KEYNOTE CAPITALS LIMITED

POLICIES AND PROCEDURES FOR DEALING WITH CLIENTS

POLICIES AND PROCEDURES

This document outlines various policies and procedures framed and followed by Keynote Capitals Ltd ("KEYNOTE") with respect to its dealing with its clients as a stock broker on exchanges recognized under the Securities Contracts (Regulation) Act, 1956 (collectively hereinafter referred as the "Exchanges" and individually as the "Exchange"). The policies and procedures as stated herein below are subject to change from time to time at the sole discretion of KEYNOTE, depending upon regulatory requirements / changes, its risk management framework, other market conditions, etc. The said policies and procedures and any revision/updation in the same from time to time is/will be available in the client's web login provided by KEYNOTE on its web site. The client can access and refer to such policies and procedures by using user Id and password provided by KEYNOTE.

A. Setting up the clients' exposure limits

While setting up the exposure limits for and on behalf of the clients, KEYNOTE broadly takes into consideration the regulatory requirements, client profile, client's dealing with KEYNOTE for settlement of his/her/its obligation, internal risk management policy, market conditions, etc. Considering the said parameters the exposure limit for a client would be set up as follows:

1. Exposure limits to the client will be provided based on the available margin in the client's broking account maintained with KEYNOTE.

2. KEYNOTE may, at its sole and absolute discretion, levy and demand from the clients additional margin over and above margin stipulated by the Exchanges.
3. The client needs to furnish adequate margin (including, without limitation, additional margin demanded by KEYNOTE) as specified by KEYNOTE from time to time at its sole and absolute discretion, failing which KEYNOTE may not grant exposure.
4. The exposure limits may be a certain multiple of the available margin. Such multiplier will be as decided by KEYNOTE from time to time at its sole discretion and may vary from client to client.
5. On a case-to-case basis KEYNOTE, at its sole and absolute discretion, may allow higher exposure limits to the client.
6. It is a sole and absolute discretion of KEYNOTE to grant any exposure limit to the client or withdraw the same on any of the Exchanges/segment of the Exchanges with or without prior notice to the client. The decision of KEYNOTE in this regard shall be binding on the client even if margin is available in the client's account. The client cannot raise any concern/dispute for the same.

7. Available margin for the purpose of granting exposure is calculated as a sum of ledger balance of the client in KEYNOTE's books, margin in the form of funds, securities/commodities bought by the client through KEYNOTE for which payment is not made by the client (“**Unpaid Securities/commodities**”), bank fixed deposit, bank guarantee, commodities, etc. of the client available with KEYNOTE, securities pledged by the client in favour of KEYNOTE, securities bought by the client on the Exchange platform (either in the cash/capital market segment or in the F&O Segment where his/her/its open position in the F&O contracts gets converted into the delivery buy) but delivery of the said security is yet to receive in the pay-out (hereinafter referred as “**Unsettled Delivery Buy Position**”) and the client’s securities available to KEYNOTE as collateral in such manner/mode as may be permitted by the Exchanges/regulator from time to time, reduced by the margin already utilized by the client.
8. In case of Unsettled Delivery Buy position, since the ledger balance of the client in KEYNOTE's books has already considered the debit for the said purchase, the Unsettled Delivery Buy position is added for granting the exposure. However, the client shall ensure that he/she/it will sell security, which are Unsettled Delivery Buy Position, only after the delivery of the same is received in the pay-out. If the client sell the same prior to actual receipt of delivery of the said security in the pay-out, then the client shall be doing any such selling at his/her/its own risk and consequences and he/she/it shall be solely responsible for any auction/close out taking place due to his/her/its failure to meet the pay-in obligation arising out of such sell trade.
9. Notwithstanding the fact that KEYNOTE may prescribe higher margin requirement, if the margin available in the client’s account is sufficient to meet minimum margin requirement prescribed by the Exchanges for collecting from the client, then KEYNOTE, at its sole and absolute discretion, may allow the client to take further exposure and / or continue with the existing position of the client as per margin prescribed by the Exchanges.
10. In case of securities in GSM category and ASM category, any Additional Surveillance Deposit (“ASD”) or additional margin, if levied by the Exchanges, the same may be collected by KEYNOTE from the clients at its sole and absolute discretion.
11. Any Additional Margin including, but not limited to, Additional Exposure Margin /Additional Surveillance Margin, concentration margin, etc. if levied by the Exchanges may be collected by KEYNOTE from the clients at its sole and absolute discretion.
12. Further, while determining the exposure limit, the funds and/or securities available in one segment of the Exchange may be taken in to consideration for determining exposure limits for another segment of the same Exchange and//or any segment of the other Exchanges.
13. The choice of the securities to be considered as margin shall be determined by KEYNOTE at its sole discretion from time to time and the client shall abide by the same.
14. If the clients’ securities are given to KEYNOTE as collateral by way of pledge in favour of KEYNOTE or in such other manner/mode as may be permitted by the Exchanges/regulator from time to time, KEYNOTE can re-pledge the same in favour of the Clearing Corporation/clearing member of the Exchanges for the purpose of availing exposure on behalf of the respective client and/or for meeting the clients’ margin requirement.

