding by the stock exchange/clearing corporation on the sell positions of the farmers/FPOs who make early pay-in of the commodities in approved warehouses.

iv. Broker fee – Stock broker fee for farmers/FPOs may be subsidized**.**

v. Delivery fee/charge – As delivery fee is one of the largest constituents of the overall transaction costs in the delivery based agri-commodity derivatives markets, the stock exchanges may reduce/subsidize this cost head.

vi. Repository related fee – Stock exchanges may subsidize repository related charges for farmers/FPOs - account opening, maintenance and transfer charges or any other similar charges.

vii. [50]Reimbursement of mandi tax – Reimbursement of mandi tax including any other mandi cess or whatever name it may be called, levied against the goods deposited in warehouses accredited with Clearing Corporations for the purpose of delivering on the stock exchange platform for which exchange specific Electronic Negotiable Warehouse Receipt (eNWR) is generated.

viii. [51]Reimbursement of assaying, cleaning, drying, sorting, storage and transportation charges – Farmers/FPOs may be reimbursed charges incurred towards assaying, cleaning, drying, sorting, storage and transportation in respect of goods deposited in warehouses accredited with Clearing Corporations (CCs) with an intention to deliver them on exchange platform for which exchange specific eNWR is generated.

ix. [52]Incentivizing option premium – The farmers/FPOs may be incentivized to participate in "options in goods" and "options on futures" by reimbursing a certain percentage or fixed amount of the premium paid by them, for purchasing "options in goods" on the exchange platform.

x. [53]Reimbursement of fees levied by CCs – Fees/cost levied by CC, if any, on farmers/FPOs in the process of their participation in commodity derivatives trading may be reimbursed. SEs shall coordinate with CC for this purpose.

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[50] SEBI Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2020/206 dated October 19, 2020
[51] SEBI Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2020/206 dated October 19, 2020
[52] SEBI Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2020/206 dated October 19, 2020
[53] SEBI Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2020/206 dated October 19, 2020

xi. Any other activity as may be permitted by SEBI.

13.3.4. The exchanges shall allow utilization of the fund for the activities mentioned above with certain conditions such as overall amount per activity, maximum amount per farmer/FPO, maximum period etc., as may be applicable from time to time, so as to ensure fair and equitable distribution of benefit to farmers/FPOs.

13.3.5. [54]Further, in order to enhance transparency, the exchanges are advised to make disclosure regarding corpus of the fund and its utilization, on their website, on a monthly basis.

14. CALL AUCTION

14.1. Call Auction in Pre-Open Session[55]

14.1.1. Pre-open call auction session shall be applicable to all exchanges with active trading and for all scrips that are not classified as illiquid as per para 14.4.[56] as well as for IPO and Relisted Scrips[57].

14.1.2. For IPO and relisted scrips, the date of commencement of pre-open session for all eligible scrips shall be uniform between the stock exchanges.

14.1.3. The details of duration, type of orders allowed, price band and other features for eligible scrips are tabulated below:

Features	**All scrips that are not classified as illiquid**	**IPO Scrips (First Day of Trading)**	**Re-listed Scrips**
Duration	15 minutes i.e. from 9:00AM to 9:15AM Out of total duration, i. Time for order entry, order modification and order cancellation – 8 minutes (system driven random closure of session during last one minute of order entry i.e. anytime between 7th and 8th minute). ii. Time for order matching and trade confirmation – 4 minutes iii. Buffer period to facilitate the transition from pre-open session to the normal market – 3 minutes	60 minutes i.e. from 9:00 a.m. to 10:00 a.m. Out of total duration, i. Time for order entry, order modification and order cancellation - 45 minutes (system driven random closure of session during last ten minutes of order entry i.e. anytime between 35th and 45th minute). ii. Time for order matching and trade confirmation - 10 minutes iii. Buffer period to facilitate the transition from pre-open	

[54] SEBI Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2020/206 dated October 19, 2020
[55] SEBI Circular No. CIR/MRD/DP/21/2010 dated July 15, 2010
[56] SEBI Circular No. CIR/MRD/DP/ 6/2013 dated February 14, 2013
[57] SEBI Circular No. CIR/MRD/DP/01/2012 dated January 20, 2012 and Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/85 dated June 20, 2024

<table>
<tr><td></td><td colspan="2"></td><td colspan="3">session to the normal market – 5 minutes</td></tr>
<tr><td>Types of Orders Allowed</td><td colspan="2">i. Limit Orders
ii. Market Orders

Both types of orders shall be reckoned for computation of equilibrium price.

Further, Iceberg Order not allowed i.e. orders to be disclosed in full quantity</td><td>Limit Orders</td><td colspan="2">Limit Orders</td></tr>
<tr><td>Price Bands</td><td colspan="2">As applicable in the normal market</td><td>None in pre-open session</td><td colspan="2">None in pre-open session</td></tr>
<tr><td>Equilibrium Price</td><td colspan="5">Price at which the maximum volume is executable.
In case more than one price meets the said criteria, the equilibrium price shall be the price at which there is minimum order imbalance quantity (unmatched order quantity). The absolute value of the minimum order imbalance quantity shall be considered. Further, in case more than one price has same minimum order imbalance quantity, the equilibrium price shall be the price closest to the previous day's closing price. In case the previous day's closing price is the mid-value of a pair of prices which are closest to it, then the previous day's closing price itself shall be taken as the equilibrium price. In case of corporate action, previous day's closing price shall be the adjustable closing price or the base price.</td></tr>
<tr><td>Rules for Order Execution after discovery of Equilibrium Price</td><td colspan="5">i. Limit orders shall be given priority over market orders.
ii. Sequence for executing orders:
a. Eligible Limit orders shall be matched with eligible limit orders.
b. Residual eligible limit orders shall be matched with market orders.
c. Market orders to be matched with market orders.</td></tr>
<tr><td rowspan="2">Un-matched Orders /</td><td>Equilibrium price discovered</td><td>Equilibrium price not discovered[58]</td><td rowspan="2">All outstanding orders will be moved to the normal trading session at their limit price.</td><td>Equilibrium price discovered</td><td>Equilibrium price not discovered</td></tr>
<tr><td>Shall be shifted to the order book of the normal market following time priority, as limit</td><td>Wherein, there are only market orders, the market orders shall be matched at previous day's close price and all unmatched market orders shall be shifted to the order book of the normal market at previous day's close price following time priority. Previous day's close price shall be the opening price.</td><td>Outstanding orders to be moved to the normal trading session at their limit</td><td>Orders to be cancelled and the scrip continue to trade in the call auction mechani</td></tr>
</table>

[58] SEBI Circular No. CIR/MRD/DP/32/2010 dated September 17, 2010

	orders at the discovered price	Wherein, there are no market orders to be matched, all unmatched market orders (at previous day's close price) and limit orders shall be shifted to the order book of the normal market following price time priority.		price.	sm until a price is determined.

14.1.6. In case the index breaches the prescribed threshold limit upon the closure of pre-open session, the procedure as specified in para 2 of this Circular shall be applicable from the time continuous normal market opens.

14.1.7. The following information shall be disseminated during pre-open session:

a. Indicative equilibrium price of the scrip
b. Indicative cumulative buy and sell quantity of the scrip
c. Indicative Index, if applicable

14.1.8. The Stock Exchanges shall issue the necessary guidelines in this regard, including scenario analysis with examples.

14.2. **Surveillance Mechanisms for Pre-open Call Auction session for IPO and Re-listed scrips**[59]

14.2.1. Stock exchanges shall have adequate surveillance mechanisms for pre-open call auction session for IPO or relisted scrips to avoid any kind of manipulation.

14.2.2. In addition to the surveillance mechanisms, the stock exchanges shall generate alerts based on the following indicative parameters:

14.2.2.1. cancelled quantity for a particular client exceeds 5% of total cancelled quantity across the market during the pre-open session.

14.2.2.2. value of cancelled quantity for a particular client exceeds 5% of total value of cancelled quantity across the market during the pre-open session.

14.2.2.3. cancelled quantity for a particular client exceeds 50% of total quantity placed by that client during the pre-open session.

14.2.2.4. value of cancelled quantity for a particular client exceeds 50% of total value of quantity placed by that client during the pre-open session.

[59] SEBI Circular No. CIR/MRD/DP/01/2012 dated January 20, 2012 and Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/85 dated June 20, 2024

14.2.2.5. Modification of prices significantly away from previously placed order(s).

14.2.2.6. Stock exchanges can have additional parameters for generating alerts.

14.2.3. For alerts generated based on the above parameters, based on analysis, exchanges shall seek explanation from the clients for cancellations or modifications done by them during the pre-open session and initiate appropriate penalty or disciplinary actions.

14.2.4. To enhance transparency in pre-open call auction session, details of number and quantity of cancelled orders shall also be displayed on the website of stock exchange and terminals of Trading Members on a real time basis for investors to take informed decision on the pricing of such stocks

14.2.4.1. In addition to the surveillance mechanisms, the stock exchanges shall generate alerts based on the following indicative parameters:

a. cancelled quantity for a particular client exceeds 5% of total cancelled quantity across the market during the pre-open session.
b. value of cancelled quantity for a particular client exceeds 5% of total value of cancelled quantity across the market during the pre-open session.
c. cancelled quantity for a particular client exceeds 50% of total quantity placed by that client during the pre-open session.
d. value of cancelled quantity for a particular client exceeds 50% of total value of quantity placed by that client during the pre-open session.
e. Modification of prices significantly away from previously placed order(s).
f. Stock exchanges can have additional parameters for generating alerts.

14.2.4.2. For alerts generated based on the above parameters, based on analysis, exchanges shall seek explanation from the clients for cancellations or modifications done by them during the pre-open session and initiate appropriate penalty or disciplinary actions.

14.2.4.3. To enhance transparency in pre-open call auction session, details of number and quantity of cancelled orders shall also be displayed on the website of stock exchange and terminals of Trading Members on a real time basis for investors to take informed decision on the pricing of such stocks.

