KUNVARJI
SINCE 1960
Driven By Knowledge

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

1. Preamble

Kunvarji Finstock Pvt. Ltd. Is required to frame policy to deal with funds and securities of the clients to whom funds cannot be paid/ securities 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

1. Since KFPL does not accept securities from the clients by way of title transfer for collateral to meet margin obligation since implementation of pledge and re-pledged mechanism, the requirement for defining process for dealing with securities of the client which cannot be transferred to clients demat account is no longer there.
2. 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 choice of the client.
3. 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 in derivative segment, 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.
4. SEBI has further prescribed that, payment of funds to the client must be made by electronic fund transfer i.e. NEFT/RTGS.
5. It has also been prescribed that in case 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 designated suspense Bank account specially maintained for the purpose. The Stock Broker will also have to provide details of such balances transferred to suspense bank account to the Stock Exchanges along with submission of daily cash and cash equivalent balances to Exchanges. 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.

1. Upon rejection of NEFT instruction for payment of funds to clients 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.
2. The compliance team shall send the details to the customer care department who will send email as per annexure-1 to the respective client with copy marked to respective relationship manager or authorised person as well as to legal@kunvarji.com, legal2@kunvarji.com, KYC@kunvarji.com and collection@kunvarji.com requesting client to update respective client's bank details.
3. The compliance team shall request account department to transfer the funds for which NEFT/RTGS instructions were rejected to "Unclaimed/Unsettled Client Funds Bank Account". Compliance team shall also maintain an excel sheet shared with collection department, KYC department and accounts department with details of such clients payment instructions to whose bank account have failed.
4. The compliance team shall also ask KYC team to block further trading by such clients till the bank details are updated.
5. As and when the client updates its bank detail with KYC department, KYC department shall inform to compliance team at legal@kunvarji.com and legal2@kunvarji.com, and also update the sheet with date of updation bank account by the client.
6. The compliance team shall ask accounts team to transfer funds belonging to such client who has now updated bank details with KYC department which are deposited in "Unclaimed/Unsettled Client Funds Bank Account" to client bank account.
7. Compliance team shall maintain updated and reconciled data in respect of such client's funds.

Annexure-1

Subject:- **Client Code-_______- Name_____________- Funds Pay-out of your credit balance of Rs._________/- - Fund transfer instruction failed- Request for remedial action**

Dear Sir,

Greetings from Kunvarji!!!

When we tried to remit the funds payable to you by NEFT/RTGS, the instruction was rejected by banking system with NEFT/RTGS instruction rejection remark "_____________".

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 are transferred to "Unclaimed/Unsettled Client Funds Bank Account"
2. Your Trading Account is blocked 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

   www.kunvarjiwealth.com>>> UTILITIES

   In drop down menu will open. Select "MODIFICATION"

   A screen will open.

   Click on "Select Status".

   A drop-down menu will open containing 4 options.

   Choose bank details.

   Complete the verification by putting in client id and PAN No.

   Go through the process as guided by the portal.

2. Offline Mode: - You may submit modification form (Soft Copy Attached) in hard copy duly signed by you with your updated bank details duly filled up. The modification form with cancelled cheque with your name pre-printed should be submitted to our KYC Department.

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.

Along with the modification form, kindly submit self-certified copy of your PAN Card.

After successfully updating your bank details, you are requested to write to us at collection@kunvarji.com marking CC to legal@kunvarji.com and legal2@kunvarji.com stating as under:-

Dear Sir,

My Client code is_________and name is___________.

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 “Unclaimed/Unsettled Client Funds Bank Account” as per SEBI directives.

I have updated my bank details with you now.

You are requested to transfer my funds deposited in suspense 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, Kunvarji Finstock Pvt. Ltd.

Enclosure: - Modification form