

## **POLICIES AND PROCEDURES**

### **1. REFUSAL OF ORDERS FOR PENNY STOCKS**

MINTCAP offers trading facility in stocks / contracts which are listed or permitted by the Stock Exchanges. MINTCAP has restrictions on dealing in Penny Stocks and allows clients to buy/ sell in penny stocks only on the basis of 100% upfront margin and on delivery basis. Restrictions are also applicable on the stocks which are not compulsorily dematerialized/ or are illiquid stocks / have low liquidity, or stocks categorized by exchange in ASM/ GSM/ Unsolicited SMS or securities which are listed in 'Z' group or series available for institutional category, and options / contracts in Derivatives Market which are illiquid options /far month options / long dated options, are not permitted for trading. Any other securities which do not meet MINTCAP's internal risk and surveillance criteria or which as per MINTCAP's perception are volatile or subject to market manipulation or have concentration risk at client level or at the company level are not permitted for trading. MINTCAP may at any time, at its sole discretion and without any prior notice, deactivate scrips/ contracts from trading that do not meet MINTCAP's internal risk and surveillance criteria, or restrict the client's ability to trade in the scrip(s)/ contract(s). MINTCAP may, subject to internal risk and surveillance criteria, accept / place order (s) if the required settlement value / delivery of securities are provided prior to placing the order. MINTCAP will not be held responsible for any losses arising due to deactivation of the scrip / contract or refusal or delay in providing limit.

MINTCAP may refuse any order or transactions in respect of certain securities or segments which may be below/ above certain value/ quantity as may be decided by MINTCAP from time to time without assigning any reasons thereof. MINTCAP shall not be held liable for restricting/ prohibiting trade in penny stocks at any time. Further MINTCAP shall not be held liable or responsible in any manner whatsoever for any refusal/cancellation of orders for trading in penny stocks/other securities and the Client shall indemnify MINTCAP in respect of any loss caused to MINTCAP by virtue of the Client trading in penny stocks.

### **2. SETTING UP OF CLIENTS EXPOSURE LIMITS:**

The exposure limits set by MINTCAP do not by themselves create any right for the clients and are liable to be changed or withdrawn at any time as per internal risk and surveillance criteria and without any notice. The client agrees that any losses on account of such change or withdrawal shall be borne exclusively by the client alone. The client agrees not to claim any compensation from MINTCAP in the event of change / withdrawal / refusal of the applicable limit. The client agrees to compensate MINTCAP for any loss, harm or injury on account of exposure given, changed and/or withdrawn.

The client further agrees that MINTCAP may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in securities/commodities through MINTCAP, or it may subject any order placed by the client to a review before its entry into the trading systems and may refuse to execute/allow execution of orders due to but not limited to the reason of lack of margin/securities or the order being outside the limits set by MINTCAP/Exchange/ SEBI and any other reasons which MINTCAP may deem appropriate in the circumstances. The client agrees that trade related losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone.

In case of derivatives, clients shall be allowed to trade only up to the applicable position limits set by the Exchanges/Regulators from time to time. MINTCAP may from time-to-time demand

additional collateral from the client in the form of funds or securities or both if there is a requirement for the same and the client shall be required to provide the same.

Limits mean and include exposure limits, turnover limits, intraday/ delivery / carry forward positions, limits as to the number, value and/or kind of securities in respect of which orders can be placed etc.

The margin/security deposited by the client with MINTCAP are not eligible for any interest. MINTCAP is entitled to transfer funds and/or securities from his account for one exchange(s) or one segment of the exchange to his/her/its account for another exchange(s) or another segment of the same exchange whenever applicable and found necessary by the Member. The client also agrees and authorises MINTCAP to treat/adjust his/ her/its margin/security lying in one exchange(s) or one segment of the exchange towards the margin/security/pay in requirements of another exchange(s) or another segment of the exchange.

### **3. BROKERAGE POLICY:**

MINTCAP is entitled to charge brokerage for trades facilitated on BSE/NSE or any other recognized Exchange(s) of which MINTCAP is a Member. The Brokerage shall be paid in the manner intimated by MINTCAP from time to time, including as a percentage of the value of the trade or as a flat fee or otherwise. Brokerage rate may vary from client to client, as per the terms agreed with the client at the time of registration (provided under the heading "Schedule of Charges" in this Form) or by way of any subsequent written communication between the client and MINTCAP. The rate of brokerage shall however be exclusive of all statutory & regulatory levies. The rate of Brokerage shall not exceed the maximum permissible brokerage stipulated by Exchange(s)/ SEBI which at present is as under:

For Cash Market Segment: The maximum brokerage chargeable in relation to trades effected in the securities admitted to dealings on the Capital Market segment of the Exchange shall be 2.5 % of the contract price exclusive of statutory levies. Where the sale / purchase value of a share is Rs.10/- or less, a maximum brokerage of 25 paisa per share may be collected.

