

### **Shortage in Obligations arising out of internal netting trades.**

Nirmal Bang securities Private Limited (NBSPL) has revised its policy for setting transaction, which remains unsettled due to Internal Shortages:

Internal Shortages means one client(s) has failed to give the delivery of the securities sold, which has resulted into short delivery to other client (s) of NBSPL. The Client hereby agrees that if he/she/it has short delivered any securities against his/her/its obligation towards counter party who is a client of NBSPL and the delivery of the securities were also not effected including Closed out through auction in the market (Self Auction) at Clearing Corporation for any reason including that self-auction is not permitted on the exchange or delayed in uploading internal shortage file, or file rejected due to technical issue or for any other reason , then the contract shall be closed out and the closed out price will be higher of

(a) The highest price of the securities prevailing in NSE or as the case may be in BSE on the date of transaction (T day) till the day of auction relevant to the trade (auction day) or

(b) The closing price for the securities on the auction day as increased by 7% or such other % as may be revised by NBSPL from time to time. The amount so determined shall be debited to the account of the client who defaulted to deliver and the same amount will be credited to Buyer Client.

Further if the shares is in circuit filter on auction day and internal auction is not initiated at Clearing Corporation , then Close out rate will be for Buyer and Short Seller 20% ( High price of T day and Auction day ) or as prescribed by Exchange / Clearing Corporation from time to time .

### **Compulsory Close Out of securities under Corporate Action.**

In Cases of securities having corporate actions, all cases of short delivery by Clients on cum corporate action transactions which cannot be auctioned on cum basis would be compulsory closed out at higher of 20% above the highest traded price of T day or as prescribed by Exchange / Clearing Corporations from time to time.

Accordingly, if a client fails to give the delivery of the securities sold having corporate action which, if resulted into internal shortage such client will be debited for the transaction at the rates prescribed above. Similarly, if NBSPL is unable to give the delivery of the securities bought by any client due to Internal Shortage, such client will receive the credit for the transaction at the rates prescribed above.

Team Compliance

Nirmal Bang Securities Private Limited.