

POLICIES AND PROCEDURES

1. Refusal of Orders for illiquid Commodity

The Commodity broker may from time to time limit (quantity/value) / refuse Orders in one or more commodities due to various reasons including market liquidity, value of commodity (ies), the order being for commodities which are not in the permitted list of the Commodity broker / exchanges(s) / SEBI. Provided further that Commodity Broker may required compulsory settlement / advance payment of expected settlement value for settlement value for settlement prior to acceptance / placement of order(s) as well.

The client agrees that the losses, if any of account of such refusal or due to delay caused by such limits, shall be borne exclusively by the client alone. The Commodity broker may require reconfirmation of orders, which are larger than that specified by the Commodity broker's risk management, and is also aware that the Commodity broker has the discretion to reject the execution of such orders based on its risk perception.

2. Setting up Client's exposure limits

The Commodity broker may from time to time impose and vary limits on the orders that the client can place through the Commodity brokers trading system (including exposure limits, turnover limits, limits as to the number, value in respect of which orders can be placed etc). The client is aware and agrees that the Commodity broker may need to vary or reduce the limits or impose new limits urgently on the basis of the Commodity broker risk perception and other factors considered relevant by the Commodity broker including but not limited to limits on account of exchange / SEBI directions / limits (such as broker level/market level limits in commodity specific/volume specific exposures etc.) and the Commodity broker may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the Commodity broker shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through the Commodity broker's trading system on account of any such variation reduction or imposition of limits.

The client further agrees that the Commodity broker may at orders or trade in Commodities through the Commodity broker, or it may subject any order placed by the client to a review before its entry into the trading systems and may refuse to execute/allow execution of limits set by Commodity broker/ exchange / SEBI and any other reasons which the Commodity broker may deem appropriate in the circumstances. The client agrees that the losses, if any, on account of such refusal or delay caused by such review, shall be borne exclusively by the client alone.

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

The Commodity broker have margin based RMS system. Client may take exposure upto the amount of margin available with us. Client may not be allowed to take position in case of non-availability / shortage of margin as per our RMS policy of the company. The existing position of the client is also liable to square off/close out without giving notice due to shortage of margin/ non making Of payment for their payin obligation/ outstanding debts.

4. Applicable brokerage rate

Brokerage will be charged within the limits prescribed by SEBI/Exchange.

5. Imposition Of penalty/delayed payment charges

Clients will be liable to pay late pay in/ delayed payment charges for not making payment of their payin / margin obligation on time as per the exchange requirement / schedule at the rate of 2% per month. Similarly the commodity broker will also be liable to pay delayed payment charges to the client for not making payment of their obligation on time, as per the exchange requirement/schedule at the rate of 2% p.m., except in the cases covered by the 'Running Account Authorisation' given by the client to the commodity broker which will be levied after 5 working days from the date of obligation.

The client agrees that the commodity broker may impose fines/penalties for any orders / trades / deals / actions of the client which are contrary to this agreement / rules / regulations ? by Laws of the exchange or any other law for the time being in force, at such rates and in such form as it may deem fit. Further where the commodity broker has to pay any fine or bear any punishment from any authority in connection with / as a consequence of / in relation to any of the orders / trades / deals / actions of the client, the same shall be borne by the client.

6. Shortage in obligations arising out of internal netting of trades.

Commodity broker shall not be obliged to deliver any commodities or pay any money to the client unless and until the same has been received by the Commodity broker from the exchange, the clearing corporation/clearing house or other company or entity liable to make the payment and the client has fulfilled his/her/its obligations first.

The Commodity broker shall have the right to adopt a policy of its choice for internal auctions arising out of internal netting of trades and charge to default seller and compensate the impacted purchaser as per the policy. The current procedure for internal auction may be amended from time to time with prospective effect.

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

The Commodity broker maintains centralized banking handling processes and relating banking and depository accounts at designated place. The client shall ensure timely availability of funds in designated form and manner at designated time and in designated bank and depository account(s) at designated place, for meeting his/her/its pay in obligation of funds. The Commodity broker shall not be responsible for any claim/ loss / damage arising out of non availability of funds by the client in the designated account(s) of the Commodity broker for meeting the pay in obligation of either funds.