15. While granting the exposure to the client, the client need to give 50% of the required margin in the form of cash and cash equivalent (as defined by the Clearing Corporations/clearing members) and the balance 50% in the form of non-cash collaterals (as approved by the Clearing Corporations/clearing member). If the non-cash collaterals in the form of securities are un-approved for giving to the Exchanges/Clearing Corporations/clearing members for availing trading exposure from them or are in excess of 50% of the client's total margin obligation with KEYNOTE or if there is margin shortfall in the client's account, KEYNOTE shall/may charge the client interest @ 18% per annum or at such other rate as may be determined by KEYNOTE from time to time on such non-cash collateral and/or margin shortfall amount. Such interest will be debited to the client's brokerage/trading account on a monthly basis or at such interval as may be determined by KEYNOTE from time to time. Please note that for charging interest as stated above, the value of approved securities shall be calculated in the same manner as the Exchanges/clearing corporations/clearing member calculates.
16. While determining the exposure limit, margin in the form of securities (in the manner as may be allowed by the Exchanges/SEBI/Clearing Corporations from time to time), Unpaid Securities/commodities and Unsettled Delivery Buy Position will be valued as per the latest available closing price on NSE / BSE and, in the case of margin in the form of units of mutual fund (other than ETFs), the same will be valued as per the NAV disclosed by the Exchanges/AMFI, and margin in the form of commodities will be valued as per the latest available closing price on NSE / BSE / MCX / NCDEX. The valuation of the aforesaid securities and commodities will be done after applying appropriate haircut on the price of securities and commodities as may be decided by KEYNOTE at its sole discretion.
17. No further exposure shall be granted to the clients when debit balances arise out of client's failure to pay the required amount and such debit balances continues beyond the fifth trading day, as reckoned from the date of pay-in except, in case of the margin trading facility.
18. While granting the exposure or considering the clearance of the old debit balance, only the realized funds in the KEYNOTE's client bank account and/or realized pay out as a result of liquidation of the securities by KEYNOTE/selling of the securities by the client will be considered by KEYNOTE. This may also lead to liquidation of any of the clients open/outstanding position or sale of clients' securities for which KEYNOTE shall not be held responsible.
19. In case where the client has transferred the funds to KEYNOTE or directly deposited cheque into bank account of KEYNOTE, it is a responsibility of the client to inform in writing to KEYNOTE the details of amount, bank account no. and cheque/funds transfer reference no. along with proof of the same on the same day, failing which KEYNOTE may not be able to give credit of the same to the client. This may lead to not granting of exposure to the client, margin shortfall reporting or results into liquidation of any of the clients open/outstanding position or sale of clients' securities for which KEYNOTE shall not be held responsible.
20. The non-institutional custodial transactions shall be executed only if the sufficient margin is available on T day. In respect of custodial transactions not allocated/rejected/not accepted by the custodians, margin shall be applicable till the date of settlement in addition to T day.
21. KEYNOTE may from time to time depending on market conditions, profile and history of the client, type and nature of scrip, etc., at its sole discretion at any time and without any notice charge/change the rate of haircut applicable on the securities and commodities given/pledged as collateral for margin, multiplier for determining exposure limit and take such steps as KEYNOTE may deem appropriate.
22. The client will have to abide by the exposure limit set by KEYNOTE from time to time.

