



PRABHAT FINANCIAL SERVICES LIMITED

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CIN No. U67190UP1995PLC017537 GSTIN No. : 08AAACP8036A1ZR



Member : National Stock Exchange of India Limited, Bombay Stock Exchange Limited SEBI REGN. NO. INZ000169433
D P : Central Depository Services (India) Limited. SEBI REGN NO. IN-DP-CDSL-216-2003

To our Esteemed Clients,

POLICY FOR SHORTAGES IN OBLIGATION ARISING OUT OF INTERNAL NETTING OF TRADES

Objective: The objective of policy is to appropriately deal settlement of shortages in obligations arising out of internal netting of trades. This policy shall be applicable to both Clients as well as Trading Members.

Purpose: Stock broker shall not be obliged to deliver any securities or pay any money to the client unless and until the same has been received by the stock broker from the exchange, the clearing corporation/clearing house or other company or entity liable to make the payment and the client has fulfilled his/her/its obligation first.

Procedure to handle shortages in obligations arising out of internal netting of trades:-

1. The Short delivering client is debited by an amount equivalent to higher of 5% above the official closing price on the auction day OR the highest traded price from first trading day of the settlement till the auction day and the amount shall be credited to the short purchasing client.
2. In cases of securities having corporate actions and no 'no-delivery period' for the corporate action, all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auction pay out is after the book closure / record date, would be compulsory closed out at higher of 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till the auction day.
3. Notwithstanding anything contained in Clause No.1 as above, in case the shortages in obligations arising out of internal netting of trades of **securities which are available for trading in Future & Option segment of Exchange**, then the delivering client is debited by an amount equivalent to higher of
 - a) 2% above the official closing price on the auction day in case the scrip is a part of Nifty Index otherwise 5%

OR

 - b) The highest traded price from first trading day of the settlement till the auction day

the amount shall be credited to the short purchasing client.

Place: Jaipur
Date: January 01, 2020

For Prabhat Financial Services Limited
Sd
Director

Client Name: _____ Client Code:- _____ Client Signature: _____.