

POLICY FOR DEALING WITH FUNDS OF CLIENTS TO WHOM PAYMENT COULD NOT BE MADE

1. Preamble

- Arham Share Private Limited is required to frame policy to deal with funds of the clients to whom funds cannot be paid cannot be transferred to within timeline stipulated by SEBI and Exchanges through various circular from time to time. Accordingly, this policy is framed.

2. Objective

- SEBI had prescribed that the Stock Brokers whose clients have given authorization for maintaining running account with the Stock Brokers, the Stock Broker is required to settle client's funds once at least 90 days or 30 days as per the policy.
- SEBI has also prescribed that if a client having credit balance since last 30 days and has not executed any trades or does not have open position, the fund balance in such client's ledger account must be paid out to respective client within 3 days after expiry of 30 days from last trade date.
- Further according to SEBI, payment of funds to the client must be made by electronic fund transfer i.e. NEFT/RTGS.
- As prescribed that in circumstance of rejection of payment instruction for funds pay out to client through electronic fund transfer on account of inadequate or incorrect bank details of the client as available with the Stock Broker as part of KYC process and the client has failed to get the same rectified, credit balance in the ledger account of such clients shall be transferred by the Stock Broker to the Upstream account. The Stock Broker will also have to provide details of such balances transferred to upstream accounts. The stock broker also required to report such case through segregation reporting. The Stock Broker is also required to communicate to the client to update bank details.

3. Policy

In order to implement the above objectives, the following policy is framed:

- Upon rejection of NEFT instruction for payment of funds to client's bank account, the accounts team handling funds payout shall send the details of such rejected instructions to the compliance team with reason mentioned by the bank for rejection of NEFT/RTGS.
- The compliance team shall send the details to the DP-KYC team, who will send email as per annexure-1 (requesting details of client's bank account) to the client, relationship manager or authorised person respectively.
- The compliance team shall request account department to transfer the funds for which NEFT/RTGS instructions were rejected to "upstream Account" as per SEBI circular. Compliance team shall also maintain detailed list of such clients and share with DP/KYC department and accounts department with details of such clients payment instructions to whose bank account have failed.
- The compliance team shall also ask DP/KYC team to block further trading by such clients till the bank details are updated.
- As and when the client updates its bank detail with DP-KYC department, they shall inform to compliance team and also update the list with date of updating bank account by the client.
- The compliance team shall ask accounts team to settle the funds belonging to such client who has now updated bank details with DP/KYC department.
- Compliance team shall maintain updated and reconciled data in respect of such client's funds.

Arham Share Private Limited

Corporate Office: U-8, Jolly Plaza, Athwagate, Surat – 395001.

T: 0261-6794000 | Email: contact@arhamshare.com | Website: www.arhamshare.com

Annexure-1

Subject: - Client Code <UCC> Funds Pay-out of your credit balance of Rs. <Amount> Fund transfer instruction failed- Request for remedial action.

Dear Sir/madam,

Greetings from Arham Share!

We are writing this in respect to Quarterly settlement attempt made for the above mentioned trading account that you hold with us for the quarter ended June-2024.

However the settlement of the funds payable to you by NEFT/RTGS, was rejected by the banking system with remark <REJECTION REASON>.

In view of SEBI circular requiring us to transfer funds of the clients to whom payment cannot be made by NEFT or RTGS, we are taking following steps:

1. These funds will be transferred to "Upstream Account"
2. Your Trading Account will be suspended and further orders will not be accepted in future till the updated bank details are made available to us.

You are requested to update your bank details through either of the following modes.

1. Online mode :

You can update your bank details by accessing our portal from following link"

<https://web.arhamshare.com> > my profile > Bank> modification> Add new bank particulars> Verify.

2. Offline Mode: -

You shall be required to submit duly signed modification form along with self-attested bank proof to our operation address: Arham Share Private limited, DP Department, 601-606, Central Business Hub, Parle Point, Surat – 395007- Gujarat. Also submit following documents along with form:

- Cancelled cheque with your name pre-printed, if the cancelled cheque does not have your name pre-printed, kindly submit self-certified copy of your passbook/bank statement containing the name of bank, branch address, banks logo, your name and address, account number, MICR Code and IFSC Code.
- Self-certified PAN Card.

After successfully updating your bank details, you are requested to write to us to DP1@arhamshare.com & compliance@arhamshare.com stating as under:-

Dear Sir,

My Client code is <client code> and name is <name>. Due to inadequate or incorrect bank details, you had not been able to make payment of my credit balance to my bank account through electronic fund transfer. You had transferred funds to the credit of my ledger account to "Upstream Account" as per SEBI directives. I have updated my bank details with you now.

You are requested to transfer my funds deposited in upstream account to my ledger account and make payment to me. You are also requested to unblock my trading account so that I can execute further trades.

Yours faithfully,

For, Arham Share
Enclosure: - Modification form

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