

Policy for Actual Settlement of funds

Quarterly Settlement of Funds & Securities policy introduced by the Securities and Exchange Board of India (SEBI) in 2009. According to this policy, the broker needs to transfer unutilized funds to the client's bank account on a monthly/quarterly basis. This initiative by SEBI ensures higher security of client's funds and securities. w.e.f. January 2024, the settlement of unutilized funds will take place on the **first Friday and/or Saturday** of every month (if you have chosen monthly settlement) or on the first Saturday of January, April, July, and October (if you have opted for quarterly settlement).

Balances need to be considered while settling funds of clients

While carrying out the settlement of funds, EOD balance of funds and securities of clients across all segments of the Exchange on the date of settlement shall be considered.

Value of funds and securities that can be retained at the time of settlement

In case of clients having outstanding obligations on the date of settlement, we shall retain following funds and securities balances:-

- i. entire pay-in obligation of funds & securities outstanding at the end of day on date of settlement
- ii. funds / securities to the extent of value of transactions executed on the day of such settlement in the capital market
- iii. If your trading account balance is more than zero on the date of settlement and no transaction (trading activity) in 30 days, then the funds will be released out in a monthly settlement period.
- iv. If you are having any margin requirement on the settlement date, Adroit will block an additional 125% (Total 225% = 100%+125%) margin against holdings (pledged securities). After that if there is any shortfall in the margin, then funds will be retained, and any excess funds will be reversed to your account.
- v. All accrual charges/debit charges will be retained, and funds will be credited to your account after deduction
- vi. Excess pledged securities if any will not be released.

For all the running clients, value of securities to be retained shall be computed after applying applicable haircut as per VAR, however in case there is a debit balance in the client's ledger across all segments at the time of settlement, flat 50% after haircut shall be applicable for computing the securities to be retained.

While computing the value of securities, the closing rate for the trade date prior to the

Settlement date (T-1 day) should be considered after appropriate hair-cut viz. VaR margin rate applicable for the security in the Capital Market segment

No inter client adjustment can be done for the purpose of settling client accounts.

Further, Margin received in the form of Bank Guarantees and Fixed Deposit Receipts which are created by clients need not be settled.

Documents to be sent at the time of settlement

- i. Statement of retention in the format prescribed by the Exchange
- ii. Statement of account for funds
- iii. Statement of account of Securities (Register of Securities)

Above documents may be sent in Soft / Physical form as consented by the client and POD / dispatch register / logs of email sent shall be retained for records.