

## **Risk Management Policy**

Note: This document must be reviewed and updated either annually or as and when any change is advised by the Regulator. Any amendment to this policy shall be subject to approval of the board

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## I. Background

The Regulators mandate members to have a prudent system of risk management to protect themselves from client defaults. The primary objective of the Risk Management Policy at Mintcap Brokers Private Limited is to establish a structured framework to identify, monitor, and mitigate risks arising from trading activities of clients in both **Equity** and **Derivative** segments. The same should be well documented, regularly updated and be made accessible to all the stakeholders, including Senior management, Compliance Officer, and operational teams, to ensure uniform understanding and implementation. . Risk Management System (RMS) function includes:

- To define clear procedures for risk management of clients in Equities & Derivatives: Establish well - defined and transparent procedures to assess and control risks associated with client activities in Equities and Derivatives.
- To check capital adequacy for exposure and requirements of the client: To ensure that clients maintain sufficient capital adequacy to support their exposures and trading requirements, in line with regulatory and internal guidelines.
- Monitoring of Clients Order, Pattern of Trades, Order rejections, increasing of Exposure/limits: Continuously monitor client's order placement, trading patterns, other rejections, and requests for increased exposure or trading limits to detect irregular or high-risk behaviour.
- Monitoring MTM profit/loss incurred out of trades: Track real time profit or loss arising from trades to assess market risk exposure and ensure prompt corrective measures when losses exceed acceptable thresholds.
- Margin v/s Exposure of client: Review client margin availability against exposure levels to ensure compliance with margin requirements and to prevent over-leveraging.
- Decision-taking with regard to squaring off positions on account of MTM loss or Margin shortfalls or any other reasons that may come across: Implement a systematic process for squaring off client positions in cases of MTM loss, Margin shortfall, or other risk related triggers as determined by the Risk Management Team.
- Other monitoring procedures like monitor compliance with SEBI and Exchange regulations, evaluate concentration risk across clients and instruments, Document and report exceptions to the Compliance Team.

### Objective

The objective of this **Risk Management Policy** is to establish a structured approach to identifying, assessing, and managing various risks that may arise during the normal course of business at **Mintcap Brokers Private Limited**.

Key Objectives:

1. **Risk Identification:**  
To identify and categorize the various risk areas to which **Mintcap Brokers Private Limited** may be exposed in the normal course of its broking and related business activities.
2. **Risk Mitigation and Control:**  
To design, implement, and maintain effective **process checks and control mechanisms** aimed at mitigating or minimizing risk exposure through preventive and corrective measures.
3. **Operational Resilience:**  
To ensure operational resilience by establishing robust systems and processes that help in early detection, timely escalation, and effective management of potential risk incidents.

**4. Regulatory Compliance**

To ensure full compliance with all applicable **SEBI, Exchange, and internal regulatory frameworks**, thereby safeguarding the interests of clients, stakeholders, and the organization.

**II. Products Offered**

- Delivery Trading {i.e., Long Term Cash and Carry (CNC)}
- Intraday Trading {i.e., Intraday Square-off (MIS)}
- Futures and Options {i.e., Overnight (NRML) and Intraday}

**Cash Segment:** All the Market participants can trade in the Equities or Cash segment on the NSE/BSE using the following product types with CapMint.

**CNC/Delivery:** Delivery trades using this product provide no leverage. Once the shares have been purchased, shares will be delivered to the client's Demat account and if the client has sold shares, the same will get debited from the client's Demat Account. Clients should have 100% deposits available with CapMint or clients should be able to transfer 100% of the transaction value before executing/placing the buy trades. Clients will be allowed to sell only such quantity of shares those are available in Company's account on his/her behalf or those which are available in his/her own Demat Account maintained with CapMint and for which client has executed the transaction with confirmation via Electronic Delivery Instruction (E-DIS) or Power of Attorney/DDPI registered with CapMint. Normal settlement of funds and Securities takes place only on the settlement day.

Features:

1. Clients can carry forward all the open positions taken under CNC/Delivery product.
2. The same will be transferred to the Demat account on settlement date.

Intra-day (BO/CO/MIS Orders) – Clients are allowed to take Intra-day positions only based on the margin available with CapMint. The open position will be compulsorily squared off on the same day. The clients are allowed to take Intraday positions only for selective scrips (The eligible list will be revised daily). However, in case of extreme circumstances such as high market volatility, CapMint may revise the list during the day also. During the day, Client can convert his/her Intraday positions into Delivery products provided adequate margin is available in the client account.