14.3. **Formulation of Price Bands pursuant to Call auction at multiple stock exchanges pursuant to IPO, re-listing etc. in normal trading session**

14.3.1. If the difference in the discovered prices in call auction is significant in different SEs, there could be a situation wherein price bands on individual exchanges are far apart from each other. Accordingly, the following has been decided for trading on first day pursuant to IPO or re-listing (including re-listing on account of scheme of arrangement but excluding scrips for which derivative contracts are available):

14.3.1.1. If difference in the equilibrium price between exchanges in percentage terms (i.e. absolute difference/minimum of equilibrium prices, expressed as %) is more than the applicable price band for the scrip, a Common Equilibrium Price (CEP) would be computed by exchanges. The CEP shall be volume weighted average of equilibrium prices on individual exchanges as determined by the Call Auction.

14.3.1.2. The exchanges shall set the aforesaid CEP in their trading systems and apply uniform price bands based on the CEP, as applicable.

14.3.1.3. Only unexecuted pending orders from Call Auction session within the aforesaid price band shall be carried forward to the normal market segment.

14.4. **Periodic Call Auction for Illiquid Scrips**[60]

14.4.1. **Periodic Call Auction for Illiquid scrips**

14.4.1.1. Trading in illiquid scrips in the equity market shall be conducted only through periodic call auction sessions.

14.4.1.2. Criteria for illiquidity: A scrip which trades in the normal market and is not shifted to trade for trade settlement, shall be classified as illiquid on a stock exchange if the following conditions are met:

a. Average daily turnover of less than INR 2 lakh calculated for previous two quarters and
b. The scrip is classified as illiquid at all exchanges where it is traded.

[60] SEBI Circular No. CIR/MRD/DP/6/2013 dated February 14, 2013 and Circular No. CIR/MRD/DP/38/2013 dated December 19, 2013

14.4.1.3. Of the scrips identified as per above criteria, scrips which satisfy any of the following conditions shall be excluded:

a. Scrips with average market capitalization more than INR 10 crore.
b. Scrips where company is paying dividend in at least two out of last three years.
c. Scrips where company is profitable in at least 2 out of last 3 years, and not more than 20% of promoters shareholding is pledged in the latest quarter and book value is 3 times or more than the face value.

14.4.1.4. Entry into periodic call auction mechanism – Stock exchanges shall identify illiquid scrips at the beginning of every quarter and move such scrips to periodic call auction.

14.4.1.5. Exit from periodic call auction mechanism – Stock exchanges shall move scrips from periodic call auction mechanism to normal trading session if the following criteria are met:

a. The scrip has remained in periodic call auction for at least one quarter.
b. It is not classified as illiquid as per paras 14.4.1.2 and 14.4.1.3.

14.4.1.6. Notice to market – For entry and exit of scrips in the call auction mechanism, a notice of two trading days shall be given to the market.

14.4.1.7. Number of auction sessions – Stock Exchange may determine the number of call auction session for illiquid stocks. However, in order have minimum trading sessions and uniform closing session, there shall be at least 2 sessions in a trading day with one uniform closing session across the exchanges.

14.4.1.8. Session duration – The call auction session duration shall be one hour, of which 45 minutes shall be allowed for order entry, order modification and order cancellation, 8 minutes shall be for order matching and trade confirmation and remaining 7 minutes shall be a buffer period for closing the current session and facilitating the transition to next session. The session shall close randomly during last one minute of order entry between the 44th and 45th minute. Such random closure shall be system driven.

14.4.1.9. Order Placement – The orders may remain valid throughout the trading day and un-matched orders remaining at the end of a call auction session may be moved into next call auction session.

14.4.1.10. Price band – A maximum price band of 20% shall be applicable on the scrips through the day. Exchanges may reduce the price bands uniformly based on surveillance related concerns.

14.4.1.11. If the Market-wide Index Circuit Breaker gets triggered at any time during the periodic call auction session, the session shall be cancelled and all orders shall be purged. The periodic call auction session shall be resumed at the nearest half hour after the normal market resumes.

15.1.4.12. Penalty for certain trades – In the event where maximum of buy price entered by a client (on PAN basis) is equal to or higher than the minimum sell price entered by that client and if the same results into trades, a penalty shall be imposed on such trades. The penalty shall be calculated and charged by the exchange and collected from trading members on a daily basis. Trading members may recover such penalty from clients. Penalty for each such instance per session will be higher of the following:

a. 0.50% of the trade value for sale and 0.50% of trade value for the buy, resulting in 1% penalty for the client on PAN basis.
OR
b. INR 2500/- for the buy trade and INR 2500/- for the sell trade, resulting in penalty of INR 5000/- for the client on PAN basis.

14.5. **Introduction of Call Auction stocks having derivative contracts prior to undergoing scheme of arrangement / corporate restructuring** [61]

14.5.1. Stock exchanges should conduct one-hour pre-open call auction session, for all stocks in following cases:

14.5.1.1. Corporate Restructuring: Merger, demerger, amalgamation, capital reduction/ consolidation, scheme of arrangement, in terms of Companies Act and/or as sanctioned by the Courts/ National Company Law Tribunal (NCLT), rehabilitation packages approved by the NCLT under the provisions of Companies Act and Insolvency and Bankruptcy Code, 2016 and in cases of packages in terms of the Prudential Framework for Resolution of Stressed Assets prescribed by RBI.

14.5.1.2. Securities that are being admitted to trading from another exchange by way of direct listing/ securities admitted for trading under permitted category.

14.5.1.3. Where suspension of trading is being revoked after more than one year.

14.5.2. Accordingly, with regard to stocks on which derivative products are available prior to cases mentioned at para 14.5.1.1 and 14.5.1.2 above, the following shall be ensured:

[61] SEBI letter dated September 30, 2015

14.5.2.1. Order-level risk management in the one-hour call auction session shall be as applicable to 're-listed scrips' in terms of para …. of the Circular on Clearing Corporation.

14.5.2.2. All unmatched orders of the 1-hour call auction session that fall within the ± 10% (dynamic price band) of discovered price shall be moved to the normal trading session at their limit price. In case equilibrium price is not discovered, all orders shall be cancelled and the stock shall continue to trade in call auction sessions on the first day until price is determined.

14.5.2.3. In the normal continuous trading session, such stocks shall be subject to the price band framework as applicable to other stocks on which derivatives contracts are available.

14.5.2.4. The requirement of trading to take place in the TFT segment for the first 10 days shall not apply to aforementioned stocks.

14.5.2.5. Trading of derivatives contracts on such stock shall start at 10:00 a. m. after completion of the one-hour call auction session of the underlying stock in the Cash Market.

14.6. **Introduction of a special call auction mechanism for price discovery of scrips of listed Investment Companies (ICs) and listed Investment Holding Companies (IHCs)**[62]

14.6.1. It is observed that scrips of a few listed ICs and IHCs are being traded infrequently and at a price which is significantly lower than the book value disclosed by these companies in their latest audited financial statements. Moreover, these companies generally have no day-to-day operations and hold investments in different asset classes including in scrips of other listed companies.

14.6.2. In order to address the variance in market price and book value, it has been decided to put in place a framework for "special call auction with no price bands" for effective price discovery of scrips of such ICs and IHCs.

14.6.3. **Criteria for identification of ICs/IHCs eligible for special call auction**

i. The ICs or IHCs shall be identified based on the uniform industry classifications provided by stock exchanges.

[62] SEBI Circular No. SEBI/HO/M RD/MRD-PoD-3/P/CIR/2024/86 dated June 20, 2024

ii. The scrip of ICs or IHCs should have been listed and available for trading for a period of at least 1 year and the said scrips are not suspended for trading.
iii. Total assets of the company invested in scrips of other listed companies shall be at least 50%;
iv. The 6-month Volume Weighted Average Price (VWAP) of the scrip shall be less than 50% of the book value per share of such company based on present value of their investments in shares of other listed companies. In case the scrips of such ICs or IHCs are not traded during the previous 6- months, the 6-months VWAP of the scrip shall be taken as zero.
v. In case, any of the eligibility criteria is not fulfilled by the company at one of the stock exchange, the scrip would not be eligible for special call auction at any of the stock exchanges.

14.6.4. **Procedure for Special Call Auction Mechanism**

i. Stock exchanges shall initiate the process for special call-auction with no price bands for eligible ICs or IHCs with a 14 days' advance notice to the market. In case the company is listed on multiple stock exchanges, stock exchanges shall co-ordinate amongst themselves and the date of special call auction session shall be uniform across the exchanges.
ii. The notice shall be disclosed by the stock exchanges on their websites and appropriately bring to the knowledge of the investors. It shall include detailed information regarding last traded price, the latest available overall book value of the company, book value based on the investments in scrips of other listed companies, proportion of assets invested in other listed companies, price of latest buy-back or delisting, if any, offered by the company, etc.
iii. The special call auction session shall be treated as successful, if price discovery is based on orders from at least 5 PAN based unique buyers and sellers. In case the scrip is listed on multiple stock exchanges and call auction is successful on any one exchange, the price discovered at that exchange will form the base for trading at other exchanges.
iv. If call auction is not a success on day 1, it shall continue on the next day and till such time the price is discovered.
v. The special call auction mechanism shall be provided only once in a year.

14.6.5. The provisions for other operational details regarding duration of the session, market orders, matched and unmatched orders, equilibrium price, risk management and surveillance mechanisms for the special call auction session will be same as applicable to relisted scrips as mentioned at para 14.1 and 14.2 above.

14.6.6. The special call auctions shall be done as and when the annual audited financial statements are published by the companies.

15. RECONCILIATION OF SHARE CAPITAL AUDIT[63]

15.1. All the issuer companies shall subject themselves to a "Reconciliation of Share Capital audit"[64] by a qualified Chartered Accountant or a Company Secretary, for the purposes of reconciliation of the total admitted capital with both the Depositories and the total issued and listed capital.

The issuer companies shall submit the audit report on a quarterly basis within 30 days from the end of each quarter to the stock exchange/s where they are listed. Any difference observed in the admitted, issued and listed capital shall be immediately brought to the notice of SEBI and both the Depositories by the stock exchanges. This report shall also be placed before the Board of Directors of the issuer company.

15.2. **Submission of Share Capital Audit Report**[65]
The stock exchanges are advised as under:

15.2.1. To draw the attention of the listed companies to the aforesaid provisions and the need for effective compliance with the said provisions. Further, stock exchanges are advised to inform the companies that submission of the audit report is a continuous requirement and accordingly, comply with the same regularly on time.

15.2.2. To put in place a system for monitoring the compliance of the aforesaid disclosure requirements by the listed companies.

