# Lecture Summaries

## l9

\* \*\*Limited Physical Market (LPM) Settlement:\*\* Two-day reporting period for bad deliveries; unrectified bad deliveries auctioned on the next day; company objections resolved within 21 days or bought-in at a 20% premium. Shares must be in individual/HUF names; selling member must be the introducing member; deliveries exceeding 500 shares are short-closed.  
  
\* \*\*LPM Bad Delivery Penalties:\*\* Shortages closed out at 20% above the traded price; non-rectified objections closed out at 20% above the closing price. Buyer must dematerialize shares within 3 months of payout.  
  
\* \*\*LPM Company Objections:\*\* Handled similarly to the regular market, but securities must be lodged for transfer within 3 months of payout for validity.  
  
\* \*\*Funds Settlement:\*\* NSCCL utilizes 13 clearing banks; members maintain clearing accounts; daily and summary statements provided; funds must be available by 10:30 AM on settlement day; payout after 1:30 PM.  
  
\* \*\*Funds Shortages:\*\* Trading suspended for cumulative shortages exceeding Rs. 5 lakhs or six instances of Rs. 2 lakhs in three months; collateral required; penalties apply.  
  
\* \*\*Securities Shortages:\*\* Valuation debits for non-delivered securities; buying-in auction at T+2; CM responsible for price differences.  
  
\* \*\*Valuation Prices:\*\* Based on the closing price of the previous trading day, unless otherwise specified.  
  
\* \*\*Quarterly Security Review (Criteria):\*\* Securities transferred to/from Trade for Trade segment based on P/E ratio, price variation, volatility, volume variation, client concentration, and number of non-promoter shareholders. Multiple criteria combinations exist (A, B, C, D).  
  
\* \*\*Fortnightly Security Review (Criteria):\*\* Similar to quarterly review but focusing primarily on Price Earnings Multiple (P/E) ratio and upper limits determined by Nifty P/E.  
  
\* \*\*SEBI Guidelines (Trade for Trade Segment):\*\* Companies must meet 50% non-promoter dematerialized holding by a specific date; exceptions for IPOs and certain corporate actions.