



ANNEXURE 12

POLICY ON INTERNAL SHORTAGES

Shortages in obligations arising out of internal netting of trades

Rajgul Securities 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.

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 apprised of the situation. In case of default in security pay in by the client and the shortage is at member level i.e. internal shortage then close out rate is calculated as 5% above the higher closing price between trading day and pay-in day shall be recovered from the defaulting client and passed on to the respective beneficiary client.

If the client defaults on its existing obligation and in the event the trade has been internally netted off by Rajgul Securities Pvt Ltd, Rajgul Securities Pvt Ltd shall have the right to square off the position of the client to make good the shortages arising thereof. Rajgul Securities Pvt Ltd 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.

This Policy will be monitored by the Compliance officer and will be reviewed based on regulatory changes or as per the Requirement.

As approved by the Board of Directors, in its Board meeting on **13/04/2019**.