B. Refusal of orders for Penny Stocks and/or Illiquid Stocks/ Futures /Options Contracts

In view of the risks associated in dealing with Penny Stocks and/or Illiquid Stocks/Futures & options derivatives contracts, etc. KEYNOTE would generally advice its clients to desist from trading in them. Further, SEBI, the Exchanges or KEYNOTE may issue circulars or guidelines necessitating exercising additional due diligence by the clients, for dealing in such securities. A security may be treated as Penny Stocks/ Illiquid Stock/Futures& Options derivatives Contracts if it falls in any one of the following category as mentioned herein below:

- Securities traded below its face value on any of the Exchanges.
- Securities appearing in the list of illiquid securities, Graded Surveillance Measure (GSM) and Additional Surveillance Measure (ASM), issued by the Exchanges periodically.
- Securities forming part of Trade-to-Trade settlement.
- Securities forming part of Z, X, SME, Physical, Periodic call auction, etc. group
- Securities in which unsolicited SMS is circulated in the market to buy/sell
- Securities on which Exchange VaR is more than 50%.
- Scrip whose average daily volume in last seven working days is less than 15,000 shares (collectively for all the Exchanges).
- Illiquid futures and / or options derivatives contracts, far month / long dated futures and / or options derivatives contract.
- Where Open Interest in futures and / or options derivatives contract is less than 1000 contracts OR volume is less than 100 contracts.
- Securities having market capitalization less than Rs.100 crore
- Abnormal/Non-genuine trades wherein the same sets of parties have executed buy and sell transactions on the Exchange at abnormally high price differences which are not co-related to the spot/futures price movement in the underlying commodity.
- Any other securities/ futures & options derivatives contracts as may be decided by KEYNOTE, which may be considered by KEYNOTE in its sole discretion as volatile or subject to market manipulation or have concentration risk at client level or at the security level or for any other reason.

Trading in such securities will be allowed to the client at the sole and absolute discretion of KEYNOTE. Such securities may be blocked in normal trading system and any dealing in such securities will be allowed only on the approval of the Risk team and/or Compliance team of KEYNOTE as it may deem fit. KEYNOTE may restrict the quantity of such securities if the client is allowed to buy/sell. KEYNOTE may further insist upto 100% advance pay-in of funds/securities before allowing trades in such securities. Before allowing any sale trade KEYNOTE may call for DP statement of the client to review the movement of securities in the client's demat account. In case of Securities identified under GSM and ASM, Additional Surveillance Deposit (ASD) collected by the Exchanges shall be collected from the client and the same shall be only in form of cash and to be retained by KEYNOTE till released by the Exchanges. This ASD shall not be refunded or adjusted even if securities purchased is sold off at the later stage within a quarter and also shall not be considered for giving further exposure.

Under no circumstances, KEYNOTE shall be responsible for non-execution/delay in execution of such orders pursuant to delay in taking any decision to allow or not to allow trading in any such Penny Stocks/ Illiquid Stock/Futures & Options derivatives contracts, and consequential opportunity loss or financial loss to the client.

The above list of criteria is an indicative list. KEYNOTE may at its sole and absolute discretion define from time to time other category/criteria to treat a security as Penny Stocks/Illiquid Stock/Futures & Options derivatives contracts.