15.2.3. To take any other suitable steps to ensure compliance by the companies with the audit requirement.

15.2.4. To submit the status reports to SEBI on the extent of compliance with the audit requirement by the listed companies, within 45 days from the end of each quarter.

[63] SEBI Circular No. D&CC/FITTC/CIR – 16/2002 dated December 31, 2002
[64] SEBI Circular No. CIR/MRD/DP/30/2010 dated September 6, 2010
[65] SEBI Circular No. SEBI/MRD/Policy/CIR-13/2004 dated March 3, 2004

16. OFFER FOR SALE OF SHARES BY PROMOTERS THROUGH STOCK EXCHANGE MECHANISM[66]

16.1. The comprehensive OFS framework is given as under

16.1.1. Definitions

16.1.1.1. "Floor Price" is the minimum price at which the seller intends to sell the shares.

16.1.1.2. "Illiquid Shares" are securities not forming part of "Most liquid shares" and "Liquid shares".

16.1.1.3. "Indicative Price" is the volume weighted average price of all the valid bids.

16.1.1.4. "Liquid Shares" are listed securities forming part of Group I securities (as specified in Chapter 4 of this Master Circular) and having mean impact cost of greater than 0.05 percent and less than or equal to 0.10 percent for a trade of INR 1 lakh.

16.1.1.5. "Most Liquid Shares" are listed securities forming part of Group I securities (as specified in Chapter 4 of this Master Circular) and having mean impact cost of up to 0.05 percent for a trade of INR 1 lakh.

16.1.1.6. "Multiple Clearing Prices" are the prices at which the shares are allocated to the successful bidders in a price priority methodology.

16.1.1.7. "Shares" are the listed equity shares of the company.

16.1.1.8. "Single Clearing Price" is the price at which the shares are allocated to the successful bidders in a proportionate basis methodology.

16.1.1.9. "Size of the Offer" is the number of shares offered * floor price.

16.1.1.10. "T day" is first day of OFS.

16.1.1.11. "Units" are the listed units of Real Estate Investment Trusts (REITs) or Infrastructure Investment Trusts (InvITs).

16.1.2. Eligibility

16.1.2.1. **Exchanges**

The facility of OFS of shares shall be available on BSE, NSE and MSEI.

16.1.2.2. **Sellers**

a. All promoter(s) or promoter group entities of such companies that are eligible for trading and are required to increase public shareholding to meet the minimum public shareholding requirements in terms of Rule

[66] SEBI Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2023/10 dated January 10, 2023

19(2)(b) and 19A of SCRR, read with Regulation 38 of LODR Regulations.

b. OFS mechanism shall also be available to companies with market capitalization of INR 1,000 crore and above, with the threshold of market capitalization computed as the average daily market capitalization for six months' period prior to the month in which the OFS opens. Any promoter or promoter group entity or non-promoter shareholder of such companies may offer shares through this mechanism.

c. In case a non-promoter shareholder offers shares through the OFS mechanism, promoter(s) or promoter group entities of such companies may participate in the OFS to purchase shares subject to compliance with applicable provisions of ICDR Regulations, SAST Regulations and Regulation 38 of LODR Regulations.

d. Promoters of eligible companies shall be permitted to sell shares within a period of two weeks from the OFS transaction to the employees of such companies. The offer to employee shall be considered as a part of the said OFS transaction.

16.1.2.3. **Buyers**

All investors registered with the brokers of the aforementioned stock exchanges other than the promoter(s) or promoter group entities shall be eligible to buy shares under OFS. In case the offer is by non-promoter shareholder, the promoter(s) or promoter group entities may participate in the OFS, subject to compliance with the provisions of paragraph 16.1.2.2.c above.

16.1.2.4. **Cooling Off Period**

a. The cooling off period for transaction (i.e. purchase or sale prior to and after the offer) in the shares of the company for the promoter(s) or promoter group entities and non-promoter shareholders for offering the shares through OFS mechanism shall be based on the liquidity of the shares on exchanges and are as under:
   i. For most liquid shares: +2 weeks
   ii. For liquid shares: +4 weeks and
   iii. For illiquid shares: +12 weeks

b. Notwithstanding the cooling off period mentioned above, the promoter(s) or promoter group entities of companies whose shares are either liquid or illiquid can offer their shares only through OFS or Qualified Institutional Placement (QIP) with a gap of 2 weeks between successive offers.

c. In case of under subscription of OFS of a company whose shares are either liquid or illiquid and if the original OFS is made for compliance with Minimum Public Shareholding (MPS) norms, the promoter(s) or promoter group entities are allowed to offer the unsubscribed portion of the OFS only for the purpose of MPS compliance in the open market with a gap of 2 weeks from the closure of OFS, subject to compliance with all other applicable conditions.

16.1.3. **Size of OFS of Shares**

The size of the offer shall be a minimum of INR 25 crore. However, size of offer can be less than INR 25 crore by promoter(s) or promoter group entities so as to achieve minimum public shareholding in a single tranche.

16.1.4. **Advertisement and Offer Expenses**

16.1.4.1. Advertisements about the OFS of shares through stock exchange(s), if any, shall be made after the announcement or notice of the OFS of shares to the stock exchanges in accordance with the provisions of this circular and its contents shall be restricted to the contents of the notice as given under para 16.1.5.2 below to the stock exchange.

16.1.4.2. All expenses relating to OFS of shares through stock exchange(s) shall be borne by the seller(s).

16.1.5. **Operational Requirements**

16.1.5.1. **Appointment of Broker**: The seller(s) will appoint broker(s) for this purpose. The seller's broker(s) may also undertake transactions on behalf of eligible buyers.

16.1.5.2. **Announcement or Notice of the OFS of Shares**: Seller shall announce intention of sale of shares latest by 5 pm on T-1 days (T day being the day of the OFS) to the stock exchange. Stock exchanges shall inform the market immediately upon receipt of the notice. The stock exchange, however, may allow, on a case to case basis based on the request of the seller, the extension of this time up to 6 pm by recording reasons for granting such extension. Seller(s) shall announce the intention of sale of shares along with the following information:

a. Name of the seller(s) (promoter(s) or promoter group entities or non-promoter shareholders) and the name of the company whose shares are proposed to be sold.
b. Name of the stock exchange(s) where the orders shall be placed. In case orders are to be placed on more than one stock exchanges, one of them shall be declared as the Designated Stock Exchange (DSE).
c. Date and time of the opening and closing of the offer.
d. Allocation methodology i.e. either on a price priority basis (at multiple clearing prices) or on a proportionate basis (at a single clearing price).
e. Number of shares being offered for sale.
f. Green Shoe Option: The maximum number of shares that the seller may choose to sell over and above the offer made at point 16.1.5.2.e above.
g. The name of the seller broker(s) on behalf of the seller(s).
h. Conditions, if any, for withdrawal or cancellation of the offer.

16.1.5.3. **Floor Price**

a. Seller shall disclose the floor price latest by 5 pm (or latest by 6 pm, if extension is granted by stock exchange in terms of para 16.1.5.2 above) on T-1 day to the stock exchange. Stock exchanges shall ensure that the same is informed to the market immediately.
b. The promoters may at their discretion offer these shares to employees at the price discovered in the said OFS transaction or at a discount to the price discovered in the said OFS transaction.
c. The promoters can offer the shares to employees in OFS either outside the stock exchange mechanism or through the Stock Exchange Mechanism.[67]
d. Promoters shall make necessary disclosures in the OFS notice to the exchange including number of shares offered to employees, both outside the stock exchange mechanism and through the stock exchange mechanism, and discount offered, if any.
e. Floor price of the retail category shall be disclosed to the participants under the "Employee" category.

16.1.5.4. **Discount by Seller**

[67] SEBI Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/6 dated January 23, 2024

a. The details of discount and percentage of reservation for retail investors shall be disclosed upfront in the notice of OFS to the exchange. Seller may offer discount to retail investors as follows.

Multiple Clearing Price OFS

i. Retail investors may be allocated shares at a discount to the cut-off price determined in the retail category, irrespective of the bid price entered by them. OR,
ii. Retail investors may be allocated shares at a discount to the bid price entered by them.

Single Clearing Price OFS

Retail investors shall be allocated shares at a discount to cut off price determined in the retail category.

In case of both of the above methodologies, the discounted price which shall be the final allocation price to the retail investors may be below the floor price.

16.1.5.5. **Timelines**

a. The duration of the OFS shall be as per the trading hours of the secondary market.
b. On the commencement of OFS on T day only non-retail investors shall be permitted to place their bids. Cut off price shall be determined based on the bids received on T day as per the extant guidelines.
c. The retail investors shall bid on T+1 day. The seller shall make appropriate disclosures in this regard in the OFS notice.
d. Employees should bid on T+1 day along with the retail category under a new category called as “Employee”.
e. Orders shall be placed during trading hours.

