

INTERNAL SHORTAGE POLICY

Shortages in obligations arising out of internal netting of trades:

NKB Securities shall have the right to adopt a policy of its choice for internal auctions arising out of internal netting of trades and charge to defaulter seller and compensate the impacted purchaser as per the policy. The current procedure for Internal auction is displayed on the website, which may be amended from time to time with prospective effect after publishing the same on the corporate website.

The client hereby agrees that if he/she/it has short delivered any securities against his/her/its pay-in – obligation which resulted into internal shortage, i.e. buy position of another client of NKB Securities, self Auction of Internal short scrip will be carried out by NKB Securities

Internal Shortage in NSE :

In case of internal shortage of security in NSE, the securities will be bought in the open market by NKB Securities in NSE on T+2 day or on settlement day. The seller client will be debited at sale rate or at the rate at which stock bought by NKB Securities in the open market, whichever is higher. Securities payout will be passed on to the Buyer. The profit, arising on account of buy rate lower than the sell rate, the benefit, if any, will be passed on to buyer.

In case of or any other reason whatsoever, if NKB Securities is unable to buy such quality in NSE as the case may be the outstanding security pay-in obligation of the seller client shall be closed out at the rate of the closing rate of T+3 or on the next settlement day plus penalty calculated as below. The buyer client will be credited at same closing rate at which seller client was debited.

Shortage From Exchange :

In case of short delivery from the exchange, the securities shall be delivered to the purchaser on the deliveries received from the exchange.

For NKB Securities

Narendra Bhattad
(Authorized Signatory)

Risk Management (Policy Document)

- We have installed NOW as a front-end and also use NEAT wherever required. Both these software are provided with controllable risk parameters.
- We have online real-time basis risk management software with well defined parameters installed in our trading system provided by outside vendor who has provided similar software and proven functioning of the same.
- The risk parameters are the very well defined by the Managing Partner and the risk management team sitting at Head Office. The executive personnel do not have any authority to change any risk parameters defined and instructed to them and installed on the software.
- Further, the trade surveillance and monitoring of trading activities of different constituents connected to our main server is being viewed on continuous basis and alerts, warnings are sent to the erring constituents immediately and corrective actions are taken instantly.
- Further, strict monitoring and follow-ups is being kept on all the branches after day end reports and any warnings or correction in security parameters on the risk management software is required with specific branch or a client is taken before day end.
- Further, the analysis of trading activity of major clients is being regularly done to ensure that no risk of bad debts or faulty activity is carried out by any constituents.

For NKB Securities

Narendra Bhattad
(Authorized Signatory)