SWASTIKA INVESTMART LTD.

R M S Policy for Equities & F & O Segment (Approved by Board of Directors in their meeting)

A. Intraday & Delivery Limits against fund and securities:

Limit will be provided against available fund (Net balance in ledger) and available securities (After defined haircut value of liquid stock in pool and DP, subject to DP Account with specific Power of Attorney (POA) in favour of Swastika) as per following details:

1. Intraday limits will be provided on the basis of available fund and collateral (after applying VAR/haircut) in Equity and Derivative trading account. Position can be carried forward against the available funds and securities in Equity trading account.

2. Intraday positions can be converted into carry forward only on the basis of availability of sufficient fund and securities, in absence of which the same will be treated as intraday itself and squared off on Tday itself on or before 3:15 PM.

3. We have an another Intraday product (Bracket order/ Cover order) in which 40 times exposure is provided on available funds and collateral (after VAR/Haircut) which belongs to approved category of securities in equity segment and 10 times margin limit in Future and Option segment (depending upon the stop loss range).

4. Limits for front line stocks in normal case: 10 Times of available fund and approved securities after VAR/haircut for intraday trading and 3 Times for delivery trading. This may vary from time to time on the discretion of the company in accordance with the availability of fund/market conditions and on client to client basis without giving any prior notice. The debit against delivery buying must be cleared within T+2 days.

   ➢ Example: If a client is having credit balance in ledger of Rs. 10,000 and value of stock in pool is Rs. 10,000(33% VAR/haircut) and value of POA stock in DP is Rs. 25,000 (20 % VAR/haircut), then the client can avail limit up to Rs. 366660 (10 * 36,666) (10,000 + 6,666 + 20,000) for intraday trading and Rs. 1, 09,998/- (3* 36,666) for deliverytrading.

5. In case the fund availability is high in client account than limit will be provided on the discretion of company. In this situation the limits specified above may differ.

6. Limits for other stocks (Illiquid group or Trade to Trade stocks): One Time of Credit Balance available in ledger for intraday trading or delivery, no limit will be provided against the available illiquid or Trade to Trade Securities, limits can be given on the basis of previous track of individual client on discretion of company and as per the market condition.

7. Limits for GSM Securities: Limit for the securities marked under Graded Surveillance Measure (GSM) for delivery trading shall be provided on the discretion of the company and no intraday limit will be provided in these securities.

8. Limits for margin in Futures: 5 Times of available fund and securities for intraday and 1 Time for carry forward. Position may be squared off on T day, if real time MTM loss for the day is equal or more than 70% of the available fund and real time value of securities (if decreasing). Here, in both the situation i.e. whether position squared off or not, the onus of loss/profit will be on the Client.

9. Limits for Option: One time of available fund and Collateral value to buy option premium and to sell far month or illiquid option. Further to sell an option of current month and for strike price near to spot price, limit will be provided as per limits in Futures (As per Point 5).

10. The positions taken for intra-day should be cleared on or before 3.15 PM on the sameday

B. <u>RMS Selling Policy</u>:

As per SEBI guidelines client unpaid securities will be transferred to “Client unpaid securities account” if the payment of related stock not received within T+2 days. And in no situation the said securities shall be left in “Client unpaid securities account” after T+2+5 days. Based on these guidelines the selling policy of RMS is mentioned as under:

1. RMS will sell the stock kept in “Client unpaid securities account”, any day on or before T+2+5 days, if the payment of the related stock has not been received within T+2 days, without any prior information to Client/Business Partner/Branch.

2. The company on its sole discretion can transfer the said unpaid shares from “Client unpaid securities account” to client Demat account (whose POA is active) after T+2+5 days, even though the payment not received from client, but the same can be sold any time from their Demat account on Non-payment, without any prior information to client /Business Partner/branch.

Further, in case of following conditions selling will be done as per the mentioned criteria:

1. In case of continuous debit for last 5 days : RMS shall sell the stock on or before T+5 days
   - Example: If debit comes in any client code on Monday and is not cleared by Wednesday, then RMS will sell the stock on any day till the next Monday (to the extent of debit balance in clients account)

2. In case Delivery based buying is more than 3 times of available fund and securities and cheque status / payment is not received on T+1 day: RMS division will sell the stock on T+2day.

