



Your success is our success



## SARAL- BOOKLET - 2

### Documents Forming part and parcel of KYC Kit

(This Booklet 2 to be read, understood and retained by the client for future reference. )

- Rights and Obligation - for Depository
- Rights and Obligation - For Trading
- Risk Disclosure Document
- Guidance Note - Do's and Don'ts
- Operational Business Policies
- PMLA Information
- Additional Guidance Note for DP
- Details of DP Schemes and Charges Applicable

(This booklet is also available on Emkay Website)

### Emkay Global Financial Services Limited

Member: Bombay Stock Exchange Limited  
Member: National Stock Exchange of India Limited  
Member: MCX Stock Exchange Limited  
Depository Participant: CDSL

### DETAILS OF THE TRADING MEMBER

Name of Stock Broker / Trading Member/ Clearing Member	<b>Emkay Global Financial Services Limited</b>		
SEBI Registration No. and date	BSE	Capital Market	INB010901838 Dtd: 13/03/1996
		Future & Options	INF010901838 Dtd: 02/06/2000
	NSE	Capital Market	INB230901838 Dtd: 24/08/1999
		Future & Options	INF230901838 Dtd: 19/06/2001
		Currency Derivatives	INE230901838 Dtd: 26/08/2008
	MCX-SX	Capital Market	INB260901831 Dtd: 01/02/2013
		Future & Options	INF260901831 Dtd: 01/02/2013
		Currency Derivatives	INE260901838 Dtd: 29/10/2009
	Registered office address	Address	7 th Floor, The Ruby, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028.
Phone		022 - 6612 1212	
Fax		022 - 6624 2410	
Website		www.emkayglobal.com	
Correspondence office address	Address	Paragon Centre, C-06, Ground Floor, Pandurang Budhkar Marg, Worli, Mumbai – 400013.	
	Phone	022 - 6617 5454 / 6629 9299 / 2490 467	
	Fax	022 - 6612 1299 / 2490 4795	
	DP Fax	022 - 6617 5434	
Details of Compliance officer	Name	Mr. Vaibhav Purohit	
	Phone No.	022 - 6629 9299	
	Email	<a href="mailto:compliance@emkayglobal.com">compliance@emkayglobal.com</a>	
Details of COO	Name	Mr. Rajesh Sharma	
	Phone No.	022 - 6629 9299	
	Email	<a href="mailto:compliance@emkayglobal.com">compliance@emkayglobal.com</a>	

In case of any grievance / complaint against the Emkay Global Financial Services Ltd :

- Please contact Compliance Officer of Stock Broker and Depository Mr. Vaibhav Purohit and Mr. Bhavesh Shah on email-id **[Compliance@emkayglobal.com](mailto:Compliance@emkayglobal.com)** and Phone No. 91-22-66299299.
- You may also approach COO, Mr. Rajesh Sharma on email id **[Compliance@emkayglobal.com](mailto:Compliance@emkayglobal.com)** and Phone No. 91-22-66299299.
- If not satisfied with the response of the Stock Broker/ Depository Participant, you may contact the concerned Stock Exchange / Depository at the following

Regulator	Web Address	Contact No.	Web Address
BSE	<a href="http://www.bseindia.com">www.bseindia.com</a>	022-2272 8097	<a href="mailto:is@bseindia.com">is@bseindia.com</a>
NSE	<a href="http://www.nseindia.com">www.nseindia.com</a>	1800220058	<a href="mailto:ignse@nse.co.in">ignse@nse.co.in</a>
MCX-SX	<a href="http://www.mcx-sx.com">www.mcx-sx.com</a>	022-67319000 Extn. 8883	<a href="mailto:investorcomplaints@mcx-sx.com">investorcomplaints@mcx-sx.com</a>

Regulator	Web Address	Contact No.	Web Address
CDSL	<a href="http://www.cdslindia.com">www.cdslindia.com</a>	022-2272 3333	<a href="mailto:complaints@cdslindia.com">complaints@cdslindia.com</a>

- You can also lodge your grievances with SEBI at <http://scores.gov.in>. For any queries, feedback or assistance, please contact SEBI Office on Toll Free Helpline at 1800 22 7575 / 1800 266 7575.

