

POLICY FOR SETTLEMENT OF FUNDS

TRUSTLINE SECURITIES LIMITED

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.

Clients has provided their "Running Account Authorisation letter" wherein specifically agrees to maintain his account on a running account basis i.e. monthly or quarterly settlement basis. Thereby, Trustline has an obligation to do Actual settlement of fund on their preference i.e. monthly or quarterly basis.

Trustline conducts its business to ensure the obligations of actual fund, as per SEBI, due to its client's in routine course of business in a timely manner. 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.

1 The settlement of running account of funds of the client shall be done after considering the End of the day (EOD) obligation of funds as on the date of settlement across all the Exchanges.

2. 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.

3. However, the funds shall be transferred back to the primary bank account of the client, if the client remains inactive for 30 calendar days, within the next 3 days on completion of 30 days of nil activity in the clients' account.

Process of Settlement of running account of funds:

1. In case of debit on the date of settlement, no amount is due as payable & payout will not be given to the client;
2. Client who don't have any outstanding trade position on the day on which settlement of running account of funds is scheduled, full clear fund balance shall be transferred back to the primary bank account of the client.
3. Client who are having any outstanding trade position, on the day on which settlement of running account of funds is scheduled, funds as calculated in the manner specified below shall be retained and excess balance, if any, shall be transferred back to the primary bank account of the client:

- i. Entire pay-in obligation of funds outstanding at the end of day on date of settlement, across all segments.
 - ii. Margin liability as on the date of settlement of running account, in all segments and additional margins of maximum up to 125% of total margin liability on the day of settlement. The margin liability shall include the end of the day margin requirement excluding the margin on consolidated crystallized obligation/ MTM; therefore, upto 225% of the total margin liability in all the segments across exchanges shall be retained, as computed in below manner:
 - a. 50% of end of the day (EOD) margin requirement shall be retained as cash margin, excluding the margin on consolidated crystallized obligation/ MTM.
 - b. Apart from 50% cash margin mentioned in point (a) above, 225% of EOD margin (which includes additional 125% margin) reduced by 50% cash margin and the value of securities (after applying appropriate haircut) shall also be retained
 - iii. The margin liability may also include the margin collected by the Member from their clients as per the risk management policy and informed to the clients.
4. Any Excess securities, in the form of margin pledge / re-pledge, after adjustment of the 225% of the margin liability need not be unpledged for the purpose of periodic settlement.

Mode of transfer of funds, for the purpose of settlement of Running account of funds

1. For the purpose of settlement of funds, the mode of transfer of funds shall be by way of electronic funds transfer viz., through National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc.
2. A physical payment instrument (cheque etc), can be issued only in cases where electronic payment instructions have failed or have been rejected by the bank.
3. Further, in case of failure of electronic payment instructions due to incorrect bank account details, client shall be requested to get his correct bank details updated in our records.

Issuance of retention statement

A 'statement of accounts' containing an extract from the client ledger for funds, an extract from the register of securities/commodities displaying all receipts and deliveries of securities/commodities and a statement explaining the retention of funds/commodities shall be sent to client within 5 days from the date of settlement.

The periodic settlement as per the above-mentioned rules shall not be required to be done in the following cases:

- a) Clients settling trades through "custodians."
- b) Margin received in the form of Bank Guarantees and Fixed Deposit Receipts, which are created by clients.
- c) Clearing members who are clearing trades of custodial participants/ trading members

d) Cheques received from the clients and credited in the respective client ledger but uncleared on settlement date.

e) In the case of new clients, no settlement would be required in the month/quarter in which funds are received by the Member for the first time. However, if the client is having credit balance, and has not done any transaction in the 30 calendar days since the last transaction, the credit balance shall be returned to the client, within next three working days.

Review Policy

This policy may be reviewed by Compliance Officer / RMS Head / Authorized Personnel, in case any changes are introduced by any statutory authority or as and when it is found necessary to change on account of business needs.

This policy is reviewed on 03/11/2022

13. Policy communication

A copy of this policy shall be made available to all the relevant staff/persons such as Compliance officer/department in-charge, authorized persons and shall be displayed on the website of the company under the link <https://www.trustline.in/downloads> .

14. Applicability:

This policy shall be applicable to all the client(s) registered with Trustline Securities Ltd.

15. Disclaimer Note:

Strictly Confidential - For Internal Communication / Dissemination purposes only.

Unintended recipients of this document are prohibited from disseminating, distributing, copying or using its contents. They should immediately destroy or notify the sender at 0120-41663300 or email at compliance@trustline.in.

We shall not be liable for any loss / damage caused by the usage of its content.

For Trustline Group

Authorised Signatory
