

INTERNAL SHORTAGE POLICY

Shortages in obligations arising out of internal netting of trades:

Munoth Financial Services Limited (MFSL) 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.

SHORTAGE IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES

In case the client defaults in his existing obligation and in the event the trade has been internally netted off by MFSL, there could be internal shortages, The internal shortages are marked against the client randomly at the sole discretion of MFSL taking into account the delivery obligations through exchanges, In case of failure of delivery the client marked for internal netting of trade, the same shall be met through fresh market purchases and the loss on account of the said purchases will be charged to the defaulting client's account. However, defaulting client will not be eligible for any profit of account of this.

MFSL shall not be responsible for losses to the client on account of such shortages. All losses to the client on this account shall be borne solely by the client and the client shall indemnify MFSL in this respect.