



**CIRCULAR**

CIR/DRMNP/4/2012

November 20, 2012

Managing Director/ Chief Executive Officer

Recognized Stock Exchanges

Dear Sir,

**Sub: Mini derivative (Futures & Options) contract on Index (Sensex & Nifty)**

1. SEBI vide Circular No. SEBI/DNPD/Cir-33/2007 dated December 27, 2007 had permitted Stock Exchanges to introduce mini derivative contract on Index (Sensex and Nifty) with a minimum contract size of INR 1 lakh.
2. With a view to ensure that small/retail investors are not attracted towards derivatives segment, it has now been decided to discontinue mini derivative contracts on Index (Sensex and Nifty).
3. Exchanges are directed to take necessary action to give effect to this circular. No fresh mini derivatives contracts shall be issued. However, the existing unexpired contracts may be permitted to trade till expiry and new strikes may also be introduced in the existing contract months. Further, Exchanges are also directed to give due notice to the market in this regard.
4. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
5. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the category "Derivatives- Circulars".

Yours faithfully,

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