

KUNVARJI COMMODITIES BROKERS PVT. LTD.

POLICY FOR FUNDS BELONGING TO NON TRACEABLE CLIENTS

1. PREAMBLE:

- 1.1. This policy is prepared by Kunvarji Commodities Brokers Pvt. Ltd. with a view to comply with provisions of securities law with respect to funds of non-traceable clients.
- 1.2. The policy shall be subject to change as per directions/circulars from SEBI and Exchanges.
- 1.3. As per the provision of the said circular, the company has opened a client bank account number 00060340031071 with HDFC Bank Ltd. for segregating the funds identified as belonging to non-traceable clients from other client funds.

2. POLICY:

2.1. Identification of funds belonging to non-traceable client

- 2.1.1. Non-traceable client is one whose funds are received and the same could not be credited to his client account on account of the source bank account mentioned in credit entry provided by the bank does not match with the details of pre-registered bank account of any client.
- 2.1.2. Non-traceable clients also include such clients who have credit balance in their ledger account and funds payout could not be made to such clients on account of closure of their pre-registered bank account(s) and the clients

could not be contacted despite best efforts on account of address change, email ID and mobile number change.

2.2. The process for identification of such funds belonging to non-traceable Clients:

2.2.1 In respect of funds credited to suspense account being funds received but the source client account could not be identified.

(A) Every month, the compliance team will identify the funds lying for more than 30 days.

(B) The compliance team will keep excel sheet of such records with it.

(C) The sum total of such credits will be transferred to designated bank account specially maintained for the purpose of deposit of such funds.

2.2.2 In respect of funds lying to the credit of ledger account of clients who are not traceable despite diligent efforts to contact such clients.

(A) At the end of every quarter, the compliance team will identify such creditor clients who have not traded during the quarter and to whom funds payout could not be completed on account of NEFT returned by the client's bank due to reasons like account not existing etc.; and such clients could not be contacted for updating bank details.

(B) The compliance team will ensure to have such funds transferred to designated bank account and will maintain details thereof.

(C) The compliance team will keep the payout team updated with the latest data of such client funds deposited in designated account from time to time.

3. Dealing with request from ultimate beneficiary client for refund/ repayment of such client's funds lying in designated bank account.
 - 3.1 Upon receipt of request for refund of funds lying in suspense account which have been credited to suspense account in the month preceding the previous completed month, such request shall first be forwarded to the compliance team with the following documents viz. request letter or email from the claimant client with proof of payment.
 - 3.2 Upon receipt of such request with the specified documents, the compliance team will verify the authenticity of the claim.
 - 3.3 If the same is found to be genuine, the compliance team will record the payment in its data and instruct payout team to make funds payment to the claimant client.
 - 3.4 In respect of credit balance in the ledger account of non-treacable client deposited in the designated bank account, the following process shall be followed:
 - (A) Upon receipt of request for funds payout from a client whose funds are deposited in designated bank account as per the process vide para 2.2.2, the payout team will first require the client to complete the updation of bank details with KYC department after submitting the required documents.
 - (B) The payout team shall forward the request to the compliance team.
 - (C) The compliance team shall verify the request as well as the updation in bank details of the claimant client and if found appropriate, shall

inform the payout team to pay the funds to the creditor client out of funds held in designated bank account.

(D) The compliance team shall maintain records of such payment.

4. Reconciliation of balance in designated bank account:

(A) The compliance team shall reconcile the balance in the designated bank account with the data it has maintained within 7 days after end of month.

(B) Such reconciliation shall be maintained and be made available to Exchange Inspection Team and internal auditor.