16.1.5.6. **Order Placement**

a. A separate window for the purpose of sale of shares through OFS shall be created. The following orders shall be valid in the OFS window:
   i. Orders with 100% of margin paid upfront by institutional investors and non-institutional investors. Such orders can be modified or cancelled at any time during the trading hours.
   ii. Orders without paying upfront margin by institutional investors only. Such orders cannot be modified or cancelled by

the investors or stock brokers, except for making upward revision in the price or quantity.

b. Individual retail investors shall have the option to bid in the retail category and the general category (non-retail). However, if the cumulative bid value of such investors exceeds INR 2 lakhs, the bids in the retail category shall become ineligible.
c. While bidding, the employee shall select "Employee" category for employee bids. However, the employees can also bid for other categories, as per the applicable limits.
d. The maximum bid amount under the employee category shall be INR 5 lakhs. Each employee is eligible for allotment of equity shares up to INR 2 lakhs provided that in the event of under-subscription in the employee portion, the unsubscribed portion may be allotted to such employees whose bid amount is more than INR 2 lakhs, on a proportionate basis, for a value in excess of INR 2 lakhs, subject to the total allotment to an employee not exceeding INR 5 lakhs.
e. To make it easier for retail investors to participate in OFS, it would be mandatory for sellers to provide the option to retail investors to place their bids at cut off price in addition to placing price bids. In order to do so, following conditions shall be applicable to the OFS:
    i. Sellers shall mandatorily announce floor price latest by 5 pm (or latest by 6 pm, if extension is granted by stock exchange in terms of para 16.1.5.2 above) on T-1 day to stock exchange.
    ii. Exchanges will decide upon the quantity of shares eligible to be considered as retail bids, based upon the floor price declared by the seller.
    iii. There shall be no indicative price for the retail portion of OFS.
    iv. Retail investors may enter a price bid or opt for bidding at cut-off price.
    v. Margin for retail bids placed at cut-off price shall be at the cut-off price determined based on the bids received on T Day and for price bids at the value of the bid.
    vi. Bidding by retail investors on T+1 Day shall be based on the cut-off price determined in the non-retail category. In case of under subscription in the non-retail category, the retail investors shall be allowed to place their bids at floor price on T+1 day.
    vii. Seller may offer discount to retail investors on the cut off price determined based on the bids received on T+1 day.

viii. Retail bids below the cut-off price of T day or the floor price, whichever is applicable, shall be rejected. Retail bids at cut-off price shall be allocated on proportionate basis in case of over subscription.
ix. Any unsubscribed portion of non-retail category after allotment shall be eligible for allocation in the retail category and vice versa.

f. Employees shall place bids only at cut-off price of T day. The allotment price shall be based on the Cut-off of the T day, subject to discount, if any.[68]
g. Cumulative bid quantity shall be made available online to the market throughout the trading session at specific intervals in respect of orders with 100% upfront margin and separately in respect of orders placed without any upfront margin. Indicative price shall be disclosed to market throughout the trading session for non-retail bids. The indicative price shall be calculated based on all valid bids or orders.
h. Bids for "Employee" category shall not be displayed on the stock exchange website.
i. If the shares have a price band in the normal segment, the same shall not apply for the orders placed in the OFS. Stock specific tick size as per the extant practice in normal trading session shall be made applicable for this window.
j. In case of shares under OFS, the trading in the normal market shall also continue. However, in case of market closure due to the incidence of breach of 'Market wide index based circuit filter', the OFS shall be halted.
k. Non-retail investors shall be allowed to place only limit orders or bids.
l. Multiple orders from a single buyer shall be permitted.
m. On T Day orders or bids below floor price shall be rejected. On T+1 Day the orders or bids from retail investors below the cut-off price on the non-retail category or the floor price, whichever is applicable, shall be rejected.
n. It has been decided that in addition to the transactions mentioned in Clause 4(3)(b) of Schedule B read with Regulation 9 of PIT Regulations, trading window restrictions shall not apply in respect of OFS and Rights Entitlements (RE) transactions carried out in accordance with the framework specified by SEBI from time to time.

[68] SEBI Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/82 dated June 14, 2024

16.1.6. **Allocation**

16.1.6.1. Minimum of 25% of the shares offered shall be reserved for mutual funds and insurance companies, subject to allocation methodology. Any unsubscribed portion thereof shall be available to the other bidders.

16.1.6.2. Minimum 10% of the offer size shall be reserved for retail investors. For this purpose, retail investor shall mean an individual investor who places bids for shares of total value of not more than INR 2 lakhs aggregated across the exchanges. If the cumulative bid value across exchanges exceeds INR 2 lakhs in the retail category, such bids shall be rejected.

16.1.6.3. The cut-off price i.e. the lowest price at which the entire offer gets sold, shall be determined based on all valid bids. The cut off price shall be determined separately for bids received in the retail category and for bids received in the non-retail category.

16.1.6.4. The bid book of "Employee" Category shall be segregated from Retail Category book for allotment.

16.1.6.5. Allotment under the "Employee" category shall be based on the PAN details of employees shared by the company on T-1 day. The PAN mis-matched bids shall be rejected.

16.1.6.6. Upon determining the cut-off price, the offer size reserved for retail investors shall be allocated to eligible bids of retail investors. In case of excess demand in retail category at the cut-off price, allocation shall be on proportionate basis.

16.1.6.7. In order to ensure that shares reserved for retail investors do not remain unallocated due to insufficient demand by the retail investors, the bids of non-retail investors shall be allowed to carry forward to T+1 day. Similarly, the unsubscribed portion of the non-retail segment shall be allowed for bidding in the retail segment.

16.1.6.8. Unsubscribed portion of the shares reserved for retail investors shall be allocated to non-retail bidders (un-allotted bidders on T day who choose to carry forward their bid on T+1 day) on T+1 day at a price equal to cut off price or higher as per the bids. In this regard, option shall be provided to such non-retail bidders to indicate their willingness to carry forward their bids to T+1 day. If the non-retail bidders choose to carry forward their bids to T+1 day, then, they may be permitted to revise such bids as per conditions prescribed in para 16.1.5.6.a. Settlement for such bids shall take place as per the existing rules for secondary market transactions.

16.1.6.9. The orders shall be cumulated by the DSE immediately on close of the offer. Based on the methodology for allocation to be followed as disclosed in the notice, the DSE shall draw up the allocation, i.e., either on a price priority basis (at multiple prices) or on a proportionate basis (at a single clearing price).

16.1.6.10. No single bidder other than mutual funds and insurance companies shall be allocated more than 25% of the size of OFS.

16.1.6.11. The allocation details shall be shared by the DSE with the other exchanges after the allocation is finalized.

16.1.7. **Handling of Default in Pay-in**

16.1.7.1. Provisions on handling of default in pay-in may be referred in Circular on Clearing Corporation. The obligation of exchanges has been detailed below:

a. Allotment details after settlement shall be disseminated by the exchange.

b. Allocation details after settlement shall be consolidated by the DSE and excess shares, if any, shall be returned by the respective Clearing Corporation to the seller broker(s).

16.1.8. **Issuance of Contract Notes**

The brokers shall be required to issue contract note to the client based on the allotment price and quantity in terms of conditions specified by the exchange.

16.1.9. **Withdrawal of Offer**

The OFS may be withdrawn prior to its proposed opening. In such a case there will be a cooling off period of 10 trading days from the date of withdrawal before an offer is made once again. The stock exchange(s) shall suitably disseminate details of such withdrawal.

16.1.10. **Cancellation of Offer**

Cancellation of offer shall not be permitted during bidding period. If the seller(s) fails to get sufficient demand from non-retail investors at or above the floor price in T day, then the seller may choose to cancel the offer, post bidding, in full (both retail and non-retail) on T day and not proceed with offer to retail investors on T+1 day. The stock exchange(s) shall suitably disseminate details of such cancellation.

16.2. **OFS Framework for sale of units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)**

OFS for sale of units of REITs and InvITs by sponsor(s) or sponsor group entities, and other unitholders shall be permitted only in publicly issued and listed REITs and InvITs. The OFS framework for REITs and InvITs shall be equivalent to the OFS framework prescribed at para 16.1 above for equity shares of listed companies.

17. TRADING SEGMENTS, TRADING HOURS AND HOLIDAYS

17.1. Trading Segments and Trading Hours[69, 70, 71, 72]

17.1.1. Trading shall be permitted only from Monday to Friday.

17.1.2. Trading hours shall be fixed by the exchanges between the time limits as mentioned in the table below, for the respective segments:

Sl. No.	Segment	Trade start time limit	Trade end time limit
i.	Equities including SME Segment	09:00 AM	05:00 PM
ii.	Equity derivatives	09:00 AM	11:55 PM
iii.	Commodity Derivatives - Non-agricultural	09:00 AM	11:30 PM *(After start of US day light savings in spring season)* 11:55 PM (*After end of US day light savings in fall season)*
iv.	Commodity Derivatives - Agricultural and Agri- processed Commodities	09:00 AM	09:00 PM
v.	Debt Segment including Request for Quote (RFQ) platform	09:00 AM	05:00 PM
vi.	Currency Derivatives (including Interest Rate Derivatives)	09:00 AM	05:00 PM (For Currency Futures, Currency Options and Interest Rate Derivatives) 07:30 PM (For Exchange Traded Cross-Currency Futures and Options Contracts)
vii.	Electronic Gold	09:00 AM	11:30 PM *(After start of US day light*

[69] SEBI Circular No. SEBI/DNPD/Cir-47/2009 dated October 23, 2009
[70] SEBI Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/75 dated August 30, 2016
[71] SEBI Circular No. SEBI/HO/MRD/DRMNP/CIR/78 dated May 04, 2018
[72] SEBI Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2018/146 dated November 30, 2018

	Receipts		*savings in spring season)* 11:55 PM (*After end of US day light savings in fall season)*
viii.	Social Stock Exchange Segment	9:00 AM*	5:00 PM*

*Operational Hours

17.1.3. Introduction of any other new trading segment on the exchanges shall require stock exchanges to seek the prior approval of SEBI. While applying to SEBI for the approval for the introduction of new segment, the exchange shall provide the information on the parameters for the new segment and also the rationale for introduction of the new segment.

17.1.4. Stock exchanges shall ensure that they have necessary risk management system, surveillance system and infrastructure in place commensurate to their trading hours and also for any further extension of the trade timing within the specified limit.

17.1.5. In case, stock exchanges are desirous of extending the trade timings beyond the extant trading hours, prior approval from SEBI shall be sought along with a detailed proposal including the framework for risk management, settlement process, monitoring of positions, availability of manpower, system capability, surveillance systems, etc.

17.1.6. Regarding Muhurat Trading on Diwali (Lakshmi Poojan) day, all stock exchanges shall jointly decide the common trade timing and notify the same to the market under prior intimation to SEBI.

17.2. **Trading Holidays**[73]

17.2.1. All stock exchanges including commodity derivative exchanges shall jointly decide upon the common holiday list within the broad framework of the Negotiable Instruments Act, 1881 and also taking into consideration Central/State/Local holidays and notify the same to the market well in advance under prior intimation to SEBI.

17.2.2. On such trading holidays, the stock exchanges with commodity derivatives segment may permit trading of internationally reference-able commodities in evening session i.e. post 5:00 PM, in case the corresponding international market(s) are open.

17.2.3. While finalizing the list of trading holidays, the stock exchanges shall suitably consider the views of market participants. Frequent changes in the list of trading holidays shall be avoided, i.e., once decided, same

[73] SEBI Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/75 dated August 30, 2016

holidays should be followed every year irrespective of the holidays falling on a working day or a non-working day in that year.