### **General Clause**

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time.

### **Beneficial Owner information**

3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form as submitted to the DP at the time of opening the demat account or furnished to the DP from time to time.

### **Fees/Charges/Tariff**

5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "no charges are payable for opening of demat accounts"
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.
7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same.

### **Dematerialization**

8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories.

### **Separate Accounts**

9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.
10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/Operating Instructions/Business Rules of the Depositories.

### **Transfer of Securities**

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.
12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions.

### **Statement of account**

13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.
15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so

desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.

16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time.

#### **Manner of Closure of Demat account**

17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.
18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

#### **Default in payment of charges**

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.
20. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

#### **Liability of the Depository**

21. As per Section 16 of Depositories Act, 1996,
  1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner
  2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

#### **Freezing/ Defreezing of accounts**

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.
23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of instructions received from any regulator or court or any statutory authority.

#### **Redressal of Investor grievance**

24. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

#### **Authorized representative**

25. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

#### **Law and Jurisdiction**

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.
27. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/ notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial

Owner maintains his/ her account, that may be in force from time to time.

28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.
29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI
30. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.
31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

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**RIGHTS AND OBLIGATIONS OF STOCK BROKERS, SUB-BROKERS AND CLIENTS**  
*as prescribed by SEBI and Stock Exchanges*

**Mandatory**

1. The client shall invest/trade in those securities/contracts/other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Regulations of Exchanges/ Securities and Exchange Board of India (SEBI) and circulars/notices issued there under from time to time.
2. The stock broker, sub-broker and the client shall be bound by all the Rules, Byelaws and Regulations of the Exchange and circulars/notices issued there under and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.
3. The client shall satisfy itself of the capacity of the stock broker to deal in securities and/or deal in derivatives contracts and wishes to execute its orders through the stock broker and the client shall from time to time continue to satisfy itself of such capability of the stock broker before executing orders through the stock broker.
4. The stock broker shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.
5. The stock broker shall take steps to make the client aware of the precise nature of the Stock broker's liability for business to be conducted, including any limitations, the liability and the capacity in which the stock broker acts.
6. The sub-broker shall provide necessary assistance and co-operate with the stock broker in all its dealings with the client(s).

**CLIENT INFORMATION**

7. The client shall furnish all such details in full as are required by the stock broker in "Account Opening Form" with supporting details, made mandatory by stock exchanges/SEBI from time to time.
8. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the stock broker shall be non-mandatory, as per terms & conditions accepted by the client.
9. The client shall immediately notify the stock broker in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the stock broker on a periodic basis.
10. The stock broker and sub-broker shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/authority except as required under any law/regulatory requirements. Provided however that the stock broker may so disclose information about his client to any person or authority with the express permission of the client.

**MARGINS**

11. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the stock broker or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The stock broker is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange, Clearing House/Clearing Corporation or SEBI) and the client shall be obliged to pay such margins within the stipulated time.
12. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

**TRANSACTIONS AND SETTLEMENTS**

13. The client shall give any order for buy or sell of a security/derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the stock broker. The stock broker shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
14. The stock broker shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant stock exchange where the trade is executed.
15. The stock broker shall ensure that the money/securities deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the stock broker for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, Regulations, circulars, notices, guidelines of SEBI and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.
16. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, stock broker shall be entitled to cancel the respective contract(s) with client(s).
17. The transactions executed on the Exchange are subject to Rules, Byelaws and Regulations and circulars/notices issued

thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchanges and the circulars/notices issued thereunder.

#### **BROKERAGE**

18. The Client shall pay to the stock broker brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that stock broker renders to the Client. The stock broker shall not charge brokerage more than the maximum brokerage permissible as per the rules, regulations and bye-laws of the relevant stock exchanges and/or rules and regulations of SEBI.

#### **LIQUIDATION AND CLOSE OUT OF POSITION**

19. Without prejudice to the stock broker's other rights (including the right to refer a matter to arbitration), the client understands that the stock broker shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.

20. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the client has ordered to be bought or sold, stock broker may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/securities in favor of a Nominee shall be valid discharge by the stock broker against the legal heir.

21. The stock broker shall bring to the notice of the relevant Exchange the information about default in payment/delivery and related aspects by a client. In case where defaulting client is a corporate entity/partnership/proprietary firm or any other artificial legal entity, then the name(s) of Director(s)/Promoter(s)/Partner(s)/Proprietor as the case may be, shall also be communicated by the stock broker to the relevant Exchange(s).

#### **DISPUTE RESOLUTION**

22. The stock broker shall provide the client with the relevant contact details of the concerned Exchanges and SEBI.

23. The stock broker shall co-operate in redressing grievances of the client in respect of all transactions routed through it and in removing objections for bad delivery of shares, rectification of bad delivery, etc.

24. The client and the stock broker shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Regulations of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.

25. The stock broker shall ensure faster settlement of any arbitration proceedings arising out of the transactions entered into between him vis-à-vis the client and he shall be liable to implement the arbitration awards made in such proceedings.

26. The client/stock-broker understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/stock-broker shall be binding on the client/stock-broker in accordance with the letter authorizing the said representative to deal on behalf of the said client/stock-broker.

#### **TERMINATION OF RELATIONSHIP**

27. This relationship between the stock broker and the client shall be terminated; if the stock broker for any reason ceases to be a member of the stock exchange including cessation of membership by reason of the stock broker's default, death, resignation or expulsion or if the certificate is cancelled by the Board.

28. The stock broker, sub-broker and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

29. In the event of demise/insolvency of the sub-broker or the cancellation of his/its registration with the Board or/withdrawal of recognition of the sub-broker by the stock exchange and/or termination of the agreement with the sub broker by the stock broker, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the stock broker and all clauses in the 'Rights and Obligations' document(s) governing the stock broker, sub-broker and client shall continue to be in force as it is, unless the client intimates to the stock broker his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

#### **ADDITIONAL RIGHTS AND OBLIGATIONS**

30. The stock broker shall ensure due protection to the client regarding client's rights to dividends, rights or bonus shares, etc. in respect of transactions routed through it and it shall not do anything which is likely to harm the interest of the client with whom and for whom they may have had transactions in securities.

31. The stock broker and client shall reconcile and settle their accounts from time to time as per the Rules, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
32. The stock broker shall issue a contract note to his constituents for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The stock broker shall send contract notes to the investors within one working day of the execution of the trades in hard copy and/or in electronic form using digital signature.
33. The stock broker shall make pay out of funds or delivery of securities, as the case may be, to the Client within one working day of receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.
34. The stock broker shall send a complete 'Statement of Accounts' for both funds and securities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
35. The stock broker shall send daily margin statements to the clients. Daily Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee and securities.
36. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with stock broker and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.

#### **ELECTRONIC CONTRACT NOTES (ECN)**

37. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id to the stock broker. The client shall communicate to the stock broker any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
38. The stock broker shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
39. The client shall note that non-receipt of bounced mail notification by the stock broker shall amount to delivery of the contract note at the e-mail ID of the client.
40. The stock broker shall retain ECN and acknowledgment of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/regulations/circulars/guidelines issued by SEBI/Stock Exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the stock broker for the specified period under the extant regulations of SEBI/stock exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The stock broker shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant regulations of SEBI/stock exchanges.
41. The stock broker shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the stock broker shall send a physical contract note to the client within the stipulated time under the extant regulations of SEBI/stock exchanges and maintain the proof of delivery of such physical contract notes.
42. In addition to the e-mail communication of the ECNs to the client, the stock broker shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.

#### **LAW AND JURISDICTION**

43. In addition to the specific rights set out in this document, the stock broker, sub-broker and the client shall be entitled to exercise any other rights which the stock broker or the client may have under the Rules, Bye-laws and Regulations of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules and Regulations of SEBI.
44. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is

executed, that may be in force from time to time.