Features:

1. Client cannot carry forward any Intraday positions unless converted to Delivery or other carry forward product.
2. Positions created under Intraday products would be subject to either client themselves exit/square off MTM loss reaches 80% of the total deposit (this would be executed without intimation to the client), Risk/MTM square off or Timer Based square off.
3. All the pending orders/partially executed orders will be cancelled once the square-off triggers.
4. If MTM loss breaches 80%, positions will be liquidated at the Market price on best effort basis and clients will be liable for the losses.
5. No fresh orders will be accepted in Intraday product once Timer based square off triggers as per the practice prior to market closing.

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### III. Acceptable Collaterals

Clients are required to provide liquid assets, which adequately cover various margin requirements. Liquid assets of the client which may include Cash component or any other acceptable collateral to get the trading limits. The client can provide cash and non-cash collateral.

- a) Cash Component:** The Cash Component represents the portion of client funds available for meeting margin and settlement obligations. It includes the following.

Net		Client		Ledger		Balance
The	Net	Client		Ledger	Balance	comprises:

- Previous end-of-day (EOD) clear balance across all segments and exchanges.
- Funds pay-in received during the trading day across all exchanges and segments.
- Credit entries passed in the client ledger against securities for which the client has already fulfilled the **sell delivery obligation**, and an **Early Pay-In (EPI)** has been made to the Exchange in accordance with prescribed Exchange guidelines and limits.

#### FixedDeposits

Fixed Deposit receipts (FDRs) placed by the client with Mintcap Brokers Private Limited.

#### Government Securities (G-Secs) / Treasury Bills etc

Investments in Government Securities (G-Secs) / Treasury Bills etc that are freely transferable and lien-marked in favor of the Exchange or Clearing Corporation, or otherwise held as margin collateral with Mintcap Brokers Private Limited, shall also be treated as part of the Cash Component, subject to applicable regulatory valuation and haircut guidelines.

#### b) Non-Cash Component:

##### i. Securities

Mintcap Brokers Private Limited may accept approved securities as defined by the Exchange and/or Non-Approved Securities, at the discretion of the Risk Team, after applying the appropriate haircut.

Approved securities are liquid Securities, in dematerialized format, actively traded on the national exchanges, which are specifically not declared as illiquid, shall be pledged as margins, as per the pledging/ re-pledging mechanism specified by SEBI/NSDL/CDSL/CC from time to time.

Appropriate Haircut, equal to Value at Risk (VAR) margin or such higher percentage as prescribed by the Mintcap Brokers Private Limited from time to time, shall be applied to the lower of the previous closing or LTP of the securities as prescribed by the Exchange. Value of securities, after consideration of appropriate haircut, shall be considered as value of securities pledged.

Collateral Margin shall not be considered for equity delivery positions (Cash and Carry product) and Options Buy positions. The collateral benefit arising from pledged securities or other eligible instruments shall be considered only for adjustment against margin requirements.

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### Re-Pledge and Invocation Rights

Mintcap Brokers Private Limited reserves the right to re-pledge approved securities deposited by clients with the respective Clearing Corporations, in accordance with SEBI and Exchange regulations.

In the event of a client default — including, but not limited to, failure to meet margin obligations, settlement dues, or any other financial commitments — Mintcap Brokers Private Limited and/or the Clearing Corporations shall have the right to invoke the pledged securities to recover outstanding dues or obligations arising out of such default.

Such invocation shall be executed as per the regulatory framework prescribed by SEBI and the respective Clearing Corporations, and the client shall be fully responsible for any resultant loss or shortfall after the liquidation of the pledged securities

#### Valuation Rate of Scrips/ Exchange Traded Funds for margin reporting purpose

Valuation based on T-1 day rate as per NSE Bhavcopy. In case, scrip is not listed on NSE or not traded on NSE, then valuation rate as per BSE Bhavcopy shall be applied.

#### Valuation Rate of Other Mutual Funds (MF) i.e., not listed on Exchange:

MF units which are neither listed on NSE or BSE shall be valued as per AMFI NAV file of T-1 day.