If the client give orders/trades in the anticipation of the required commodities being available subsequently for pay in through anticipated pay out from the exchange or through borrowings or any off market delivery(s) or market delivery(s) and if such anticipated availability does not materialize in actual availability of funds for pay in for any reason whatsoever including but not limited to any

delay/ shortages at the exchange or Commodity broker level/non release of margin by the Commodity broker etc. the losses which may occur to the client as a consequence of such shortages in any manner such as on account of auctions/square off/ closing outs etc. shall be solely to the account of the client and the client agrees not to hold the Commodity broker responsible for the same in any form or manner whatsoever.

The Commodity broker has the right but not the obligation, to cancel all pending orders and to sell/ close/ liquidate all open positions commodities at the Pre - defined square off time or when Mark to Market loss (M-T-M) reaches the speculated % or margin available with the broker is not sufficient to cover the risk or the client have not take any steps either to replenish the margin or reduce the Mark to Market loss.

The Commodity broker will have the sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the losses based on actual executed price. In case open position (i.e. short/long) gets converted into delivery due to non square off because of any reason whatsoever, the client agrees to provide funds to fulfill the pain obligation failing which the client will have to face auctions or internal close outs, in addition to this, the client will have to pay penalties and charges levied by the exchange in actual and losses. If the any without prejudice to the foregoing, the client shall also be solely liable for all any penalties and charges levied by the exchange(s).

8. **Temporarily suspending (dormant accounts) or closing a client's account at the client's request.**

If an account is inactive for 12 months and more, the accounts are designed as dormant accounts. Also the request of the client in writing, the client account can be suspended temporarily and same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However client shares/ledger balance settlement can take place. On the request of the client in writing the client account can be closed provided the client account is settled. If the client wants to reopen the account is settled. If the client wants to reopen the account in that case client has to again complete the KYC requirement. Same procedure is followed for reactivation of dormant accounts.

9. **Deregistering a client**

Notwithstanding anything to the contrary stated in the agreement, the commodity broker shall be entitled to terminate the agreement with immediate effect in any of the following circumstance :

- (i) If the action of the client are prima facie illegal/ improper or such as to manipulate the price of any commodities or disturb the normal / proper functioning of commodities or disturb the normal / proper functioning of the market, either alone or in conjunction with others.
- (ii) If there is any commencement of a legal process against the client under any law in force
- (iii) On the death/lunacy or other disability of the Client;
- (iv) If the client being a partnership firm, has any steps taken by the Client and/or its partners for dissolution of the partnership.
- (v) If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the commodity broker;

- (vi) If there is reasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable;
- (vii) If the Client is in breach of any term, condition or covenant of this Agreement;
- (viii) If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the commodity;
- (ix) If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Client;
- (x) If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;
- (xi) If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;
- (xii) If any covenant or warranty of the Client is incorrect or untrue in any material respect;

10. **Inactive Client account :**

Client account will be considered as inactive if the client does not trade for period of six months. Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive, the commodities/ credit ledger balance if any will be transferred to the client within one week of the identifying the client as inactive. The client has to make written request for reactivation of their account.

11. Trading in Exchange is in Electronic Mode, based on VSAT, leased line, IDN, Modem and VPN, combination of technologies and computer systems to place and route orders. Client understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any break down in broker back office/ front end system, or any such other problems/ glitch whereby not being able to establish access to the trading system/ network, which may be beyond broker control and may result in delay in processing or not processing buy or sell Orders either in part or in full. Client shall be fully liable and responsible for any such problem /fault.

12. **Client Acceptance of Policies and Procedures stated herein above :**

Client has fully understood the same and agree not to call into question the validity, enforceability and applicability of any provision / clauses this document any circumstances what so ever. These Policies and Procedures may be amended / changed unilaterally by the commodity broker, provided the change is informed to client with through any one or more means or methods.

Clients agree never to challenge the same on any grounds including delayed receipt/non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read and shall be compulsorily referred to while deciding any dispute / difference or claim between client and commodity broker before any court of law / judicial / adjudicating authority including arbitrator/mediator etc.