KEYNOTE CAPITALS LIMITED
CLIENT RISK MANAGEMENT POLICY

Background

This Client Risk Management Policy (CRMP) is issued to meet inter alia

- Directions of Securities and Exchange Board of India (SEBI)
- Directions issued by Market Infrastructure Institutions (MIIs)
- Internal good practices.

Keynote Capitals Limited (KCL) is a member of the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and is registered with SEBI as a stockbroker with SEBI Registration Number INZ000241530. KCL is currently active in the Cash Market and the Futures and Options/ Equity Derivatives Segment and Currency Derivatives Segment.

Various clients trade with KCL. To manage the risk of such trading and to comply inter alia with the requirements of law, the following updated Client Risk Management Policy is being issued for the knowledge and information of the clients, employees, Authorized Persons and other stakeholders of KCL.

1. Risk Officers

All decisions relating to risk matters will be taken by Mr. Rakesh Choudhari (Managing Director) and/or Mr. Devin Joshi. (CFO) The decision of the Risk Officers for the purpose of Risk Management shall be final in all respects.

2. Limits setting

All of KCL's clients are required to provide:

- 100% funds before purchasing the securities in cash segment
- Advance early pay-in of securities before selling securities in the cash segment
- 100% margins before trading in the equity derivative segment in 50:50 cash non-cash ratio

and limits will be set accordingly. Orders not fulfilling the above criteria may be rejected on the ground of "not as per CRMP".

However, Risk Officers may at their discretion permit additional trades/ exposure based on the following parameters:

- Where client has given / executed Power of Attorney/ Demat Debit and Pledge Instruction (POA/DDPI) in favour of KCL
- Based on the past relationship, trading behavior of the client, the known financial standing and the value of collateral deposited/ lying with KCL

However, the Risk Officers may not permit any additional exposure which does not meet the regulatory minimum margins norms, as applicable from time to time.

4. Restriction of further exposure on T + 5 days

For any client continuously in debit for more than 5 days, further buying/ exposure would be stopped and only sale/ exposure reduction will be permitted till debit is cleared.

5. Non meeting of settlement obligations

Wherever settlement obligations are not met per the MII deadlines, KCL will square up the positions/ sell collateral in the market after giving notice the day prior.

Risk Officers may at their discretion give extra time (to the extent permitted by law) to meet the settlement obligations based on request (one time or standing) made by the clients to KCL/ its dealers/ its Authorized Persons.

In case of account still being in debit post square up the positions/ selling of collateral, notices to be issued and thereafter arbitration will be filed against the clients.

6. Transfer of Securities

In case of securities not fully paid up, the securities will be transferred in the form of Client Unpaid Securities Pledgee Account (CUSPA) pledge to the client demat account. The clients will have an alternate option (where permitted by law) to provide the securities in the form of a Margin Pledge as an alternative to CUSPA pledge.

7. Voluntary freezing / blocking the online access of trading accounts

Per the requirements of SEBI circular ref. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated 12-Jan-2024 and instructions given by the Market Infrastructure Institutions (MIIs) from time to time, the following facility of voluntary freezing/ blocking of online access to trading accounts is issued:

1. Client may send email from registered email-id to the dedicated email ID "stoptrade@keynotecapitals.net" or can request through website on given link: https://www.keynotecapitals.com/online-account-closure-request/
2. The trading account online access will be blocked and intimation/ acknowledgment will be issued to the client on their registered email within the regulatory timelines along with information as required by law like confirmation on freezing/blocking, confirmation on cancellation of all the pending orders, details of open positions, if any, along with the contract expiry information
3. To re-enable access, clients would need to contact their RISK OFFICERS either directly or through their dealer/ Authorized Person. On being satisfied, RISK OFFICERS will approve re-enabling online access.

8. Approval

This revised policy has been approved at a meeting of the Directors of KCL held on 01-July-2024 and is subject to annual review.

For Keynote Capitals Limited

Sd/-
Rakesh Choudhari
Managing Director

Place: Mumbai
Date: 01-July-2024