   - <u>Example:</u> if Ledger Balance is Rs. 5000 (Credit) & total stock holding after VAR/haircut is 5000 then in case, delivery based buying has been made for more than Rs. 40000 (i.e. 10000 X 4) on Monday and cheque status / payment not cleared by Tuesday then stock will be sold on Wednesday. However if in the opinion of RMS, such open position attracts risk more than normal, it may sell the stock on T+1 day morning itself i.e. on Tuesdayitself.

3. In case of M to M Loss (in Futures and Cash Segment) for the day is equal or more than 70 % of the available fund and securities: In the absence of cheque status/payment by T+1 day, RMS can sell the stock up to the amount of net loss on T+1 day.

   <u>Example:</u> if Ledger Balance is Rs. 10000 (Credit) and available securities is of Rs. 7000 after VAR/haircut on Monday and M to M Loss for the day is Rs. 15000, then in absence of any cheque status/payment by T+1 day , RMS will sell stock up to Rs. 5000 on Tuesday.

4. In case Client’s Cheque returns: If a client’s cheque is returned by bank due to insufficient funds, and the client’s ledger balance is negative, then RMS division will sell the stock up to the amount of negative ledger balance, further a penalty of Rs.- 500 or 1% of the cheque returned amount (whichever is higher), will be debited subject to maximum of Rs. 1000.

5. F & O Position can be squared up by RMS division if margin is not available as per the requirement of exchange or excess margin levied by SIL (if any) and margin shortage penalty levied for more than 2 days in a month.

C. <u>Deposit of Margin in Future and Option Segment</u>:

Client has to deposit margin as per exchange norms and SIL can levy extra margin over and above exchange required margin by looking client’s position and market condition. Client has to deposit margin accordingly. If the client fails to deposit the same then, the company can square off the clients position and restrict client to carry existing position and to create new position.

As per exchange norms, trading member is required to deposit Margin in the form of cash & securities (collateral) wherein cash component should be at least 50% of Margin. But the decision to decide the ratio for collection of margin from client is discretion of trading member. Accordingly company has set norms for clients to fulfill the Margin requirement by way of cash and approved securities (after VAR/haircut) according to the Margin amount as per following:

1. Rs. 5 Lacs or below: Client can give 100% Margin by way of approved securities.

2. Between Rs. 5 to 10 Lacs: Approved securities will be considered against 75 % of Margin amount & minimum 25% of Margin must be in cash form (Credit Balance in Ledger).

3. Above Rs. 10 Lacs: Approved securities will be considered against the 50 % of Margin amount & minimum 50% of Margin must be in cash form.

   Composition of collaterals submitted against Margin:

   i) Between Rs. 50 Lacs -1 Crore: All securities must be approved means must be as per exchange list and at least 15% of collateral / shares must belong to NIFTY or SENSEX.

   ii) Between Rs. 1 Crore -2 Crore: Approved securities (At least 25% of stock must belong to NIFTY or SENSEX) will be considered against the 50 % of Margin amount

   iii) Between Rs. 2 Crore -3 Crore: Approved securities (At least 50% of stock must belong to NIFTY or SENSEX) will be considered against the 50 % of Margin amount

4. Rs. 3 Crore & above: Approved securities (At least 50% of stock must belong to NIFTY or SENSEX) will be considered against the 40 % of Margin amount & minimum 60 % of Margin must be in cash form.
5. Further exposure will not be provided as per rules & regulation of exchange on continuation of debit balances for T+5 days.
6. Position Restriction: SIL can restrict client to take position in Derivatives on its on discretion in any specific strike price, far expiry, etc.

D. Levy of interest on Delay Payment/debit:

The selling in client accounts with continuous debit may be done by RMS on any day after T+2 days and for all the debits outstanding for more than T+2 days the company will charge interest.

1. Interest shall be chargeable @18% p.a. and the company reserves right to revise the interest rate to the extent of 36% p.a. on outstanding Debit from the date of debit.