18. ANNULMENT OF TRADES ON STOCK EXCHANGES

18.1. Policy for annulment of trades undertaken on stock exchanges[74]

18.1.1. In order to bring about uniformity and transparency in the process of trade annulment, stock exchanges are advised to be guided by the following provisions with regard to the mechanism for annulment (or by whatever named called) of trade(s) resulting from material mistake or erroneous orders or such other situation requiring annulment:

18.1.1.1. Examination of trade(s) for annulment may be taken up either suo moto by stock exchange or upon receipt of request from a stock broker. Stock exchanges shall define suitable criteria so as to discourage frivolous trade annulment requests from the stock brokers.

18.1.1.2. Stock exchanges shall prescribe the procedure for submission of requests by stock brokers, including mechanism to submit requests in electronic form.

18.1.1.3. Stock brokers shall submit such request to the stock exchange within 30 minutes from execution of trade(s) which is sought to be annulled. However, stock exchange may consider requests received after 30 minutes, but no longer than 60 minutes, only in exceptional cases and after examining and recording reasons for such consideration.

18.1.1.4. Stock exchanges shall suitably and in a time bound manner inform details of such requests to all stock brokers of the stock exchange.

18.1.1.5. Stock exchanges shall expeditiously, not later than start of next trading day, examine and decide upon such requests. While examining such requests, stock exchanges shall consider the potential effect of such annulment on trades of other stock brokers/investors across all segments, including trades that resulted as an outcome of trade(s) under consideration.

18.1.1.6. As an alternate mechanism, stock exchanges may consider resetting the price of trade(s) under consideration to an appropriate price(s), if price reset is deemed to be a less disruptive mechanism as compared to trade annulment.

18.1.1.7. Stock exchanges shall undertake annulment or price reset only in exceptional cases, after recording reasons in writing, in the interest of

[74] SEBI Circular No. CIR/MRD/DP/15/2015 dated July 16, 2015

the investors, market integrity, and maintaining sanctity of price discovery mechanism.

18.1.1.8. In cases, wherein request for annulment of trade(s) has been submitted to more than one stock exchange by a stock broker, in respect of similar trades, stock exchanges shall jointly take a decision on such requests.

18.1.1.9. Stock exchange shall convey its reasoned decision on annulment of trade(s) or price reset to all counterparties to the trade(s) under consideration. Stock exchange shall also publish details of such decision on its website.

18.1.1.10. A mechanism to request a review of the decision taken by the stock exchange shall be provided. To this end, the aggrieved party shall submit such request to the stock exchange before the payout deadline of the trades.

18.1.1.11. In the event such review request is received by the stock exchange, the matter shall be referred to stock exchange's ROC. The payout relating to the settlement of such trades shall be withheld till such review of stock exchange's decision is completed.

18.1.1.12. The oversight committee shall expeditiously examine the request of stock brokers and provide its recommendations on the matter within 30 days of receipt of request by the stock exchange. Stock exchange shall convey its decision on the review request of the stock brokers within 2 working days of receipt of recommendations from the committee. Stock exchange shall also publish details of such decision on its website.

18.1.2. Stock exchanges shall charge an application fee equal to 5% of the value of trade(s) for accepting annulment request from a stock broker, subject to minimum fee of INR 1 lakh and maximum fee of INR 10 lakhs. Stock exchanges may suitably increase the upper limit of the application fee as deemed necessary to discourage frequent or frivolous requests for annulment. The amount realised as application fee shall be credited to the Investor Protection Fund of the concerned stock exchange.

18.1.3. In addition, stock exchanges shall implement a suitable framework to penalise stock brokers who place erroneous orders.

18.1.4. With regard to annulment of trade(s) resulting from wilful misrepresentation or manipulation or fraud, trade(s) may be annulled as provided in the extant byelaws of the stock exchanges.

18.1.5. Stock exchanges may specify additional requirements as they may deem fit in order to ensure orderly trading and market integrity.

19. TRADING SUPPORTED BY BLOCKED AMOUNT IN SECONDARY MARKET

19.1. SEBI has introduced a supplementary process for trading in secondary market based on blocked funds in investor's bank account, instead of transferring them upfront to the trading member, thereby providing enhanced protection of cash collateral. The said facility shall be provided by integrating RBI approved Unified Payments Interface (UPI) mandate service of single-block-and-multiple-debits with the secondary market trading and settlement process and hereinafter referred as 'UPI block facility'.[75]

19.2. Under the proposed framework, funds shall remain in the account of client but will be blocked in favour of the clearing corporation (CC) till the expiry date of the block mandate or till block is released by the CC, or debit of the block towards obligations arising out of the trading activity of the client, whichever is earlier. Further, settlement for funds and securities will be done by the CC without the need for handling of client funds and securities by the member.

19.3. Further, while a UPI block upon creation shall be considered towards collateral, the same shall also be available for settlement purposes. For the clients who prefer to block lump sum amount, their block can be debited multiple times, subject to available balance, for settlement obligations across days.

19.4. The main features of the framework are as under:

19.4.1. **General features:**

19.4.1.1. Availing UPI block facility shall be at the option of the investor.

19.4.1.2. Shall be introduced as a non-mandatory facility to be provided by the stock broker.

19.4.1.3. Since an investor is allowed to have trading accounts across multiple stock brokers, an investor can choose to avail UPI block facility under some broker(s) and non-UPI based trading under others. However, once opted for UPI block facility (until they opt out after fulfilling all obligations) under particular broker(s), the following needs to be adhered to in respect of UPI block facility under that broker(s):

a. All cash collaterals shall be provided through UPI block only.

[75] SEBI Circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2023/99 dated June 23, 2023

b. Cash equivalent collateral such as bank guarantees and fixed deposits shall not be permitted.

c. Securities collateral to be provided through pledge/re-pledge system and only those securities can be provided which are in the approved list of CC.

d. Funds pay-in settlement to be done through UPI block only.

19.4.2. Collateral and settlement shall continue to be segment-wise, and the client/TM/CM shall need to transfer/reallocate collateral between segments.

19.4.3. Running account settlement shall not be supported. CC shall settle the account of clients using UPI block facility on a daily basis, i.e., any pay-out due to the client shall be paid out to the client on the settlement day.

19.4.4. Single block limit of INR 5 lakhs shall apply [currently applicable for UPI based securities market transaction]. However, multiple blocks can co-exist subject to the overall limit applicable in UPI.

19.4.5. In addition to the current mode of trading, the Qualified Stock Brokers (QSBs) shall provide either the facility of trading supported by blocked amount in the secondary market (cash segment) using UPI block mechanism or the 3-in-1 Trading Account facility, to their clients. The 3-in-1 trading account facility offered by the TMs shall atleast have the following features[76]:

19.4.5.1. Integration of the trading account with the demat and bank accounts of the client.

19.4.5.2. Blocking of funds, to the extent of the obligation, in the bank account of the client on placement of buy orders. In case the buy orders are not executed the funds blocked are released.

19.4.5.3. Blocking of securities in the demat account of the client on placement of sell orders. In case the sell orders are not executed, the block on the securities is removed.

19.4.5.4. The pay-in (transfer of funds/securities) blocked at the time of order placement, from the bank / demat account of the client is carried out post market hours and is upstreamed to the Clearing Corporation. The client earns interest on the available funds till the pay-in.

19.4.6. Clients of QSBs will have option to either continue with the existing facility of trading by transferring funds to TMs or opt for either of the facilities at para 19.4.5 above, as provided by the QSBs.

[76] SEBI Circular No. SEBI/HO/MRD-PoD2/CIR/P/2024/153 dated November 11, 2024

19.5. **Eligibility of investors:** All investors who are permitted to use RBI's UPI facility, and meeting the criteria defined by CCs, shall be eligible.

19.6. **Process (in brief):**

19.6.1. The stock brokers providing the facility shall notify the details of investors desirous of availing the service to the stock exchange. The stock exchange shall validate that bank and demat account maintained in the Unique Client Code (UCC) systems and used for block creation and settlement. The exchanges shall provide relevant details to the CC.

19.6.2. The block shall be created by client using the UPI application ('UPI app') based on the blocking request initiated through stock broker app. While creating the blocking request under the proposed block mechanism, relevant information such as TM Code, CM Code, UCC, segment etc. shall be captured by the stock broker and sent to UPI.

19.6.3. The UPI block shall get created in favour of the CC and can be debited by the CC only.

19.6.4. The block shall support multiple debits – i.e., for a block created on day 1, it can be partially debited multiple times till the exhaustion of amount or expiry/release of the block, whichever is earlier.

19.6.5. Since the CC shall directly maintain/update the client collateral value based on the blocking information received from the UPI railroads of National Payment Corporation of India (NPCI) through the CC's sponsor bank, the stock brokers shall not allocate any collateral for clients under the facility of UPI block. Other procedures such as deemed allocation of proprietary collateral, validation of 50:50 cash collateral, risk reduction mode monitoring etc. remain unchanged.

19.6.6. The CC shall debit the UPI block created in its favor to the extent of client level obligations, and receive the same in its account, without funds going through the clearing bank account of the CM. Securities provided as early pay-in (EPI) by the clients, using the block mechanism provided by depositories shall be received by the CC as per the prevailing process.

19.7. **Settlement**

19.7.1. Provisions pertaining to Settlement may be referred in Master Circular on Clearing Corporations. Exchanges shall coordinate with CCs and Depositories for effective functioning of the Trading supported by Blocked Amount in Secondary Market.

20. DISCLOSURES FOR STOCK EXCHANGES[77]

[77] SEBI Circular No. SEBI/HO/CDMRD/DMP/2016/101 dated September 27, 2016

20.1. **Disclosures for equity cash, equity derivatives and commodity derivatives segments**

The exchanges shall make following disclosures on their website:

i. Position of top 10 trading clients in buy side as well as sell side in order of maximum open interest in anonymous manner every day after the end of trading session.

ii. Members' proprietary position on monthly basis. The disclosure shall include average daily proprietary position (during the month) as a percentage of member's average daily total position (including clients) and average daily margin on proprietary position (during the month) as a percentage of margins on member's average daily total position (including clients).

iii. The percentage of proprietary trade and client trade done and also specify as to what percentage of this trade is by algorithmic trading/ HFT. This information shall be displayed before opening of the markets on the next day.

iv. Members' data (as mentioned in **Annexure 3** on format for dissemination of member's data on website).

v. List of the members whose request of surrender has been approved by the exchange, along with date of approval.

vi. Disclosure of suspended/expelled/defaulter members: The exchanges which are suspending/expelling/declaring defaulter their members for irregularities/violation of regulatory measures and other various reasons, shall disclose following information on their website-

    i. The details of member (Name, Address, Names of Promoters/ Owners/Partners/Directors of Company, Registration No. etc.)

    ii. The details of disciplinary action taken by the stock exchange.

vii. Disclosure of disablement of member terminals[78]: Disablement of terminals of the members along with duration of disablement due to shortage of funds, margin money etc., shall be disclosed by the exchange on its website at the end of every quarter.

