

# **SAROJ SECURITIES**

309 KAN CHAMBER, 14/113 CIVIL LINES, KANPUR – 208 001

Member: The National Stock Exchange of India Ltd.

SEBI Regn No: INZ 000224427

## **Handling of Client Securitties**

### **Receipts of Securities (Shares sold by Clients ) from clients:**

Receipt of deliveries against sale or margins from the clients will be accepted only from the registered demat accounts of the clients and any deliveries received other than registered client demat accounts shall be returned to the demat accounts from where such deliveries have been received.

### **Delivery of Securities (Shares purchased by Clients ) to clients:**

Delivery of securities against purchase or margins to the clients will be made only to the registered demat accounts of the clients subject to proper financial balance in the client ledger.

No retention of Clients securities purchased shall be permitted after 30.09.2019 . **the securities of the clients would not be retained in Trading member beneficiary account /Collateral account /Margin account .**

- Where the client has not paid for the securities purchased in full (unpaid securities) should be transferred to a separate client account titled as “Client Unpaid Securities Account”.
- The securities kept in “Client Unpaid Securities Account” shall either be transferred to client demat account upon fulfillment of clients obligation or it should be disposed off in the market by the member within T+5 days reckoned from the settlement date.
- Client securities should not be kept in “Client Unpaid Securities Account” beyond seven trading days from the date of settlement. In case of non-transfer of securities penalties will be levied by the depositories.
- Securities purchased under Margin Trading Facility, has to be kept in a separate account titled as “Client Margin Trading Securities Account”.
- Client securities received as collateral shall be used only for meeting the respective client’s margin requirement by way of depositing the same with Stock Exchange/Clearing Corporation/ Clearing House.

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- Client Securities lying in “Client Collateral Account”, “Client Margin Trading Securities Account”, and “Client Unpaid Securities Account” cannot be pledged to the Banks/ NBFC for raising funds.
- Client Securities already pledged shall either be unpledged and returned to the clients upon fulfillment of pay in obligation by 31.08.2019 or disposed off after giving notice of 5 days to the client.

**With effect from September 01, 2020, TM / CM shall, inter alia , accept collateral from clients in the form of securities, only by way of ‘margin pledge’, created in the Depository system in accordance with Section 12 of the Depositories Act 1996.**

It is clarified that an off-market transfer of securities leads to change in ownership and shall not be treated as pledge.

Transfer of securities to the demat account of the TM / CM for margin purposes i.e. title transfer collateral arrangements ) shall be prohibited. In case, a client has given a power of attorney in favour of a TM / CM, such holding of power of attorney shall not be considered as equivalent to the collection of margin by the TM / CM in respect of securities held in the demat account of the client.

Updated on 01.04.2021