

**LSC SECURITIES LIMITED**

**CIN: U67120CH2000PLC023244**

**Regd. Off.: SCO-142-143, 4<sup>th</sup> Floor, Cabin No. 111, Sector 34A, Chandigarh-160022**

**Corp. Off.: First Floor, LSE Building, Feroze Gandhi Market, Ludhiana-141001**

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**DIRECT CLOSE OUT POLICY**

The Company has reframed its policy for settling transaction by way of direct close out, which remains unsettled due to Internal Shortages.

**Definition of Internal Shortage:** Internal Shortage is a situation when there is an Internal Shortage within the LSC Securities Limited i.e. the buyer and seller both are LSC Securities Limited clients. In Internal shortage, the seller of the shares fails to deliver the shares on T+2 day and the buyer of the shares does not receive the delivery of shares on T+2 day.

The policy adopted by the Company for direct close out in case of internal shortages of securities is as under:

**1. In case of Normal Trading of Share on NSE/BSE**

**a. In case of internal shortages of securities where auction is conducted at NSE for the share on auction day, the close out shall be done at the price arrived at higher of the following:**

Highest Price of the Share from the Trading Day till Auction Day (T to T+2)

or

Average Auction Price of the Share on the Auction Day (T+2) at NSE + 5% above of average auction price

**b. In case NSE does not conduct auction for particular share, the close out shall be done at the price arrived at higher of the following:**

Highest Price of the Share from the Trading Day till Auction Day (T to T+2)

or

Closing Price of the share on Auction Day (T+2) +5% above of closing price

**2. In case of Normal Trading of Share on BSE only, the close out shall be done at the price arrived at higher of the following:**

Highest Price of the Share from the Trading Day till Auction Day (T to T+2)

or

Closing Price of the share on Auction Day (T+2) +5% above of closing price

**3. In case of Trade to Trade (T2T) based Trading**

In case of Trade to Trade based trading, the direct close out shall be conducted as per rules/regulations/guidelines/procedure framed by respective Stock Exchange from time to time.