

POLICIES AND PROCEDURES

Policies and Procedures adopted by Emkay Global Financial Services Limited (hereinafter called 'Emkay'):

Refusal of orders for penny stocks -

Emkay does not encourage trading in penny stocks or securities falling in T2T or Z group of BSE and reserves its right to refuse orders in such securities from the clients desiring to deal in such shares, stocks, securities.

Under exceptional circumstances and considering merits on case to case basis, trading in penny stocks/T2T/Z category may be allowed to clients on delivery basis subject to stringent verifications of the client holdings, intentions and bonafide reasons given by the intending clients. Further trading limits will be allowed subject to the client making margin payments, history of the client, trading platform, intention of doing the trades. The said additional trading limits may not be allowed on a regular basis to the client/s.

However if it is observed that client/s is/are indulging in trading activities only in penny stocks or securities falling in T2T or Z group of BSE or carrying on any insider trading activity, the client account maybe immediately suspended without any reasons being given to the client/s.

Further client's traded volumes vis-à-vis market volumes will be considered and 15% of market volumes will be allowed or such market volume as decided by Emkay from time to time, subject to due diligence of the RMS and Compliance department.

Setting up client's exposure limits -

Exposures shall be allowed based on the clear credit balance in client's ledger + stocks lying in beneficiary account with Emkay + margins (securities and cash) with Emkay. However, Emkay may at its own discretion allow additional exposure as per credit balances in client account/cash margins/collaterals deposited by the clients or client's track record.

Further the client agrees not to take any fresh positions in securities/contracts in F&O under ban period as and when put by the exchanges. The client shall bear the penalty, if any, charged by the exchange on such tradings.

Imposition of penalty/delayed payment charges by Emkay-NSE-BSE- MCX-SX

Emkay will apply delayed payment charges (DPC) at the rate ranging from 18 % p.a. to 21% p.a. (minimum 18% p.a.) on a daily basis from the settlement date on all outstanding obligations. The client understands that such DPC is deterrent in nature & as such Emkay cannot be assumed to be financing/funding the client's settlement obligations. Emkay reserves its right to change the DPC rate at its sole discretion without assigning any reason therefore. Any upward change in DPC shall be communicated to the Client/s at least 15 (Fifteen) days in advance.

Right to sell clients' securities or close clients' positions -

The Emkay-NSE-BSE-MCX-SX will have the right to close out all open positions or sell client's securities, without any notice to clients, as and when the client defaults in his settlement/sale delivery/margin/MTM obligations in any segment of the exchanges. The close out/selling will be only to the combined extent of shortages in Margins/MTM or settlement obligations on all segments of exchanges.

Internal Shortages -

In case of an internal shortage in any scrip in the same settlement where both buyer & seller are clients of Emkay and seller does not deliver shares for his pay-in obligation:-

The short delivering client is provisionally debited by an amount equivalent to 125% of the rate at which the stock was sold by client.

The securities delivered short are purchased from the market on T+3 day which is the Auction day on Exchange, and the purchase consideration is debited to the short delivering seller client along with the reversal entry of provisional amount debited earlier.

If securities cannot be purchased from market due to any force majeure condition, then all shortages not bought-in are deemed to be closed out and short delivering seller client is debited for Exchange NSE and BSE as under:

Exchange NSE: at the higher of (i) the highest price between the first day of the trading day till the day of squaring-off, or (ii) closing price on the auction day plus 20%.

Exchange BSE: at the higher of (i) highest price recorded in the scrip from the trading day on which the transaction took place upto a day prior to the day of the auction i.e., pay-in day, or , (ii) 20% above the closing price on the day prior to the day of auction i.e., pay-in day.

Exchange MCX-SX: at the higher of (i) the highest price between the first day of the trading day till the day of squaring-off, or (ii) closing price on the auction day plus 20%.

