

Dear Esteemed Client/Dear A. P.

Subject: Our Policy and Implementation process for SEBI Circular No. 75 dated 20-06- 2019 and NSE and BSE FAQ dated 04-09-2019 issued in respect of Handling of Client Securities

- (1) Pay out of trades done on 27-09-2019 and thereafter will be received in our NSDL Pool Account. Fully paid securities of Clients will be transferred to their respective demat accounts and unpaid securities in respect of debit balances of Clients will be transferred (within one day) to the newly opened "Client Unpaid Securities Account" (hereinafter referred to as CUSA)".
- (2) Securities transferred to CUSA will either be transferred to demat account of Client upon fulfillment of funds obligation by Client or will be disposed off within or on fifth trading day after date of pay out. Bill in respect of sell transaction/s of Unpaid Securities will be posted in financial ledger of the respective Client. Profit /Loss for sell transactions of unpaid securities, if any, shall be payable to/recovered from the respective Client.
- (3) Margin receivable from Client for any segment cannot be transferred either from Pool Account or from CUSA. This margin should come by way of pledging securities in Client's Demat Account in favour of CLIENT SECURITIES MARGIN PLEDGE ACCOUNT of Prabhat Financial Services Limited.
- (4) Client securities lying in CUSA can be considered for giving benefit of margin for any segment. However, while computing margin obligation of Client for F&O and Currency Derivatives segment, after applying applicable haircut, value of Client's CUSA securities and pledged securities will be reduced to the extent of debit balance in Client's financial ledger. Client doing Derivatives trading will have to be more careful about availability of sufficient margin.
- (5) Transfer from PFSL Pool account to Client's Demat account or to CUSA is free of cost. However, NSDL /CDSL will charge per ISIN for transfer made from CUSA to Client's Demat account upon receipt of funds or to PFSL Pool account to dispose off Client's unpaid Securities. Therefore, Client will be liable to pay Demat Charges per ISIN for securities to be moved out of CUSA on Client's behalf.
- (6) Client who has not registered POA in favour of PFSL will have to be vigilant to submit delivery instruction slip as when sell transaction is executed. Trading Member (PFSL) cannot keep Clients' securities in its Pool Account for more than 24 hours. Trading Member is required to transfer securities from Pool Account to Clients' Demat Accounts in respect of clients having credit balances or is required to transfer client securities to CUSA in respect of clients having debit balances .
- (7) Stock Broker can retain full value of securities till 5<sup>th</sup> trading day from date of pay out in respect of debit balance Client. However, securities to the extent of amount receivable from Client will be disposed off within five trading days from pay - out date and remaining securities will be transferred to Client's Demat Account.
- (8) We shall follow the FIFO (First in & First Out) policy while disposing off Clients' Securities lying in CUSA. However, process and method adopted to dispose of the unpaid securities will be at sole discretion of Prabhat Financial Services Limited. Client will be fully responsible to pay amount of loss, if any , towards sale of Client's unpaid securities.
- (9) We shall initiates the liquidation process of Client's unpaid securities within or on 5<sup>th</sup> trading day from the date of pay out, if client fails to pay funds towards debit balance. Client's cheque received and cleared within five trading days will only be considered. It will be responsibility of the Client to make pay in of funds on time.
- (10) Clients will not be allowed to take further exposure beyond 5<sup>th</sup> trading day reckoned from the pay - out day, till the entire debit balance is not realized by way of receipt of clear funds or by way of realized pay out as a result of liquidation of Unpaid Securities.
- (11) Client cannot buy same securities on same day which have been sold from CUSA. For

For Prabhat Financial Services Limited

  
Director



Place: Jaipur Date: December 23, 2020