

Policy on Internal Shortage

Policy:

SHORTAGES IN OBLIGATION ARISING OUT OF INTERNAL NETTING OF TRADES

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

Purpose: Inani Securities Limited shall not be obliged to deliver any securities or pay any money to the Client/Trading Members 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/delivery of securities and the Client/Trading Member has fulfilled his/her/its obligation first.

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

Shortage of obligation and Auction in the same scrip happen on Exchange platform

The Short delivering Client/Trading Member will be debited by an amount equivalent to the highest of the following:-

- a) The closing price of the scrip on the trading date.or
- b) The highest traded price of the scrip on the day of the settlement.or
- c) Weighted average auctioned price of the Exchange.

plus 0.1% of above price and the purchasing Client/Trading Member shall be credited with the equivalent amount against such short.

Shortage of obligation and Auction in the same scrip does not happen on Exchange platform

1. The Short delivering client/Trading Member 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

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trading day of the settlement till the auction day and the amount shall be credited to the Purchasing Client/Trading Member against such short.

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 payout 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.
3. Notwithstanding anything contained in Clause No.1 as above, in case the shortages in obligations arising out of internal netting of trades of **securities which are available for trading in Future & Option segment of Exchange**, then the short delivering client is debited by an amount equivalent to higher of:-
 - a) 2% above the official closing price on the auction day in case the scrip is a part of Nifty Index otherwise 5%

OR

- b) The highest traded price from first trading day of the settlement till the auction day and the amount shall be credited to the Purchasing Client/Trading Member against such short

Review Policy:

INANI SECURITIES LTD

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This policy may be reviewed as and when there are any changes introduced by any Statutory authority or as and when it is found necessary to change the policy due to business needs.

The policy may be reviewed by the Managing Director / Compliance Officer Mr. Lakshmikanth Inani place the changes, if any in policy before the Board of Directors .

Approval Authority:

This policy is as approved by the Board of Directors in its Board Meeting held on 14.02.2023.