For Option Contracts: Brokerage for option contracts shall be charged on the premium amount at which the option contract was bought or sold and not on the strike price of the option contract. 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.

### **4. POLICY ON PENALTY / CHARGES:**

MINTCAP has to honor / adhere to various trading (margin/ ad hoc margin) and settlement obligations (funds and/or securities) as per Exchange bye-laws in respect of trades executed on behalf of the client on BSE/NSE or any other recognized Exchange(s) of which MINTCAP is a Member. In order to enable MINTCAP to meet the trading and settlement obligations as per the Exchange bye-laws, the clients are required to \*\*\*timely settle their trading and settlement obligations. MINTCAP may impose penalty and other charges, subject to rules, regulations, byelaws, circulars, directives and guidelines of SEBI and Exchanges as well as considering the prevalent market and other circumstances at a related point in time.

These penalties/ charges include:

- i. Failure to settle/meet trading and settlement obligations.

Delayed payment charges not exceeding 2% per month or such other rate as may be determined by MINTCAP from time to time. Interest shall be debited to the account of the client on monthly basis.

Charges for short selling of securities/non-delivery of shares, at a rate not exceeding 2% of the sale value or such other rate as may be determined by MINTCAP from time to time. Short selling penalty shall be debited to the account of the client on settlement day.

- ii. Dishonor of cheque issued, Bank charge at actual or and in cases of multiple/frequent instances the penal charges as may be determined by MINTCAP from time to time.

- iii. Any penalties / levies / punishment by Exchange / Regulators or any authority, for any irregularities observed by them in connection with/as a consequence of/in relation to any acts/ deed or transactions of the clients, at such rate or in such manner as may be determined by Exchange / Regulators from time to time.

This is only a penal measure to bring in discipline in the clients to meet trading and settlement obligations as per schedule specified by MINTCAP and should not be construed as a funding arrangement to the client.

## **5. RIGHT TO SELL CLIENTS' SECURITIES OR CLOSE CLIENTS' POSITIONS, WITHOUT GIVING NOTICE TO THE CLIENT, ON ACCOUNT OF NON-PAYMENT OF CLIENT'S DUES**

It will be the sole responsibility of the client to timely square-off / close / convert the position in products having specified time frame. If the client does not square off his open positions before the specified time frame, MINTCAP at its sole discretion would square off/close out the open positions on days of high market volatility, or reasons beyond the control, MINTCAP reserves the right to change the timings by either preponing or postponing the same. For availing various trading/investment products, in Cash / F&O / Currency or any other segment in which MINTCAP is a member, the client shall maintain adequate collateral (as defined above) on or before the scheduled date. The client agrees and confirms that in case of any short fall or delay/default in meeting the obligation, which includes but not limited to pay-in / margin / mark-to-market / Cheque return or any other obligation, MINTCAP shall have the right to sell client's collaterals to the extent of obligation and all such levies / expenses incurred by MINTCAP, without giving any prior notice to the client. The client further agrees that MINTCAP has the right to close his/her open position in circumstances as MINTCAP might think just and properly on a (on case to case) basis. MINTCAP offers trading facility as per internal risk and surveillance guidelines and rules, bye-laws, regulations, circulars of the Regulator / Exchanges. MINTCAP shall have the right to sell / close client's position which violates any AML / internal risk and surveillance guidelines and rules, bye-laws, and regulations, circulars of the Regulator / Exchanges. MINTCAP shall square off / close out the client open positions at any of the Exchanges and it can happen at either market price or limit price. MINTCAP reserves the right to decide the price limit, keeping in view of the size of the order and the depth of the market. Client shall be solely responsible for any resultant losses incurred to client due to selling the client's securities by MINTCAP or squaring off the client's open positions or for not doing so. All losses in this regard shall be borne by the CLIENT and MINTCAP shall be fully indemnified and held harmless by the CLIENT in this behalf.