45. The stock broker and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal within the stock exchanges, if either party is not satisfied with the arbitration award.
46. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations and circulars/notices issued thereunder of the Exchanges/SEBI.
47. All additional voluntary clauses/document added by the stock broker should not be in contravention with rules/regulations/notices/circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.
48. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant stock Exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

#### **INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY STOCK BROKERS TO CLIENT**

**(All the clauses mentioned in the '*Rights and Obligations*' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)**

1. Stock broker is eligible for providing Internet based trading (IBT) and securities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2. The client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.
4. The stock broker shall make the client aware that the Stock Broker's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Stock broker's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/securities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the stock broker.
6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security flaw in Stock Broker's IBT System, discovers/suspects discrepancies/ unauthorized access through his username/password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/securities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/password in any manner whatsoever.
8. The stock broker shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the stock broker shall send the order/trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Stock broker and the Exchange do not make any representation or warranty that the Stock broker's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers/Exchange end for any reason beyond the control of the stock broker/Exchanges.

This document contains important information on trading in Equities/Derivatives Segments of the stock exchanges. All prospective constituents should read this document before trading in Equities/Derivatives Segments of the Exchanges.

Stock exchanges/SEBI does neither singly or jointly and expressly nor impliedly guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure document nor have Stock exchanges /SEBI endorsed or passed any merits of participating in the trading segments. This brief statement does not disclose all the risks and other significant aspects of trading.

In the light of the risks involved, you should undertake transactions only if you understand the nature of the relationship into which you are entering and the extent of your exposure to risk.

You must know and appreciate that trading in Equity shares, derivatives contracts or other instruments traded on the Stock Exchange, which have varying element of risk, is generally not an appropriate avenue for someone of limited resources/limited investment and/or trading experience and low risk tolerance. You should therefore carefully consider whether such trading is suitable for you in the light of your financial condition. In case you trade on Stock exchanges and suffer adverse consequences or loss, you shall be solely responsible for the same and Stock exchanges/its Clearing Corporation and/or SEBI shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take a plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned stock broker. The constituent shall be solely responsible for the consequences and no contract can be rescinded on that account. You must acknowledge and accept that there can be no guarantee of profits or no exception from losses while executing orders for purchase and/or sale of a derivative contract being traded on Stock exchanges.

It must be clearly understood by you that your dealings on Stock exchanges through a stock broker shall be subject to your fulfilling certain formalities set out by the stock broker, which may inter alia include your filling the know your client form, reading the rights and obligations, do's and don'ts, etc., and are subject to the Rules, Byelaws and Regulations of relevant Stock exchanges, its Clearing Corporation, guidelines prescribed by SEBI and in force from time to time and Circulars as may be issued by Stock exchanges or its Clearing Corporation and in force from time to time.

Stock exchanges does not provide or purport to provide any advice and shall not be liable to any person who enters into any business relationship with any stock broker of Stock exchanges and/or any third party based on any information contained in this document. Any information contained in this document must not be construed as business advice. No consideration to trade should be made without thoroughly understanding and reviewing the risks involved in such trading. If you are unsure, you must seek professional advice on the same.

In considering whether to trade or authorize someone to trade for you, you should be aware of or must get acquainted with the following:-

**1. BASIC RISKS:**

**1.1 Risk of Higher Volatility:**

Volatility refers to the dynamic changes in price that a security/derivatives contract undergoes when trading activity continues on the Stock Exchanges. Generally, higher the volatility of a security/derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded securities / derivatives contracts than in active securities /derivatives contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order got executed may be substantially different from the last traded price or change substantially thereafter, resulting in notional or real losses.

**1.2 Risk of Lower Liquidity:**

Liquidity refers to the ability of market participants to buy and/or sell securities / derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities / derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.

**1.2.1** Buying or selling securities / derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities / derivatives contracts may have to be sold / purchased at low / high prices, compared to the expected price levels, so as not to have any open position or obligation to deliver or receive a security / derivatives contract.

**1.3 Risk of Wider Spreads:**

Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a security / derivatives contract and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid securities / derivatives contracts. This in turn will hamper better price formation.

