

SAROJ SECURITIES

309 KAN CHAMBER, 14/113 CIVIL LINES, KANPUR – 208 001

Member: The National Stock Exchange of India Ltd.

SEBI Regn No: INZ 000224427

Policy for internal shortage

SHORTAGES IN OBLIGATION ARISING OUT OF INTERNAL NETTING OF TRADES

Objective: The objective of policy is to appropriately deal settlement of shortages in obligations arising out of internal netting of trades. This policy shall be applicable to both Clients as well as Trading Members.

Purpose: Stock broker shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by the stock broker from the exchange, the clearing corporation/clearing house or other company or entity liable to make the payment and the client has fulfilled his/her/its obligation first.

Procedure to handle shortages in obligations arising out of internal netting of trades:-

1. The Short delivering client is debited by an amount equivalent to higher of 10% above the official closing price on the auction day OR the highest traded price from first trading day of the settlement till the auction day and the amount shall be credited to the short purchasing client.
2. In cases of securities having corporate actions and no 'no-delivery period' for the corporate action, all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auction pay out is after the book closure / record date, would be compulsory closed out at higher of 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till the auction day.

Updated on 10.08.2020