Running Account Settlement Policy

INTRODUCTION

This is with reference to SEBI circular MIRSD/ SE /Cir-19/2009 dated December 3, 2009 and SEBI/HO/MRD/DP/CIR/P/2016/135 dated December 16, 2016, the settlement of funds and / or securities shall be done within 1 working day of the pay-out, unless client specifically authorizes the stock broker in writing to maintain a running account.

Accordingly, VT Capital Market Pvt Ltd shall follow the polices guided by regulators from time to time.

Post implementation of SEBI circular CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated June 20, 2019 and after introduction of pledge / repledge mechanism in the depository system running account settlement for securities has been discontinued and therefore, SEBI circulars dated December 03, 2009, September 26, 2016AND SEBI Circular No. SEBI/HO/MIRSD/DOP/P/CIR/2022/101 dated July 27, 2022 are now applicable for settlement of running account of client's "funds" only.

Objective

This policy aims to ensure fair and transparent handling of client funds by outlining the frequency and manner in which VT Capital Market Pvt Ltd settles the running account of client funds as per SEBI's regulatory guidelines.

Scope

This policy applies to all VT Capital Market Pvt Ltd clients holding credit balances in their trading accounts across all recognized stock exchanges and segments.

Definitions

- Running Account: A client account where unutilized funds may be retained by the trading member to facilitate future trading.

Settlement Mechanism

VT CAPITAL MARKET PVT LTD ensures running account settlement based on client activity status and SEBI-mandated timelines:

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A. Monthly Settlement (Inactivity-Based)

- Applicable to clients with no trades across any segment for 30 calendar days.
- Unutilized credit balances will be returned to the client's registered bank account on the first Friday of every month.
- Objective: Prevent idle funds from remaining with the broker unnecessarily.

B. Quarterly Settlement (For Active Clients)

- Clients actively trading will undergo settlement on a quarterly basis, i.e., on the first Friday of January, April, July, and October.
- Settlement is done after adjusting for all EOD obligations and margins.
- Ensures regular return of unutilized funds while supporting continued trading.

Retention of Funds and Securities (SEBI-Compliant)

As per SEBI regulations, VT CAPITAL MARKET PVT LTDmay retain client funds only to the extent necessary. The permissible retention includes:

Pay-in Obligations

- Entire fund pay-in obligation outstanding as of T day and T-1 day (i.e., trade date and the day prior).

Margin Liability

- Margin liability on the date of settlement, across all segments and exchanges.
- Additional margins up to 125% of total margin liability can be retained.
- Total permissible retention = 225% of total margin liability (excluding MTM and pay-in).

Adjustment Process

- VT CAPITAL MARKET PVT LTDwill first adjust pledged securities (after applying appropriate haircut).
- Remaining margin requirements will be met using client funds.
- Any excess securities or collateral (cash equivalent) identifiable to the client and deposited with the Clearing Corporation need not be unpledged.

Communication and Confirmation

- Clients will be notified via email/SMS upon each settlement.
- A statement of account will be provided post every settlement for transparency.