#### **1.4 Risk-reducing orders:**

The placing of orders (e.g., “stop loss” orders, or “limit” orders) which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders.

**1.4.1** A “market” order will be executed promptly, subject to availability of orders on opposite side, without regard to price and that, while the customer may receive a prompt execution of a “market” order, the execution may be at available prices of outstanding orders, which satisfy the order quantity, on price time priority. It may be understood that these prices may be significantly different from the last traded price or the best price in that security / derivatives contract.

**1.4.2** A “limit” order will be executed only at the “limit” price specified for the order or a better price. However, while the customer receives price protection, there is a possibility that the order may not be executed at all.

**1.4.3** A stop loss order is generally placed “away” from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives contract reaches, or trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the security / derivatives contract reaches the pre -determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a security / derivatives contract might penetrate the pre-determined price, in which case, the risk of such order not getting executed arises, just as with a regular limit order.

#### **1.5 Risk of News Announcements:**

News announcements that may impact the price of stock / derivatives contract may occur during trading, and when combined with lower liquidity and higher volatility, may suddenly cause an unexpected positive or negative movement in the price of the security / contract.

#### **1.6 Risk of Rumors:**

Rumors about companies / currencies at times float in the market through word of mouth, newspapers, websites or news agencies, etc. The investors should be wary of and should desist from acting on rumors.

#### **1.7 System Risk:**

High volume trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day. These may cause delays in order execution or confirmation.

**1.7.1** During periods of volatility, on account of market participants continuously modifying their order quantity or prices or placing fresh orders, there may be delays in order execution and its confirmations.

**1.7.2** Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a security / derivatives contract due to any action on account of unusual trading activity or security / derivatives contract hitting circuit filters or for any other reason.

#### **1.8 System/Network Congestion:**

Trading on exchanges is in electronic mode, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond control and may result in delay in processing or not processing buy or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

### **2. As far as Derivatives segments are concerned, please note and get yourself acquainted with the following additional features:-**

#### **2.1 Effect of “Leverage” or “Gearing”:**

In the derivatives market, the amount of margin is small relative to the value of the derivatives contract so the transactions are ‘leveraged’ or ‘geared’. Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the margin amount. But transactions in derivatives carry a high degree of risk.

You should therefore completely understand the following statements before actually trading in derivatives and also trade with caution while taking into account one’s circumstances, financial resources, etc. If the prices move against you, you may lose a part of or whole margin amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

A. Futures trading involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.

- B. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the stock broker may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.
- C. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- D. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may also be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- E. You must ask your broker to provide the full details of derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

## **2.2 Currency specific risks:**

- 1. The profit or loss in transactions in foreign currency-denominated contracts, whether they are traded in your own or another jurisdiction, will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.
- 2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example when a currency is deregulated or fixed trading bands are widened.
- 3. Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; foreign political and economic events and policies; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the market place. None of these factors can be controlled by any individual advisor and no assurance can be given that an advisor's advice will result in profitable trades for a participating customer or that a customer will not incur losses from such events.

## **2.3 Risk of Option holders:**

- 1. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells his option in the secondary market nor exercises it prior to its expiration will necessarily lose his entire investment in the option. If the price of the underlying does not change in the anticipated direction before the option expires, to an extent sufficient to cover the cost of the option, the investor may lose all or a significant part of his investment in the option.
- 2. The Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

## **2.4 Risks of Option Writers:**

- 1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.
- 2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.
- 3. Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination transactions, such as option spreads, are more complex than buying or writing a single option. And it should be further noted that, as in any area of investing, a complexity not well understood is, in itself, a risk factor. While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.

## **3. TRADING THROUGH WIRELESS TECHNOLOGY/ SMART ORDER ROUTING OR ANY OTHER TECHNOLOGY:**

Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/ smart order routing or any other technology should be brought to the notice of the client by the stock broker.

