

Dear Customer,

Attached below is the process note for Shares as Collateral:

This product provides opportunities to online clients of Reliance Securities Limited to make use of their Demat Shares as collateral for trading limits.

Ability to use shares as collateral provides an opportunity to unlock the hidden value of your portfolio. Share as collateral facility allows you to utilize opportunities in the market with your existing holding without infusing any additional funds.

Clients can pledge and de pledge shares from their DP holding at any point of time with just a click of a mouse without waiting for lengthy documentation.

While stocks are pledged clients continues to enjoy benefits of holding the stock such as appreciation in stock price, dividend, bonus or any such corporate action.

When shares are pledged as collateral, collateral amount (net of specified haircut) is added to the client's trading limits available towards margin. The amount reduced towards haircut will not be available for any limits including for additional margin obligation or mark to market losses. This collateral amount can be used for new positions in Intraday Margin, Futures and Options sell positions. Option buying will not be allowed from collateral limits.

Debits in ledger arising out of positions taken by using shares as collateral, e.g. losses booked in intraday trading, realised and mark to market losses on futures & options positions as well as margin debited by exchange in case of carried forward positions needs to be settled by funds. Otherwise such debit balances will attract interest at the rate of 20% till settled. All debits due to realised and mark to market losses and equity markets debits should be settled immediately and not later than the 5th day of the debit in order to avoid margin selling, i.e. recovery of debit amounts by sale of collateral. Margin debits can be carried forward as long as margin requirements as specified by exchange are met through shares as collateral.