



MultipleX Commodity Mercantile (P) Ltd.



# ACCOUNT OPENING FORM

FMC Code : NCDEX/TCM/CORP/0020  
FMC Code : MCX/TCM/CORP/0176  
FMC Code : ICEX/TCM/CORP/0371  
FMC Code : NMCE/TCM/CORP/0133



(Please read the instructions-cum-checklist carefully before filling the Account Opening Form)

### A. CHECK LIST – INDIVIDUAL / HUF / MINOR / PROPRIETORSHIP FIRM

Documents	Identity	Address	Signature	Bank Proof
<input type="checkbox"/> PAN card with signature	Yes	No	Yes	No
<input type="checkbox"/> Passport (Clear copy of Name, Address & Photo)	Yes	Yes	Yes	No
<input type="checkbox"/> Driving License (Clear copy of Name, Address & Photo)	Yes	Yes	Yes	No
<input type="checkbox"/> Voter's Identity card (Both Front and Back)	Yes	Yes	No	No
<input type="checkbox"/> Ration card	No	Yes	No	No
<input type="checkbox"/> Bank Passbook/ Bank Statement	No	Yes	No	Yes
<input type="checkbox"/> Name printed Cheque leaf along with bank Statement or bank Passbook	No	No	No	Yes
<input type="checkbox"/> Rent Agreement	No	Yes	No	No
<input type="checkbox"/> Electricity, Water, Landline Telephone Bill( Not more than 2 months old)	No	Yes	No	No

### B. COMPANIES / PARTNERSHIP FIRMS / OTHERS

Compulsory Documentary requirements for company, firms and others	Corporate and Body Incorporate	Partnership Firm
<b>Compulsory Requirement</b>		
<input type="checkbox"/> Pan Card of Company / Firm / Partners / Directors	Yes	Yes
<input type="checkbox"/> Certified copy of financial Statements (Balance sheet , Profit & Loss account ) for three years	Yes	Yes
<input type="checkbox"/> Last three year IT return (Partnership firm and Companies)	Yes	Yes
<input type="checkbox"/> Networth Certificate duly certified by Chartered Accountant	Yes	Yes
<input type="checkbox"/> Verified copy of Address proof(Agreement of Sale/Leave and License Agreement, Bank Statement/Electricity & Telephone bill and any document registered with registrar of companies)	Yes	Yes
<input type="checkbox"/> Cancelled cheque leaf with name and A/c no. printed	Yes	Yes
<input type="checkbox"/> Certified copy of latest shareholding pattern including those holding 5% or more in the share capital of the company/ List of Directors	Yes	NA
<input type="checkbox"/> Certified copy of MOA and AOA , Partnership deed in case of Firm	Yes	Yes
<input type="checkbox"/> Certified copy of resolution of board of directors approving trading in commodity and naming authorized persons for dealing in commodities (incase of partnership firm a letter of naming authorised person to deal in commodity on behalf of the firm)	Yes	NA
<input type="checkbox"/> Partnership deed along with list of partners duly certified	NA	Yes
<input type="checkbox"/> Form 32 along with ROC receipt in case of change in Director	Yes	NA
<input type="checkbox"/> Form 18 along with ROC receipt in case of address change of the company	Yes	NA
<input type="checkbox"/> A passport size photograph of all the Authorised officials/ Authorised partners	Yes	Yes

### C. OTHER REQUIREMENTS

#### a. HUF

- All documents as per Common list for both of HUF and it's Karta.
- Undertaking letter signed by two Coparceners.
- Recent Passport size Photo of Karta of HUF.
- Rubber stamp of HUF required on every sign of Karta.

- DMAT account will be in the name of proprietor only.
- Proprietor's name and relation verification on letterhead of bank by the Banker.
- Certified copy of Balance sheet/Annual accounts for Last two years.
- Latest Income tax return copy of Proprietor.

#### b. PROPRIETORSHIP FIRM

- All documents as per Common list for Proprietor.
- Recent Passport size Photo of Proprietor.
- Rubber stamp of firm required on every sign of Proprietor.
- Declaration on letterhead of the firm as per annexure attached.

#### c. MINOR

- All documents as per Common list for both Minor and his/her Guardian.
- Undertaking letter signed by the Guardian.
- Recent Passport size Photo of both Minor and Guardian

### IMPORTANT INSTRUCTIONS

- The information given above would be kept confidential.
- Please write your name as it appears in PAN/Bank proof in your documents. In case of any mismatch Declaration required.
- Copy of Documentary evidence for address and identity proof of introducer.
- Please fill up the form in CAPITAL LETTERS.
- Name, Address & Signature of witness on agreement part.
- It is MANDATORY to provide at least one E-mail ID and Mobile No.
- If any of above proof is in language other than Hindi and English, Notarized copy for the same will only be accepted
- Clients trading through any of SPOT Exchange, and willing to take DELIVERY must have a DEMAT Account in their name.
- Pin code is compulsory in the address detail.
- Verification stamp with signature, name & date on the documents collected.

