

FAQ's – Frequently Asked Questions

1. What is Pledging of shares for Margin Benefits

1. Not all traders have cash available for trading purposes. Also, traders & investors would like to take benefits of their long term investments.

In order to put these to use, Goodwill allows traders to use the shares in their Demat account as margins for Intraday and carry forward position after pledging with Goodwill for carry forward trades in **F&O Segment Across Exchanges**.

2. What are all the benefits of Pledge with Goodwill

You need not have cash in their Trading Account to meet the Exchange SPAN & Exposure Margins. Stocks pledged under Goodwill can be used for Margins.

Example: Buying 1 Lot of NIFTY, & the margin required to initiate the position with the NRML Product type is Rs.48,000. Currently you would need to have the entire Rs.48,000 in your Goodwill Trading Account as a cash balance.

With Pledge Facility, even if your Trading Account balance is NIL, you can initiate this position if the Var margin value of your pledged shares exceeds Rs.48,000.

The Highlights of the Pledge/Repledge -

☑ Trade with Margin against shares with Zero Cash Balance in the Equity Derivatives and Currency derivatives segments (Both Intraday and Positional Trades) and **also in the Cash Market segment** (via Bracket Order and Cover Orders)

☑ **You can initiate trades in Options too with margin against shares (both long and short options for intraday and positional basis)**

3. What are the Exposure I can get in Goodwill Pledge Mechanism

You can get margins upto **75%** on the Value of your Holdings which includes Stocks & **ETF's. & Mutual Fund Units (Unlocked folio)**. Your holdings will be subject to deduction of Haircut, which you can refer from the **Margin Calculator**.

You can pledge over 800 Stocks & ETF's as Collateral to get trading Limits.

4. What happens in case of margin shortfall

Clients are communicated about margin shortfalls through SMS & E-Mails. Clients may also be restricted from entering fresh orders in depending on the quantum of margin shortfalls. Clients should meet these margin shortfalls immediately, else margin calls will be generated which will lead to Square Off of Open Positions and Collateral.

5. What happens in case of margin shortfall unable to meet on time

In case you are unable to meet margin shortfalls on time, your open positions & collateral (pledged stocks) will be squared off & your accounts will be settled accordingly.

6. Where can I see my Holdings with complete details of free stocks and pledged stocks?

You can check your holdings in our backoffice under CDSL Holdings with full details of stocks in free balance and pledged stocks etc.

Example

Sr	Scrip Name	ISIN	Free	Pledge	Pending Dmt.	Lockin	Total	Price	Value	Ear Mark
1	ASHOK LEYLAND-RE.1/-	INE208A01029	8,000	2,000	0,000	0,000	10,000	69.35	693.50	0
2	BANK OF INDIA EQY	INE084A01016	8,000	2,000	0,000	0,000	10,000	48.15	481.50	0
3	SB - EQ	INE062A01020	0,000	2,000	0,000	0,000	2,000	198.35	396.70	0

7. How can I view my available Margins?

You can view the Exposure margins available to you in the RMS Limits under _____

8. How Can I sell pledged holdings

Unpledge request need to be completed and the holdings will be available for selling in T+1 day on the successful Unpledge request.

9. From where can I place Pledge & Unpledge request?

You can place pledge & unpledged requests from Goodwill Pledge Portal throughout the day till 4 PM. All requests received till 4 PM shall be processed on the same day .an Pledge process will be initiated from Goodwill on successful Approval from CDSL site the limit will be available from T+1 Day. you need to Approve the pledge request in All requests entered after 4 PM shall be processed on the following day and the limits shall be available the day after. To place pledge and un-pledge requests, go to www.gwcindia.in --> Pledge/Unpledge Request.

10. How much interest do I have to pay

Interest will have to be paid on outstanding ledger debits.

Let us illustrate with an Example:

Ledger Debit: Rs.75,000

Margin utilized in F&O Segment: Rs.50,000

Collateral Value: Rs.20,000

In this, the collateral value i.e. Rs.10,000 will be taken as Rebate & interest will be charged on the Rs.55,000 at _____ per day.

11. Restriction on pledged and unpledged shares

You shall not be able to place unpledge requests in case your ledger balance is debit .

Also, In case the security is not available is list of eligible securities, you shall not be able to place a pledge request.

Please note that if you are utilising your collateral for your margin obligations, then you're unpledge requests may be rejected. In such cases, the Status of requests in the Goodwill Portal will be remark "Rejected Reason Collateral Utilised for Margin".

12.Risk Involved in Pledge/Unpledg shares

Disclaimer - Use of Pledge/unpledged facility involves the use of financial leverage. Margin against shares carries a high degree of risk and it puts one's share holdings to risk. By availing the facility of margin against shares, the client understands that in case of shortfalls/losses/extreme volatility, their holdings are bound to be liquidated which may result in a loss of capital.

Trading on Margin can expose the client's capital to substantial risk and in certain cases; a client may sustain a total loss of capital. A client should be apprised of the risks of financial leverage and should consult their financial advisor to ensure that the use of the same is appropriate and in accordance with the client's risk appetite and financial position.

Client should aware that Due to Time delay by any technical factors on fulfilling the request may also involve risk of financial loss.