

Date: 08th March, 2010

Esteemed Customer,

This is to inform that SEBI vide its circular dated 3rd December, 2009 has specified norms for regulation of transactions between the Client and the Stock Broker which has the effect of modifying the procedures governing our business dealings as well as Know Your Client (KYC) executed between us. In order to comply with the requirements of the said circular, you are requested to furnish the following information which shall be the addendum to the existing KYC Form executed by you.

- (a) Exchange & Market Segment Selected by you.
- (b) Documentary evidence of your financial details.
- (c) Details of action taken by SEBI or other authorities against you.
- (d) Policies & Procedures adopted by Emkay Global Financial Services Limited (Emkay) for each of the categories specified therein.
- (e) Running Account Authorization.
- (f) Mandate for issue of Electronic Contract Notes (ECN)

The above information has been incorporated in the annexure to this letter which shall be duly filled by your hand & signed and shall be sent to our KYC Department at 118, 1st Floor, Cama Industrial Estate, S.J. Marg, Sun Mill Compound, Lower Parel (West), Mumbai – 400013 OR to your nearest EMKAY branch/ franchisee on an urgent basis so as to enable the company to process the same and comply with the said directive latest by 31st March, 2010. Further, following information/documents shall be provided by Emkay to its clients in compliance of the aforesaid circular:

- (a) The Company's policy regarding treatment of inactive/dormant accounts specifying the periodicity of defining an account as inactive, return of client assets in case lying with the broker during dormancy of client's account & procedure for reactivation of dormant account shall be displayed on the Company's website.
- (b) The Company shall display on its website scanned copies of all documents executed by the client, including the client's position, margin & other related information, statement of accounts etc.

In case you require any clarification in this regard, please feel free to contact our KYC department on 022-66245454/ kyc@emkayglobal.com.

Thanking You,

Yours faithfully,
Team Emkay

(This is computer generated letter hence signature is not required)

Encl: As above

Addendum to KYC Form

(The following information are being obtained pursuant to SEBI circular dated 3rd December, 2009 and shall form part of existing KYC Form executed by client)

Please note that the client shall himself fill the particulars in the form.

Client Profile

FirstName			
Middle Name			
Last Name			
Mobilie Number			
Client Code		DP ID / Client ID	

I. Kindly note that you have been registered for Cash, Future & Option & Currency Derivative segments of NSE & BSE. If you request to deregister for any segment/exchange, please specify : _____

II. Documentary Evidence of Financial Details: (Applicable to clients trading in Derivative Segments of Stock Exchanges)

List of documents: (select the supporting document & attach self attested copy with this addendum)

- Copy of ITR acknowledgement
 Copy of Annual Report
 Copy of Form 16 in case of Salary Income
 CA certified Net worth Certificate
 Salary Slip
 Bank account statement for last six months
 Copy of demat account Holding Statement
 Any other relevant documents substantiating ownership of assets

(Note : In case of non-individual clients, please provide latest annual report for the entity)

III. Whether action has been taken by SEBI or other authorities against the client during the last three years: NO YES

If YES, please specify the details of action below:

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

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 + 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 –

Emkay will apply delayed payment charges (DPC) at the rate of 15 % 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 can not 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 change in DPC shall be communicated to the Client/s at least 10 (ten) days in advance.

Signature: _____ Client Code: _____ Date: _____

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

The Emkay 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 payin 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 can not 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

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 Member Client Agreement (mandatory and voluntary clauses).
4. Observing/discovery any abnormal behaviour/action/deed/trading pattern of the client's dealing with the member for eg. Cheque bouncing, non fulfilment 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 member agreement, 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 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.

Signature: _____ Client Code: _____ Date: _____

V. 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 reactivated:

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

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 member and state that I will strictly abide by the conditions laid in this policy.

Client Signature : _____

Client Name : _____

Client Code : _____

Date : _____

Voluntary:

VI. Consent to receive the Contract Note, Trade Confirmations and DP Transaction cum holding statement by E-mail

To,
Emkay Global Financial Services Ltd.,
Paragon Centre, C-06, Ground Floor,
Pandurang Budhkar Marg, Worli,
Mumbai – 400013.

Sir,

I/We hereby consent to receive the contract note/trade confirmations of the trades executed by me/us and monthly DP transaction cum holding statements, bills & account statements thereof, notices, circulars, amendments and such other correspondence or documents in electronic form duly authenticated by means of a digital signature as specified in the Information Technology Act 2000 and the Rules made there under, to any of my self created Email Ids mentioned below -

Email Id -1: _____

Email Id -2: _____

Email Id -3: _____

I/We further hereby consent to the following:

1. That the Member/Depository Participant shall fulfill its legal obligation if the aforesaid documents are sent electronically to any one of the said e-mail ids.
2. I/We shall communicate the change in e-mail id, if any, to you through a duly signed physical letter.
3. I/We undertake to check contract notes/ monthly DP holding and transaction statements, bills on regular basis and bring the discrepancies to your notice within 48 hours of the execution of the trade or on receipt of the said statements.
4. Non verification or not accessing the contract notes/ DP holding cum transaction statements on regular basis from my/our part shall not be a reason for disputing the contract note or the DP holding or transaction statements at any time.
5. That Member/ Depository Participant will not be responsible for non receipt of documents sent via electronic delivery due to change in email address as mentioned above or for any other reason which inter alia include the malfunction of my/our computer system/server/internet connection etc.
6. That the non-receipt of bounced mail notification by Member/Depository Participant shall amount to delivery of the documents at my/our E-mail ID.
7. That the Member shall not take cognizance of out-of office/out of station auto replies and I/We shall be deemed to have received such electronic mails.

Yours faithfully,

Client Name : _____

Client Signature: _____

Client Code : _____

Date: _____

To,
Emkay Global Financial Services Limited
Paragon Centre, C-06, Ground Floor,
Pandurang Budhkar Marg, Worli,
Mumbai – 400013.

Sir,

In order to facilitate operations, I/We hereby authorize you to maintain my/our accounts both in securities and funds with you on a running account basis and consider the balance in said accounts for the purpose of margins or any other obligations due to you across any segment of any Stock Exchange and also authorize you to hold my/our credit/securities in anticipation of future debits in my/our account till my/our further instruction to release the same.

I/We further authorize you to set off/adjust any of my/our debit/dues in any segment of any Stock Exchange with credit of any other segment of any other Exchange in my/our account.

I/We, am/are aware that the said authorization given to you is on one time basis and is valid till the same is revoked by me/us in writing at any point of time.

I/We desire actual settlement of funds and securities at least once in a calendar quarter or month (strike out non preference).

I/We, am/are under an obligation to bring any dispute arising from the statement of account or settlement to your notice preferably within 7 working days from the date of receipt of funds / securities or statement as the case may be.

Yours faithfully,

Client Signature : _____

Client Name : _____

Client Code : _____