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## BROKERAGE STRUCTURE

	Percentage	Minimum Paisa		Percentage	Minimum Paisa		Percentage	Minimum Paisa
<b>Square off same day</b>	<input style="width: 40px; height: 20px;" type="text"/>	<input style="width: 40px; height: 20px;" type="text"/>	<b>Square off another day</b>	<input style="width: 40px; height: 20px;" type="text"/>	<input style="width: 40px; height: 20px;" type="text"/>	<b>Delivery</b>	<input style="width: 40px; height: 20px;" type="text"/>	<input style="width: 40px; height: 20px;" type="text"/>

NOTE:

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. Transaction charges as per Exchange</li> <li>2. Stamp duty will be levied as per local laws</li> <li>3. Service tax as per Service Tax Act</li> <li>4. All customers will get Digital Contract Notes. Physical contract notes provided on request.</li> <li>5. Charges/service standards are subject to revision at sole discretion of Multiplex Commodity Mercantile (P) Ltd.</li> </ol> | <ol style="list-style-type: none"> <li>6. Charges quoted above are for the services listed. Any service not quoted above will be charged separately.</li> <li>7. Management reserves the right to freeze, discontinue or suspend any account if required.</li> <li>8. In case of Physical Contract note are being dispatched to client, a difference of Rs. 25/- in total brokerage booked on a particular date would be charged toward minimum processing fee.</li> </ol> |
|---|--|

I/We, \_\_\_\_\_

have read the above given information and agree to pay the same

Client's Signature : (1)

### FOR OFFICE USE ONLY

	Name	Employee/BP/BDR Code	Signature
Introducer / BP / BDR			
Branch Head			
Checked by			
Verified by			
Punched by			
Authorised by			

(i) KNOW YOUR CLIENT (KYC) FORM

To  
MultipleX Commodity Mercantile (P) Ltd.

100/28, Keshav Tower, Rajapur Market,  
Sector-9, Rohini, Delhi-110 085

Paste passport size  
photograph  
don't staple

Sign across the  
Photograph

Registration No. :

EXCHANGE	MEMBERSHIP No.	FMC CODE
MCX	28745	MCX/TCM/CORP/0176
NCDEX	00051	NCDEX/TCM/CORP/0020
NMCE	CL0003	NMCE/TCM/CORP/0133
ICEX	1370	ICEX/TCM/CORP/0371

Dear Sir

I / We request you to register us as your client. The Details of Registration is as under :

I. CLIENT'S PERSONAL DETAILS

Important Note : Please fill the relevant details of Karta / Prop. / Partners / Directors / Guardian or other authorised persons in Annexure A / B / C

Name Mr. / Ms. / M/s.:  F I R S T N A M E  M I D D L E N A M E  S U R N A M E

Date of Birth :  D  D  M  M  Y  Y  Y  Y

Sex :  Male  Female Marital Status :  Married  Unmarried

Date of Incorporation :       Date of Commencement of Business :

Date of Registration :       Registration No. :

Place of Registration :           Registering authority :

Nationality : Indian  Other  (Pl. Specify)

Residential Status : RI  NRI  Other

Father's / Husband's Name :  F I R S T N A M E  M I D D L E N A M E  S U R N A M E

Phone(with STD Code) :     -       Mobile :

PAN NO. :       IT CIRCLE/WARD

E-mail ID :       Fax :

Correspondence Address :

City/V.P.O./Town :       Distt. :

Pin :     State :     Country :

Permanent Address :

City/V.P.O./Town :       Distt. :

Pin :     State :     Country :

EDUCATIONAL QUALIFICATION :  Graduate  Post Graduate  Professional  Others  (Please Specify)

Client's Signature : (2) 

## 2. OCCUPATIONAL DETAILS :

Employed  Self Employed  Business  Service  Professional  House Wife  Others (Please Specify)

Name of Employer / Establishment : \_\_\_\_\_

Office Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## 3. BANK ACCOUNT DETAILS

\*(Through which transactions would be routed. Details & proof of bank account(s) is required.)

Bank Name*	Branch Address & Pin code	Bank Account No.*	A/c Type*	9 Digit	MICR CODE No.