## **4. GENERAL**

- 4.1** The term 'constituent' shall mean and include a client, a customer or an investor, who deals with a stock broker for the purpose of acquiring and/or selling of securities / derivatives contracts through the mechanism provided by the Exchanges.
- 4.2** The term 'stock broker' shall mean and include a stock broker, a broker or a stock broker, who has been admitted as such by the Exchanges and who holds a registration certificate from SEBI.

### **BEFORE YOU BEGIN TO TRADE**

1. Ensure that you deal with and through only SEBI registered intermediaries. You may check their SEBI registration certificate number from the list available on the Stock exchanges [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.mcx-sx.com](http://www.mcx-sx.com) SEBI website [www.sebi.gov.in](http://www.sebi.gov.in).
2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.
3. Ensure that you have read all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock broker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/Stock exchanges.
6. Obtain a copy of all the documents executed by you from the stock broker free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/Exchanges in this regard.

### **TRANSACTIONS AND SETTLEMENTS**

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.
12. Note that facility of Trade Verification is available on stock exchanges' websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the relevant Stock exchange.
13. In case you have given specific authorization, payout of funds or delivery of securities as the case may be, may not be made to you within one working day from the receipt of payout from the Exchange. Thus the stock broker may maintain a running account for you subject to the following conditions:
  - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
  - b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts/deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
  - c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.
  - d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Stock exchanges without delay.
14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Stock exchange.
15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.

### **IN CASE OF TERMINATION OF TRADING MEMBERSHIP**

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges give a public notice inviting claims relating to only the “transactions executed on the trading system” of Stock exchange, from the investors. Ensure that you lodge a claim with the relevant Stock exchanges within the stipulated period and with the supporting documents.
17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker’s insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the relevant Stock exchange where the trade was executed and the scheme of the Investors’ Protection Fund in force from time to time.

### **DISPUTES/ COMPLAINTS**

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the relevant Stock exchange.
19. In case your issue/problem/grievance is not being sorted out by concerned stock broker/sub-broker then you may take up the matter with the concerned Stock exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.
20. Note that all the stock broker/sub-brokers have been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.

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**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 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 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 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

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 document (mandatory and voluntary).
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 registration document (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.

*Latest version of the policy is available at the trading member(s), website [www.emkayglobal.com](http://www.emkayglobal.com).*

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## INFORMATION ON PREVENTION OF MONEY LAUNDERING ACT 2002, (PMLA)

**Mandatory**

- ◆ Due to the tightened security and increased vigilance in the wake of threats emanating from increasing terrorism, any failure on our part to discharge our duties cast on us under the applicable laws or we becoming an instrumental or a part of the chain in certain transaction, even if unknowingly or ignorantly, may land us in trouble.
- ◆ There is an Act called **Prevention of Money Laundering Act 2002. (PMLA)**
- ◆ The purpose of this act to prevent the financing of terrorism and to prevent laundering of money i.e. to legalize or officialize or canalise the money generated from illegal activities like drug trafficking, organized crimes, hawala rackets and other serious crimes.
- ◆ This act is a part of the Global measures being taken by all countries under the initiatives of UN agencies.
- ◆ It is applicable to all SEBI Registered brokers/sub-brokers and other financial institution who are dealing in any kind of financial assets.
- ◆ It is an obligation of the entities to whom this Act is applicable, to report certain kind of transactions routed through them to FINANCIAL INTELLIGENCE UNIT, a department specially set up to administer this Act. under the Ministry of Finance.
- ◆ The transactions which are supposed to be reported are cash transactions above rupees ten lakhs or series of cash transactions below ten lakhs but aggregating to above ten lakhs in a month or its equivalent in any foreign currency and the transactions which may not be in cash but suspicious in nature.
- ◆ Any such above types of transaction, though not executed but attempted and failed are also required to be reported.
- ◆ The suspicious transaction can be related to the transaction under the circumstances such as;
- ◆ Clients whose identity verification seems difficult or clients that appear not to cooperate
  - ◆ Assets management services for clients where the source of the funds is not clear or not in keeping with the clients apparent standing/business activity;
  - ◆ Clients based in high risk jurisdictions;
  - ◆ Substantial increases in business without apparent cause;
  - ◆ Clients transferring large sums of money to or from overseas locations with instructions for payment in cash;
  - ◆ Attempted transfer of investment proceeds to apparently unrelated third parties;
  - ◆ Businesses undertaken by offshore banks/financial services,
  - ◆ Businesses reported to be in the nature of export/import of small items.
  - ◆ Unusual transactions by Clients of Special Categories (CSCs)

