

# PROSPERA FINSTOCKS PRIVATE LIMITED

## POLICY ON INTERNAL SHORTAGE

### Purpose

PROSPERA FINSTOCKS PRIVATE LIMITED shall have followed the policy for internal auction arising out of pay in shortage by a client against the purchase by other client and charge to defaulter seller and compensate the impacted purchaser. Proper communication to be provided to clients that they should not sale securities purchased on previous trading day before getting delivery of the securities from the exchange because sold stocks if purchased on previous trading day and received short from the exchange it goes to auction and the client's account is debited on account of auction.

### Policy on short delivery/action:

PROSPERA FINSTOCKS PRIVATE LIMITED 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 our website, which may be amended from time to time with prospective effect after publishing the same on the corporate website and where shares are to be delivered by a seller before his pay-in obligation and he did not deliver the same till a pay-in day then either the auction takes place in exchange itself or if the delivery is client to client, then such client shall be debited for such short delivery at "valuation price or the average of auction rate", whichever is higher. This is as per the NSE rules & regulations. On the other hand, the buyer client shall be credited with the same amount as is mentioned above.

Further note that in case if delivery is client to client and no auction price is available at any particular instance, the above-mentioned debit/credit shall take at closing price on the auction day plus 5% (For F&O stocks)/10% (For non F&O Stocks) & trading day to auction day high price whichever is higher. This circular is being issued as a token of further clarification. The buyer-client shall be intimated of such shortage of delivery on or before the auction date. Therefore, it is being clarified that in such cases, the buyer-client will not receive delivery of securities; instead he will get credit as explained in above para's

In case the buyer-client requires delivery of the said shares, he is advised to buy the same next day from the market suo moto. Further, brokerage as applicable will be charged.

In case of any subsequent changes in the provisions of the SEBI Act and its Rules, which makes any of the provisions in the policy inconsistent with the provision of law, the provisions of the Act or Rules would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

**Policy last reviewed on April 30, 2026**

**VER 2.0**

For Prospera Finstocks Pvt. Ltd.

Mr. Shubham Jain  
Director