



Goldmine Stocks Pvt. Ltd.

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Policies & Procedures (Equity)

This document contains policies and procedures defined/ devised and followed by Goldmine Stocks Pvt Ltd. ('GOLDMINE' or 'Broker') which it applies or adopts while providing services as a stock broker on National Stock Exchange of India Ltd. ('NSE'), Bombay Stock Exchange Ltd. ('BSE') (collectively herein after referred to as 'the Exchanges') to its clients. The purpose of the document is to communicate these policies and procedures to clients of Goldmine.

The policies and procedures stated herein below are subject to change from time to time at the sole discretion of Goldmine, depending on market conditions, requirements prescribed by Exchanges, Regulators or any other Government Authority, its risk management framework etc.

Refusal of orders for penny/illiquid stock

Generally, the broker refuses to enter any order of clients for penny stocks. The client is required to adhere to exchange/members' guidelines and due diligence while trading in such scrips. Even trading in such scrip is very risky. As such, stock broker may from time to time / refuse orders in one or more securities due to various reasons including market liquidity, value of security (ies), the order being for securities which are not the permitted list of stock broker/ exchange(s)/SEBI or illiquid scrips or GSM/ASM scrip. Depending on market condition and risk management policy of the company, the stock broker reserves the right to refuse to provide limit in penny Stocks and losses if any on account on such refusal shall be borne by the client only. We the broker, do hereby warn the client not to deal in any penny stock. However, Broker at its own discretion, may allow or disallow the clients (on case to case basis) to deal In penny stocks, subject to rules, regulations, articles, byelaws, circulars, directives and guidelines of SEBI and Exchanges as well as considering the prevalent market and other circumstances, at related point of time. The exposure limit in such scrips shall vary from client to client subject to Risk Management (RMS) Policy of Broker and prevalent market condition from time to time without prior notice.

Client's exposure/ Limit

Exposure to the client will be provided based on the collateral available as margin in the client's trading account maintained with Goldmine. Collaterals can be in form of securities (under margin pledge) (non-cash collateral) and available ledger balance (cash collateral). The securities markets are usually very volatile and different clients have different risk profiles. Volatility amongst different scrip and different derivatives contracts are different. Business Rules, Bye laws and Regulations of the Exchanges, SEBI require Brokers to collect upfront margin from its clients.

The trading limit setting policies enumerated below are to be taken as basis for understanding policies implemented by Goldmine and the same may not be rigidly followed and may be changed from time to time considering prevailing rules and regulations. The averments contained in these statements are not promises made by Goldmine to its clients and they do not confer any rights to clients to demand that their trading limits at all times will be set according to these policies.

The exposure can be a certain multiple of the available margin. Such multiplier will be as decided by Goldmine from time to time (as per RMS policy of Goldmine) and may vary from client to client. In F&O client needs to provide SPAN and Exposure as upfront margin.

The choice of the securities to be considered as margin shall be determined by Goldmine at its sole discretion from time to time and the client shall abide by the same.

While granting the exposure limit, margin in the form of securities will be valued as per the latest available closing price on the exchanges after applying appropriate haircut (VAR+ELM and/or additional margin) as may be decided by Goldmine at its sole discretion.

Goldmine may from time to time depending on market conditions, profile and history of the client, type and nature of scrip, etc., at its sole discretion charge/change the rate of haircut applicable on the securities given as margin pledge, multiplier for granting exposure in Cash/F&O segments and take such steps as Goldmine may deem appropriate.

The Client will have to abide by the exposure limit set by Goldmine.

Applicable Brokerage rate

Goldmine discloses that it shall charge a brokerage at the rate being agreed by the client with broker (including its branches and sub brokers) as may be prescribed in the tariff sheet. However, Goldmine shall adhere to the maximum permissible limit (presently not to exceed 2.5%) as may be prescribed by SEBI/Exchanges from time to time. It is hereby further clarified that brokerage on options contracts shall not exceed 2.5% of the premium amount or Rs. 100/- (per lot) whichever is higher.

