



**Northeast Broking
Services Limited**

POLICY FOR SEGREGATION OF FUNDS AND SECURITIES OF CLIENTS :

System of pay in and pay out of funds from / to clients:

- Pay in and pay out of the clients funds are made as per the rules & regulations of the exchange.
- We shall monitor the pay-in/payout figures & manage the fund accordingly to ensure that client funds/collaterals are not used for any purposes other than meeting the respective client's margin requirements / pay-ins
- We shall maintain separate Client Bank account, Settlement Bank account, Separate Client Beneficiary, Exchange dues account and own account; wherein the client funds and securities are deposited in the respective client accounts only.
- Separate Own Beneficiary Account are maintained.
- At the time of client payout on the settlement day; the creditors are being paid as per the settlement cycle and until Creditors instruct to hold the amount or adjust the same for margin obligation or for some buying opportunity. In case if the client have a debit balance then the shares are transferred to their Beneficiary account.
- In case of proprietary transaction; separate own account is maintained which is distinguish from the client bank and client beneficiary account. In terms of shares and Funds pay-in and pay-out the required shares and funds are been transferred from Own to pool account and Client Bank account respectively.
- In no circumstances the shares of one client is used for meeting the others clients Payin or Margin obligation.
- The funds are collected / received from the client registered bank accounts & no fund received from any other third party accounts.
- We do not have any practice to transfer the funds to any third party.
- Client's funds/collaterals shall not to be used for any other purpose than meeting the respective client's margin requirements/pay-ins.
- If we collect the margin amount from clients than same we are crediting in clients ledger. We ensure that client collateral is not used for any purposes other than meeting the client's margin requirements / pay-ins. We maintain records to ensure proper audit trail of use of client collateral.
- Funds of Client having credit balance shall not be used for funding of the Client having debit balance and Client having funds/collaterals shall not be used as margin for proprietary trade.

- We do not have any policy to accept / transfer funds to any third party. In case if we received from a third party then the same is returned back to the same Bank account. Further, if the receipt is from the client another bank accounts, then proof for the same is collected from client and back office details are updated with new records.
- Daily bank balance of client & settlement accounts and balance in clearing member account will be verified on daily basis.
- We collect and release fund through approved banking channels i.e. Accounts payee cheque, NEFT or RTGS Only. Proper audit trail should be maintained while receiving fund from clients.

Securities:

- In the case of securities we only receive and give delivery of securities in “demat mode” should be directly to / from the “beneficiary accounts” of the clients except delivery of securities to a recognized entity under the approved scheme of the stock exchange and / or SEBI.
- Client securities should be segregated from our own securities. Client’s securities are not appropriated to meet our own obligations.
- In case of sale of securities, delivers are received from clients in the pool accounts intimated to the clients on T Days/T+1/T+2 Day.
- We have also received POA for pay-in only from clients to maintain shares on their behalf to avoid trouble of pay-in on daily basis. Proper records for securities received/given to the clients are maintained.
- In case of pay-out of shares, after verifying all the due fund are received, shares are transferred to client registered demat account on pay-out date. Otherwise the same are transfer to client unpaid securities demat account.
- We reconcile our pool, principle, & CUSA / Client margin pledge demat account on daily basis.
- All shares lying in the client margin accounts are segregated segment wise & client wise through our back office software & same is maintained in back office software. Proper segregation are maintained for client and own securities.
- We have also subscribed the NSDL speed-e & CDSL easiest facility to monitor online activity of pool and other accounts.
- We have system where control to check that client’s securities are not mis-utilised for own purpose or for any other client is done.¹
- We do not have any policy to accept / transfer securities to any third party. In case if we received from a third party then the same is returned back to the same DP ID. Further, if the receipt is from the client another demat accounts, then proof for the same is called from client and back office details are updated with new records.