

SAMCO SECURITIES LTD INTERNAL AUCTION POLICY

Internal Auction:

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 members 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.

As per the present policy the methodology used for the internal shortage of the scrip traded is given below:

1. In case there is internal shortage there is a possibility that within the member client i.e. the buyer and seller are both Samco clients and the seller defaults in delivery due to which the buyer may not receive the shares on T+2, the price will be determined by auction/close out price of the scrip as informed by NSE for that settlement or 20% above the official closing price on the auction day whichever is higher or internal close out price which will be calculated at highest closing price prevailing in the NSE from the first day of the relevant trading period till the day of closing out plus 3% 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.

Please note that the above procedure is expected to change in case NSE makes any changes in their auction procedure.

Brokerage on Auction: The Member shall charge auction brokerage as applicable on value to all short sellers