Goldmine charges minimum brokerage of Rs. 15/- (online trade) and Rs. 25/- (offline trade) per contract note issued in case of brokerage chargeable on cash market transactions. This minimum limit may be revised upwards depending on regulatory dispensations and cost of environment. Goldmine may waive off minimum contract charges for certain clients at its own discretion.

The brokerage rate may be varied in future as agreed between the client and Goldmine either in writing or orally from time to time. In case of oral agreement, if the brokerage is charged at such revised rate in contract note subsequent to revision and the client does not raise any dispute on such brokerage within the time period stipulated on the contract note then the same will be considered as consented by the client.

Imposition of Penalty/Late Payment Charges

The Exchange/ Clearing Corporation / SEBI levies penalties on the broker for irregularities observed by them during the course of business. Goldmine shall recover such imposed penalties/ levies, if any, by the Exchange/Regulatory, from such clients on account of whose dealings such penalties/levies have been imposed. Few of the examples of violations for which penalties may be levied are as under:

- a. Auction of securities pursuant to short deliveries by the client.
- b. Non adherence to client level exposure limits in cash, F&O and currency segments.
- c. Short margin reporting in any segment as may be stipulated by the respective Exchange.
- d. Any other reason which may be specified by the Exchanges/ Clearing Corporation/SEBI from time to time.

Such recovery would be by way of debit in the ledger of the client and amounts would be adjusted in client ledger account.

Further, if client does not make payment against its settlement obligation or margin obligation with

the stipulated pay in time, the late/delay payment charges at the rate of 18% per annum shall be charged on weekly basis. Such late payment charge should not result in frequent late payment by the client and must not be termed by the client as funding provided by the broker.

Further, Clients are required to pay interest charges on the shortfall of the Cash-collaterals required to be maintained and uploaded to the clearing corporation. There will be interest charges of 9.00% p.a (0.025% per day) levied on cash-collateral shortage on respective segment based on the discretion of our risk management department.

Liquidation of Client's Securities/Close Open Position

Goldmine requests the prospective clients to refer to RIGHTS & OBLIGATION and RISK DISCLOSURE DOCUMENT wherein Broker's rights to sell securities purchased by the client and to close out open positions of the client are adequately defined.

The constituent is supposed to make its pay in obligations on time for the funds and/or securities for all the Segment of the exchange. The client has to maintain upfront margin in cash as well as in derivatives segment of the exchange as per the exchange's requirement. In case if any shortfall is found in margin, the open positions of the constituent shall be squared off to the extent of shortfall without any intimation for the same as per our RMS policy.

As per the SEBI circular no CIR/HO/MIRSD/DOP/CIR/P/2019/75 dated 20.06.2019 on Handling of Client's Securities Goldmine Stocks Pvt Ltd shall transfer the securities purchased by client to client's demat account within 1 working day of the pay-out in case of clear payment is received from the client.

Further, as stated in SEBI circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/153 dated 11.11.2022 on Handling of Client's Securities by trading/clearing member. If any client purchase securities, Goldmine shall transfer the securities to the client's demat account from the pool account of Goldmine within 1 working day of the pay-out. In case of the client fulfills / paid its full funds obligation the securities are available as a free balance in to the respective client's demat account. If client fails to make a payment in full then Goldmine shall transfer the such unpaid securities to the respective client's demat account followed by creation of an auto-pledge (without any specific instruction/request from the client) with the flag/reason "auto pledge for unpaid securities", in favour of a Goldmine in separate demat account titled "Client unpaid securities pledgee account (CUSPA)".

If the client fulfills its funds obligation within 5 trading days after the pay-out, Goldmine shall release the pledge securities so the unpaid pledge securities are available to the client as free balance. In case of the Non-payment of dues by client in specified time period, Goldmine shall dispose-off/liquidate such unpaid securities in the market within 5 trading days after the pay-out without any notice to the extent of debit balance of the client and/or as per prevailing Risk management policy of Goldmine. Further, Goldmine shall invoke the pledge against the delivery obligation of the client and such securities shall be blocked for early pay-in in the client's demat account. However as a good practice we may send SMS to client for pending dues and reminder for making payment before disposing/liquidating the securities of the client. If any excess securities balance in unpaid pledge balance shall be released from pledge in the respective client's demat account.