## IV. Setting up Client's Exposure Limits for all segments

Mintcap Brokers Private Limited may, from time to time impose and vary limits on the orders that the client can place through the Mintcap Brokers Private Limited's IBT, mobile app, or other trading system (including exposure limits, turnover limits, limits as to the number, value in respect of which orders can be placed, etc.). The client acknowledges and agrees that the Mintcap Brokers Private Limited may, vary, reduce or impose new limits at its discretion based on Internal risk assessments, Market conditions, regulatory directives, or any other factors deemed relevant, including limits imposed by SEBI and/or the Exchanges. Such modifications may be implemented without prior notice to the client.

The client further agrees that Mintcap Brokers Private Limited shall not be responsible for any variation, reduction, or imposition of limits, or for the client's inability to place or execute orders as a result of such changes.

Furthermore, Mintcap Brokers Private Limited reserves the right to refuse execution or modify exposure limits due to:

- Exchange or SEBI directives,
- Market volatility,
- System Constraints, or
- Any other reason considered appropriate by the Risk Management Team.

Any losses arising from such refusal, delay, or modification shall be borne solely by the client.

While computing and reporting the available margin following parameter consider-

Margin Computation Parameters:

- Clear credit balance lying in client's ledger.

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- Value of pledged securities (after applicable haircut) as per the Exchange guidelines.
- Successful online fund transfers from registered client's Bank accounts.
- Credit entries passed in the client ledger for Early Pay-in (EPI) to the Exchange.

Clients shall be permitted to trade in Futures Contracts only up to the Client-wise position limits prescribed by Exchanges and regulators from time to time.

#### Additional Risk Parameters

- Exposure limits may be increased or decreased based on the client's financial profile and the firm's internal risk appetite.
- Scrip-wise margin may be imposed as per Exchange guidelines or Mintcap's internal assessment of volatility and risk concentration.
- Haircuts on pledged securities may be revised upward or downward based on prevailing market or scrip-specific volatility.

Mintcap Brokers Private Limited shall not be held responsible for any delay or non-receipt of pledge/OTP links from depositories, non-confirmation of pledge requests by clients or any other technical or operational issue arising at depository or broker's end during the pledge creation process.

Sr. No.	Particulars	Limits
1	<b>Intraday Exposure</b>	<p>1. Intraday exposure will be calculated based on parameters such as liquidity, DPR, VaR, turnover, and market conditions. Clients may receive leverage up to a maximum of <b>5x</b> of the available margin. Final exposure shall be determined <b>at the discretion of the RMS Team</b>, considering scrip-wise and market-wide risks.</p> <p>2. MTM losses are charged <b>on a daily basis</b> over and above the available margins. For intraday trades, blocked margins are released after the position is squared off and realized losses or charges are adjusted.</p> <p>3. Open intraday positions before Close of market will be squared off through Trigger Based or Time based (EOS) process unless specifically squared off by the risk team depending on shortfall in margin or due to other risk parameters. All open intraday positions will be squared off automatically before market close through a <b>trigger-based</b> or <b>time-based (EOS)</b> process. The RMS team may square off positions earlier in case of <b>margin shortfall</b> or <b>adverse market conditions</b>, without prior notice.</p> <p>4. <u>Trigger Based Square-Off:</u></p>

