**Policy On Internal Shortages**

**Shortages in obligations arising out of internal netting of trades:**

ISL shall have the right to adopt a policy of its choice for internal auctions arising out of internal netting of trades and charge to defaulter seller and compensate the impacted purchaser as per the policy. In case there is shortage in obligation arising out of Internal netting of Trades and auction is not made by the exchange then both the clients are appraised of the situation. In case of the client in whose account the internal shortage has occurred, the buying transaction is done in the exchange and when after 2 days the shares are received from the exchange, the shares are delivered to the old buying clients who could not receive the shares due to internal shortage. If the client defaults on its existing obligation and in the event the trade has been internally netted off by ISL, ISL shall have the right to square off the position of the client to make good the shortages arising there of. ISL shall not be responsible for losses to the Client on account of such square off. All losses to the Client on this account shall be borne solely by the Client and the Client shall indemnify the same.