

## **Policy For Shortage of Obligations Arising Out of Internal Netting of Trades**

Econo Broking Pvt. Ltd. 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. The current procedure for internal auction is displayed on the website, which may be amended from time to time with prospective effect after publishing the same on the corporate website.

### **Internal Shortage**

In case of purchase of securities by the Client at times Member may be unable to deliver the securities to the said purchaser on the payout day due to non-receipt of the said securities from another Client of same Member who has sold the securities against the said purchase transaction. In such cases, member may buy the shares from the market on T + 2 day or on settlement day and deliver the same to the client or he may give close out at the rate as determined by the member.

### **Close out In case of internal shortage**

The Client hereby agrees that if he/she/it has short delivered any securities against his/her/its pay-in-obligation which resulted into internal shortage (i.e. buy position of another client of Member and could not be auctioned in the market), close out shall be debited to his account at the rate which is, (high of Closing Rate of (T / T+1 / T+2 day) + 5% to 20%), as the case may be, or such other percentage as may be revised by Member from time to time. The Client should not hold company responsible for any loss/damage arising out of the same.

Internal auction or Close out shall be done on T + 2 day.

**Shortage form exchange:** In case of short delivery from the exchange, the securities shall be delivered to the purchaser on the deliveries received from the exchange or may be Credit Closeout given to client due to securities cloud not auctioned in the market and closeout rate will be as per Nse exchange closeout policy.