\*\*\* Timely settle means one working day prior to the date of pay-in announced by Clearing Corporation / Clearing House of the respective Exchanges.

The mark to market loss is monitored against the net-worth / margins available in the trading account. The Client's net-worth/ margins available is total of adjusted ledger balance + Holding value of pledge securities + SPAN + Exposure margin requirement on derivative segment + Receipt of funds during the day – payment of funds during the day. MINTCAP shall not be held responsible for any delay losses, brokerage and other charges, margin shortfall penalties etc.

The client is notified once mark to market loss reaches to 50% of the client net-worth available in trading account.

All open positions of all derivative segment and intraday products are liquidated once mark to market loss reaches to 80% of the client net-worth available in trading account.

The right to sell clients' securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues shall be limited to the extent of settlement/margin obligation or to meet any regulatory requirement.

## **6. SHORTAGES IN OBLIGATIONS ARISING OUT OF INTERNAL NETTING OF TRADES:**

As per the prevailing guidelines, clients are required to make securities pay in on or before settlement day. However, MINTCAP is not obliged to deliver any securities to the client unless and until the same has been received by MINTCAP from the clearing corporation/ clearing house or other entity liable to deliver their securities. In case of default in security pay-in by the client, MINTCAP as per the internal settlement guidelines, shall debit an amount known as valuation debit to the clients. In case of default in security pay-in by the client there is a possibility of internal shortages at MINTCAP. Shortages arising out of internal netting of trades shall be strictly handled as per SEBI/Exchange prescribed Self Auction mechanism. Any charges levied by Exchanges/SEBI shall be recovered from clients. These internal shortages are marked against clients at the sole discretion of MINTCAP. In case of internal shortage, the obligation will be closed out at the highest traded price in Exchange from the day of trading till the auction day or at a percentage as applicable from time to time above the official closing price on the auction day, whichever is higher, as a penalty on the defaulting client and the benefit will be passed on to the respective beneficiary client. Scrip which is settled on Trade-to-Trade basis at Exchange does not fall under the above-mentioned policy.

### **For Buyers:**

1. In the event of short delivery during settlement, buyers will be notified via email/SMS on settlement day.
2. The exchange will conduct an auction on T+1 day to procure the short-delivered securities. If successful, the shares will be credited to the buyer's Demat account on T+2 days
3. If the exchange is unable to acquire the shares through the auction, the buyer will receive a cash settlement as per the exchange policy

**For Sellers:**

1. After the completion of the auction settlement process, the amount blocked for the short delivered securities will be released.
2. Deductions, if any, will be made as per the exchange policy.

**Exchange Policy:**

1. The highest price recorded in that scrip on the exchange from the date of the original trade till the date of the auction or
2. 20% above the official closing price of the security on the auction day.

**7. CONDITIONS UNDER WHICH A CLIENT MAY NOT BE ALLOWED TO TAKE FURTHER POSITION OR MINTCAP MAY CLOSE THE EXISTING POSITION OF A CLIENT:**

Under various circumstances outlined in the internal risk and surveillance guideline, the client may not be permitted to take any fresh or further position and MINTCAP may at any time, and at its sole discretion and without prior notice, close all or part of the position of the client. The guidelines regarding restriction to take fresh or further position and close all or part existing position include but are not limited to:

- Default by the client in honoring its trading and settlement obligation.
- Any further position which may result in violation of any rules, bye-laws, and regulations, circulars of the Regulator / Exchanges. In case of any violation, without any intimation /prior notice will close all or part of the position of the client to ensure compliance.
- In case any of the account opening details are found to be false or untrue or misleading or misrepresented.
- Where a client is reported to or known to be insolvent / deceased / lunatic or other disability.
- Receipt of binding order or commencement of any legal proceeding against the client under any law / Regulator or authority in force.
- If the client has breached any term, condition or covenant of this understanding with MINTCAP.

Further, it would be the duty of the client to monitor his/her position with MINTCAP from time to time. The client shall ensure to meet any trade and settlement obligation promptly to ensure that the pay in shall be received and processed on or prior to the settlement date or a date intimated by the MINTCAP, whichever is earlier. In case of any delay or failure by the client, MINTCAP at its discretion, may close the open position / contracts without any further intimation to the client in this regard. In the event of liquidation of the open positions the client shall be liable for any resultant losses and all associated costs incurred by MINTCAP.

