MUNI BROKING HOUSE LIMITED
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CLIENT FUND UP STREAMING AND DOWN STREAMING POLICY

Last Reviewed on	Reviewed By	Approved By
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CLIENT FUND UP STREAMING AND DOWN STREAMING POLICY

1. Introduction

This Client Fund Up-streaming and Down-streaming Policy (the "Policy") outlines the procedures and guidelines followed by Muni Broking House Limited (the "Company") in managing and safeguarding client funds. It is our commitment to maintaining the highest standards of integrity, transparency, and regulatory compliance when handling client funds.

2. Definitions

a. Client Funds: Client funds refer to all funds, securities, or assets held on behalf of clients by the Company.

b. Upstreaming: Upstreaming refers to the movement of client funds from the Company to Clearing Corporation(s).

c. Downstreaming: Downstreaming refers to the movement of client funds from Clearing Corporation(s) to the Company.

3. Client Fund Protection

a. The Company shall maintain strict segregation of client funds from its own operational and proprietary funds.
b. Client funds shall be held in trust or in segregated accounts with reputable financial institutions as per regulatory requirements.
c. The Company shall conduct regular reconciliations to ensure the accuracy and completeness of client fund records.

4. Up-streaming of Client Funds

As per the Regulatory Guidelines, no clients' funds shall be retained by SBs/ CMs on End of Day (EoD) basis. The clients' funds shall all be up-streamed by SB/ CMs to CCs only in the form of either cash, lien on FDR or pledge of units of Mutual Fund Overnight Schemes (MFOS).

a. Up-streaming via FDRs created out of clients' funds:

I. FDRs created out of clients' funds shall be allowed only under the following conditions:
a. FDRs to be created out of clients' funds only with those banks which satisfy the CC's exposure norms as specified by SEBI or CCs from time to time.

b. FDR created out of clients' funds shall necessarily be lien-marked to CCs at all times.

c. Through this lien, CCs shall have explicit precedence on the FDR funds over every other stakeholder, including over the bank providing the FDR.
d. The tenure of such FDRs shall not be more than the prescribed tenure and the FDR should be pre-terminable on demand.

e. The principal amount of the FDR shall remain protected throughout the tenure, even after accounting for all possible pre-termination costs.

f. We shall not avail any funded or non-funded banking facilities based on FDRs created out of clients' funds.

b. Up-streaming via pledge of units of Mutual Fund Overnight Schemes (MFOS):

I. Units of Mutual Fund Overnight Schemes (MFOS) is a new avenue being made available to SBs/ CMs to deploy client funds into. MFOS ensures minimal risk transformation of client funds (that are withdrawable on demand) available with SBs/ CMs because of overnight tenure and exposure to only risk-free government securities.

II. We shall ensure that client funds are invested only in such MFOS that deploy funds into risk-free government bond overnight repo markets and overnight Tri-party Repo Dealing and Settlement (TREPS). Such MFOS units will be in dematerialized (demat) form, and will be pledged with a CC at all times.

III. We shall maintain a dedicated demat account (hereinafter referred to as "Client Nodal MFOS Account") for subscription/ redemption of MFOS units. We shall subscribe / redeem the transactions in MFOS only to and from the said account.

IV. From "Client Nodal MFOS Account", we shall provide MFOS units as collateral to the CC. While providing the units as collateral, we shall identify the end clients.

c. Receipt/payment of funds from/to Clients:

I. Other than the FDRs (liened to CCs) and MFOS (pledged to CCs), any remaining client funds with the Company will be upstreamed to a CC before the stipulated cut-off time as mentioned hereunder.

II. For the said purpose, we will be maintaining the following two categories of bank accounts:

a. Up Streaming Client Nodal Bank Account (USCNBA): For receiving funds from Clients.

b. Down streaming Client Nodal Bank Account (DSCNBA): Payment to clients will be done only from DSCNBA account post receiving of funds from CC/CM on the same day and any balance left in the account post cut-off time should be transferred to USCNBA for further upstreaming it to the CCs.

III. Upstreaming of funds: Funds received from clients on a given day shall be transferred to CC/CM any time during the day, but not later than the respective cut-off times. The respective cut-off times for upstreaming are as follow:

Sr. No.	Particular	Cut-Off Time
1.	In Capital Market Segment where we are registered as a SCM	All Funds received until 1 hour prior to CC's cut-off time shall be compulsorily up streamed on the same day. As per the current working norms, we are keeping the said time as 18:00 Hrs.

		Additionally, we will take the best possible efforts to upstream the funds received during the last 1 hour of CC's cut-off time. Any fund received after the above-mentioned threshold will be dealt in the manner specified by the Exchanges and CCs from time to time.
2.	In FO Segment where we are registered as a TM	As per the timelines specified by the Clearing Member.

IV. Down streaming of funds: The clients may request release of funds any time during the day. The processing of such release requests shall be as per our risk management policy. Subject to such validations, we shall provide the requested funds to the clients by requesting for release of cash collateral from the CCs. The respective cut-off times for down-streaming are as under:

Sr. No.	Particular	Cut-Off Time
1.	CM release request cut-off time	As per the timelines decided by CC
2.	SB release request cut-off time	As per the timelines decided by CM
3.	Client release request cut-off time for same day processing	As per the current working norms, we are keeping the said time as 16:30 Hrs. Any release request received after the above-mentioned threshold will be dealt in the manner specified by the Exchanges and CCs from time to time.

V. All release requests placed with CCs will be for the specified purpose. The respective purpose of all release requests will be submitted to the concerned regulatory authorities within the specified timelines.

5. Compliance and Reporting

a. The Company shall designate a compliance officer responsible for overseeing the implementation of this policy and ensuring its compliance with applicable laws and regulations.

b. Regular internal audits and compliance reviews shall be conducted to assess the effectiveness of this policy.

c. Any breaches or potential breaches of this policy shall be promptly reported to regulatory authorities as required.

6. Training and Awareness

a. Employees of the Company shall receive training on this policy to ensure they understand and adhere to its principles.

b. Clients shall be informed about the Company's Client Fund Upstreaming and Downstreaming Policy through appropriate disclosure mechanisms.

7. Review and Amendments

a. This policy shall be subject to periodic review to ensure it remains in compliance with evolving regulatory requirements and industry best practices.

b. Amendments to this policy shall be made as necessary and communicated to all relevant stakeholders.

8. Conclusion

The Client Fund Upstreaming and Downstreaming Policy outlines the commitment of Muni Broking House Limited to protect client funds, maintain transparency and ensure compliance with all applicable laws and regulations. All employees and associated entities of the Company are expected to adhere to this policy in all their dealings involving client funds.