

Policy on Physically settled Equity Derivatives

This is with reference to SEBI Circular number SEBI/HO/MRD/DP/CIR/P/P/2018/67 dated April 11, 2018 (SEBI circular) on physical settlement in equity derivatives.

As per the circular, all open contracts in futures segment and in the money options will be compulsorily settled in physical mode on contract expiry day of the month for the list of securities specified by NSE circular from time to time. The settlement process will happen in the Equity Derivatives segment and customers have to provide additional funds or securities on expiry day of contract.

Additionally, according to the guideline, stocks which do not meet the enhanced eligibility criteria for introduction in derivative segment shall also move from cash settlement to physical settlement. To view the current list of securities available for physical settlement as per NSE circular (FAOP37594)[Click Here](#) and it will be modified by NSE from time to time.

Please note that you may rollover all your positions or close the same on or before 2 days of expiry day of the Physical settlement contract or we may square off your open position in these stock futures (Long / Short Positions) and in-the-money & at-the-money options contracts, which are exercised and assigned for the list of securities prescribed by Exchange for physical settlement, 1 days prior to expiry day on best effort basis.

We shall not stand responsible / liable for any losses arising from & incidental to square off the open position by us. For example, you need to rollover/close July 2018 expiry contracts on or before July 24, 2018 where the expiry date is July 26, 2018. However, if the July 2018 contracts are open beyond July 24, 2018, the same shall be squared off by us at any time during the market hours. In case clients as well as IGSL unable to square off due to any reason, then such contracts will be automatically physically settled by exchange and you will be required to honor the securities and funds settlement obligations resulting out of such a settlement. We shall not be responsible / liable for the loss arising from the same.

We would like to request you to take necessary steps as per this communication. In case of any doubt you may contact RMS team.

NOTE: Intraday trading may not be allowed in the exchange mentioned physical delivery scrip's (subject to revision by exchange) on expiry day & 1 day before expiry day.

This notice should be treated as Pre Square off intimation, no further intimation will be sent to any of the Associate partner or client individually.