Settlement of Running Account Policy

Version 1.0

Policy Title	Settlement of Running Account (of Funds and Securities) Policy
Version	1.0
Date of Approval	16th October 2025
Effective Date	20th October 2025
Owner	Operations / Accounts Function with Compliance Department
Approving Authority	Board of Directors of Pawan Parmeshwar Capital Pvt Ltd
Next Review Date	Annually, or earlier upon regulatory change
Replaces	Not applicable — first formal version under the SEBI Master Circular for Stock Brokers dated June 17, 2025 framework

1. Introduction and Purpose

Pawan Parmeshwar Capital Pvt Ltd ("the Company") is a Stock Broker registered with the Securities and Exchange Board of India ("SEBI") and a Trading Member of the National Stock Exchange of India Ltd (NSE Code 00188) and BSE Limited (BSE Code 0550).

Funds and securities of clients lying with the Company in the ordinary course of business are required to be periodically settled — i.e., returned to the client's registered bank account and demat account — in accordance with the framework prescribed by SEBI. This Settlement of Running Account Policy ("Policy") sets out the procedure that the Company shall follow for settlement, the basis on which settlement amounts are computed, the manner in which the client's election of frequency is taken and operated, and the related communication and recordkeeping framework.

The Policy is framed for compliance with the running-account settlement framework consolidated under the SEBI Master Circular for Stock Brokers

SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/90 dated June 17, 2025, which incorporates and supersedes the earlier circulars on the subject (including SEBI Circular MIRSD/SE/Cir-19/2009 dated December 03, 2009; SEBI/HO/MIRSD/MIRSD_DPIEA/CIR/P/2016/95 dated September 26, 2016; SEBI/HO/MIRSD/DOP/P/CIR/2022/101 dated July 27, 2022; and SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2023/179 dated November 09, 2023). It is also framed in compliance with the SEBI (Stock Brokers) Regulations, 1992 (as amended), the bye-laws and circulars of NSE and BSE, and the Clearing Corporations.

2. Scope and Applicability

This Policy applies to:

- All client accounts maintained by the Company that operate on a running-account basis (i.e., where funds and/or securities of the client are held by the Company beyond the immediate trade settlement).
- All segments (Cash, Equity Derivatives, Currency Derivatives, etc.) and Exchanges (NSE, BSE) where the Company executes trades on behalf of clients.
- All employees of the Company involved in operations, settlement, client funds management, client securities management, compliance and reporting.

This Policy does not apply to:

- Clients who opt for transaction-by-transaction settlement (where the client elects against running-account treatment).
- Funds lying in escrow or earmarked accounts pursuant to specific written instructions of the client that are inconsistent with the running-account framework.

3. Definitions

4. Regulatory Framework

- SEBI Master Circular for Stock Brokers SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/90 dated June 17, 2025 (consolidating the running-account settlement framework).
- SEBI Circular MIRSD/SE/Cir-19/2009 dated December 03, 2009.

- SEBI Circular SEBI/HO/MIRSD/MIRSD_DPIEA/CIR/P/2016/95 dated September 26, 2016.
- SEBI Circular SEBI/HO/MIRSD/DOP/P/CIR/2022/101 dated July 27, 2022.
- SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2023/179 dated November 09, 2023.
- SEBI (Stock Brokers) Regulations, 1992 (as amended).
- Bye-laws, Rules, Regulations and Circulars of NSE and BSE.
- Circulars of NSE Clearing Limited and Indian Clearing Corporation Limited.

5. Client's Election of Frequency

5.1 Options Available

Each client shall, at the time of onboarding, elect one of the following settlement frequencies for the running account:

- Quarterly Settlement — settlement effected once every calendar quarter (i.e., four times in a financial year).
- Monthly Settlement — settlement effected once every calendar month (i.e., twelve times in a financial year).

The default election in the absence of express choice by the client shall be Quarterly Settlement.

5.2 Capture of Election

The election shall be captured in the Client Registration Form / Account Opening Form and entered into the back-office system. Where the client subsequently wishes to change the elected frequency, the client shall furnish a written intimation (physical letter or email from the registered email address) to the Company. The change shall be effective from the next settlement cycle following the date of receipt and acknowledgement of the intimation.

5.3 Communication of Election to Client

The Company shall communicate the elected frequency, and any change thereto, to the client by email to the registered email address. The current elected frequency shall be reflected in the periodic statements of account.

6. Settlement Calendar

6.1 Reference Dates

Settlement under the running-account framework shall be carried out on the Settlement Dates as prescribed by SEBI under the consolidated framework. The SEBI framework prescribes a uniform settlement schedule for all clients (with provision for settlement on the first Friday of the relevant cycle as per the current framework, subject to working-day adjustments and any modifications notified by SEBI / Exchange from time to time).

