

## SEBI Guidelines on Short Selling

### **Broad Framework for Short Selling:**

SEBI, through its circular SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/1 dated January 05, 2024, reiterated the regulatory framework for short selling. The key provisions of the circular are as follows:

- Naked short selling is strictly prohibited in the Indian securities market. All investors are required to fulfill their delivery obligations at the time of settlement.
- Institutional investors are not permitted to engage in day trading, i.e., they cannot square off transactions on the same trading day.
- Only securities that are part of the F&O segment are eligible for short selling.
- Institutional investors must disclose at the time of placing the order whether the transaction is a short sale.

### **Actionable Points:**

In line with the above guidelines, clients are requested to explicitly disclose to their Relationship Manager at the time of order placement if the transaction constitutes a short sale.

Nuvama Wealth & Investment Limited will compile these disclosures and report them to the respective stock exchanges as per regulatory requirements.