

National Stock Exchange Of India Limited**Department: INVESTOR SERVICES CELL**

Download Ref No: NSE/ISC/66165

Date: January 16, 2025

Circular Ref. No: 03/2025

To All Members,

Sub: Enhancement of operational efficiency and Risk Reduction - Pay-out of securities directly to client demat account

This is further to Exchange circular NSE/ISC/64423 dated October 08, 2024, on “Enhancement of operational efficiency and Risk Reduction - Pay-out of securities directly to client demat account”

The aforesaid circular states:

- “Direct payout will be implemented in the equity cash settlement (including netted cash and F&O physical settlement)
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- In phase 2, UCCs which do not have validated primary demat account (except proprietary UCC) shall not be Permitted to trade by the Exchange.....”

With regards to direct pay-out, it may be noted that a client dealing exclusively in index derivatives and providing his margin through cash only may not need to have a demat account in the equity derivative segment. In this regard, the Trading Member has to ensure that the client dealing in index derivatives does not deal in any other product which requires physical delivery and that the client pays his margin only in the form of cash. This would be a part of an arrangement between Trading Member and the client where a client is desirous of dealing exclusively in index derivatives and undertakes to pay his margin only in the form of cash.

You are kindly requested to take note of the above.

In case of any query kindly contact uci@nse.co.in**For and on behalf of
National Stock Exchange of India Limited****Shanti Idnani
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