



SWASTIKA INVESTMART LIMITED

Address: 48, Jaora Compound, MYH Road, Indore-452001

RUNNING ACCOUNT SETTLEMENT POLICY

APPLICABILITY

- This policy is applicable to all the clients of Swastika Investmart Limited (SIL) who have opted for maintenance of running account instead of bill to bill settlement.

PROCESS FOR ACTUAL SETTLEMENT OF FUNDS AND SECURITIES

- The settlement of running account of funds of the client shall be done by the TM after considering the End of the day (EOD) obligation of funds as on the date of settlement across all the Exchanges on first Friday of the Quarter (i.e., Apr-Jun, Jul-Sep, Oct-Dec, Jan-Mar) for all the clients date of settlement across all the Exchanges on first Friday of the Quarter (i.e., Apr-Jun, Jul-Sep, Oct-Dec, Jan-Mar) for all the clients.
- For the clients having credit balance, who have not done any transaction in the 30 calendar days since the last transaction, the credit balance shall be returned to the client by TM, within next three working days irrespective of the date when the running account was previously settled.
- SIL shall consider the EOD balance of funds and securities of the clients across all segments of the Exchange while settling the clients account.
- Following funds/securities shall be retained by SIL at the time of settlement:
 - Entire Pay-In obligation of funds for T Day and T-1 Day.
 - Entire Pay-In obligation of Securities for T Day and T-1 Day.
 - Funds/Securities to the extent of value of transactions executed on the day of such settlement in the capital market.
 - In derivative segment, apart from the margin Liability as on the date of settlement, additional 125% of margin requirement on the day of settlement to take care of any margin obligation arising in next five days.
- While computing the value of securities, the closing rate for T-1 day shall be considered after appropriate Hair-cut, viz VaR margin rate as applicable for the security in the Capital Market Segment. As per the company's policy, SIL shall apply 50% hair cut or Exchange VAR whichever is higher, for determining the amount to be retained.

- Illiquid/ Volatile Scrips having VaR Margin as 100% shall also be returned to the clients if adequate securities are available with SIL as per our Risk Management System.
- The above calculation for settlement of funds and securities shall be done taking into consideration the rules and provisions of the RMS Policy of SIL. As risk of clients is managed on family basis as per our Risk Management Policy, the same shall also be considered at the time of settlement. That means in case a client has a credit balance in his account and one of his family account has a debit, then the settlement of the client having credit balance shall be done after taking into consideration the family debit.
- In case the client has a debit balance in his account, but the value of securities (after hair cut as per above points) held by him/her are in excess of such debit, then in such a scenario, the settlement would be done after considering the debit balance.
- Based on the above calculations, funds shall be transferred to the client's bank account through, either cheque, or online transfer.

EXCEPTION IN SETTLEMENT

- In case of new clients who got registered at the end of the quarter, no settlement would be required to be done for that quarter.
- Periodic settlement as per the above mentioned rules shall not be required to be done in the following cases:
 - Clients settling trades through "Custodians"
 - Margin received in the form of Bank Guarantees and Fixed Deposits Receipts which are created by clients

STATEMENT OF ACCOUNTS

- SIL shall send to its clients "Statement of Accounts" containing an extract from the client ledger of funds, an extract from the register of securities displaying all receipts and deliveries of securities and a statement explaining the retention of

funds and/ or securities at the time of settlement. Such statements can be sent in hard or in soft form as per the consent obtained from the client.

- Proof of sending the Statement of Accounts shall be maintained by SIL. Proper logs shall be maintained for Statement sent to the clients through E-Mail and PODs and dispatch Register shall be maintained for Statements sent in physical form.
- In case the client has not traded during the quarter and SIL does not hold any funds or securities for the client at any point of time during the quarter for which settlement needs to be done, then SIL may decide not to issue statement of accounts to such client.
- The statement sent to the clients by SIL shall be necessarily containing the following details:
 - transactions / MTM / margins debited and reversed / pay in and pay out of funds for the period from the date of last settlement done till the current settlement date
 - security wise pay in pay out / securities retained as margin / securities pledged for the period from the date of last settlement done till the current settlement date
 - closing balance of funds / securities available with the member on the date of settlement
 - an error reporting clause giving clients not less than 7 working days from the date of receipt of funds / securities or statement, to bring any dispute arising from the statement of account or settlement so made to the notice of the broker.
 - a clause intimating the client that the client has provided a running account authorization which can be revoked at any time.
- In addition to the statement of account for funds, SIL shall also provide to its clients a statement explaining the retention of funds / securities.

NOTICE OF DISPUTE

- The Client may bring up any dispute arising from the statements of accounts or settlement so made to the notice of SIL within 7 working days from the date of receipt of funds/ securities or statement.