## **8. VOLUNTARY FREEZING OR BLOCKING THE TRADING ACCOUNT AT THE CLIENT'S REQUEST**

The Client can request voluntary freezing/ temporarily blocking the online access to their trading account on account of suspicious activities.

Client can initiate voluntary freezing/ temporarily blocking of their trading account at any time through any of the following modes:

- By sending an email to [stoptrade@capmint.com](mailto:stoptrade@capmint.com)
- Chatbot option in the mobile app
- Such other mode which may be offered by the Broker post verification of the client's identity.

**For more details, please refer to the Policy on Voluntary Freezing and Blocking Online Access to Trading Account enclosed in Annexure A of this document.**

## **9. SUSPENDING, RESTRICTING OR CLOSING OF CLIENT'S ACCOUNT OTHER THAN DUE TO VOLUNTARY FREEZING OR BLOCKING THE TRADING ACCOUNT AT THE CLIENT'S REQUEST**

The client understands and agrees that MINTCAP may at any time, at its sole discretion and without prior notice, as a risk containment or surveillance measure prohibit or restrict his/her ability to trade in securities in the following circumstances:

- Any investigation / action taken by Regulators (not restricted to SEBI)/ statutory / government or judicial authorities.
- Irregular trading/investment pattern resulting in violation of any rules, bye-laws, regulations, circulars not restricted to SEBI.
- Anti Money Laundering (AML) perspective.
- Frequent default by the client in honoring his / her trading and settlement obligations.
- If the client fails to clear his / her outstanding debit within the specified time.
- Failure to inform any updation / modification in personal details, due to which the client may be non-traceable. Personal Details include but not limited to correspondence / Permanent Address, Designated Bank and Demat Account, Email Id / Mobile Number, Income and Financial details.
- The client account has been dormant or inactive during the period as specified in the internal risk and surveillance guidelines.
- In case any of the account opening details are found to be false or untrue or misleading or misrepresented.
- Where a client is reported or known to be deceased or lunatic or has other disability which prevents them from undertaking contractual liability or for any other justifiable reason.
- Where client fails to provide / execute or renew mandatory documentary requirements as prescribed by Exchanges/ Regulators from time to time and /or refusal to do the periodic submissions as required by Exchanges/ Regulators.
- Clients with suspicious background, link with suspicious organization etc. based on information found from authentic channel including but not restricted to websites.
- Within 15 days of receipt of the suspension / closure request from the clients, subject to clearance of all dues and settlement obligations.

## **10. DE-REGISTRATION OF A CLIENT**

De-registration of client implies termination or closure of the account. Upon closure of the account, the understanding entered into by and between MINTCAP and the client shall stand terminated. The termination of the understanding shall not affect any rights or obligations of either party which have accrued prior to the termination or which may arise out of or in connection with acts done or omitted prior to the termination and the same shall continue to subsist and vest in / be binding on

the respective parties or his / its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

**11. DORMANT/IN-ACTIVE ACCOUNT:**

Where no transactions have taken place in the client's account during TWO years from the date of the last transaction, then such account will be considered dormant / in-active account.

If the account status is tagged as a dormant / in-active account, then the surplus funds or securities lying with MINTCAP shall be refunded / returned to clients at his/her last known bank account / DP account for securities or at such other account(s) as mentioned in the Account Opening Form as per the settlement procedures prescribed by the stock exchanges/ SEBI.

**12. REACTIVATION:**

Client's account will be re-activated, subject to fulfillment of such conditions as MINTCAP may consider fit and proper –

-on submission of proof of identity and proof of address, where the account is suspended due to dormant / inactive status or on client's request, or on submission of such other information/ documents as deemed fit by MINTCAP.

-in other circumstances, at the discretion of MINTCAP, provided there are no outstanding dues from the client or client has complied with all requirements of MINTCAP of submission of information/ documents or on fulfillment of such other conditions that MINTCAP may impose at its discretion.

-It is at the discretion of MINTCAP that a new application may be denied if the client has repeatedly opened and closed accounts with the same PAN without sufficient justification.

## ANNEXURE A

### POLICY ON VOLUNTARY FREEZING AND BLOCKING ONLINE ACCESS OF TRADING ACCOUNT

#### 1. Background:

SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024, prescribes a framework for Brokers to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients on account.

In line with the same, a facility has been made available by Mintcap Brokers Private Limited (hereinafter referred as "Mintcap Brokers", "Company") to all its registered clients who have access to Web/ mobile trading Application to place a request with Mintcap Brokers to freeze/block the online access of their trading account in case of any suspicious activities in their account.

