

CIRCUIT BREAKERS



- Lower or upper circuit is an automatic mechanism to stop a freefall or massive surge in a security or an index during trading hours.
- It is used to check the volatile swings in the market.
- In June 2001, the Securities and Exchange Board of India (SEBI) implemented index-based market-wide circuit breakers.
- The index-based market-wide circuit breaker system applies at 3 stages of the index movement, either way viz. at 10%, 15% and 20%.
- These circuit breakers when triggered bring about a coordinated trading halt in all equity and equity derivative markets nationwide.
- The market-wide circuit breakers are triggered by movement of either the BSE Sensex or the Nifty 50, whichever is breached earlier.

Trigger Limit	Trigger Time	Halt duration
10%	Before 1pm	45 mins
	At or after 1pm up to 2.30pm	15 mins
	At or after 2.30pm	No halt
15%	Before 1pm	1 hr 45 mins
	At or after 1pm up to 2.30pm	45 mins
	At or after 2.30pm	Remainder of the day
20%	Amy time during market hours	Remainder of the day

