

## SETTLEMENT OF FUNDS AND SECURITIES POLICY

### A. Preface:

- i. As per the SEBI guidelines vide circular number MIRSD/SE/SIR-19/2009 dated 3<sup>rd</sup> December, 2009 and subsequent circulars issued by the National Stock Exchange and more particularly circular number NSE/INSP/24849 dated 29<sup>th</sup> October, 2013.
- ii. It applies to all the clients who have given Running Account Authorization and there by not obtained for bill – to – bill settlement.

### B. Obtaining Settlement preferences from client:

- i. From new clients settlement preferences of funds and securities shall be obtained at the time of registration.
- ii. From existing clients a running account authorization along with settlement preference shall be obtained before activation or placement of trades.
- iii. Two options of settlement shall be allowed i) Monthly and ii) Quarterly. Clients has to give his preference, in case of no preference by the client it will be construed quarterly
- iv. The running account authorization letter forming a part of voluntary document of client registration, only those clients who have signed running account authorization will be executed.

### C. Modification of Client Preferences

- i. A client may revoke the running account authorization and can change his settlement preference by giving in writing.
- ii. Until the revocation of Running Account Authorisation, the statement of funds and securities shall disclose by note that “Running Account Authorisation is obtained and can be revoked at any time”

### D. Periodicity of settlement:

- i. All active clients need to be settled once in every calender quarter or month as per their preference.
- ii. Settlement for a period lower then opted from client is not allowed.

#### **E. Manner and amount of settlement:**

- i. Settlement of both, fund and securities shall be done on a same day.
- ii. Settlement of fund and securities shall be done on any day of respective quarter March, June, September, December and or on the last day of month or quarter.
- iii. End Of the Day clear balance across all segment and all exchanges shall be considered for settlement.
- iv. As per SEBI Circular clients having outstanding obligation on the settlement date we may retain requisite securities or funds towards such obligation and may also retain the funds expected to be required to meet margin obligation for next 5 trading days calculated in the manner specified by the exchange.
- v. Those clients having debit balances shall be intimated to make payments and clear dues. Those who have credit balance shall be delivered appropriate securities.
- vi. For the cash market we may retain entire pay – in obligation of funds and securities due from clients as on settlement date.
- vii. In respect of Derivative Market transactions, apart from the margin liability as on the date of settlement, the Member may retain additional margin requirement of maximum up to 125 % of margin requirement on the day of settlement to take care of any margin obligation arising in next 5 days.
- viii. At the time of computing the securities value the closing rate for the trade date prior to the settlement date (T +1) should be considered after appropriate hair – cut shall be taken
- ix. In case of settlement done on trading holiday(s), T day to be considered for margin/turnover, etc, would be previous trading day.

#### **F. Statement of Funds and Securities Settlement**

- i. On settlement following should be dispatched electronically to the clients immediately:
  - a. Statement of Funds showing extract of ledger.
  - b. Statement of Securities showing extract of all receipts and payment of Securities during the period.
  - c. Statement showing calculation of retention in format prescribed by SEBI / Exchange.
- ii. Statement should contain details as required by relevant SEBI and Exchange circular.

**G. Settlement of Funds are not applicable to the under mentioned categories:**

1. Institutional Clients
2. Those are availing services of portfolio manger
3. Clients settling trades through custodian
4. Accounts freezed due to non payment on legal reasons
5. Clients availing margin trading facility (To the extent of funds / securities relating to margin trading facility used by clients)
6. Margin received in form of Bank Guarantee and/or Fixed Deposit Receipts from clients.
7. As per NSE circular No. NSE/INSP/22849 and BSE Notice No. 20131029-15 dated 29<sup>th</sup> October 2013, clients having aggregate net amount for settlement upto Rs. 10,000 /- (Rs. Ten Thousand) may not be settled subject to written confirmation from client