2. As per SEBI enhanced supervision w. e. f. first April 2017 all account will be treated on individual basis. And no family credit will be considered to calculate interest

E. Procedure for Calculation of Interest on Delay Payment:

Interest will be levied on the debit balance of client. If client is having margin position and the available margin is not according to requirement then, interest would be levied on the basis of below mentioned criteria:

(a) Below Rs. 5 Lacs: Client can give 100% Margin by way of available approved securities.

   i. Interest will be calculated on short Margin amount and FA Actual, if debit {i.e. if(Margin - 100% of available approved securities after VAR) + FA Actual < 0}.

(b) Between Rs. 5 to 10 Lacs: Available securities will be considered against 75 % of Marginamount.

If still margin is short after considering available approved securities, then it will be added to 25% of Margin amount (required in cash) and interest will be calculated on the Total short margin amount + FA Actual.

(c) Above Rs. 10 Lacs: Available securities/collateral will be considered against the 50 % of Margin amount.

If still margin is short after considering available approved securities, then it will be added to 50% of Margin amount and interest will be calculated on the total short margin amount + FA Actual.

(d) 50 Lacs- 1 Crore: Available securities will be considered against the maximum 50 % of Margin amount.

If still margin is short after considering available approved securities, then it will be added to 50% of Margin amount and interest will be calculated on the total short margin amount + FA Actual.

(e) 1 Crore -2 Crore: Available securities will be considered against the maximum 50 %of Margin amount.

If still margin is short after considering available approved securities, then it will be added to 50% of Margin amount and interest will be calculated on the total short margin amount + FA Actual.

(f) 2 Crore -3 Crore:

Available securities will be considered against the maximum 50 % of Margin amount.

If still margin is short after considering available approved securities, then it will be added to 50% of Margin amount and interest will be calculated on the total short margin amount
+ FA Actual.

(g) 3 Crore & above:

Available securities will be considered against the maximum 40 % of Margin amount.

If still margin is short after considering available approved securities, then it will be added to 60% of Margin amount and interest will be calculated on the total amount + FA Actual.

F. Margin Shortage Penalty

i. Margin shortage Penalty shall be levied by exchange on shortage of all required margin i.e. (initial margin, net buy premium, delivery margin and exposure margin) on upfront basis. Penalty on shortage of MTM and additional surveillance margin is levied by exchange on T+1 basis. The penalty shall be charged to the client accounts' respectively.

'a'	Per day penalty as percentage of 'a'
(<Rs. 1 lakh and (< 10% of applicable margin)	0.5

(>= Rs.1lakh) or (>= 10% applicable margin)	1

Where a= Short collection /non collection of margins per client per segment per day.

ii. If short/non-collection of margins for a client continues for more than 3 consecutive days, then penalty of 5% of the shortfall amount shall be levied for each day of continued shortfall beyond the 3rd day of shortfall.

iii. If short/non-collection of margins for a client takes place for more than 5 days in a month, then penalty of 5% of the shortfall amount shall be levied for each day, during the month, beyond the 5th day of shortfall.

iv. Notwithstanding the above, if short collection of margin from clients is caused due to movement of 3% or more in the index (close to close value of Nifty/Sensex for all equity derivatives) and in the underlying currency pair (close to close settlement price of currency futures, in case of all currency derivatives) on a given day, (day T), then, the penalty for short collection shall be imposed only if the shortfall continues to T+2 day.

G. Actual Settlement Policy:-

As per Exchange Circular NSE/INSP/13606 dated December 03, 2009, the settlement of funds and / or securities shall be done monthly / quarterly basis as per the client preference for the client's who specifically authorizes the trading member in writing to maintain a running account. At the time of quarterly settlement, the securities shall be considered after 50% haircut or Exchange VAR whichever is higher against the margin obligations and outstanding ledger balance of the client.

H. Margin trading Funding RMS terms and conditions:

i. MTF would not be kept idle for more than 30 days.

ii. Swastika can square off client's securities both funded and collateral to clear all the debits under MTF if the same has been liquidated after 30 days of funding (in case of Idle MTF funding) and any direct or indirect loss incurred due to this square off than client shall be solely responsible for the same.

iii. The condition for squaring off the position in case of MTF funding :

a. If the value of collateral decreases by 10% and the same has not been fulfilled by client on margin call or SMS within 24 hours, then the RMS will square off the open position of client.

b. If the value of collateral decreases by more than 20% and the same has not been fulfilled immediately by client, than RMS will square off the open position on immediate basis without any notice.