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Sr. No.	Particulars	Limits
		<p>The RMS system may initiate an early square off when a client's available margin falls below the minimum required margin, or if the MTM loss reaches a critical threshold. This will help prevent margin breaches, debit balances, or risk exposure beyond the permissible limits.</p> <p>a.50% MTM Loss: Alert – Client advised to add margin  b.70% MTM Loss: Warning – Immediate margin top-up required  c.80% MTM Loss: Square-off – RMS may square off positions without notice</p> <p><u>5.Time-Based (EOS) Square-Off:</u>  Any remaining open Intraday positions at the designated cut off time (usually between 3.15 PM and 3.25 PM) will be closed out by the system through an End-of-session (EOS) process.</p>
2	<b>Carry Forward</b>	<p>Clients with sufficient Cash balance shall be allowed to buy in CNC and Carry Forward their positions.</p> <p>For F&amp;O, client can carry forward their positions after giving sufficient upfront margin and maintain the required Margin in the form of Cash and/ or Collaterals (cash collateral ratio as defined by Risk team from time to time)</p>
3	<b>Square off Criteria and Timing</b>	<p>a) <u>Time based square off:</u> All Intraday Cash and F &amp; O positions shall be squared off on daily basis either at predefined timeline (post 3pm) pls note that the risk team reserves the right to square off trades at any time during the market hours at their sole discretion.</p> <p>b) <u>MTM square off:</u> Customers are required to monitor and maintain the margins required, any shortfall may lead to square off of the open position. At any given point in time, if the MTM level of the client breaches 50% minimum or as defined by the risk team depending upon stock market volatility, the Mintcap Brokers Private Limited risk team may square off the relevant positions of the client. All open positions can be squared off based on Market conditions, volatility, etc. and the final discretion will be of the Risk Team at all the times.</p> <p>c) <u>Margin square off:</u> Customers are required to maintain and bring the shortfall in margin before trading starts on T+1 day for all carried forward position or any shortfall in margins. if customer does not clear settlement / margin shortfall before market start on T+1 day, then the Risk team may square off positions at any point of time post market opening.</p> <p>d) <u>ADHOC Square off:</u> It may be initiated due to conditions such as stock hitting circuit, physical delivery, market circuit, corporate actions etc. Based on internal risk parameters,</p>



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Sr. No.	Particulars	Limits
		volatility, regulatory directives and documented risk assessment. e) <u>Circuit Square off</u> : Once the scrip crosses 15%, fresh positions in Intraday may be blocked and existing open reverse side positions will be squared off as per the discretion of Risk team. This will be done on the best-effort basis. In event of the position remaining open the customer is required to make good any debit due to such position remaining open or going in Auction due to non-square off of intraday position. In case of failure in square off, then the position will be marked as delivery/short delivery. Appropriate auction penalties from exchange shall be charged on the client account in case of short deliveries. f) <u>Physical delivery</u> : We will square off the positions of the contracts lying in physical delivery if client doesn't have the sufficient margin (upto 100% of contract value as prescribed by Exchange or as prescribed by Risk team from time to time). Note: It would be client responsibility to ensure that sufficient margin is available at all the times else position may be squared off by Risk team without any pre intimation

## V. Setting up Terminal Level Limits

Trading Terminals are allotted to Mintcap Brokers Private Limited by Exchanges. These CTCL / IML terminals enable Mintcap Brokers Private Limited to place, modify and execute orders on behalf of clients. There may be instances where due to punching error or technical issues, unusual orders may be placed at high prices which might lead to execution of unrealistic orders or orders being executed at unrealistic prices. In cases where the order/price of such orders is high, it might lead to huge losses to Mintcap Brokers Private Limited. In order to avoid such a situation, it is imperative that certain limits are prescribed for each terminal allotted to Mintcap Brokers Private Limited.

Mintcap Brokers Private Limited shall ensure documentation of internal controls on areas like order modification / cancellation, client code changes and post-trade activities are in place and are being updated from time-to-time.

The following limits shall be defined for each terminal:

- Quantity Limit for each order
- In cases where a large trade is to be done, dealer can intimate the Risk Team of the higher limit requirement and the Risk Team can raise the limit accordingly.
- Value Limit for each order
- Turnover Limit for each user ID
- Pending Order Limit for each ID
- Member Level Turnover Limit
- Spread Order Quantity and Value Limit (For all Segment) Checks in place
- A dedicated Risk monitoring team to monitor the exposure, limit, etc.
- RMS Terminal which has a facility to block the client as well as restrict to use over exposure.

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- Terminals limits will be set up by the Front Office official designated at Correspondence/registered Office.
- No user will be provided unlimited limit.
- Limits shall be monitored on daily basis, taking following criteria's: Turnover, Exposure, past trends, Location, Deposit/Collateral, etc.
- Any other limits as prescribed by Exchanges from time to time.

a) **Trading in New Listing:**

Newly listed shares (usually do not have any DPR), shares are subject to the high market risks. Dealing in these securities will be allowed after verification of credit balance and M-to-M levels and shall also be subject to certain conditions as it may deem fit and proper in based on its internal assessment.

