

RBG Financial Services Private Limited

Policy on Internal Shortage

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 OBLIGATIONS FIRST.

THE POLICY AND PROCEDURE FOR SETTLEMENT OF SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES IS AS UNDER:

A) THE SHORT DELIVERING CLIENT IS DEBITED BY AN AMOUNT EQUIVALENT TO 20% ABOVE OF CLOSING RATE OF DAY PRIOR TO PAY-IN / PAY-OUT DAY. THE SECURITIES DELIVERED SHORT ARE PURCHASED FROM MARKET ON T+2 DAY AND THE PURCHASE CONSIDERATION (INCLUSIVE OF ALL STATUTORY TAXES & LEVIES) IS DEBITED TO THE SHORT DELIVERING SELLER CLIENT ALONG WITH REVERSAL ENTRY OF PROVISIONALLY AMOUNT DEBITED EARLIER.

B) IF SECURITIES CANNOT BE PURCHASED FROM MARKET DUE TO ANY FORCE MAJEURE CONDITION, THE SHORT DELIVERING SELLER IS DEBITED AT THE CLOSING RATE ON T+2 DAY OR AUCTION DAY ON EXCHANGE +10% WHERE THE DELIVERY IS MATCHED PARTIALLY OR FULLY AT THE EXCHANGE CLEARING, THE DELIVERY AND DEBITS/CREDITS SHALL BE AS PER EXCHANGE DEBITS AND CREDITS.

C) IN CASES OF SECURITIES HAVING CORPORATE ACTIONS ALL CASES OF SHORT DELIVERY OF CUM TRANSACTIONS WHICH CANNOT BE AUCTIONED ON CUM BASIS OR WHERE THE CUM BASIS AUCTIONED ON CUM BASIS OR WHERE THE CUM BASIS AUCTION PAYOUT IS AFTER THE BOOK CLOSURE/RECORD DATE, WOULD BE COMPULSORILY CLOSED OUT AT HIGHER OF 10% ABOVE THE OFFICIAL CLOSING PRICE ON THE AUCTION DAY OR THE HIGHEST TRADED PRICE FROM FIRST TRADING DAY TILL THE AUCTION DAY OF THE SETTLEMENT.