

# TRADINGBELLS

POWERED BY

## SWASTIKA INVESTMART LTD.

### R M S Policy for Equities & F & O Segment

#### **A. Intraday & Delivery Limits against fund and securities:**

Limit will be provided against 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 limits will be provided on the basis of combined balance in Equity and Commodity trading account. Position can be carried forward against the available funds and securities in Equity trading account.
2. Limits for front line stocks: 8 Times of available fund and approved securities after VAR for intraday trading and 4 Times for delivery trading. 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) and value of POA stock in DP is Rs. 25,000 (20 % VAR), then the client can avail limit up to Rs. 293,336 (8 \* 36,666) (10,000 + 6,666 + 20,000) for intraday trading and Rs. 1,46,664/- (4\* 36,666) for delivery trading.
3. 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.
4. Limits for margin in Futures: 3 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 75 % of the available fund and real time value of securities (if decreasing).
5. Limits for Option: One time of available fund and 50 % of available securities 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 3).

**B. RMS Selling Policy:**

RMS Division may sell the stock any day after T+2 days on non-payment, without any prior information to Client/Business Partner/Branch, but in case of following conditions selling will be done per the mentioned criteria:

1. In case of continuous debit for last 5 days: RMS division can/will sell the stock on or after T+5 day.
  - Example: if Debit comes in any client code on Monday and it is not cleared by Saturday, then RMS division will sell the stock on next Monday (up to the value of Debit Balance).
  
2. In case Delivery based buying is more than 4 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+2 day.
  - Example: if Ledger Balance is Rs. 5000 (Credit) & total stock holding after VAR 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 division, such open position attracts risk more than normal, it may sell the stock on T+1 day morning itself i.e. on Tuesday itself.
  
3. In case of M to M Loss (in Futures and Cash Segment) for the day is equal or more than 75 % of the available fund and securities: In the absence of cheque status/payment by T+1 day, RMS division can sell the stock up to the amount of net loss on T+1 day.
 

Example: if Ledger Balance is Rs. 10000 (Credit) and available securities is of Rs. 7000 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 division 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 less), will be debited.
  
5. F & O Position can be squared up by RMS division if margin is not available as per the requirement of exchange and margin shortage penalty levied consecutively for 3 days or 5 days in a month.

**C. Deposit of Margin in Future and Option Segment:**

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. Company has set norms for clients to fulfill the Margin requirement by way of cash and approved securities (after VAR) 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.

**D. Levy of Delay Penalty:**

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

1. Delay Penalty shall be chargeable @18% p.a. or more on outstanding debit from the date of debit.
2. If the monthly Net Revenue to Swastika of any client is equal to or more than 2 times of the Delay Penalty chargeable in that month, then Delay Penalty will not be charged to such client code.
3. Family accounts will be considered only if duly signed and authorised family letter is submitted for the relatives as per the Exchange norms.

**E. Procedure for Calculation of Delay Penalty**

If client's Margin amount in Future and Option Segment is nil than the delay penalty will be calculated on FA Actual Balance (on Ledger debit balance). If client's Margin Amount in Future and Option Segment is outstanding and it is:

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

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

(c) Above Rs. 10 Lacs: Available securities 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 delay penalty 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 delay penalty 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 delay penalty 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 delay penalty 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 delay penalty will be calculated on the total amount + FA Actual.

## F. Margin Shortage Penalty

i. Margin shortage Penalty shall be levied as mentioned below. 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.

**Actual Settlement Policy:-**

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.

## **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 times of the available fund in ledger including ledger balance of Equity and Derivatives Segment.
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 and securities & 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 than 75 % of the available fund and real time value of securities (if decreasing).
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, Delay Penalty and other terms in Commodity Segment :**

1. No carry forward position is allowed to any client against the deposit of his Franchisee or Sub-broker.
2. If any add on Margin, cash Margin or delivery Margin levied by exchange same has to be paid by client.
3. If Margin carried more than available fund & securities then delay penalty @ 18% p.a. or more shall be levied on the debit balance.
4. Clients can also pledge approved shares or commodities (in D-mat form) for Margin.

5. Position will not be carry forward on the basis of un cleared cheque of more than 25000/-
6. 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.
7. 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'	<b>Per day penalty as percentage of 'a'</b>
(<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 foreach 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 shorfall in such instances.

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.