Risk team shall restrict Order Quantity/Value for IPO/OFS on the day of listing. Also, Margin / Limits shall be set for the same considering various factors like size of IPO, allotment, floor price, etc. by Risk team.

b) **Trading in Illiquid Scrips/Penny Stocks/FNO Contracts:**

As a part of Due Diligence, Illiquid Securities/Trade to Trade shares/Penny Stocks or illiquid F&O contracts (as defined from time to time) may be restricted by Risk team. The list of such Restricted Scrips shall also include GSM/ASM/SMS List and will change from time to time. Further contracts beyond a certain range may also get restricted due to liquidity or risk of illiquidity during squareoff.

## VI. **Order Receipt & Execution:**

- All orders routed through RMS are monitored by Mintcap Brokers Private Limited's risk department and after confirmation about client's margin status (availability of prescribed margin), order shall get executed.
- Clients can enter trades primarily through App and / or web browser. Order confirmation screen is displayed in order to confirm the trade details entered. Further, trade executed only if all the parameters are complied for execution else the trade will be rejected.
- The dealers shall take utmost care while executing the trades of the clients regarding the accuracy of Client Code, Quantity and Price etc post client's confirmation on recorded line or registered email or through raising Tickets from App/Web or written signed order form or any other channel as prescribed by the regulator and necessary approvals if required. The orders from the clients are promptly executed by the dealers and the order confirmation of the placement of the orders is immediately provided to the clients. Moreover, only registered dealers are allowed to enter the dealing room for placing the orders.
- Any communication gap in receiving orders from the client also poses a risk to the Mintcap Brokers Private Limited. Accordingly, order from clients shall be received only through such means of communication which leave an audit trail.

Mintcap Brokers Private Limited shall execute trades of clients only after keeping evidence of the client placing such order; it could be, inter alia, in the form of:

- Physical record written & signed by client,
- Telephone recording,
- Email from authorized email id,
- Log for internet transactions,

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- Any other legally verifiable record.
- Further, wherever the order instructions are received from clients through the telephone, the Mintcap Brokers Private Limited shall mandatorily use telephone recording system to record the instructions and maintain telephone recordings as part of its records
- A record of error trades will be kept separately and authorisation will be taken from authorised personnel for such orders.
- Specific Orders:  
Bulk / Block deal: Prior approval from Risk & compliance shall be required.  
Bracket Order and Cover Order (BO & CO): It shall be permitted subject to restrictions. Risk team will clearly specify scrip, quantity and value restrictions with respect to BO & CO orders in Cash and FO segment during market hours.  
After Market Orders (AMO) Orders: It shall be allowed for pre-fixed timings by Risk team and shall be subject to Minimum Order Value. Such orders will stand cancelled if placed without sufficient margin. AMO orders will be revalidated by Risk team before they are placed in Market.

## VII. Monitoring of Debit Balances

Clients can enter trades primarily through Mintcap Brokers Private Limited's App and web browser. One of the parameters for acceptance of client's trade is subject to availability of sufficient funds, else the trade order is rejected upfront. Hence, the possibility for clients with debit balances will be less. But chances of debit due to illiquidity, expiration of contracts, physical delivery, Auction or due to any other circumstances debit balance may occur, Risk team will take appropriate measures to recover such outstanding amount.

Further, due to technical issues, Mintcap Brokers Private Limited order placement there is a system for monitoring client debit balances, if any, on a daily and online basis, risk team to monitor the debtors as well as asking for Clearance of debit balance above a threshold.

Clients can be followed up either by Push notification, sending SMS or e-mails:

- No further exposure is allowed if debit balance continues for 5 days from the date of settlement.
- In case full payment not received from the client, Unpaid securities will be retained in CUSPA to the extent of debit balance post considering the haircut as per SEBI guidelines.

## VIII. Margin Collection Procedure (CM Segment)

- Client limits are allowed as per margin norms of the relevant Exchanges. Clients are required to provide upfront margin in the form of funds or Securities before any trade as per the discretion of Risk team.
- For Delivery position, client will be required to have 100% cash margin and for MIS(Intraday) Mintcap Brokers Private Limited risk will decide the exposure from time to time.
- Mintcap Brokers Private Limited shall take proper and adequate margin from clients and shall allow to carry forward positions as per the Exchanges/SEBI norms and guidelines.
- During the trading hours, if any short margin observed, Risk team may square off the positions of the client **at any time during the trading hours.**

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## IX. Margin Collection Procedure (FO Segment)

In this segment, the Exchanges stipulate that every position taken should be based on the available initial margin. Apart from the initial margin, Exchanges have introduced exposure margin and additional margin to meet the market volatility and risk associated.

