

Change in Client-wise Limit/exposure Policy w.e.f February 09, 2023

Dear Associates,

This is with reference to SEBI circular no SEBI/HO/MRD2_DCAP/ CIR/2021/0598 dated July 20, 2021 and NSE circular no NCL/CMPT/51657 dated March 17, 2022 for Segregation and Monitoring of Collateral at Client Level.

As per regulation, Client level short allocation shall be computed intra-day based on the peak margin snapshot captured by clearing corporation (CC) for respective segment during the market hours. Broker has to allocate client-level (client-wise) funds and collaterals to the clearing corporation (CC) before trade executing by respective client. **Its means sufficient margin/collaterals must be available with clearing corporation (CC) on real time basis before the trade execute by Clients.**

<u>Key Changes in Limit/Exposure Policy</u>
1. CNC sell (EPI credit) benefit is restricted for other trade
2. Funds deposited by Client on Live Market, open limit after allocation to CC
3. Securities pledge request by Client before 6.00 PM, the collateral margin will be available to trade on T+1 day (next working).
4. Value of pledge securities considered in margin only effective/eligible value benefits provided by clearing corporation (CC)

Accordingly, we wish to refer below mentioned Limit/exposure Policy:

(A) Funds:

- Clear funds balance available in clients trading account at BOD.
- Funds transferred by Client during the day, limit/exposure will be provided after successful allocation of funds to the clearing corporation (CC).
- We request to all Clients please maintain sufficient funds/collaterals in their trading accounts well in advance for trading without any delay.
- Funds transferred cannot be withdrawn on the same day.
- Funds payout (withdrawal) requests will be processed on T+1/within 24 hours form payout request.

(B) CNC Sell Benefits (EPI Credit):

- Currently, Clients get 80% CNC sell (EarlyPayin) credit benefits for other position/trade on same day and 100% credit will get on T+1 day
- From 9th February 2023, limit/exposure on CNC sell (EarlyPayin) credit benefits will be discontinues. (So its means, CNC sell/EPI credit not available for any other trade/position)

(C) Collaterals (Margin-Pledge):

- Collaterals accept from clients in the form of securities (cash & non-cash)*, only by way of 'margin pledge' by client in the depository system. For approved securities list - [Click here](#)

- While granting the limit/exposure, value of collaterals in the form of approved securities will be valued as per the latest available closing price on the exchange after applying appropriate haircut.
- Further, collaterals (margin-pledge) value to be considered for limit/exposure only eligible pledge quantity accepted by clearing corporation (CC).

Example:

- ✓ If Client "AB123" Pledge request 1000 quantity of "INFIBEAM" but due to market-wide quantity limit utilized CC provided benefit (Eligible) quantity of 150 shares only. In this case limit/exposure given in margin quantity of 150 shares only.

Disclaimer:

1. The pledge securities quantity limit is indicative in nature. Raising a pledge request for a stock does not guarantee that the pledge will be accepted.
 2. The clearing corporation (CC) has set a *certain market-wide/member-wise quantity limit* on the number of shares/units that can be pledged per security. If the securities quantity limit is reached, you will not get benefit of respective pledge securities value – NSE Circular no. NCL/CMPT/55323 dated 20.01.2023
 3. Liquid (Cash-Component) Securities like: G-SEC, SGB, T-Bills etc. are considered as cash equivalents and 100% margin benefits provided by CC. There are No any market-wide /member-wise quantity limit applicable in Liquid (Cash-Components) securities. For Cash-components securities list - [Click here](#)
- For stocks pledged before 6.00 pm, collateral margin benefits will be available on T+1 day (next working day), subject to pledge quantity accepted by CC as per mentioned in above point
 - All requests placed after 6:00 PM will be processed only on the next working day and same benefit of collateral margin not available on T+1 day (next day)
 - Pledge request by client on Saturday or exchange holiday will be processed on next working day.

Example-1:

- ✓ If Client "A" Pledge request 100 quantity of "Reliance" worth of Rs. 1,00,000 as on 01.02.2023 at morning 10.00 AM, in this case limit/exposure for trade will be providing to Client "A" as on next trading day 02.02.2023.

Example-2:

- ✓ If Client "B" Pledge request 50 quantity of "INFY" worth of Rs. 50,000 as on 01.02.2023 at 8.30 PM, in this case limit/exposure for trade will be providing to Client "B" as on trade date 03.02.2023.

Further, if any clarification is required please contact to our RMS Team.

With regards,
Team Goldmine

Encl.: Frequently Asked Questions (FAQs)

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1. What is Intraday Allocation to CC?

Brokers have to now start uploading client-level balances to the clearing corporation (CC) and CC will set client-wise limits in real time basis. It means sufficient upfront margin (funds or securities) available with CC before the client executing trade.

2. How to add funds/money in my account?

To add funds to your account instantly using UPI and Net-Banking facility available in your Back office login and Trading App. Click on “Add Funds” Option.

For more details please - [Click here](#)

3. What is Liquid (Cash-Component) Securities?

Liquid (Cash-component) Securities shall means unit of money market mutual funds, Government of India Securities (G-SEC), Sovereign Gold Bond (SGB), Treasury Bills (T-Bills) etc.

Clearing Corporation shall prescribe list of G-Sec/T-Bills/SGB that shall be eligible for acceptance as collateral from time to time and same available on our website - [Click here](#)

4. Any Benefits of Liquid (Cash-component) Securities?

- Liquid securities are ideal for low-risk investment looking to park surplus cash for the short term and also good interest return earn by client (as per guidelines prescribed by Government or RBI)
- Liquid securities don't apply market-wide/member-wise quantity limit restriction. So CC provided full quantity benefits in margin on liquid securities pledge by client
- Liquid securities are considered as cash equivalents by the CC/exchange, so the above 50% (Cash vs. Non-cash) rule wouldn't apply for calculating interest
- The Margin received from pledging liquid (Cash-component) securities will be as good as having cash in your trading account

5. How to Buy Liquid (Cash-component) Securities?

Goldmine provides guidance/information to all investors for listing of G-SEC, T-bills and SGB and Client can bidding to buy the said liquid securities. For more details please contact to your branch.

6. What is Market-wide/member-wise quantity limit in Pledge security?

The list of approved securities, the acceptable quantity (Market-wide limit and member-wise quantity limit) of the security shall be as per the circular issued by Clearing Corporation (CC) for the respective month. NSE Circular no NCL/CMPT/55323 dated 20.01.2023 for February 2023.

7. How to check my accepted/eligible quantity of Margin Pledge Holding?

New RePledge holding report with accepted/eligible quantity by CC is available in your back office login as per below path.

Back office portal >> RMS >> Exchange RePledge Report

8. Any limit/exposure provide on Margin Pledge request after 6.00 pm on T-Day?

No.

9. Share Pledge on Saturday by Client, margin benefit provide on Monday?

No.

Pledge request consider for Monday trading only request received from Clients on Friday before 6.00 PM.

10. Early Payin (CNC Sell) credit benefit provided for any other trade?

No.

11. We get limit/exposure on Non-Approved securities?

No.
