



# INDUS PORTFOLIO PRIVATE LIMITED

## POLICY OF INTERNAL SHORTAGE

1. To align our Policy with the one prescribed by the Exchange on November 30, 2018 on internal shortage issues, we have since amended the existing Policy as under:-

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

2. Indus Portfolio 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 the 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.

3. (i) Auction price of the scrip informed by the exchanges for that settlement number or highest price of the scrip prevailing in the respective stock exchanges from the first day of the relevant trading period till the day of closing out on the auction day whichever is higher;

(ii) If Auction Price is not available in respective exchange for a scrip for that settlement, then our closeout price will be calculated at the highest price prevailing in the respective Exchange from the first day of the relevant trading period till the day of closing out or 20% above the official closing price on the auction day, whichever is higher plus 1% penalty and other statutory charges. Generally, the auction day is considered to be T+3 day i.e. the day next to the official settlement day.

(iii) Brokerage on Auction: The Member shall charge auction brokerage of 1.5% of value to all short sellers.

### **Note:**

### **What is Internal Shortage?**

As per the Exchange Settlement Norms the Pay in Obligation for securities are netted at member level and only net obligation is paid in to the exchange. It could be possible that within the member client, there could be opposite positions in the same scrips, which then, necessitates the internal adjustment/netting. In case a seller client fails to deliver which was to be paid out for the account of another of our clients, such a situation necessitates the Internal Auction for meeting the internal shortage.



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BSE CASH, F & O  
MCX-SX - Cash, F & O, Currency Derivatives  
Depository Participant - NSDL, CDSL  
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