Based on the requirements of the Exchanges and applicable SEBI guidelines, Mintcap Brokers Private Limited mandates that all clients trading in the F&O segment shall always maintain sufficient margins (SPAN Margin + Exposure Margin + Additional Margin + Delivery Margin + Adhoc Margin) for taking and maintaining positions. In accordance with the 50:50 cash collateral rule, at least 50% of the total applicable margin shall be collected in cash and cash equivalents, as prescribed under the relevant SEBI circulars, with the balance permitted in eligible non-cash collateral. The margin should either be clear credit balance or in the form of collaterals i.e., Value of securities (after applying appropriate haircut) accepted as collateral from the clients by way of 'Margin Pledge' created in Depository system for the purpose of Margin. Appropriate hair cut would be applicable for collaterals in the form of Securities before taking the valuation.

The MTM loss arising in F&O positions need to be paid on the same day (T day) or till T+1 day before market open so that MTM settlement can be performed properly, failing which the positions may be reduced to the available margin level. In order to retain the position in such cases is possible only if Funds are transferred from the client's bank account via Fund Payin.

Additional Adhoc Margin (i.e., over & above span margin) may be levied as a risk containment measure to be determined on the basis of market factors and risk factors associated with the securities being traded.

Mintcap Brokers Private Limited may enhance the margin time to time based on the market/stocks conditions

### **Penalties imposed by clearing corporations for the shortfall or non-collection of upfront margins will be passed on to clients with effect from Nov 01, 2024.**

If the shortfall or non-collection arises due to, an increase in margin amount on account of change in hedge position by client/ expiry of some leg(s) of the hedge positions which may arise in a hedge break/loss of cross margin benefits like square off by the clients/expiry of some leg(s) of the hedge positions of the clients, leading to higher margin obligations on the open position(s).

#### **Options RMS:**

The options carry forward buying position should be allowed against clear credit balance / premium credit. Collaterals, in any form, will not be considered as margin for options buying positions.

Options selling involve unlimited risk and thereby Exchanges specify high span & exposure margin and hence will be allowed only after sufficient margin provided by the client. Deep out of the money options selling may not be entertained and similarly options having less liquidity may not be allowed. Risk team may restrict Buying/Selling of Fresh positions .in stock Options in current month contract on the day of monthly expiry.

The risk team will have sole discretion to allow or disallow trading in any contract based on risk parameters.

#### **Physical Settlement in Derivatives:**

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Delivery margin percentage and VAR percentage are set by exchanges and may change depending on the volatility or internal risk policy. A client will get physical delivery in FO segment only if client meets required margin by bringing entire funds equivalent of contract value and in case of short position, client needs to ensure stock is available in the linked demat account for marking Payin of securities to avoid auction settlement(customer needs to ensure that he should authorise such debit if he is non DDPI customer)on or prior to the expiry day.

If the client wants to convert ITM/ATM to physical delivery, then client shall bring the required margin as prescribed by the Exchange or Mintcap Brokers Private Limited from time to time. In case the required margins are not provided by the client, then Mintcap Brokers Private Limited reserves the right to liquidate the contract without allowing the client to convert to physical settlement.

Note: For EDIS Client, the client needs to ensure sell authorization is done for the qty equivalent to lot size in the underlying physical delivery contract on the expiry day.

The risk team will have sole discretion to allow or disallow trading in any contract based on risk parameters.

## **X. Right to Liquidate Position**

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Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.

In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favour of a Nominee shall be valid discharge by the stock broker against the legal heir subject to completion of all necessary transmission related formalities.

Risk Head to decide on the priority of securities to be square off from securities of a client i.e., which scrip is to be liquidated first. Generally, security with the highest collateral value will be liquidated first.

## **XI. CUSPA square off Process**

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If the client has not paid for the securities purchased then the securities received from Exchange will be transferred to client's linked demat account and will be pledge in favor of the CUSPA account of the broker. If client does not bring the balance amount in the next 4 days then securities will be squared off by RMS team as per the Exchange prescribed guideline or at the discretion of the RMS team. If client brings balance amount within the prescribed timeline then securities will be Unpledged in client demat account. If the client fails to make payment in respect of any one or more securities purchased by him before the pay in date then client position, to the extent if debit lying in the account can be squared off by T+5 day.