For Quarterly Settlement, the Settlement Date shall be the first Friday of each calendar quarter (or such other date as may be notified by SEBI from time to time). For Monthly Settlement, the Settlement Date shall be the first Friday of each calendar month (or such other date as may be notified).

6.2 Working-Day Adjustment

If the prescribed Settlement Date is a trading holiday or a bank holiday, the settlement shall be effected on the next working day, as permitted by the framework.

6.3 Annual Calendar

The Operations / Accounts function shall publish at the beginning of each financial year, and revise where necessary, the Settlement Calendar of Settlement Dates for the year, taking into account the elected frequencies, the Exchange holiday list and any SEBI / Exchange notifications. The Calendar shall be approved by the Compliance Officer.

7. Computation of Pay-Out (Retention Amount Framework)

On each Settlement Date, the Company shall compute, for each client whose Settlement Date falls in the cycle:

- Total credit balance of funds in the client's running account as at the end of the trading day preceding the Settlement Date.
- Total margin liability of the client as at the end of the same date, consisting of the total margin requirement (initial margin, exposure margin, MTM, additional margin, special margin, premium margin and any other margin imposed) across all segments and Exchanges.
- Such other amounts as the SEBI framework expressly permits to be retained on the Settlement Date, in accordance with the latest applicable circular.
- Any short-fall on account of unsettled / pending obligations to the Exchange / Clearing Corporation.

The amount to be paid out to the client ("Pay-Out") shall be the credit balance reduced by the amounts permitted to be retained as above. Where the client has a debit balance or where the retention amounts equal or exceed the credit balance, no pay-out shall arise for the cycle, but the Statement of Accounts shall still be despatched in the manner set out in Section 9.

The detailed computation methodology, including the manner of treatment of securities lying to the credit of the client, shall be operationalised by the Operations / Accounts function in line with the SEBI framework and the bye-laws of the Exchanges.

8. Mode of Pay-Out

8.1 Funds

Pay-Out of funds shall be effected by way of electronic transfer (NEFT / RTGS / IMPS or such other electronic mode) to the registered bank account of the client. Pay-Out shall not be made by physical cheque save in exceptional circumstances and only on documented justification with the approval of the Compliance Officer.

8.2 Securities

Securities lying in the Company's pool / beneficiary account / client unpaid securities account on behalf of the client shall be transferred to the client's registered demat account in accordance with the framework prescribed by SEBI and the Depositories. Securities permitted to be retained as collateral against margin obligations shall be retained only in accordance with such framework, with the client's knowledge and consent.

8.3 Timing of Pay-Out

Pay-Out shall be initiated on the Settlement Date and credited to the client's bank account / demat account within the timeline prescribed by the SEBI framework. Where the pay-out fails or is returned for reason such as inactive bank account or demat account, the Company shall (i) communicate with the client to obtain updated details; (ii) retain the funds / securities in the running account pending resolution; and (iii) escalate to the Compliance Officer if the matter is not resolved within a reasonable period.

9. Statement of Accounts

On each Settlement Date, the Company shall issue to each client whose running account is being settled a Statement of Accounts in the format prescribed by SEBI. The Statement shall include:

- Client name and UCC.
- Period covered by the Statement.
- Opening balance of funds and securities.
- Transactions during the period (trades, brokerage, charges, payments in, payments out, transfers).
- Closing balance before the Pay-Out computation.

- Retention Amount computed in accordance with Section 7 with break-up of margin and other permitted retention components.
- Amount of Pay-Out (or NIL where no pay-out arises).
- Reference of the bank credit / securities transfer effected.

The Statement shall be despatched by email to the registered email address of the client and shall be retained in the client file. A copy shall be available for download or for issue in physical form on the client's request.

10. Reversal / Special Cases

10.1 Inactive / Dormant Accounts

Where an account has been classified as Inactive / Dormant under the Inactive and Dormant Accounts Policy v2.0, settlement of funds and securities shall be effected as part of the classification process and is not subject to the Elected Frequency mechanism.

10.2 Account Closure

On a client's request for closure of the trading account, the Company shall effect final settlement of funds and securities outside the Elected-Frequency cycle, within the timelines set out in the Investor Charter.

10.3 Pending Disputes or Investigations

Where a client account is the subject of a pending dispute, complaint or investigation, the Company may (with the Compliance Officer's approval and notice to the client) defer pay-out to the extent reasonably necessary to protect the position pending resolution, subject to the SEBI framework. Any such deferment shall be documented and reviewed periodically.

10.4 Cross-Segment / Cross-Exchange Adjustments

In computing the Retention Amount, the Company shall have regard to margin and other liabilities of the client across all segments and Exchanges where the Company is enabled, in accordance with the SEBI framework.