### CLIENTS OF SPECIAL CATEGORIES MAY INCLUDE;

- ◆ NRI/HNI / Trust / Charities / NGO / Organizations receiving donations
- ◆ Companies having close family shareholdings or beneficial ownership
- ◆ Politically Exposed Persons
- ◆ Companies offering foreign exchange offerings
- ◆ Clients in high risk countries
- ◆ Non face to face clients
- ◆ Clients with dubious reputation as per public information available
- ◆ No trading or demat accounts can be opened in the name of entity whose name is listed on the banned entity list being maintained at United Nation's website at <http://www.un.org/sc/committees/1267/consolist.shtml>.
- ◆ While opening the new accounts all the prescribed procedures of KYC and Client Identifications should strictly be followed in the context of ensuring the compliance under this act.
- ◆ All the records of transactions and client identifications must be preserved in a manner which can be promptly retrieved and reported to the authorities in the specified format.
- ◆ This is the highlights of the requirements under the Act. Sub-brokers/ Authorised Persons/ Remisers are advised to go through the SEBI's master circular at <http://www.sebi.gov.in/circulars/201/masterCircular/pdf>. for details information and understanding and also to visit the website of FIU-IND at <http://fiuindia.gov.in>
- ◆ The end clients are advised to co-operate with us by providing the additional information/documents, if asked for during the course fo your dealings with us to ensures the compliance requirements under this Act.
- ◆ As a responsible citizen, it is our statutory as well as moral duty to be vigilant and to refrain from temptation of easy monetary gains, by knowingly or unknowingly supporting the people who are involved in the activities which are endangering our freedom and causing damage to the nation and to us as well.
- ◆ For any further clarifications or information on the subject, principal officer may be contacted.

## MANAGING YOUR DEMAT ACCOUNT WITH CDSL

### Simple DOs and DON'Ts

1. Verify your transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform your DP or CDSL.
2. Intimate any change of address or change in bank account details to your DP immediately.
3. While accepting the Delivery Instruction Slip (DIS) book from your DP, ensure that your BO ID is pre-stamped on all the pages along with the serial numbers.
4. Keep your DIS book safely and do not sign or issue blank or incomplete DIS slips.
5. Strike out the empty space, if any, in the DIS, before submitting to DP.
6. For market transactions, submit the DIS ahead of the deadline time. DIS can be issued with a future execution date.
7. The demat account has a nomination facility and it is advisable to appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
8. To open and operate your demat account, copy of PAN card of all account holders is to be submitted to the DP along with original PAN card, for verification.
9. Register for CDSL's SMART (**SMS Alerts Related to Transactions**) facility. If any unauthorized debit is noticed, the BO should immediately inform CDSL and the Main DP, in writing. An email may be sent to CDSL at [complaints@cdslindia.com](mailto:complaints@cdslindia.com).
10. Register for CDSL's Internet based facility "easi" to monitor your demat account yourself. Contact your DP or visit CDSL's website: [www.cdslindia.com](http://www.cdslindia.com) for details.
11. In order to receive all the credits coming to your demat account automatically, you can give a one-time, standing instruction to your DP.
12. Before granting Power of Attorney to anyone, to operate your demat account, carefully examine the scope and implications of powers being granted.