20.2. **Disclosures for commodity derivatives segment only**

i. The delivery intent of the hedgers on a daily basis in an anonymous manner.

ii. The pay-in and pay-out of commodities made by top 10 clients including hedgers 10 days after completion of settlement.

[78] SEBI Circular No. SEBI/HO/CDMRD/DRMP/CIR/P/2016/93 dated September 26, 2016

iii. Disclosure of information regarding trading activity during life cycle of contract (as mentioned in **Annexure 4** on disclosure of information regarding trading activity during life cycle of contract).

iv. Category-wise disclosure of Open Interest and turnover: All exchanges shall also make additional disclosures on their websites (as per the format at **Annexure 5** on format for disclosure of Open Interest (OI) and turnover for various categories of market participants at individual commodity as well as overall market level and at **Annexure 6** on commodity wise format of disclosure for top participants, members and market wide position limits)[79]. The Annexure on format for disclosure of Open Interest (OI) and turnover for various categories of market participants at individual commodity contains a disclosure format for OI and turnover for various categories of participants at Commodity as well as market level. While the **Annexure 6** on Commodity wise format of disclosure for top participants, members and market wide position limits contains commodity wise format of disclosure for top participants, members and market wide position limits. In this regard the stock exchanges shall:

- categorize the participants in the following six categories:
  a) Farmers/FPOs: It includes participants such as farmers, farmers' cooperatives, FPOs and such entities of like nature.
  b) Value chain participants (VCPs): It includes participants such as Processors, Commercial users as Dal and Flour Millers, Importers, Exporters, Physical Market Traders, Stockists, Cash and Carry participants, Producers, SMEs/MSMEs and Wholesalers etc., but exclude farmers/FPOs.
  c) Proprietary traders: It includes the members of stock exchanges trading in their proprietary account.
  d) Domestic financial institutional investors: It includes participants such as Mutual Funds (MFs), Portfolio Managers, Alternative Investment Funds (AIFs), Banks, Insurance Companies and Pension Funds etc., which are allowed to trade in commodity derivatives.
  e) Foreign participants: It includes participants such as Eligible Foreign Entities (EFEs), Non Resident Indians (NRIs) etc. which are allowed to trade in commodity derivatives markets.
  f) Others: All other participants which cannot be classified in the above categories.

[79] SEBI Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2019/08 dated January 04, 2019

- The categorization of the clients/members shall be made on self-declaration basis for each commodity. However, the stock exchanges can re-classify any participant where it deems necessary to do so based on the information available with it. Stock exchanges shall be required to conduct periodical exercise to capture the above data. Thus, the stock exchange shall put in place necessary systems to capture the requisite information.
- In case self-declaration is not obtained for a particular client for a particular commodity, positions of such client in such commodity shall be clubbed with "Others" category.
- In case there are less than 10 participants in any category, the stock exchanges while disclosing the number of participants can disclose as "less than 10".
- Such disclosures shall be made on daily basis by 6:00 PM on T+1 day.
- Stock Exchanges shall make disclosures on daily basis before start of trading on the next day. The exchange shall make necessary disclaimer that the grouping of clients is based on the "Guidelines on Clubbing of Open Positions" issued by it.

20.3. Stock Exchanges shall maintain complete historical data of the above disclosures on their website in spread sheet format.

20.4. **Disclosures regarding commodity risks by listed entities**[80]
LODR Regulations mandates listed entities to make disclosures regarding commodity price risk and hedging activities in the Corporate Governance Report section of their Annual Report. In order to benefit the shareholders and to bring further clarity, all listed entities shall make disclosures in the format as per **Annexure 7** on Disclosures regarding commodity risks by listed entities as part of the Corporate Governance Report in the Annual Report under clause 9(n) of Part C of Schedule V of the LODR Regulations.

21. SPOT PRICE POLLING [81]

21.1. To arrive at the prevailing spot prices, the exchanges are polling the spot prices from various spot price polling participants. Some exchanges

[80] SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/141 dated November 15, 2018
[81] SEBI Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/78 dated September 02, 2016

undertake this activity themselves whereas some have outsourced this work to an external agency.

21.2. In order to maintain the transparency of spot price polling process and dissemination of spot prices arrived at through spot price polling process, the exchanges shall:

i. have a well laid down and documented policy for the spot price polling mechanism.

ii. display the spot price polling mechanism adopted for every contract on its website along with following details:

S. No.	*Particulars*	*Details*
1.	Details of the contract	
2.	Mechanism of spot price polling	
3.	How spot prices are arrived at	
4.	Whether these prices include or exclude taxes and other levies / costs	
5.	Whether spot prices polling has been outsourced to any external agency and if so, the details thereof.	
6.	Criteria for selection of these polling participants	
7.	Any other information that the Exchange may consider	

iii. disclose, for every contract, following details with respect to individual spot price polling participants on its website:

Participants	*Location*	*Profession*	*Price quoted*	*Time, Date*
A_1				
A_2				

- *The exchanges may assign a code such A1, A2, A3…etc. for poling participants of a particular contract and reveal his location and price(s) for the day.*
- *This information shall be updated on exchange website every day for every contract traded on the exchange platform.*
- *The information shall continue to be displayed even after the expiry of the contract for a period of 3 years.*

iv. endeavor in increasing the sample size used for fixing the daily spot prices during the last 15 days of the contract.

v. review on a monthly basis the prices polled by the participants to identify participants habitually polling unrealistic prices. These participants could be put under watch and subsequently removed from the panel if such instances reoccur despite appropriate communications.

vi. provide a separate feedback window for receiving complaints in this regard. The exchanges shall address such complaints in a time-bound manner. Further, the exchanges shall keep the audit trail of all such complaints received and the steps taken for redressal.

22. DAILY PRICE LIMITS FOR COMMODITY SEGMENT

22.1. General guidelines for Daily Price Limit (DPL)[82]

22.1.1. Base price: The base price for fixing DPL slabs shall be previous day's closing price of underlying contract on respective stock exchange.
22.1.2. Order acceptance: Exchanges shall ensure that their system only accepts orders within the relevant prescribed slab at any point of time.
22.1.3. Breach of slab: A breach of slab shall be considered when trading in a contract is executed at the upper or lower band of the prescribed slab.

22.1.4. DPL on First Trading Day of the Contract

i. In order to prescribe DPL slabs for the first trading day (launch day) of each contract, stock exchange shall determine base price as under:
   a) Volume Weighted Average Price (VWAP) of the first half an hour, subject to minimum of ten trades
   b) If sufficient number of trades are not executed during the first half an hour, then the VWAP of first hour trade subject to minimum of ten trades shall be considered.
   c) If sufficient number of trades are not executed even during the first hour of the day, then VWAP of the first ten trades during the day shall be considered.

ii. The base price arrived as per para 22.1.4.i.a or 22.1.4.i.b or 22.1.4.i.c above, as the case may be, shall be calculated by the exchange and shall be used to determine DPL for the remaining part of the day.
iii. However, in case there is no trade during the day or there are less than ten trades during the day, the stock exchange shall adopt an appropriate methodology for determining the base price and disclose the same on their website for dissemination to the stakeholders. DPL on the next trading day will be applicable on such base price.

22.1.5. Calculation of closing price or Daily Settlement Price

[82] SEBI Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2021/9 dated January 11, 2021

i. The closing price or Daily Settlement Price (DSP) shall be determined in the following order:
   a) VWAP of all trades done during last half an hour of the trading day;
   b) If the number of trades during last half an hour is less than 10, then DSP shall be based on the VWAP of the last 10 trades executed during the day;
   c) If the number of trades done during the day is less than 10 or no trade has been executed in a contract on a day, the stock exchange shall adopt an appropriate methodology for determining daily closing price/ settlement price and disclose the same on their website for dissemination to the stakeholders.

ii. The number of minimum trades may be increased based on the liquidity criteria set by the Stock Exchange. Approval shall be taken from their Risk Management Committee on liquidity criteria and disclosed by them on their website.

22.1.6. For any commodity futures contracts, the stock exchange at its discretion may prescribe DPL narrower than the slabs prescribed based upon reasons including analysis of price movements, finding pertaining to surveillance etc.

22.2. **DPL for Commodity futures contracts which are based on agricultural and agri-processed goods**[83]

22.2.1. The DPL for commodity futures contracts based on agricultural and agri-processed goods is as under:

Category	Initial Slab	Enhanced Slab	Aggregate DPL
Broad	4%	2%	6%
Narrow	4%	2%	6%
Sensitive	3%	1%	4%

22.2.2. Once the initial slab limit is breached in any contract, then, after a cooling-off period of 15 minutes, this limit shall be increased further by enhanced slab, only in that contract.

