



CIRCULAR

SEBI/HO/MRD/MRD-PoD-1/P/CIR/2022/128

September 27, 2022

**The Managing Directors / Chief Executive Officers
Of All Exchanges having Commodity Derivatives Segment**

Sir / Madam,

Subject: Modification in Daily Price Limits (DPL) for Commodity Futures Contracts

1. SEBI vide Circular No. [SEBI/HO/CDMRD/DNPMP/CIR/P/2021/9](#) dated January 11, 2021 has revised the norms for Daily Price Limit (DPL) for commodity futures contracts.
2. The exchanges have informed that closing price on domestic exchange differs from closing price on international exchange/s (after necessary currency conversion), because of difference in methodology of calculation of closing price. Due to such difference in closing price, the aggregate DPL range on domestic exchange may lag behind (either upwards or downwards) the prices on international exchange in next trading session.
3. To resolve the above, the Clause 7.4 of aforementioned SEBI Circular is substituted with the following:

“7.4 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.”

4. Further, to maintain parity between Para 7.4 and Para 7.5 of the instant SEBI Circular, Para 7.5 is substituted with the following:

“7.5 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 7.4. above.”

5. The stock exchanges shall inform SEBI of all such instances of relaxation of DPL pursuant to Para 7.4 and Para 7.5 above, under Para 10 of Section I in the Monthly Development Report being submitted as per SEBI Circular No. CIR/CDMRD/DEA/4/2015, dated December 09, 2015.
6. It is clarified that breach of slab is not essential for implementation of Clause 7.4 and Clause 7.5 of SEBI Circular [SEBI/HO /CDMRD/DNPMP/CIR/P/2021/9](#) dated January 11, 2021.
7. The circular shall be effective from the date of issuance of this circular.
8. All other terms and conditions specified in circular no. Circular No. [SEBI/HO /CDMRD/DNPMP/CIR/P/2021/9](#) dated January 11, 2021 shall remain the same.
9. This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
10. The Circular is issued with the approval of the competent authority.
11. This circular is available on SEBI website www.sebi.gov.in under the category “Circulars” and “Info for Commodity Derivatives”

Yours faithfully,

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