

# MAXIMIZE Your Profits through BUY TODAY & SELL TOMORROW [BTST]

When you BUY a Security, ideally you should SELL it only once you get delivery to your Demat Account. So if you buy some Security on Monday, you should ideally SELL it only on Thursday onwards when you receive the Delivery.

But this is not an ideal world and sometimes opportunities arise much before that and people would want to take an exit decision before getting delivery.

At SMIFS we let you BUY and SELL before getting delivery. What this means is that if you BUY a Security for delivery on Monday, you can sell it on Monday, on Tuesday, on Wednesday and Thursday onwards.

This facility is offered by select Stock Brokers in India (including SMIFS Limited) where you can BUY Securities Today and SELL it tomorrow before you get the DELIVERY of the Securities This facility is called -

BTST - "Buy Today & Sell Tomorrow" OR ATST - "Acquire Today & Sell Tomorrow"

What this means is that if you BUY a Security for delivery on Monday, you SELL it on Tuesday, before you get delivery of the Security. Which means - Trades where you BUY securities and SELL it on T+1 day or T+2 Day before the stock is settled & delivered into your DEMAT account.

To do BTST trades, you just have to BUY the Security using the DELIVERY Product Type on T-Day and the Next Day (T+1 Day) you can SELL the Security using the DELIVERY Product Type. On T+1 Day Holdings will show you the stocks that you have bought the previous day (i.e. T Day).

On T+1 Day after you SELL the Security BOUGHT on T Day you shall be eligible to again Buy Security worth 50% of your SELL Value for another BTST Position. In case you face any problems on Exposure, please contact the RMS Desk at +91 33 66345477 / 40115444.

BTST transactions are settled by first crediting shares to your account on the day it is received from the Clearing Corporation. On the same day, your shares will be earmarked for delivery against the SELL leg of the transaction you would have already carried out. By transferring the shares to your account, subsequently earmarking and then debiting for sale settlement, you will be ensured of getting credit for all corporate actions like dividends, bonus directly in your name. Similarly, if any TDS was deducted for dividends, the same would be filed against your PAN and would reflect in your 26AS instead of it being passed on from the Broker's PAN. Since the shares get credited to your demat account and then debited for BTST transactions, there will be DP charges that will be applicable like normal delivery transactions.

BTST Trades have their Pros and Cons. The risk with BTST trades is that since you are selling Security that aren't in your DEMAT account yet, you are relying on the seller whom you bought the shares from to give you the Security. If the seller defaults on giving you the Security i.e in the event of short delivery, your obligation as a seller to deliver shares won't be met and you will face the risk of auction penalty which can be up to 20% of the value of Security short delivered.

Securities are sometimes are moved to Trade to Trade Segment (T2T Segment) by the Stock Exchanges to curb speculative interest. When a stock is moved to T2T, you will have to compulsory Take Delivery if you BUY and Give Delivery when you SELL. When a stock is moved to this segment, you will NOT be able to do "Intraday Trading" OR "BTST/ATST Trading".

If traders are looking to convert Intra-Day positions to Delivery, you need to keep in mind that Securities Transaction Tax (STT) will go up almost 10 times if you decide to keep your Intra-Day positions overnight.

**Team Compliance**  
**SMIFS Limited**