

POLICIES AND PROCEDURES (for Commodity Segment)

1. Setting up client's Exposure limits:

- Exposure for Derivatives: BMA COMMODITIES PVT. LTD. may provide exposure for Derivatives Segment based on availability of initial margin (SPAN + Exposure) in the form of cash and approved securities (with appropriate hair cut).
- Client-wise differential Limits: BMA COMMODITIES PVT. LTD. shall have the prerogative to allow differential purchase limits and sell limits varying from client to client, depending upon credit worthiness, integrity and past conduct of each client.

2. Applicable Brokerage Rates:

- Brokerage shall be applied as per the rates agreed upon with the client in the KYC at the time of registration of the client subsequently through a written agreement between the client and BMA COMMODITIES PVT. LTD.. The rate of Brokerage shall not exceed the maximum brokerage permissible under Exchange bye-laws. The slab rates of brokerage fixed by BMA COMMODITIES PVT. LTD. are function of the quality and cost of services provided to the client and the volume and revenue expected from an account. It shall be reviewed by the BMA COMMODITIES PVT. LTD. from time to time and may be increased with prospective effect at a notice of 15 days sent to the e-mail address or postal address of the client registered with BMA COMMODITIES PVT. LTD. The brokerage shall however be exclusive of DP Annual maintenance charges, DP transaction charges / Pledge / De-pledge / Demat / Remat charges, DP Inter settlement charges, Delayed Payment charges, Penalties levied by Exchange, Research advisory charges, Courier charges, Bank charges towards the cheques received unpaid. DP, Bank and other processing charges towards periodic settlement of Funds/Securities on periodic basis, Statutory charges payable to Exchange/SEBI/Govt. Authorities etc, SEBI/Exchange/Clearing Member Turnover charges, Other out of pocket and service related charges.

3. Imposition of Penalty / delayed payment charges by either party, specifying the rate and the period (This must not result in funding by the broker in contravention of the applicable laws):

- Delayed payment charges / Charges on Exposure against collaterals Pursuant to Exchange Bye -laws, the Member broker is currently required to make pay -in of funds to the Exchange by T+1 morning .Further Member broker is also required to maintain adequate upfront margins with the Exchange to avail exposure for trading. The Exchanges have also defined the ratios in which the cash and collaterals are to be deposited and maintained by the Member broker. In addition the Exchange requires the member broker to deposit some of the margins like MTM, in Cash only. In order to manage its working capital, BMA COMMODITIES PVT. LTD. requires fullest cooperation of the clients in meeting their respective obligation towards payin and margins. BMA COMMODITIES PVT. LTD. is therefore authorized by the client to charge a delayed payment penalty, not exceeding 2% per month, on account of delays/failure by the client in meeting the pay-in obligations on the scheduled date and also where Penalties levied by Exchanges. Further Exchanges levy various penalties on the member brokers on auction resulting from short deliveries, non adherence to client-wise exposure limits, client-wise shortfall in Derivatives Segment Margin and for other reasons which may be defined by the Exchange from time to time. BMA COMMODITIES PVT. LTD. is therefore authorized by the client to pass on any penalty imposed by the Exchange/SEBI and or any other regulatory authority to the client, which arises on account of the client. Interest Free Deposits BMA COMMODITIES PVT. LTD. provides exposure against the upfront margin received in the form of cash / collateral from the client and the client also has the prerogative to demand withdrawal of cash and collaterals at his discretion, BMA COMMODITIES PVT. LTD. shall not pay any interest or other benefit to the client for maintaining cash balances or depositing collateral margins with BMA COMMODITIES PVT. LTD.

4. 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 (This shall be limited to the extent of settlement/margin obligation):

- BMA COMMODITIES PVT. LTD. shall have right to sell client's securities, both unpaid securities as well as collaterals deposited towards margins, or close out client's open positions, without giving notice to the client where there is a delay/failure of the client to meet the pay -in obligations and / or there is a failure of the client to bring additional margins to cover the increase in risk in the dynamic market conditions.

a. Unpaid Securities in Capital Market: In case of unpaid obligation on T+3, BMA COMMODITIES PVT. LTD. may sell the unpaid/partially paid securities. In addition BMA COMMODITIES PVT. LTD. may sell the collaterals deposited by the client towards margins and/or paid securities purchased by the client in earlier settlements where the sale of proceeds of unpaid securities are inadequate to cover the pay-in obligations and/ where the unpaid securities appear to be comparatively illiquid and cannot be sold at reasonable rates to the extent required, ii .BMA COMMODITIES PVT. LTD. may follow the LIFO method for liquidation of securities but it may not bind on it to follow this method in all cases.