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#### Disclaimers

Client agrees and accepts that if for any reason there is system/network issue/Exchange circuits and Trading is halted or open positions could not be squared off, client will not hold Mintcap Brokers Private Limited responsible for the losses arising out of the same.

Other Risk Management Mechanism:

Sr. No.	Particulars	Limits
1.	<b>Restricted Scrips &amp; Banned Scrips</b>	<ul style="list-style-type: none"> <li>➤ Securities in BAN Period: No fresh positions will be allowed in Securities declared in BAN period in FO by exchange</li> <li>➤ Mintcap Brokers Private Limited reserves the right to refuse execution of fresh trade in below mentioned Restricted Scrips : <ul style="list-style-type: none"> <li>1) Securities in ASM/GSM/SMS List</li> <li>2) Securities Restricted as per Internal Policy</li> </ul> </li> </ul>
2.	<b>Penalty/ Delayed Payment Charges</b>	<ul style="list-style-type: none"> <li>➤ Any delay payment after settlement will attract upto 24% interest p.a. or such other rates as decided from time to time. Further client may not be allowed to take fresh exposure till debit balance is cleared within the Exchange prescribed guideline.</li> <li>➤ Any penalty related to Ban period/Short Margin or any other penalty by the Exchange on transaction will be recovered from the respective client. It will be subject to Exchange regulations and as decided by RMS team from time to time.</li> </ul>
3.	<b>Surveillance</b>	<p>In case of unethical practices strict action will be taken and the decision will lie solely with Mintcap Brokers Private Limited. Such as:</p> <ul style="list-style-type: none"> <li>➤ Synchronized trading</li> <li>➤ Off market Transfer to Multiple clients and from multiple to single account</li> <li>➤ Client Scrip Concentration</li> <li>➤ Profit loss transfer</li> <li>➤ Circular /Insider Trading/Price Rigging is strictly prohibited and subject to action</li> <li>➤ Also Mintcap Brokers Private Limited reserves the right to issue cease and desist notices to the clients who indulge in unfair trade practices. If a client is found to indulge in such practices his account can be closed with immediate effect.</li> </ul>
4.	<b>Single Order Limit</b>	<p>Mintcap Brokers Private Limited reserves the right to restrict order/request above certain value/quantity in respect of certain securities as a part of due diligence.</p> <ul style="list-style-type: none"> <li>➤ Single order value and single order quantity are capped.</li> </ul>
5.	<b>General</b>	<ul style="list-style-type: none"> <li>➤ No Family adjustment of ledger is allowed.</li> </ul>

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Sr. No.	Particulars	Limits
		<ul style="list-style-type: none"> <li>➤ No third party collateral securities will be accepted.</li> <li>➤ No unlimited limits will be given on any Client ID and Dealer ID.</li> </ul>
6	<b>Turnover limit</b>	<ul style="list-style-type: none"> <li>➤ Mintcap Brokers Private Limited reserves the right to restrict turnover above certain value in respect to certain Clients as a part of due diligence"</li> </ul>
7	<b>Funds</b>	<ul style="list-style-type: none"> <li>➤ Clients can transfer funds into the Trading Account only from such bank account(s) that are registered with Mintcap Brokers Private Limited on the Platform. Any transfer from a non-registered bank account will not be considered and the client does not get any trading credit for such transfers. Clients shall be solely liable for any losses due to transferring funds from a non-registered bank account</li> <li>➤ The client can transfer funds using UPI, net banking, and through IMPS, RTGS and NEFT</li> <li>➤ Payments cannot be made via cash.</li> </ul>

**Note:** Mintcap Brokers Private Limited Risk team reserves rights to give exceptions/deviations to this policy at their discretion.

## **XII. Margin Trading Facility – Risk Management**

Clients availing Margin Trading Facility, should maintain margins as per terms agreed upon for availing such facility.

The stocks deposited as collateral for availing margin trading facility and the stocks purchased under the margin trading facility (Funded stocks) shall be marked separately and monitored on a real time basis. There would be no benefit of the Mark to Market Profit for the MTF position in terms of releasing any limits for trading.

Client shall pay any shortage in the required margin immediately on receiving demand (margin call) on the trade day failing which Mintcap Brokers Private Limited shall be at liberty liquidating the funded shares and/or collateral shares to recover the outstanding dues by Mintcap Brokers Private Limited.