22.2.3. During the cooling-off period of 15 minutes, the trading shall be permitted, within the initial slab limit.

22.2.4. After the DPL is enhanced, trading shall be permitted throughout the day within the enhanced aggregate DPL.

22.3. **DPL for Commodity futures contracts which are based on non-agricultural goods**[84]

[83] SEBI Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2021/9 dated January 11, 2021

22.3.1. Following slabs shall be applied for DPL on futures contracts based on non-agricultural goods:

Category	Initial Slab	Enhanced Slab	Aggregate DPL	Trading beyond Aggregate DPL
Energy	6%	3%	9%	Yes
Metals and Alloys	6%	3%	9%	Yes
Precious metals	6%	3%	9%	Yes
Gems and Stone	3%	3%	6%	No
Other Non-agricultural Commodities	6%	3%	9%	No

22.3.2. Once the initial slab limit is breached in any contract, the DPL for that contract shall be relaxed further by the 'Enhanced Slab' after the cooling off period of 15 minutes in the trading.
22.3.3. During the cooling off period trading shall continue to be permitted within the previous slab of DPL.
22.3.4. In case the price movement in the international markets is more than the aggregate DPL or if international price is beyond aggregate DPL range (after appropriate currency conversion) when compared with closing price on previous day on domestic exchange, the same maybe further relaxed in stages of 3% by the Exchange with cooling off period of 15 minutes. For such instances, the Stock Exchanges shall give appropriate notice to the market along with all the relevant details and justification for the same.[85]
22.3.5. Only in the event of exceptional circumstances, where there is extreme price movement, beyond the initial slab of the DPL, in the international markets, during trading hours or after the closure of trading on domestic exchanges, the stock exchanges can relax the DPL directly by the required level, by giving appropriate notice to the market, as per para 22.3.4 above.[86]
22.3.6. It is clarified that breach of slab is not essential for implementation of the clause 22.3.4 and 22.3.5 above of this Master Circular.

[84] SEBI Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2021/9 dated January 11, 2021
[85] SEBI Circular No. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2022/128 dated September 27, 2022
[86] SEBI Circular No. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2022/128 dated September 27, 2022

ANNEXURES

Annexure 1 – Format of daily reporting by members to the Stock Exchange on the amount financed by them under Margin Trading Facility

Name of the member:
Clearing No.:

Name of Client	**Category of Holding (Promoter/ Promoter Group or Non Promoter)**	**PAN**	**Name of Stock or Equity ETF (Collateral or Funded Stock)**	**Stock Exchange**	**Quantity Financed (Number of Shares or Units of Equity ETFs)**	**Amount Financed (INR in lakhs)**

Sr. No	**Particulars**	**(INR in lakhs)**
1	Total outstanding on the beginning of the day	
2	Add: Fresh exposure taken during the day	
3	Less: Exposure liquidated during the day	
4	Net outstanding at the end of the day	

Source of Funds

1	Out of net worth	
2	Out of borrowed funds	
3	If borrowed, name of lenders and amount borrowed to be specified separately	

Annexure 2 – Format for dissemination of information by the Stock Exchange

Name of the Stock/Equity ETF	Quantity Financed by all the members (Number of shares or units of Equity ETFs)	Amount financed by all the members (INR in lakhs)

Sr. No.	Particulars	(INR in lakhs)
1	Scrip-wise total outstanding on the beginning of the day	
2	Add: Fresh exposure taken during the day	
3	Less: Exposure liquidated during the day	
4	Net scrip-wise outstanding at the end of the day	

Format for Dissemination of Member's Data on Website – Annexure 3

Sr. No.	Details
1	a) Member Name
	b) Type of Member (TM/TCM/CM/ITCM/STCM)
	c) Constitution of Member (Partnership/Corporate/Proprietor)
2	Address
	a) Registered Office
	b) For Correspondence
3	Exchange Code of the Member
4	SEBI Registration Number
5	Details of all Proprietor/Partner/Directors such as Name, Address, Designation, Email ID, etc.
6	The Link of URL of member's website, if any, should be provided
7	The Compliance Officer and his contact details (Name, Email Id, Phone number, Address, etc.)
8	Name of Authorized Person, Email-ID, Phone number, Address, etc.
9	a) Date of admission to Exchange
	b) Date of commencement of trade by the member
	c) Date of activation (enablement of trading of membership)
10	Branch details to be updated on periodic basis which shall include:
	a) Address
	b) Contact Number
	c) Email-ID
11	Number of clients registered (to be updated periodically)

Disclosure of Information Regarding Trading Activity during Life Cycle of Contract – Annexure 4

S. No.	Parameters	
1	Commodity	
2	Symbol	
3	Launch Date	
4	Expiry Date	
5	Delivery Logic	
6	Lot Size	
7	Closing price on Launch Date	
8	Total lots traded	

9	Total number of trades	
10	Total trade volume	
11	Total trade value	
12	Daily average volume	
13	Daily average OI	
14	Average volume/ Average OI	
15	Final Settlement Price	
16	Deliveries	
17	Sellers default, if any	
18	Total number of members traded	
19	Total number of client traded	
		Date and Details
20	Maximum lots traded in a day	
21	Maximum volume on a single day	
22	Minimum volume on a single day	
23	Maximum trade value on a single day	
24	Minimum trade value on a single day	
25	Maximum open interest at close of any day	
26	Minimum open interest at close of any day	
27	Open interest on expiry date	
28	Highest price on a day	
29	Lowest price on a day	
30	Maximum daily settlement price on a day	
31	Minimum daily settlement price on a day	

Format for Disclosure of Open Interest (OI) and Turnover for Various Categories of Market Participants at Individual Commodity as well as Overall Market Level – Annexure 5

A. Disclosure of category wise OI at commodity level

Details of open interest by each category of participants as on T day													
Instrument	**Open Interest**	**FPOs/ Farmers**		**VCPs/ Hedgers**		**Proprietary traders**		**Domestic financial institutional investors**		**Foreign participants**		**Others**	
		Long	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**
Futures													
Options													
Details of Changes in open interest by each category of participants from previous disclosure													
Instrument	**Open Interest**	**FPOs/ Farmers**		**VCPs/ Hedger**		**Proprietary traders**		**Domestic financial institutional investors**		**Foreign participants**		**Others**	
		Long	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**
Futures													
Options													
Percent of open interest represented by each category of participants as on T day													
Instrument	**Open Interest**	**FPOs/ Farmers**		**VCPs/ Hedger**		**Proprietary traders**		**Domestic financial institutional investors**		**Foreign participants**		**Others**	
		Long	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**
Futures													
Options													
*Number of participants in each category as on T day**													
Instrument	**Total Participants**	**FPOs/ Farmers**		**VCPs/ Hedger**		**Proprietary traders**		**Domestic financial institutional investors**		**Foreign participants**		**Others**	
		Long	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**	**Long**	**Short**
Futures													
Options													
** In case number of participant is less than 10, the same can be disclosed as "less than 10" in the said category*													

B. Disclosure of category wise turnover at commodity level

Details of Turnover by each category of participants as on T day							
Instrument	**Turnover**	**FPOs/ Farmers**	**VCPs/ Hedger**	**Proprietary traders**	**Domestic financial institutional investors**	**Foreign participants**	**Others**
Futures							
Options							
Details of Changes in turnover by each category of participants from previous day							
Instrument	**Turnover**	**FPOs/ Farmers**	**VCPs/ Hedger**	**Proprietary traders**	**Domestic financial institutional investors**	**Foreign participants**	**Others**
Futures							
Options							

C. Disclosure of turnover for various categories of participants at Market level

Details of Turnover by each category of participants as on T day							
Instrument	**Turnover**	**FPOs/ Farmers**	**VCPs/ Hedger**	**Proprietary traders**	**Domestic financial institutional investors**	**Foreign participants**	**Others**
Futures							
Options							
Details of Changes in turnover by each category of participants from previous day							
Instrument	**Turnover**	**FPOs/ Farmers**	**VCPs/ Hedger**	**Proprietary traders**	**Domestic financial institutional investors**	**Foreign participants**	**Others**
Futures							
Options							

Commodity-wise Format of Disclosure for Top Participants, Members and Market Wide Position Limits – Annexure 6

A. Disclosure of top participants/members at commodity level

*Percentage of open interest held by the indicated number of the largest participants as on T day **						
Instrument	**Top 3**		**Top 5**		**Top 10**	
	Long	**Short**	**Long**	**Short**	**Long**	**Short**
Futures						
Options						
Percentage of open interest held by the indicated number of the largest group of participants as on T day						
Instrument	**Top 3**		**Top 5**		**Top 10**	
	Long	**Short**	**Long**	**Short**	**Long**	**Short**
Futures						
Options						
Percentage of open interest held by the indicated number of the largest members as on T day						
Instrument	**Top 3**		**Top 5**		**Top 10**	
	Long	**Short**	**Long**	**Short**	**Long**	**Short**
Futures						
Options						
** Based on PAN of the participant*						

B. Disclosure of market wide OI

Commodity	Instrument	Exchange wide position limits	OI at the EOD	OI as % of Exchange wide position limits
A	Futures			
	Options			
B	Futures			
	Options			

Disclosures regarding commodity risks by listed entities – Annexure 7

1) Risk management policy of the listed entity with respect to commodities including through hedging (Such policy shall take into account total exposure of the entity towards commodities, commodity risks faced by the entity, hedged exposures, etc. as specified below)

2) Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:
   a. Total exposure of the listed entity to commodities in INR
   b. Exposure of the listed entity to various commodities

Commodity Name	*Exposure in INR towards the particular commodity*	*Exposure in Qty terms towards the particular commodity*	*% of such exposure hedged through commodity derivatives*				
			Domestic market		*International market*		*Total*
			OTC	*Exchange*	*OTC*	*Exchange*	

   c. Commodity risks faced by the listed entity during the year and how they have been managed.

Note:

i. The disclosure pertaining to exposure and commodity risks may apply only for those commodities where the exposure of the listed entity in the particular commodity is material. *(Materiality in such cases shall be according to the materiality policy approved by the board of Directors of the listed entity in this context)*

ii. If the listed entity has exposure in non-rupee terms, the Indian rupee equivalent after conversion shall be used for the aforesaid disclosures.

iii. The term 'exposure' shall mean gross exposure of the listed entity including exposure both on the asset and liability side.

iv. Where exact figures are not determinable, ballpark (estimated) figures may be provided.