C. Imposition of penalty(ies)/Interest on delayed payment by either party, specifying the rate and the period

Imposition of Penalties

The Exchanges/Clearing Corporation/SEBI levies penalties on the broker for irregularities observed by them during the course of business. KEYNOTE shall recover such imposed penalties/levies, if any, by the Exchange / regulators, from the client which arise on account of dealings by such client. Few of the examples of violations for which penalties may be levied are as follows:

- Shortage/non-delivery of securities/commodities sold by the client against his/her/their pay-in obligation;
- Non adherence to the client level exposure limits and market-wide position limit;
- Margin shortfall reported in the Client’s account;
- Excessive trade to order ratio
- Non adherence to maximum allowable open position limit;
- Any other reasons which may be specified by the Exchanges/Clearing Corporation/SEBI from time to time.

Such recovery would be by way of debit in the ledger of the client and amounts would be adjusted against the dues owed by KEYNOTE, if any, to the clients. In case there is no amount owed by KEYNOTE to the client, the client shall undertake to pay such amount to KEYNOTE without any protest immediately on demand/posted in the ledger.

Interest on Delayed payment

While dealing with KEYNOTE it is a responsibility of the client to ensure that the required margins (including but not limited to initial margin, exposure margin, extreme loss margin, buy premium, delivery margin, mark to market, special / additional margin, extreme loss margin, VAR margin, and/or other margins), any outstanding settlement obligations and/or any other dues payable to KEYNOTE are paid within the time period stipulated by the Exchanges or KEYNOTE, whichever is earlier.

In the event if the client delays/ defaults in meeting its above said obligations towards KEYNOTE and have any debit balance in KEYNOTE's books beyond the stipulated time period, KEYNOTE shall have absolute discretion to charge and recover from the client's account, interest on delayed payment at the rate of 18% per annum or at such other rate /interval as may be determined by KEYNOTE from time to time for the delayed period. KEYNOTE may reduce/increase the interest rate at its sole discretion. If there is any increase in rate of interest on delayed payment, the same will be done after giving notice of 15 days to the client. Interest will be calculated considering balance lying across all the segment(s) of all the Exchanges and on any given day.

The client cannot demand continuation of service on a permanent basis citing levy of interest on delayed payment.

The client will not be entitled to any interest on the credit balance/surplus margin available/kept with KEYNOTE.

D. The right to sell clients' securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues.

It shall be the client's responsibility to ascertain in advance the margin requirement for his/her/its order/trades/deals and to ensure that the required margin is made available to KEYNOTE in such form, manner and time as may be required by KEYNOTE.

The margin will have to be paid within the time frame stipulated by the Exchanges or KEYNOTE, generally

- in case of fresh positions - upfront;
- in case of mark to market losses/margins in any segment/Exchanges- before the commencement of trading on next trading day
- in case of additional margins demanded by KEYNOTE - immediately upon demanded by KEYNOTE and not later than the time frame stipulated by KEYNOTE, if any; and
- in case where the Exchanges levy and/or increase any margin required during the day - immediately upon levy and/or increase in any such margin.

Without prejudice to its other rights, KEYNOTE shall be entitled, in its sole and absolute discretion, to liquidate/close out all or any of the client's open/outstanding position, sell the client's securities and/or commodities (whether approved by KEYNOTE or not) available with KEYNOTE (either as collateral/Unpaid Securities/commodities or by way of pledge/lien marked on the client’s securities/commodities in favour of KEYNOTE) and/or held in the client's demat account for which power of attorney is granted by the client in favor of KEYNOTE at any time without giving any notice to the client in the following circumstances:

- If the client fails to pay to KEYNOTE any margin, additional margin, mark to market losses/debits, etc. within the time frame stipulated by KEYNOTE or the Exchanges, whichever is earlier;
- If the client fails to pay all his/her/its settlement obligations and/or other liabilities including, but not limited to, DP charges to KEYNOTE within the time frame stipulated by KEYNOTE or the Exchanges, whichever is earlier.
- In the event that the market value/prices of the client's securities/commodities available with KEYNOTE as margin or as Unpaid Securities/commodities or open positions in any of the securities/commodities including, without limitation, in futures and/or options derivatives contracts in which the client has taken the position, for any reason fall (either during the market hours on a particular trading day or over a period of time) or is anticipated to fall, or circumstances arise or are likely to arise which may in the sole opinion of KEYNOTE jeopardize its interest and expose it or is likely to expose it to any financial loss or damage.
- During the market hours on a trading day, if the available margin in the client’s account falls below 80% of the total required margin as prescribed by KEYNOTE.
- If the client fails to provide additional margin within the time period stipulated by KEYNOTE.