In case there is a shortfall, margin call would be made on T Day. In the normal market condition, it is expected that the client makes good the shortage within T +4 day failing which the position would be liquidated on T+5 day to the extent of margin shortfall or positions may be squared off at the discretion of risk team.

Mintcap Brokers Private Limited at its sole discretion reserves the right to withdraw the facility and ask for payments from the client or ask for higher margins depending on the extreme situations.



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### **XIII. Process for release of funds and securities, Reference to running account settlement to clients.**

Release of securities: The pay out of securities shall be credited directly to the respective client's demat account by the CC in accordance with SEBI/Exchange/Clearing Corporation guidelines.

Release of Funds: Requests for release of funds to client bank accounts are checked for adequacy of margin/MTM before processing withdrawal request by the Mintcap Brokers Private Limited. The RMS team considers all requests (Securities and funds) in totality for the purpose for approval. In addition to this fund are also released as per the quarterly/monthly/30 days inactivity settlement cycle prescribed by SEBI. Further for calculation of EOD margin for retention of client funds/Securities Mintcap Brokers Private Limited shall consider margin as per exchange file.

### **VII. FRAMEWORK ON VOLUNTARY FREEZING/BLOCKING OF THE TRADING ACCOUNT**

Steps to Temporarily Freeze Your Trading Account

SEBI Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 (dated January 12, 2024) and Exchange circulars NSE/INSP/61529 and 20240408-12 (dated April 8, 2024) allow customers a facility to freeze or unfreeze online access of their trading accounts. In compliance with the same, Mintcap Brokers Private Limited has formulated the Policy on Voluntary Freezing and Blocking Online Access of the Trading Account, which shall be deemed to be part of this Risk Management Policy.

As per the Policy You can freeze the access to your trading account if any suspicious activity is detected or observed.

1. Here's how to freeze your account:

OPTION 1: CHATBOT

1. Tap your profile below in the bottom right corner of the CapMint app

2. Tap Help & Support

Chat with us.

OR

OPTION 2

You can also send an email from your registered email ID to [stoptrade@capmint.com](mailto:stoptrade@capmint.com). The request for freezing/blocking the trading account shall be accepted through the above modes as a practice.

OPTION 3

Where the above two modes are not accessible 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. Here's what will happen after you raise the request:

You will receive an acknowledgement of the request via SMS and email on your registered mobile number and email ID.

Your account will be frozen within 15 minutes if the request is raised during market hours and 15 minutes before the next trading session commences if the request is raised after-market hours. You will receive a confirmation email and SMS after the process is completed.

3. Here's what will happen to your pending orders and other positions:

All your pending orders will be cancelled after you raise the request to freeze your trading account. Additionally, details of open positions will be shared, if any.

4. Here's how to unfreeze your account:



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If you want to unfreeze your trading account, please send an email to support@capmint.com from your registered email ID.

Please note that for unfreezing, proper due diligence will be carried out, and after completing the necessary checks, clients will receive an email notification regarding the status of their unfreeze request as per timelines stated below:

Request for unfreeze raised	Timelines for unfreeze/ re-enablement
within 1 year from the date of freezing trading account	by next working day subject to necessary due diligence
more than one year but within 2 years from the date of freezing trading account	within 5 working days subject to necessary due diligence
2 years or later from the date of freezing trading account	within 5 working days subject to fulfilling the requirements of re-KYC.

Important Note:

- 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 the Trading Member.
- The request for freezing/ blocking does not constitute a request for marking the client's Unique Client Code (UCC) as inactive in the Exchange records.

## XVII. Document Control

### 1. Document Information:

Published By	Risk Team
Document Reviewed by	Kishore K S, Abhishek Upadhyay
Document Approver	Board of Directors of Mintcap Brokers Private Limited
Date of Release	14-July-2025
Release Version	V1.0

### 2. Document Maintenance:

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Version Number	Preparation	Approver	Date of Approval	Description
V 1.0	Mr Kishore K S	Board of Mintcap Brokers Private Limited	14-July-2025	Risk management Policy

### 3. Data & Information Classification:

Attribute & Classification	Description
Internal Use Only	Internal Information may be shared amongst all employees of Mintcap Brokers Private Limited and Mintcap Brokers Private Limited's third parties having access to Mintcap Brokers Private Limited's IT environment (as may be required).

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