



## **RUDRA SHARES & STOCK BROKERS LIMITED**

### ***Client Account Settlement Policy***

The accounts of the clients will be settled in accordance with the rules, regulations and guidelines issued from time to time by SEBI and Exchanges.

According to SEBI's Monthly/Quarterly Settlement in Trading Account Policy dated 27th July 2022, the broker must refund unutilized funds to the client's bank account on a monthly/quarterly basis, based on the client's preferred frequency (either quarterly or monthly).

w.e.f. January 2024, the settlement of unutilized funds will take place on the first Friday and/or Saturday of every month (if client has chosen monthly settlement) or on the first Saturday of January, April, July, and October (if client has opted for quarterly settlement).

As per the circular effective from October 2022, below are the main points of SEBI's guidelines:

1. If the balance of Client trading account is more than zero on the day of settlement, then the whole amount will be transferred to Client bank account.
2. If a client has an open trade position on the day that the running account of funds is supposed to be settled, the Rudra may retain funds in the following ways:
  - o The total amount of funds that need to be paid at the end of the day to settle the running account for T-day and T-1 day.
  - o Margin liability on the day of running account settlement in all segments and extra margins (up to 125% of total margin liability on the day of settlement). The margin liability shall include the end-of-day margin requirement minus the MTM and pay-in obligation; as a result, the Rudra may keep 225% of the overall margin liability across all exchange segments.
  - o Prior to making any adjustments to client funds, the Rudra will first make any necessary adjustments to the value of securities (after applying appropriate haircut) approved as collateral from the clients by way of a 'margin pledge' generated in the Depository system for the purpose of margin and the value of commodities (after applying appropriate haircut).
  - o After the 225% margin rule is applied, if Client trading account has a credit balance, the Rudra will have to send that money back to Client bank account.
3. Based on the above calculation, funds are transferred through electronic mode through NEFT / RTGS etc. to client's bank account.
4. If a client has a positive credit balance and hasn't bought or sold anything in the 30 calendar days since their last transaction, the Rudra must return the credit balance to the

client within the next three business days, no matter when the running account was last settled, as per SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2021/577 dated June 16, 2021.

The settlement of funds shall be done within 24 hours (1 working day) of the payout, unless specifically authorized by client to maintain running account subject to the following conditions:

- > The authorisation shall be dated and shall contain a clause that the clients may revoke the authorisation at any time. The stock brokers, while sending periodical statement of accounts to the clients, shall mention therein that their running account authorisation would continue until it is revoked by the clients.
- > Authorization shall be signed by the client only & not by any POA holder.
- > Actual settlement of funds shall be done at least once in a calendar quarter or month depending on preference of the client.

\*Client Trading Account opened during the quarter may not be settled.

\*Accounts freezed/disabled due to any reason may not be settled.

#### **PROCESS OF ACTUAL SETTLEMENT OF FUNDS -**

- While settling the account, Rudra shall send to the client a 'statement of accounts' containing an extract from the client ledger for funds displaying all receipts/deliveries of funds. The statement shall also explain the retention of funds and, if any.
- The client shall bring to notice any dispute within 7 working days from the date of receipt of funds statement.
- No inter-client adjustment for the purpose of settlement of the “running account”.

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