- If the client fails to inform in writing to KEYNOTE about details of online funds transferred by him/her/it to KEYNOTE or cheque directly deposited by him/her/it into the bank account of KEYNOTE alongwith necessary details to enable KEYNOTE to give credit of the same to the client. The necessary details should include the date of deposit/transfer, amount, bank account no. and cheque/funds transfer reference no. along with proof of the same.

In case there are multiple securities for which the client fails to pay his/her/its settlement obligations in full or part, KEYNOTE shall have sole and absolute discretion to decide which security is to be sold first for recovery of the dues of the client. The client cannot raise any dispute in this regard.

Any and all losses (actual or notional), financial charges, damages on account of such liquidation/sell/closing-out shall be borne by the client only and KEYNOTE shall not be held responsible for the same.

E. Conditions under which the client may not be allowed to take further position or KEYNOTE may close the existing position of the client.

An illustrative list of circumstances in which KEYNOTE, at its sole and absolute discretion, may not allow the client to take further positions or may close/liquidate either a part or whole of the existing position of the client are as follows:

- Failure by the client in providing sufficient/adequate margin(s) and/or insufficient/inadequate free credit balance available in clients' broking account with KEYNOTE;
- If the client fails to deposit the margin/additional margin within the time period stipulated by KEYNOTE or if an outstanding debt occurs in the client's brokerage account with KEYNOTE beyond the stipulated time period;
- If the client fails to maintain the requisite margin in such form and manner as may be specified by KEYNOTE from time to time;
- Settlement obligations are not paid by the client within the time frame allowed by the Exchanges or as per the norms specified by KEYNOTE from time to time at its sole and absolute discretion;
- On a real time basis, if it is observed that there is a sudden fall in the price of the existing open positions of the client or of the client’s Unpaid Securities/commodities or securities/commodities held as collaterals; or due to adverse change in the market scenario for any reason;
- Securities falling in the category of Penny Stocks/ Illiquid Stocks/ Futures & Options derivatives Contract as described in policy (B) above;
- Trades which apparently in the sole and absolute discretion of KEYNOTE seems to be Synchronized trades/Circular trading/Artificial trading/manipulative in nature, etc.;
- Securities/contracts banned by the regulatory authorities;
- Any regulatory action including, but not limited to, ban initiated/taken/imposed on the client by the regulatory authorities;
- Where name of the client apparently resembles with the name appearing in the list of debarred entities published by SEBI/Exchanges (where the information available for the debarred entity (other than name) is not sufficient enough to establish that the client and such debarred entity are one and the same);
- The client fails to furnish financial details on a yearly basis for doing transaction in Equity Derivatives Segment, Currency Derivatives Segment and Commodity Derivatives Segment.

- The client fails to furnish financial details/ documents/information as may be called for by KEYNOTE from time to time as per regulatory requirement and/or as per its sole discretion.
- In the event of death or insolvency of the client or the client otherwise becoming incapable of receiving and paying for or delivering or transferring securities/commodities which the client has ordered to be bought or sold;
- Depending on the circumstances (including, but not limited to, due to volatility in the market and/or wide fluctuation in the price of securities), if KEYNOTE is of the view that the positions of the clients may be at risk, then KEYNOTE may not allow to the client to take further position or may close the existing open/unsettled position (on any segment) of the client without waiting for the pay-in schedule of the Exchanges;
- If the available margin in the client's account reduces/falls/erode to 80% or below of the total required margin as prescribed by KEYNOTE, then KEYNOTE may close the existing open/unsettled position (on any segment of the Exchanges) of the client without waiting for the pay-in schedule of the Exchanges/without considering un-cleared cheques/ stock not transferred to/pledged in favor of KEYNOTE.

