

PROGRESSIVE SHARE BROKERS PVT. LTD.

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Internal Shortage Policy

This policy explains important aspects for Internal Shortage Policy

In case of an internal shortage in any scrip in the same settlement where both buyer & seller are clients of Progressive and seller does not deliver shares for his pay-in obligation.

The short delivering client is provisionally debited by an amount equivalent to 120% of closing rate of day prior to pay-in / pay-out day.

The securities delivered short are purchased from the market on Auction day and the purchase consideration along with auction penalty is debited to the short delivering seller client along with the reversal entry of provisional amount debited earlier.

If securities cannot be purchased from market due to any force majeure condition, then all shortages not bought-in are deemed to be closed out and short delivering seller client is debited as under:

Exchange NSE: at the higher of (i) the highest price between the first day of the trading day till the day of auction, or (ii) closing price on the auction day plus 20%

Exchange BSE: at the higher of (i) highest price recorded in the scrip from the trading day on which the transaction took place up to a day prior to the day of the auction i.e., pay-in day, or , (ii) 20% above the closing price on the day prior to the day of auction i.e., pay-in day.