b. The margin shortfall in Derivatives: i. Positions of the client may be closed out to the extent of margin shortfall on the T+1 basis, ii. While computing margin shortfall, value of unapproved securities shall not be considered.As per the current Exchange requirements, the Member Broker is required to maintain a 50:50 ratio between cash and collaterals margin deposited with the Exchange. BMA COMMODITIES PVT. LTD. Shall therefore has the prerogative to insist for at least 50% of margin in cash and may not consider the value of securities over and above the cash component for the purpose of calculating margins shortfall and close the Derivatives position where it finds the deviation.

c. Intra-day Positions: BMA COMMODITIES PVT. LTD. shall have right to close out any intra-day positions taken by the client after a defined "Cut-off time (Presently 15 minutes before close of market).

d. General: i. while selling the securities/closing the clients positions, BMA COMMODITIES PVT.LTD. may take into account the sales made by the client, positions closed by the client or collections received from the client till a cut-off time (presently 12.45pm). While selling the securities/ closing the clients positions, BMA COMMODITIES PVT. LTD. may not take into consideration Cheques/Bank drafts/Pay orders deposited by the client with BMA COMMODITIES PVT. LTD. until clear proceeds of such instruments is received by BMA COMMODITIES PVT. LTD. in its bank account. BMA COMMODITIES PVT. LTD. shall have the right to sell client's securities or close out client's open positions but it shall not be under any obligations to undertake this exercise compulsorily. BMA COMMODITIES PVT. LTD. shall therefore not be under any obligation to compensate/ or provide reasons of any delay or omission on its part to sell client's securities or close open positions of the client.

5. Shortages in obligations arising out of internal netting of trades:

BMA COMMODITIES PVT. LTD. shall have the right to adopt a policy of its choice for internal auctions arising out of internal netting of trades and charge to defaulter seller and compensate the impacted purchaser as per the policy. Rate of penalty will be decided by member as applicable from time to time and published on our website or otherwise. In case of default of securities pay-in by the client and the shortage is vis-a vis the Exchange, auction value of the respective exchanges and all levies, as applicable, shall be recovered from the defaulting client.

6. Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client:

a. All Markets: Where client is not having adequate margins as per conditions defined in Risk Management policy under Section 2.

b. Clear proceeds of the cheque deposited by the client to meet the pay - in obligations has not yet been received by BMA COMMODITIES PVT. LTD.

c. BMA COMMODITIES PVT. LTD. exposure at "house level" in a specific scrip / contract exceeds the internal limits fixed by BMA COMMODITIES PVT. LTD.

d. Derivatives Segment: i. Where the client has not met Market to Market loss in cash, ii .Where the "open" positions in a contract exceed or are close to market wide cut -off limits, iii. Where the client's position is close to client-wise permissible "open" positions.

e. INTRA-DAY: Clients will not be able to place intra-day orders after a cut-off time fixed by BMA COMMODITIES PVT. LTD. (Presently 15 minutes prior to close of market). Event Based: Where based on happening of an event, BMA COMMODITIES PVT. LTD. has the risk perception that further trading in the securities/ contracts may not be interest of its clients and/or the market.

7. Temporarily suspending or closing a client's account at the client's request:

BMA COMMODITIES PVT. LTD. may carry a periodic review of the client accounts and may suspend the accounts from Trading in the following circumstances:

Where the client is inactive for more than 3 months, Where the client has not cleared the naked or uncovered debits which are more than 7 days' old, Where the account is under investigation by any regulatory body, based on the recommendations made by the Branch Manager due to excessive speculations, un-cleared balances, Physical contract notes are received back undelivered due to reasons like "no such person", "addressee" left, refusal to accept mails, POD's signed by the third persons, signature mismatch on POD's or other reasons which may create suspicion, out of the open positions, DCN failed (Bounced email) on more than 3 instances until client submits and registers new email id. Non delivery of the Statement of Account sent on periodic basis, Non updation of communications details viz., email id, Mobile no, Land line details or it is found to be belonging to a third person, Client lodges a complaint either directly with BMA COMMODITIES PVT. LTD. or through Exchange relating alleged Unauthorized Trades being executed in the account, On notices received from statutory, Government or Local authorities and Income Tax, Service Tax, a Judicial or a Quasi Judicial authority, etc, Where a client is reported to or known to have expired, BMA COMMODITIES PVT. LTD. may also suspend the account based on the written request received from the client.

8. Deregistering a client: Where the regulatory has instructed to deregister the client or when client himself/herself gives request to deregister the client code, we accordingly do the same. Also in case of death of the client, we act accordingly. For further details, please refer to our website www.bmawc.com.