

Policies and Procedures :

a) Refusal of orders for penny stocks and/or “Z” group stocks

SHCIL Services Ltd. (SSL) reserves the right to allow or deny trading in 'penny stocks' without assigning any reason for the same. For this purpose the stocks, which are appearing in the list of illiquid securities issued by the Exchanges every month and/or any other stock that is quoting below par may be considered as 'illiquid/penny stocks'. SSL may also refuse to accept orders pertaining to stocks specified in “Z” group by the exchanges from time to time. SSL may refuse to accept the order pertain to stock settled in physical delivery.

b) Trading in ‘T’ & ‘TS’ Group (Trade to Trade Group) Securities:

As per Exchange, in 'T' & 'TS' group scrips, the buy and sell positions are to be settled on gross delivery basis on each side and netting off is not allowed. Client can buy the shares to extent of exposure available with him and sell the shares in these group scrips only to the extent of quantity of shares available in client's demat account. As such client can not do intra-day transactions in these scrips without having sufficient funds/shares with them. In view of the above, clients are requested to find out the scrip group before placing the order with the dealer. Clients are also requested to avoid doing BTST trades in these group scrips. Losses arising out of transactions done by client in these scrips including losses incurred on account of auction/close-out due to non-delivery of shares will be borne by the client.

c) Setting up of client's exposure limits

SSL shall allow exposure limits based on clear credit in the account of the client. SSL also reserves right to provide or deny adhoc/blanket exposure to client in case client has debit balance or insufficient clear credit balance in his account with SSL at the time of placing order. SSL may or may not accept collateral securities like Shares, Fixed Deposit Receipts, Government Securities etc. as margin deposit for the purpose of providing exposure against the prevailing market value of shares after deducting hair cut (as may be decided by SSL's management from time to time). Clients willing to avail collateral based exposure may have to complete necessary formalities as may be prescribed by SSL from time to time. SSL reserves the right to increase/ decrease the brokerage rate without assigning any reason.

d) Brokerage rates

Normally, in Cash Segment, the brokerage rate of 0.55% is charged on delivery transactions and 0.12% (both legs of transactions inclusive) is charged for intra-day transactions to client. SSL may also charge minimum brokerage of Rs.50/- per scrip or per contract note. In Derivatives Segment, the brokerage at the rate of 0.05% is normally charged on both legs of Intraday and/or Carry Forward transactions in Futures Trading and in case of Options Trading, 1% of the premium value or minimum Rs.100/- per lot whichever is higher. However, the rate of brokerage may differ from client to client as may be decided by the management of SSL. SSL reserves its rights to increase/decrease the brokerage without assigning any reason. In any case, brokerage rate shall not exceed maximum limit of 2.5% on trade price or Rs.0.25 per share as prescribed by the regulatory authority.

e) Imposition of penalty/delayed payment charges by either party, specifying the rate and the period

SSL reserves right to charge penalty @18% p.a. or such other rates as may be decided from time to time, on the amount outstanding for the period from the date the amount becomes due till the date of realization of amount. SSL may also impose penalty, late payment charges or delayed processing charges for delay in making payments to SSL. The objective of charging such a penalty/charge is to compel the client to clear the dues in a timely manner.

f) The right to sell client's securities or close client's positions, without giving notice to the client, on account of non-payment of client's dues (limited to the extent of settlement/margin obligation)

Without prejudice to SSL's other rights (including the right to refer a matter to arbitration), SSL shall be entitled, without giving notice to the client, to liquidate/close out all or any of the client's positions for non-payment of margins or settlement obligation or other amounts, outstanding debts etc. and adjust the proceeds of such liquidation/ close out, if any, against the client's liabilities/obligations, *selling/disposing of collateral securities*. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client. Apart from selling of shares for debit, SSL may impose penalty / delayed payment charges / processing charges / interest as mentioned here-in-above.

g) Shortage in obligations arising out of internal netting of trades

Any shortage of shares deliverable on BSE by seller client of SSL to buyer client of SSL i.e. internal shortages, are normally offered by SSL in "Self-Auction" process of BSE. In case if the Auction Offers are not available on the floor of the exchange or in case of other exchanges where "Self Auction" process is not available, SSL may give close out for such trades at the rate not exceeding 20% of the market price prevailing on day prior to the day of auction as declared by the exchanges or SSL may also buy shares from the market on the pay-out day.

h) Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client.

SSL reserves the right to disallow a client to take further position or to close out the client's existing open position:

- The client does not pay on or before T, T+1 or T+2 day the dues/margins as may be required by the exchange.
- Extreme volatility in the market or in particular scrip or in the F&O segment.
- There are any unforeseen adverse market conditions or abnormal rise or fall in the market.
- The client is suspected to be resorting to any illegal trading practices or is suspected to be indulging in money laundering activities.

i) Temporary suspension or closing of client's account at the client's request

SSL may, on a specific request in writing received from the client (in this regard,) for temporarily suspend/close of the client's account for trading by sending a written request to the dealing office. For removing this temporary suspension, the client will have to request in writing for removal of suspension.

SSL on its own may also suspend the client's account :

- In case of non-payment of dues or margin money or non-fulfillment of compliance requirements.
- If there is not a single active demat account linked to trading account.
- If any other non compliance observed in the account.
- The client may also required to fulfill other conditions, on a case to case bases.

Upon Suspension/closure of trading account an intimation will be sent to the client within 15 days of suspension.

j) Deregistering a client

On a written request received from the client, SSL shall close the account of the client provided of client's securities/funds are settled.

k) Inactive (dormant) Account

In case where the client does not operate the trading account for a continuous period of six months, the same will be considered as 'Inactive (dormant) Account' for trading to prevent misuse of client codes and to avoid execution of transaction in such inactive client account due to punching errors. The Client will not be permitted to do any transaction till the account is made 'Active' by the branch/dealing office on client's request. For re-activation of such 'Inactive' account, the client will have to submit request in writing for activation along with duly signed photo copy of Identity Proof i.e. PAN Card / Voter ID Card / Passport. Alternatively, the client can personally visit the branch/dealing office for in-person verification and submit the aforesaid identity proof. The branch/dealing office will maintain the proof for future reference.

l) Proprietary Trading :

The Member trades in its own proprietary account in the equity or derivatives segment.