

POLICY AND PROCEDURE FOR SETTLEMENT OF RUNNING ACCOUNT

Policy on Settlement of Funds & Securities SEBI has issued circular wherein specified quarterly/monthly settlement of Running accounts of clients with a new set of compliances for stock brokers to instill greater transparency and discipline in the dealings between the clients and the stock brokers.

Accordingly, the actual settlement of funds shall be done by the member at least once in a calendar quarter or month, depending on the mandate of the client and the gap of between two running account settlements should not exceed 90 or 30 calendar days respectively. Suresh Rathi Securities Private Limited has obtained “Running Account Authorisation letter” wherein client specifically agrees to maintain his account on a running account basis i.e., monthly or quarterly settlement basis.

As per new SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2022/101, effective from Oct 2022 to Dec 2022 quarter, all Stock Brokers across exchange and segment needs to do settlement of funds of all their client on First Friday of every calendar quarter. The settlement happens on the first Friday of the quarter i.e., the first Friday of January 2023, April 2023, July 2023 and so on. If the first Friday is a trading holiday, the settlement will happen on the previous trading day. If the settlement of funds with a broker is monthly, the settlement date will be the first Friday of the month.

Thereby, Suresh Rathi Securities Private Limited conducts ensure settlement of funds of clients as per SEBI norms due to its clients in routine course of business in a timely manner. Suresh Rathi Securities Private Limited has an obligation to done Actual settlement of fund & securities on their preference i.e., monthly or quarterly basis.

The Policy laid down appropriate procedures to settle the obligation of funds and securities of the client on a timely basis as mandated by the client to establish highest standards of ethical and market practice. Process of Actual Settlement of Funds & Securities

Settlement of Funds: - Settlement of funds is done keeping in view the following points: -

- a) In case of debit on the date of settlement, payout will not be given to the client;
- b) In case of credit balance on the date of settlement with no future debit/credit balances in clients' ledger, net credit amount on the date of settlement will be transferred to client;
- c) Date of settlement, we consider ledger balance of client on T-1 day and accordingly, margin obligation of T-1 day for purpose of settlement of the client accounts then net credit balance (after adjusting retainable margin) will be transferred to client.
- d) If the credit amount is not substantial enough to cover future debit then payout will not be released.

In the above settlement process, Suresh Rathi Securities Private Limited will settle the fund considering across the segments and across the stock exchange for its clients.

We do not settle client securities as there is no requirement to settle client securities places as margin pledge however, we do release client securities on request of client.

In the above settlement process, Suresh Rathi Securities Private Limited will settle the fund of client considering across the segments and across stock exchange for its clients.

The new rules (clause5.4) of the circular now require us to payout credit balance for the clients, who have not executed any trades in their account for the last 30 days irrespective of the last settlement date. We will have to mandatorily transfer back the funds from the client's ledger account to his bank account within next 3 days. This is irrespective of the fact that the client may have opted for a quarterly or monthly settlement of his running account.

Suresh Rathi Securities Private Limited will send statement of accounts for funds & securities along with mentioning retention of funds & securities to the clients just after doing actual quarterly settlement of account. In case a client has not traded during the quarter / month and the trading member does not hold any funds or securities for the client at any point of time during the quarter / month for which settlement needs to be done, then the member may not issue statement of account to the client.

No inter client adjustment can be done for settling client accounts.

For Suresh Rathi Securities Private Limited