In the event of client not meeting margin or Pay In obligations as applicable, Goldmine may square off its outstanding positions and sell off collaterals, to the extent required, without prior written or oral notice or intimation to the client, to ensure that the open positions of the client is backed by sufficient margin. In case of intraday trade, client's open position shall be squared off automatically by the system on 3:15 PM onwards in both cash and F&O, CUR, MCX. Further, client's open position shall be squared off upon the MTM loss on open position reaching to 70% or at discretion of Goldmine depending on market condition or client's risk profile of the available collateral/margin value.

(Intraday square off timings can change based on the discretion of our risk management department)

The broker reserves the right not to increase the position of the constituent as per his risk parameters. In case of any order from regulatory authorities, the client's open positions shall be liquidated.

Restrictions/Prohibition to take further position or closing existing position:

Under any of circumstances, such as client's failure to meet Pay-In or margin obligations or clearance of outstanding/debit balance with broker before permissible time limit or beyond such period as may be allowed by broker, the client may not be permitted to take any fresh or further position until the full clearance of earlier dues, obligation, outstanding etc. Further, it would be the duty of the client to monitor his/her/its position with the Broker from time to time. In case of any delay or failure in meeting any obligation, margin requirement etc. from client side, broker might close the existing position or open position WITHOUT ANY FURTHER INTIMATION to the client, Such Circumstance include (but not limited to) :

- a. Failure to meet Pay-In obligation on Pay-In Day.
- b. Delay in meeting the Pay-In or margin requirement.
- c. Delay or failure in clearance or outstanding or dues to the broker,
- d. Returning or frequent returning of cheques of the client,
- e. Unnecessary/Unwarranted dispute from client without any substantial cause/reason, settled without Involvement of Exchange and/or SEBI.
- f. As per prevalent RMS policy of the Broker.
- g. Any direction from SEBI/Exchange or such other authorities.
- h. Under such other circumstances as the Broker might think just and proper on case to case basis.

Shortages and Delivery Obligation arising out of Internal netting of trades

Stock Exchanges compute delivery obligations of the brokers after netting off all the positions of all clients for each scrip. If on net basis, the total position of the broker for scrip is sale, he is required to deliver such net quantity of shares of that scrip to Stock Exchange before pay in. If on net basis, the total position of the broker for scrip is purchase, Stock Exchange delivers such net quantity of shares of that scrip to the broker on successful completion of payin, at the time of payout. This may result in sale position of one client being netted off against purchase position of another client in the same scrip requiring settlement of delivery obligations within the office of the broker. In such event, if the selling client fails to honor his settlement obligation, the buyer client may end up not receiving securities against his purchase or he may receive lesser no. of shares than his purchase quantity of shares. Since the obligation against Exchange is nonexistent, the usual auction mechanism established by the Stock Exchange may not be available in such scenario. Stock brokers are required to frame procedures for dealing with such internal shortage which are fair and transparent.

Goldmine has framed and implemented following policy for settling of the transaction, which remains unsettled due to Internal Shortages.

The transaction, which remains unsettled due to Internal Shortages of Securities, shall be closed out and settled amongst the buyer and seller asunder:

- a. The Short delivering (seller) client is debited by an amount equivalent to higher of 3% above the official closing price on the auction day OR the highest weighted Average price from trading day till the auction day OR purchase price of the Buyer and the amount shall be credited to the short purchasing (Buyer) client. However, the amount of penalty to be debited from defaulting client (seller) and to be credited to the buyer will be subject to the discretion of the management considering the value, volume and or liquidity in the scrip on

a case to case basis. It may differ from the criteria mentioned above.

- b. Notwithstanding anything contained in Clause No. a as above, in case the shortages in obligations arising out of internal netting of trades of Physical Settlement in Equity Derivative segments, then the delivering client is debited by amount equivalent to higher of

- 1) 3% above the official closing price on the auction day in case the scrip is a part of Nifty Index otherwise 5% **OR**
- 2) The highest Weighted Average price + 3% from the first trading day of the settlement till the auction day the amount shall be credited to the short purchasing client.