In case of ageing debit (un-cleared debit of 3 days or more from the transaction day), it may also take action of completely blocking the client's account (with or without notice) from taking any fresh buying and/or selling at the client's end; and only after selling is completed by the Risk team of KEYNOTE as per its risk management process to clear the said aging debit, limit for any fresh selling will be opened for the client.

KEYNOTE may take the action under this policy with/without giving any notice or intimation to the client. KEYNOTE will not be responsible for any opportunity loss or financial loss to the client in the event any action taken by it under this policy.

F. Applicable Brokerage Rate and other charges

For rendering the broking services, KEYNOTE charges brokerage to the client. The brokerage will be charged at such rates as agreed with the client at the time of client registration and more particularly mentioned in the brokerage rate tariff which is duly agreed, accepted and acknowledged by the client. The brokerage rate will be communicated to the client by way of Welcome letter/e-mail sent to client. The client shall verify the welcome kit and revert within reasonable period in case the brokerage rate is not as per the terms agreed. If the client fails to intimate any discrepancy in Welcome Kit to KEYNOTE then it will be assumed that there is a deemed acceptance from the client with regards to the contents of the Welcome Kit including, without limitation, brokerage rates. The brokerage rate may be varied in future as per mutual understanding between the client and KEYNOTE and in case of upward revision in brokerage, the same shall be intimated by KEYNOTE to the client. If the brokerage is charged at such revised rate in contract note subsequent to revision and the client does not raise any dispute on such brokerage within reasonable period then the same will be considered as consented by the client.

The brokerage rate at no point of time will exceed the rates as may be specified by the Exchanges/SEBI from time to time. The brokerage will be exclusive of the following except in cases where it is agreed otherwise:

- GST which includes CGST/SGST/IGST/UTGST as may be applicable
- SEBI/Exchange/Clearing member charges
- Stamp duty
- Statutory charges payable to the Exchange/SEBI/Govt. Authorities, etc.
- Any other charges towards customized/specialized service

In case of Equity Derivatives Segment, and Currency Derivatives Segment brokerage will be levied on exercised/assigned option contracts. The rate will be the same as that applicable on options contract of Equity Derivatives Segment, and Currency Derivatives Segment. Further, where futures & options derivatives contracts are getting settled by way of physical delivery, unless agreed otherwise, the brokerage on such physical delivery contracts will be charged at the same delivery brokerage rate as charged by KEYNOTE in the cash/capital market segment of the Exchanges.

KEYNOTE may recover any other liability or expenses incurred by it for any transactions entered by it on behalf of its clients.

G. Temporary suspending or closing client's broking account at the client's request

A client who wishes to temporarily suspend or close his/her/its broking account can do so by submitting a written request or by e-mail (through e-mail id registered with KEYNOTE) in the form and format as may be prescribed by KEYNOTE. The request can be submitted to the servicing branch or Authorized Person or the head office of KEYNOTE. Prior to submission of such request the client should ensure that all amounts due and payable to KEYNOTE are paid. Requests from a client where no dues are outstanding would be processed within 15 working days from the date of receipt of the request.

If the client wants to re-activate his/her/its temporarily suspended broking account, then a request for reactivating the broking account should be sent to KEYNOTE either in writing or through e-mail (through e-mail id registered with KEYNOTE) or through secured web login provided by KEYNOTE to the client along with such documentary evidence as may be specified by KEYNOTE from time to time.

H. Policy for Inactive clients

Any client who has not traded in any segment of any of the Exchanges with KEYNOTE in last one year then such client would be termed as a Dormant/Inactive Client.

The broking account of such client shall be deactivated/suspended temporarily by KEYNOTE and shall be flagged as “Inactive” in UCC database of all the respective Exchanges. If the client wants to reactivate the broking account, then a request for reactivating the broking account may be sent to KEYNOTE either in writing or through e-mail (through e-mail id registered with KEYNOTE) or through secured web login provided by KEYNOTE to the client. However, KEYNOTE shall allow any further trading to such client only after undertaking sufficient due diligence (including IPV) and obtaining the updated information/documents related to KYC and financial from the concerned Client.