Note:

Please note that RMS Division / Company shall not be liable for any loss arise due to RMS selling as well as loss in case where RMS Selling may not be done as mentioned above by RMS division, due to any reason.

The Company reserve the right to change the above policies any time according to market condition, in general or in particular case within the Exchange /SEBI regulations/ guidelines.

The margin limit specified in the policy can be modified by the company on its own discretion and on client to client basis

Swastika Commodities Pvt. Ltd.

RMS Policy for Commodities Trading

A. Intraday & Delivery Limits against fund and securities:

Limit will be provided against the available fund (Net balance in ledger) and available securities (After haircut value of liquid stock in pool and DP, subject to DP Account with specific Power of Attorney (POA) in favour of Swastika) as per following details:

1. Intraday Margin Limits will be 3 to 5 times of the available fund in ledger including ledger balance of MCX and NCDEX. And the same can be modified by the company on its sole discretion on the basis of market condition and on client to client basis.

2. If client has bulk open position in single commodity having Margin Rs. 20 Lacs or more, then intraday Margin limit will be 2 times of available combined balance (MCX & NCDEX) and securities (if any) & one time for carry forward. Position can be carried forward against the available balance (in form of funds or collaterals) in the commodity trading account.

3. Position may be squared off on T day, if real time MTM loss for the day is equal or more than70% of the available fund and real time value of securities (if decreasing). Swastika in no case shall be liable for any loss.

4. Carry forward of position for next day, available fund should be more than 100% of Margin, i.e. carry forward Margin limit will be 1 time of available fund.

5. If MTM loss is 25% or more of available fund & securities then same will be deducted to calculate fund for carry forward position and carry over limit 1 time of net fund will be allowed after deducting the MTM loss of trade day.

B. Margin, Interest on Delay Payment and other terms in Commodity Segment :

1. If any add on Margin, cash Margin or delivery Margin levied by exchange same has to be paid by client.

2. **MARGIN REQUIREMENT IN CASH SETTLED COMMODITIES**

   Company can ask for an additional margin on one day prior to expiry day on all open cash -settled commodity contracts expiring the next day. The margin amount will be a certain % of contract value and the said % will be decided after considering the volatility of the market and volatility in the particular script. If a sufficient margin is not available the positions will be squared off by our Risk management team.

   No MIS or CO product types will be allowed the last two days of any expiry for cash-settled commodity contracts.

3. If Margin carried more than available fund & securities then interest @ 18% p.a. or more shall be levied on the debit balance.

4. Position will not be carry forward on the basis of un-cleared cheque of more than 25000/- and this limit can be reviewed on the discretion of Swastika.

5. For Demand Draft, counter foil of DD receipt is required (scan copy should be mailed). If Demand Draft is of Rs.50,000/- or more then client's bank statement or letter of bank is also required.

6. For new account, limit will be given on the basis of clear fund only.

C. Margin Shortage penalty:

1. Margin shortage Penalty shall be levied as mentioned below. The penalty shall be charged to the client accounts' respectively.

Particulars	
'a'	Per day penalty as percentage of 'a'
(<Rs. 1 lakh and (< 10% of applicable margin)	0.5
(>= Rs.1lakh) or (>= 10% applicable margin)	1

Where a= Short collection /non collection of margins per client per day.

2. If non /short of collection of margin of clients continue for more than three consecutive days after T+2 working days, then penalty for 1% of the shortfall amount shall be levied for each continue short fall. In case of non/short collection of initial margins, the above penalty structure would be applicable from T day.

3. With respect to the repeated defaulters, who default 3 times or more during a month, the penalty would be 5% of the shortfall in such instances.

Note:

Please note that RMS Division / Company shall not be liable for any loss arise due to RMS selling as well as loss in case where RMS Selling may not be done as mentioned above by RMS division, due to any reason.

The Company reserve the right to change the above policies any time according to market condition, in general or in particular case within the Exchange /SEBI regulations/ guidelines.

The margin limit specified in the policy can be modified by the company on its own discretion and on client to client basis