11. Records and Retention

The Company shall maintain records of:

- Each client's election of frequency and any changes thereto.
- Annual Settlement Calendar.
- Computation worksheets for each Settlement Date showing the credit balance, retention amount and pay-out for each client.

- Statements of Accounts despatched to clients.
- Bank transfer evidence (NEFT / RTGS UTR references) and demat transfer evidence.
- Communications with clients in respect of failed pay-outs, reissues, and disputes.
- Compliance Officer approvals for deferred pay-outs and other exceptions.

All records shall be retained for not less than 8 (eight) years from the date of the relevant settlement, in accordance with the Registers and Records Manual v1.0 and the SEBI Master Circular for Stock Brokers.

12. Roles and Responsibilities

- Board of Directors: Approves this Policy; reviews periodic reporting on settlement compliance; takes ultimate responsibility for the running-account framework.
- Compliance Officer (Mr. Rajkumar Pandey): Owns this Policy; approves the annual Settlement Calendar; reviews compliance with timelines; approves exceptions; presents reports to the Board.
- Operations / Accounts Function: Maintains client running-account ledgers; effects the computation on each Settlement Date; despatches Statements of Accounts; coordinates pay-outs of funds and securities.
- Risk Management Function: Provides margin data and validates retention computation.
- Information Technology Function: Maintains the back-office systems used for running-account computation; preserves audit trails; supports MIS and reporting.
- Dealers and Relationship Managers: Refer client queries on settlement to the Operations / Accounts function and the Compliance Officer.

13. Reporting and Review

The Compliance Officer shall present to the Board:

- A quarterly summary of running-account settlement activity, including the number of clients settled, total pay-out amounts (in aggregate), exceptions and failures.
- Any communication received from SEBI or the Exchanges in respect of running-account settlement and the response.
- Material exception cases (such as deferment, failed pay-outs, recurring failures) and the steps taken.

This Policy shall be reviewed annually and amended in response to any change in the SEBI / Exchange framework relating to running-account settlement.

Annexure A — Settlement Calendar Template (Financial Year ____)

To be issued by the Operations / Accounts function and approved by the Compliance Officer at the beginning of each financial year.

Cycle	Settlement Date (Quarterly Election)	Settlement Date (Monthly Election)
April		
May		
June		
July (Q1 Settlement)		
August		
September		
October (Q2 Settlement)		
November		
December		
January (Q3 Settlement)		
February		
March		
April (Q4 Settlement)		

Note: The Settlement Date for each cycle is to be set as the first Friday of the relevant period (or such other date as notified by SEBI), adjusted for trading and bank holidays. The Calendar shall be republished if the SEBI / Exchange framework changes the date convention during the year.

Annexure B — Computation Worksheet (Indicative Format)

Field	Amount (Rs.)
Closing balance of funds in client running account as at end-of-day preceding Settlement Date	
Less: Total margin liability of the client across all segments / Exchanges	
Less: Pending unsettled obligations to Exchange / Clearing Corporation	
Less: Other permitted retentions (specify)	
Net Pay-Out Amount	
Securities to be transferred (DP transfer reference / list)	
Settlement Date	
Pay-Out Mode (NEFT / RTGS / IMPS) and Bank Reference	
Statement of Accounts Despatched to Client (Date)	
Operations / Accounts Sign-off	
Compliance Officer Sign-off	

Board Approval

This Settlement of Running Account Policy (1.0) has been reviewed and approved by the Board of Directors of Pawan Parmeshwar Capital Pvt Ltd at its meeting held on 16th October 2025.

The Board has also recorded, on the same date, the following:

- The Board approves this Settlement of Running Account Policy as the formal framework for compliance with the running-account settlement requirements consolidated in the SEBI Master Circular for Stock Brokers dated June 17, 2025.
- The Board confirms Mr. Rajkumar Pandey as the Compliance Officer responsible for approval of the annual Settlement Calendar, oversight of timelines, exception handling and reporting to the Board.
- The Board ratifies the default Quarterly Settlement election where the client has not expressly chosen otherwise.
- The Board ratifies the working-day adjustment principle for Settlement Dates that fall on trading or bank holidays.
- The Board directs the Operations / Accounts function to publish the Settlement Calendar for the current and forthcoming financial years within 15 days of the Effective Date.
- Cross-references to related policies (Inactive and Dormant Accounts Policy v2.0, Risk Management and Surveillance Policy v2.0, Investor Charter v1.0, Complaint Redressal Policy v2.0, Registers and Records Manual v1.0) are noted.

For PAWAN PARMESHWAR CAPITAL PVT. LTD.

PK Choudhary

Director / Authorised Signatory

PAWAN PARMESHWAR CAPITAL PVT. LTD. MUMBAI

Director / Authorised Signatory

Name: Pawankumar Choudhary

Designation: Director

Date: 16th October 2025

Place: Mumbai