If the client is determined as a Dormant/Inactive client, then the funds/securities lying with KEYNOTE may be refunded/returned to the client at his/her/its last known bank account/Demat account or send at last known address of the client as per KEYNOTE record.

I. Deregistering a client

Without prejudice to KEYNOTE's rights, KEYNOTE may forthwith, at its sole and absolute discretion, de-register the client with/without prior notice/intimation in the following circumstances or any other circumstances which may warrant such action:

- Where the client indulges in any irregular trading activities like synchronized trading, price manipulation, trading in illiquid securities/futures & options derivatives contracts, self-trades, trading in securities/commodities at prices significantly away from market prices, etc.;
- Any show cause notice is issued or enquiry/investigation is initiated, by the Exchanges/regulators against the client;
- Any regulatory action taken/initiated against the client by the Exchanges/regulators including, but not limited to, debarring the client from accessing the capital market;
- Where name of the client apparently resembles with the name appearing in the list of debarred entities published by SEBI/Exchanges (where no sufficient information, other than name is available to ascertain that the debarred person and the client is not the same person.);
- Name of the client appears in database/websites of CIBIL, Watch Out Investors, World check, RBI defaulter list, or any other regulatory authority/court , adverse arbitration awards, etc.;
- The client having suspicious background or link with suspicious organization;
- Where the client is non-traceable, has pending disputes with KEYNOTE, possibility of a default by the client;
- Any other circumstances leading to a breach of confidence in the client for reasons like return of undelivered couriers citing reason such as "No such person / Addressee left /Refusal to accept mails, continuous e-mail bouncing, frequent cheque bouncing, or not furnishing the financial and other details as may be called for by KEYNOTE from time to time, etc.;
- Upon receipt of written information about the death of the client;
- Such other circumstances which in the sole opinion of KEYNOTE warrants to de-register the client.
- The client belongs to non FATF compliant country.
- The client name appears in the UN sanctions list. displayed at https://www.un.org/securitycouncil/content/un-sc-consolidated-list

In all such cases, KEYNOTE shall have the right to close out the existing open positions/contracts and/or sell/liquidate the non-cash collaterals given as margin (in any form) to recover its dues, if any, before de-registering the client. Any action taken by KEYNOTE in terms of this policy shall be binding upon the client and shall not be challenged by the client, and KEYNOTE shall not be liable to the client for any loss or damage (actual/notional), which may be caused to the client as a result. Also while de-registering the client, KEYNOTE may retain certain amount/securities/commodities due/belonging to the client for meeting any future losses, liability, penalties, etc. arising out of dealing of the client with KEYNOTE. In case if any securities/commodities retained by KEYNOTE is sold/liquidated to recover any such losses, liability, penalties, etc., KEYNOTE shall have the sole authority to decide the mode, manner and the price at which to effect the sale of securities/commodities and the client cannot raise any dispute as to the manner, mode and the price at which the securities/commodities of the client are sold by KEYNOTE.

In any of the above circumstances, if the client is able to give satisfactory explanation either by producing any record, document or otherwise to the full satisfaction of KEYNOTE, KEYNOTE may reconsider its decision of de-registering the client. However, in no circumstances any action taken by KEYNOTE till the date of re-registration shall be challenged by the client and KEYNOTE shall not be liable to the client for any loss or damage (actual/notional), which may be caused to the client as a result.

J. Shortages in obligations arising out of internal netting of trades

KEYNOTE has the following policy for settling transaction, which remains unsettled due to Internal Shortages: Internal Shortages means one client has failed to give the delivery of the securities/commodities sold, which has resulted into short delivery to other client(s) of KEYNOTE. The transactions, which remain unsettled due to the Internal Shortage of securities/commodities shall be closed out on the day on which auction takes place, as per formula given below:

For Equity segment:

Note:
(1) In case where the Futures and Options contracts are getting settled in physical delivery, T Day for such physically settled contract will be the expiry day of the respective futures and Options contracts which is marked for delivery settlement.