Restrictions or Regulations on Dealings of clients -

Emkay shall decide, from time to time, the volume of business which the client shall be allowed to transact. However, Emkay shall have absolute discretion of reducing/restricting or zeroing the volumes of the client without any prior intimation/notice to the client interalia, in particular F&O segment having regards to:

1. Failure by the client to maintain the applicable collaterals/margins with the member as per the Stock Exchanges Byelaws, Rules and Regulations and Circulars and Guidelines of SEBI.
2. The client may not be allowed to take fresh positions if any client's intraday mark to market loss crosses 70% of the base margin. Client may be asked to close all the position if the intraday mark to market loss crossed 80% of the base margin.
3. Delays by the client in meeting its obligations/dues relating to the business/dealings done by the client under this Client Registration Documents (mandatory and voluntary).

4. Observing/discovery any abnormal behavior/action/deed/trading pattern of the client's dealing with the member for eg. Cheque bouncing, non fulfillment of sale obligation, any regulatory action taken by any of the regulations, ban of the client by SEBI etc.
5. Any restrictions in relation to volume of trading/outstanding business or margins stipulated by Stock Exchanges.
6. Volatility in the market/market segments of respective stock exchanges.
7. In view of impending price sensitive announcements by the Exchanges/Listed Companies.
8. Political/financial instability in the country or otherwise.
9. Presence of any other price sensitive factors in the economy.
10. In shares of a company where the merchant banking/investment banking department is doing some due diligence or managing an assignment for the company.
11. In scrips which are relisted and where the circuit filters are not applicable on the day of relisting.
12. Orders for buying/selling 1 (one) share will be not allowed except for high value scrips after considering the client's history and trading pattern.

Suspending a client -

Emkay may send show-cause notice to a client and/or temporarily suspend a client for further trading and/or temporarily withheld funds & securities payouts, if Emkay has reasons to take such action which may arise due to the alerts generated by its Risk Management/Surveillance System and demand reasons/explanations from such client. The account of such client may be suspended till such time suitable explanations are not received.

Emkay shall temporarily suspend or close a client's account at the request of client within 24 hours of having received client's such request.

De-registering a client -

Emkay will de-register a client without any prior intimation/notice, in addition to the termination clause of the Client Registration Documents (mandatory and voluntary), with regards to:

- a) The Client has found to be of unsound mind by a court of competent jurisdiction and the findings is in force
- b) The Client becomes un-discharged insolvent
- c) The Client applies to be adjudicated as an insolvent
- d) The Client has been convicted by a Court of any offence involving moral turpitude
- e) The client being declared a defaulter by any of the regulatory bodies of the country or under any law being in force
- f) In the event of Emkay-NSE-BSE becoming aware of any proceedings being initiated against the client by any of the regulatory bodies of the country or under any law being in force or the client being involved in any criminal proceedings or any illegal business or the member becoming aware of the client's past offences which are illegal or prohibited by the regulatory bodies of the country or under any law being in force.
- g) The death of the client.

- h) The depository account with member is closed and no alternative depository account details are provided.
- i) The client makes a voluntary written request to de-register itself/himself.
- j) In the event of client defaulting in meeting its obligations.
- k) On the specific written directions of any statutory/legal authority/Regulatory Authority.

IV. Policy for Dormant Accounts:

A) Definition of Dormant Account & Limitations/Restrictions on such Account:

An account (irrespective whether having debit or credit balance) shall be classified as dormant account in case there are no transactions (trade, payment, receipts) for a period in excess of 6 Months from the last transaction date. The following limitation / restriction shall apply to a dormant account unless the same is re-activated:

- Account shall be frozen for further transaction
- Pay-out of funds and/or securities will be retained by the Emkay-NSE-BSE

B) Information to clients:

In the interest of the clients, as & when any account has been classified as dormant accounts as above the client shall be informed through either direct phone or mail or letter to the contact details/address last available with the company within seven days of such classification.

C) Re-activation of Dormant Accounts:

A dormant account can be re-activated when the client submits a formal application stating the reasons for non-operation and provide the proof of identity. After due verification by the company the account shall be re-activated.

The company shall levy Rs 500/- as charge for re-activation, subject to waiver if authorized.

I have read and understood the above policy for RMS and Controls of the Emkay and state that I will strictly abide by the conditions laid in this policy.

D) Return of client Assets:

Dormant client's surplus assets will be returned to clients on request basis.