### Details of DP Schemes and Charges Applicable

Sr. No.	Particulars	SCHEME		
		<input type="checkbox"/> Investor scheme	<input type="checkbox"/> Traders scheme	<input type="checkbox"/> Basic scheme
1.	<b>Account Maintenance Charges</b>	Individual ₹ 300/-	Individual ₹ 1000/-	Individual ₹ 500/- (Holding value <50,000 = 0/- Amc, Holding value 50,000 < 2,00,000 = 100/- Amc and Holding value > 2,00,000 = 500/- Amc)
		Corporate ₹ 800/-	Corporate ₹ 1600/-	N.A
2.	<b>Demat</b>	Per Certificate ₹ 10/- Plus Postal Charges ₹ 50/-	Per Certificate ₹ 10/- Plus Postal Charges ₹ 50/-	Per Certificate ₹ 15/- Plus Postal Charges ₹ 75/- Min Min ₹ 100/-
3.	<b>Remat</b>	Actual CDSL Charges + Postal Charges ₹ 60/- Min. ₹ 100/-	Actual CDSL Charges + Postal Charges ₹ 60/- Min. ₹ 100/-	Actual CDSL Charges + Postal Charges ₹ 75/- Min. ₹ 100/-
4.	<b>Transaction Charges</b>			
	a) Within Emkay Pay-in	₹ 15/-	Actual CDSL (Min ₹ 5/-)	₹ 50/-
	b) Within Emkay Bo to Bo	₹ 20/-	₹ 15/-	₹ 25/-
	c) Outside Emkay DP	₹ 25/-	₹ 25/-	₹ 50/-
	d) Failed Transaction	₹ 25/-	₹ 25/-	₹ 25/-
	Pledge / Unpledge / Conf	₹ 75/-	₹ 75/-	₹ 100/-
	<b>Other Charges</b>			
	DIS Issue	₹ 35/-	₹ 35/-	₹ 35/-
	Demat Rejection	₹ 60/-	₹ 60/-	₹ 60/-
5.	<b>Extra Statement</b>	Soft Copy ₹ 10/- per req. Physical ₹ 30/- per req.	Soft Copy ₹ 10/- per req. Physical ₹ 30/- per req.	Soft Copy ₹ 10/- per req. Physical ₹ 25/- per req.
	Account Modification	₹ 15/-	₹ 15/-	₹ 15/-
	Transaction Statement	₹ 15/-	₹ 15/-	Nil
	Miscellaneous Charges	Actual Charges (Erroneous transfer, penalties etc.)	Actual Charges (Erroneous transfer, penalties etc.)	Actual Charges (Erroneous transfer, penalties etc.)

#### Notes :

1. Service Tax, Education Cess and other statutory levies (if any) would be charged extra wherever applicable as per the prevailing rates.
2. For availing 'Easiest' facility of CDSL the charges as levied by CDSL would be collected from clients at actual.
3. CDSL Levies Rematerialization charges as higher of the following:
  - i) A fee of Rs 10/- for every 100 securities or part thereof; or
  - ii) A flat fee of Rs. 10/- per certificate
4. Postal charges for rejection of Demat/Remat shall be charged on actual.
5. I/We hereby authorise Emkay Global Financial Service Limited, to debit all the Demat Account related charges to my/our Emkay Global Financial Service Limited Trading Account.

#### General Instructions:

1. In case of non exercise of option, investor scheme shall be applicable.
2. Blank & Signed Delivery Instruction Slips should not be left with your DP/Broker.
3. All market instructions for transfer must be received latest by 4.00 p.m. on the previous working day prior to pay in day as per SEBI Guidelines. All off Market Instructions for transfer must be received atleast 24 hours before the execution date. Late instructions would be accepted at the account holder's sole risk and responsibility.
4. AMC would be charged for 1<sup>st</sup> quarter, rest 3 quarters would be free

## Emkay Global Financial Services Limited

Registered and Corporate Office: The Ruby, 7th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028  
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\* BSE CASH: INB 010901838 \* BSE DERIVATIVES: INF 010901838 \* NSE CASH: INB 230901838 \* NSE DERIVATIVES: INF 230901838

\* NSE CURRENCY: INE 230901838 \* MCX-SX CASH: INB 260901831 \* MCX-SX DERIVATIVES: INF 260901831

\* MCX-SX CURRENCY: INE 260901838 \* USE: INE 270901833 \* DP CDSL IN: 58 - 2000 \* MUTUAL FUNDS: ARN 1563