REFERENCE: List of SEBI Circulars

1. *Circular No. SMD/RCG/CIR/(BKG)/293/95 dated March 14, 1995*
2. *Circular No. SMD/POLICY/IECG/ 1 – 97 dated February 11, 1997*
3. *Circular No. SMDRP/POLICY CIR-2/99 dated January 14, 1999*
4. *Circular No. SMDRP/POLICY/Cir-8/99 dated April 26, 1999*
5. *Circular No. SMDRP/POLICY/CIR-32/99 dated September 14, 1999*
6. *Circular No. SMDRP/Policy/Cir.- 21/99 dated July 08, 1999*
7. *Circular No. SMDRP/POLICY/CIR-04/2000 dated January 20, 2000*
8. *Circular No. SMDRP/Policy/Cir-41/2000 dated September 11, 2000*
9. *Circular No. SMDRPD/Policy/Cir-37 /2001 dated June 28, 2001*
10. *Circular No. SMDRP/Policy/CIR-39/2001 dated July 18, 2001*
11. *Circular No. SMDRP/POLICY/CIR-14/2002 dated June 25, 2002*
12. *Circular No D&CC/FITTC/CIR – 16/2002 dated December 31, 2002*
13. *Circular No. SEBI/SMD/SE/11/2003/31/03 dated March 31, 2003*
14. *Circular No. SEBI/MRD/SE/Cir- 42 /2003 dated November 19, 2003*
15. *Circular No. SEBI/MRD/SE/Cir- 32/2003/27/08 dated August 27, 2003*
16. *Circular No. SEBI/MRD/SE/Cir-34 /2003/29/09 dated September 29, 2003*
17. *Circular No. SEBI/MRD/SE/Cir-38/2003 dated October 8, 2003*
18. *Circular No. SEBI/MRD/SE/Cir-7 /2004 dated January 14, 2004*
19. *Circular No. SEBI/MRD/SE/Cir- 12/2004 dated February 26, 2004*
20. *Circular No SEBI/MRD/Policy/CIR-13/2004 dated March 3, 2004*
21. *Circular No. SEBI/MRD/Policy/AT/Cir-20/2004 dated April 30, 2004*
22. *Circular No. MRD/DoP/SE/Cir-28/2004 dated August 23, 2004*
23. *Circular No. MRD/DoP/SE/Cir- 35/2004 dated October 26, 2004*
24. *Circular No. MRD/DoP/SE/Cir- 19 /05 dated September 2, 2005*
25. *Circular No. MRD/DoP/SE/Cir- 8 /2006 dated July 13, 2006*
26. *Circular No. MRD/DoP/Dep/Cir-09/06 dated July 20, 2006*
27. *Circular No. MRD/DoP/Dep/SE/Cir -09/06 dated July 20, 2006*
28. *Circular No. MRD/DoP/Dep/SE/Cir-13/06 dated September 26, 2006*
29. *Circular No. MRD/DoP/Dep/SE/Cir -17/06 dated October 27, 2006*
30. *Circular No. MRD/DoP/Cir-05/2007 dated April 27, 2007*
31. *Circular No. MRD/DoP/SE/Dep/Cir- 14 /2007 dated December 20, 2007*
32. *Circular No. MRD/DoP/SE/Cir- 05 /2008 dated March 19, 2008*
33. *Circular No. MRD/DoP/Cir-20/2008 dated June 30, 2008*
34. *Circular No. MRD/DoP/SE/Cir- 31 /2008 dated October 31, 2008*
35. *Circular No. MRD/DoP/ Cir-05/2009 dated May 20, 2009*
36. *Circular No. MRD/DoP/SE/Cir-14/2009 dated October 14, 2009*
37. *Circular No. MRD/DoP/SE/Cir- 21 /2009 dated December 9, 2009*
38. *Circular No. SEBI/DNPD/Cir-47/2009 dated October 23, 2009*
39. *Circular No. SEBI/MRD/DoP/SE/Dep/Cir- 01 /2010 dated January 06, 2010*
40. *Circular No. SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated January 07, 2010*
41. *Circular No. MRD/DP/14/2010 dated April 26, 2010*
42. *Circular No. CIR/MRD/DP/21/2010 dated July 15, 2010*
43. *Circular No CIR/MRD/DP/30/2010 dated September 6, 2010*

44. *Circular No. CIR/MRD/DP/32/2010 dated September 17, 2010*
45. *Circular No. CIR/MRD/DP/ 33/2010 dated October 07, 2010*
46. *Circular No. CIR/MRD/DP/07/2011 dated June 16, 2011*
47. *Circular No. CIR/DNPD/6/2011 dated July 5, 2011*
48. *Circular No. CIR/MRD/DP/01/2012 dated January 20, 2012*
49. *Circular No. CIR/MRD/DP/02/2012 dated January 20, 2012*
50. *Circular No. CIR/MRD/DP/05/2012 dated February 01/ 2012*
51. *Circular No. CIR/MRD/DP/7/2012 dated February 23, 2012*
52. *Circular No. CIR/MRD/DP/8/2012 dated February 27, 2012*
53. *Circular No. CIR/MRD/DP/18/2012 dated July 18, 2012*
54. *Circular No. CIR/MRD/DP/30/2012 dated November 22, 2012*
55. *Circular No. CIR/MRD/DP/34/2012 dated December 13, 2012*
56. *Circular No. CIR/MRD/DP/03/2013 dated January 24, 2013*
57. *Circular no. CIR/MRD/DP/04/2013 dated January 25, 2013*
58. *Circular No. CIR/MRD/DP/05/2013 dated February 08, 2013*
59. *Circular No. CIR/MRD/DP/6/2013 dated February 14, 2013*
60. *Circular No. CIR/MRD/DP/17/2013 dated May 30, 2013*
61. *Circular No. CIR/MRD/DP/18/2013 dated May 30, 2013*
62. *Circular No. CIR/MRD/DP/25/2013 dated September 03, 2013*
63. *Circular No CIR/MRD/DP/27/2013 dated September 12, 2013*
64. *Circular No. CIR/MRD/DP/38/2013 dated December 19, 2013*
65. *Circular No. CIR/MRD/DP/04/2014 dated February 06, 2014*
66. *Circular No. SEBI/MRD/DP/19/2014 dated June 03, 2014*
67. *Circular No. CIR/MRD/DP/14/2014 dated April 23, 2014*
68. *Circular No. CIR/MRD/DP/24/2014 dated August 08, 2014*
69. *Circular No. CIR/MRD/DP/32/2014 dated December 01, 2014*
70. *Circular No. CIR/MRD/DP/02/2015 dated January 12, 2015*
71. *Circular No. CIR/MRD/DP/12/2015 dated June 26, 2015*
72. *Circular No. CIR/MRD/DP/15/2015 dated July 16, 2015*
73. *Circular No. CIR/CFD/CMD/12/2015 dated November 30, 2015.*
74. *Circular No. CIR/MRD/DP/ 36 /2016 dated February 15, 2016.*
75. *Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/49 dated April 25, 2016*
76. *Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/73 dated August 19, 2016*
77. *Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/75 dated August 30, 2016*
78. *Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2016/78 dated September 02, 2016*
79. *Circular No. MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016*
80. *Circular No. SEBI/HO/CDMRD/DRMP/CIR/P/2016/93 dated September 26, 2016*
81. *Circular No. SEBI/HO/CDMRD/DMP/2016/101 dated September 27, 2016*
82. *Circular No. CIR/MRD/DP/ 65 /2017 dated June 27, 2017*
83. *Circular No. CIR/MRD/DP/54/2017 dated June 13, 2017*
84. *Circular No. CIR/MRD/DP/86/2017 dated August 01, 2017*
85. *Circular No. CIR/MRD/DP/118/2017 dated October 26, 2017*
86. *Circular No. CIR/MRD/DP/122/2017 dated November 17, 2017*
87. *Circular No. SEBI/HO/MRD/DRMNP/CIR/78 dated May 04, 2018*

88. *Circular No. SEBI/CIR/MRD/DoP-1/P/125/2018 dated August 24, 2018*
89. *Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/141 dated November 15, 2018*
90. *Circular No. SEBI/HO/CDMRD/DMP/CIR/P/2018/146 dated November 30, 2018*
91. *Circular No. SEBI/HO/MRD/DOP I/CIR/P/2018/159 dated December 28, 2018*
92. *Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2019/08 dated January 04, 2019*
93. *Circular No. SEBI/HO/CDMRD/DMP/IR/P/2019/40 dated March 20, 2019*
94. *Circular No. SEBI/HO/MRD/DOP1/CIR/P/2019/106 dated October 10, 2019*
95. *Circular No. SEBI/HO/MRD2/DCAP/CIR/P/2019/146 dated November 28, 2019*
96. *Circular No. SEBI/HO/MRD1/DSAP/CIR/P/2020/29 dated February 26, 2020*
97. *Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2020/158 dated August 27, 2020*
98. *Circular No. SEBI/HO/MRD/DCAP/CIR/P/2020/190 dated October 01, 2020*
99. *Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2020/206 dated October 19, 2020*
100. *Circular No. SEBI/HO/MRD2/DCAP/CIR/P/227 dated November 06, 2020*
101. *Circular No. SEBI/HO/MRD2/DCAP/CIR/P/2020/243 dated December 18, 2020*
102. *Circular No. SEBI/HO/CDMRD/DNPMP/CIR/P/2021/9 dated January 11, 2021*
103. *Circular No. SEBI/HO/MRD/DSA/CIR/P/2021/623 dated September 01, 2021*
104. *Circular No. SEBI/HO/MIRSD/DoP/P/CIR/2022/4 dated April 04, 2022*
105. *Circular No. SEBI/HO/MRD/MRD-PoD-1/P/CIR/2022/128 dated September 27, 2022*
106. *Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/137 dated October 06, 2022*
107. *Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2022/166 dated November 30, 2022.*
108. *Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2023/10 dated January 10, 2023*
109. *Circular No. SEBI/HO/MRD-TPD1/CIR/P/2023/55 dated April 11, 2023*
110. *Circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2023/99 dated June 23, 2023*
111. *Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/1 dated January 05, 2024*
112. *Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/6 dated January 23, 2024*
113. *Circular No. SEBI/HO/MRD/TPD-1/P/CIR/2024/58 dated May 24, 2024*
114. *Circular No. SEBI/HO/M RD/MRD-PoD-3/P/CIR/2024/82 dated June 14, 2024*
115. *Circular No. SEBI/HO/M RD/MRD-PoD-3/P/CIR/2024/86 dated June 20, 2024*
116. *Circular No. SEBI/HO/M RD/MRD-PoD-3/P/CIR/2024/85 dated June 20, 2024*
117. *Circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/118 dated September 11, 2024*
118. *Circular No. SEBI/HO/MRD/TPD-1/P/CIR/2024/92 dated July 01, 2024*
119. *Circular No. SEBI/HO/MRD-PoD2/CIR/P/2024/153 dated November 11, 2024*
120. *Circular No. SEBI/HO/MRD/MRD-PoD-2/P/CIR/2025/120 dated August 26, 2025*