However, the amount of penalty to be debited from defaulting client (seller) and to be credited to the buyer will be subject to the discretion of the management considering the value, volume and or liquidity in the scrip on a case to case basis. It may differ from the criteria mentioned above.

Suspending/Closing/Deregistering the trading account

Without prejudice to Goldmine's rights and remedies available under the Agreement, Goldmine may forthwith, at its sole and absolute discretion, de-register/suspend the client with/without prior notice/intimation in the following circumstances:

- a. If the client makes request for deregistration in writing.
- b. If Goldmine is satisfied and believes that the client is not interested in executing transactions through Goldmine.
- c. If the client is not maintaining his account as per the requirements and Goldmine wishes to sever the Relationship with the client after giving such due notice as stipulated in Rights and Obligation Document.
- d. Where the client indulges in any irregular trading activities like synchronized trading, price manipulation, trading in illiquid securities/ options/contracts self-trades, trading in securities at prices significantly away from market prices, etc.
- e. Any enquiry/investigation initiated by the Exchanges/regulators against the client;
- f. Any regulatory action taken/initiated against the client by the Exchange/regulators including but not limited to debarring the client from accessing the capital market;
- g. Where name of the client apparently resembles with the name appearing in the list of debarred entities published by SEBI/ Exchanges (where no information other than name is available);
- h. Name of the client appears in database/websites of CIBIL, Watch Out Investors, World Check, etc.;
- i. The client having suspicious back ground or link with suspicious organization;
- j. Where the client is non-traceable, has pending disputes with Goldmine, possibility of a default by the client;
- k. Any other circumstances leading to a breach of confidence in the client for reasons like return of undelivered couriers citing reason of 'No such person/ Addressee left/ Refusal to accept mails, etc., continuous cheque bouncing, or not furnishing the Financial and other details as may be called for by Goldmine from time to time, etc.
- l. Upon receipt of written information about the death of the client;
- m. Such other circumstances which in the sole opinion of Goldmine warrants de-registering the client.

In all such cases, Goldmine shall have the right to close out the existing open positions/contracts, sell/liquidate the margin (in any form) to recover its dues, if any, before der-registering/suspending the client.

Policy for Inactive/Dormant Clients

In case of any account(s), the term dormant / inactive account refers to such account wherein no transaction/trade(s) have been carried out since last 12 continues months. The funds / securities of such clients must be returned and the account must be having zero balance. The said clients are not permitted to carry out any fresh transactions/trades in such account.

The process of identifying the dormant/inactive account based on the above mentioned criteria shall be run daily / weekly / monthly basis post the end of the day activities depending on the criteria set by the management from time to time. Account identified as dormant/inactive shall be flagged as "Inactive/Dormant" in the trading software, back-office system and respective exchange's UCC data base and also such account restricted for further trading/transaction till the clients is not re-active their account as per process mentioned below.

Process for reactivation of Inactive/Dormant account

Client can get the account reactivated after provided fresh documents, sufficient due diligence and also provided the updated information through the any process mentioned below. In a part of due diligence we have carried out IPV at the time of client is coming for reactivation.

IPV should be undertaken only when the client seeks reactivation after a period of 12 months (1 year) of being flagged as inactive/dormant i.e. after 2 years from their last trading date.

The Client can follow any of the below processes for reactivation of account:

- a. Client can submit the duly signed account re-activation form along with necessary documents at any of branch/main office.
- b. By placing request of re-activation of account through our online account re-activation system/facility.

GENERAL:

Goldmine shall have the right at its sole and absolute discretion to amend/change/revise any of the above said policies and procedure at time in future and the same shall be binding on the client forthwith. Latest Policy and Procedures shall be available on website of Goldmine (www.goldmine.co.in). Client should refer to the same from time to time for any updation of Policy and Procedure of the stock broker.

Any action taken by Goldmine in accordance with the policies and procedures mentioned herein above cannot be challenged by the client, and Goldmine shall not be liable to the client for any loss or damage (actual/notional) which may be caused to the client as a result.