This policy prescribes the process and mode(s) through which the client can place the request to freeze/block & unfreeze / unblock the trading account along with the timelines within which the request will be processed.

#### 2. Implementation

##### A. Freezing/Blocking of Trading Account Mode of placing freezing/blocking request

1. In case any suspicious activity is observed in their trading account, Clients can submit their request for freezing/blocking their account in the following manner:

- i. **Through Chatbot Option in the "Capmint" mobile application:** - Client shall log into the account through the Capmint mobile application using the credentials, then navigate through the Profile Section, select "Help & Support" option in the Profile Section, and select the option "Chat with us" to access the Chatbot for submitting the request for voluntary freezing/ blocking your trading account.
- ii. **Email request:** - Client may send the request for freezing/blocking the trading account by sending an email to [stoptrade@capmint.com](mailto:stoptrade@capmint.com) from his/her/their registered email address.

The request for freezing / blocking the trading account shall be accepted through above modes as a practice.

iii. Where above two modes are not accessible by the Client in exceptional situations, such other mode which may be offered by the Mintcap Brokers for accepting the voluntary freeze/ block request post verification of the client's identity.

2. Mintcap Brokers shall verify/validate that the request for freezing/blocking the online access of the trading account is received from the respective client only.
3. Upon successful validation, the client's trading account shall be frozen/blocked.

##### B. Timeline for freezing/blocking the account

Upon receipt of request, Mintcap Brokers shall initiate the freezing/blocking their account within the following timelines:

Scenario	Timelines for processing the request
Request received during the trading hours <sup>1</sup> and within 15 minutes before the start of trading	Within 15 minutes
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

<sup>1</sup>Trading hours shall be as follows:

Capital Market Segment: 9.15 a.m. to 3.30 p.m.

Equity Derivatives Segment: 9.15 a.m. to 3.30 p.m.,

Currency Derivatives Segment: 09.00 a.m. to 05.00 p.m.,

Commodity Derivatives Segment: 09.00 a.m. to 11:30 p.m.

Upon receipt of the request as well as upon freezing /blocking of the trading account access, client will receive an acknowledgement on his/her/ their registered Email ID and mobile number.

Besides freezing/blocking of the trading account access, all the pending orders in the client's trading account, if any, shall also be cancelled.

Details of open positions (if any) shall also be communicated to the client along with contract expiry information within one hour from the freezing/blocking of the trading account.

Based on the request, only facility to place an order or undertake any transaction through the trading application will be restricted. Clients will have "view only" access to their trading accounts.

No orders should be placed by the client once the request for freezing/blocking is submitted to Mintcap Brokers. Mintcap Brokers will not be liable for any such orders which are placed after the submission of the freezing/blocking request and before the actual freezing/blocking of the trading account.

### **C. Re-enabling the client for online access of the trading account**

Re-enablement or re-activation of the trading account will be subject to necessary due diligence. If the client wishes to proceed with re-activation, the client shall send an email to that effect to [support@capmint.com](mailto:support@capmint.com).

### **D. Risk Management**

It is, herewith clarified that:

- i. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of Mintcap Brokers.
- ii. The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.

### **E. Maintenance of records:**

Mintcap Brokers shall maintain the appropriate records/logs including, but not limited to, request received from the client to freeze/block the online access of trading account, confirmation given for freezing/blocking of the online access of the trading account and cancellation of pending orders, if any, sent to the clients.

### **3. Responsibility**

The Head of Customer Service, Head of Risk and Head of Operations department shall be responsible for the implementation of this Policy.

### **4. Policy Review**

This Policy shall be reviewed as and when there are any regulatory changes are introduced or as and when it is found necessary to change the Policy due to business needs. However, Policy shall be reviewed at least annually. The Board of Mintcap Brokers Private Limited will be approving authority for the Policy. The Board / committee of the Board will be the approving authority for the Policy.

### **5. Deviation to Framework**

Any deviations to the Policy shall be approved by the Head of Customer Service, Head of Risk and Head of Operations, as applicable of Mintcap Brokers Private Limited.

**6. Power to Remove Difficulties**

In order to remove any difficulties in the application or interpretation of this Policy, the Compliance Officer of Mintcap Brokers Private Limited shall have the power to issue clarifications.

**7. Effective Date**

This Policy shall be effective from July 14, 2025.