(2) Where KEYNOTE is settling its Futures and Options transactions through the Professional Clearing Member ("PCM"), the Futures and Options contracts which are getting settled in physical delivery, but remains unsettled

For securities, which are part of NIFTY or Sensex indices or traded in NSE Derivatives segment	The higher of the following: 3% above the closing rate of the security on the auction day; 3% above the average buying price of the buyer client on transaction day (T Day).
For all other securities	The higher of the following: 5% above the closing rate of the security on the auction day; 5% above the average buying price of the buyer client on transaction day (T Day).

due to any internal shortages of the securities at the PCM level, then such transactions shall be closed out as per the shortage policy of the said PCM.
Compulsory Close-out of securities under Corporate Action

In case of securities having corporate actions and no 'no-delivery period' for the corporate action, all cases of short delivery of cum transactions which cannot be auctioned on cum basis or where the cum basis auction pay-out is after the book closure / record date, would be compulsory closed out at 10% above the official closing price on the auction day or the highest traded price from first trading day of the settlement till the auction day, whichever is higher.

KEYNOTE shall take suitable penal/ disciplinary action against any intentional / willful delivery default by the seller.

Accordingly, if a client fails to give the delivery of the securities/commodities sold, which if resulted into Internal Shortage, such client will be debited for the transaction at the rates prescribed above. Similarly, if KEYNOTE is unable to give the delivery of the securities/commodities bought by any client due to the Internal Shortage, such client will receive the credit for the transaction at the rates prescribed above.

KEYNOTE may, at its sole discretion, choose to report Internal Shortage to the Exchanges/Clearing Corporations, if they provide any such window and such reporting of Internal Shortage may be done on any of the Exchanges/Clearing Corporations despite the fact that the transaction which is resulting into Internal Shortage may not have taken place on the Exchange where it is reported.

General

For the purpose of this document, "KEYNOTE" means and include KEYNOTE CAPITALS LIMITED and/or any of its associate/affiliate/group companies.

KEYNOTE shall have the right at its sole and absolute discretion to amend/change/revise any of the above said polices and procedure at time in future and the same shall be binding on the client forthwith.

Any action taken by KEYNOTE in accordance with the policies and procedures mentioned herein above cannot be challenged by the client, and KEYNOTE shall not be liable to the client for any loss or damage (actual/notional), which may be caused to the client as a result.

In case if any of the client's securities and/or commodities available with KEYNOTE (either as collateral/unpaid securities/commodities or by way of pledge/lien marked on the client's securities/commodities in favour of KEYNOTE) and/or held in the client's demat account for which power of attorney is granted in favor of KEYNOTE is sold/liquidated in accordance with the policies and procedures mentioned herein above, KEYNOTE shall have the sole authority to decide the manner, mode and the price at which to effect the sale of securities/ commodities and the client cannot raise any dispute as to the manner, mode and the price at which the securities/ commodities are sold by KEYNOTE.

Any communication w.r.t. revision in interest rate, brokerage and other charges will be communicated to the client through e-mail or SMS or Whatsapp message or a notification on the mobile/online trading app of KEYNOTE used by the client, or by placing a notification in the client's web login which is accessed by the client with their Login Id and password or in physical form through post/courier/hand or any other mode of communication accepted under the extant laws.

Client's Acceptance of Policies and Procedures stated hereinabove

I/We have read and fully understood the policies and procedures stated hereinabove. I/We hereby agree to abide by the same. Further, I/we have taken note of the fact that these policies and procedures may be amended/changed/revised by KEYNOTE at any time in future and such amended/changed/revised policy and procedures will be made available in my/our web login provided by KEYNOTE on its website. Upon such amended/changed/revised policy and procedures made available in my/our web login provided by KEYNOTE on its website or sent to me/us through e-mail or in physical form through post/courier/hand delivery the same shall be considered as delivered, read and understood by me/us and I/we shall abide by the same.