IFSC Code : \_\_\_\_\_

(As Appearing on the cheque book issued by the bank)

Account Type :  Savings  Current  OTHERS :

(Please Specify)

## 4. FINANCIAL DETAILS

Annual Income	_____
Net Worth	_____
Documentary Evidence— Self Certified	_____

Investment/Trading Experience	Years in Stocks	_____	Years in Derivatives	_____
	Years in other Investment related fields	_____	No Prior Experience	_____
Market Value of your Current Portfolio	As on	_____	Rs.	_____ Lacs

## 5. OTHER BROKER 'S / EXCHANGE DETAILS

Whether Registered With Any Other Broker / Exchange  Yes  No

If Yes, Name of the broker \_\_\_\_\_

Name of the exchange \_\_\_\_\_

Client Code \_\_\_\_\_

## 6. INTRODUCER'S DETAILS

Name	_____
Father's Name	_____
Address	_____

Signature	_____
Relationship with Applicant	Relationship with TM _____
PAN of introducer, if any	_____
Identity of Introducer	Date of Issue d d m m y y y y
Place of Issue	_____

Client's Signature : (3) 

**7. COLLATERAL DETAILS**

Collateral's Declared Value	Cash	Marketable Securities	Bank Guarantees	Immovable Property	Jewellery	Others (Specify)
% Haircut						
Assigned Value						

Note: Please attach valuers certificate in case of jewellery & other commodities.

**8. SALES TAX REGISTRATION DETAILS**

Please give details of all states where you are registered

Local Sales Tax State Registration No. :  Validity Date :

Central Sales Tax: Registration No :  Validity Date :

**9. DEPOSITORY ACCOUNT DETAILS (in DP's approved by commodity exchange)**

Depository Name  DP ID :

Client ID :  Client Name :

**10. CONSTITUENT PROFILE**

Interest in Commodity :  Producer  Traders  Consumer  Agro  Precious Metals  Base Metals  All

**II. DETAILS OF ANY ACTION TAKEN BY SEBI/FMC/STOCK EXCHANGE/COMMODITY EXCHANGE/ANY OTHER AUTHORITY**


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**12. NAMES OF PROMOTERS / PARTNERS /KARTA AND RESIDENTIAL ADDRESS**

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

4. \_\_\_\_\_ 5. \_\_\_\_\_

Names of directors and residential address

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

4. \_\_\_\_\_ 5. \_\_\_\_\_

Names and Designation of persons authorised to deal in commodities on behalf of the company/firm/others and their residential address

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

4. \_\_\_\_\_ 5. \_\_\_\_\_

**13. TRADING PREFERENCE**

Select and Sign against the Segment of Exchange in which Trading facility required:

MCX  NCDEX  NMCE

ICEX  ALL

I/We hereby declared that the details furnished above are true and correct to the best of my knowledge & belief & I /We undertake to inform you of any changes therein immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I/We am/are aware that I/We may be held liable for it.

Client's Signature : (4) 

**(ii) ANNEXURE A - DETAILS OF PROMOTERS / PARTNERS / KEY MANAGERIAL PERSONNEL**

Full Name

Father's Name

Date of Birth

Designation

<p>PHOTOGRAPH</p>          <p>Sign across the Photograph</p>
--

**RESIDENCE DETAILS**

Address

City  State  Pin Code

Telephone

Fax  E-mail

Qualification

Experience

Equity Stake

Income Tax No (PAN / GIR)

RESIDENTIAL STATUS Resident Indian / Non-Resident Indian / Others

**BANK ACCOUNT DETAILS**

Name of Bank

Branch with Address & Phone No.

Account Type

Account Number

Date of Opening Account

Passport No.

Place of Issue

Expiry Date

Driving License No.

Ration Card No.

Voter Identity Card No.

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

Name : \_\_\_\_\_

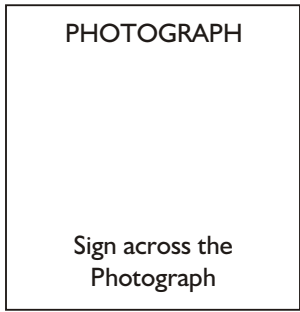
Place : \_\_\_\_\_

Client's Signature : (5) 

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**(ii) ANNEXURE B - DETAILS OF PROMOTERS / PARTNERS / KEY MANAGERIAL PERSONNEL**

Full Name   
Father's Name   
Date of Birth          
Designation



**RESIDENCE DETAILS**

Address   
  
City  State  Pin Code   
Telephone   
Fax  E-mail   
Qualification   
Experience   
Equity Stake   
Income Tax No (PAN / GIR)

RESIDENTIAL STATUS Resident Indian / Non-Resident Indian / Others

**BANK ACCOUNT DETAILS**

Name of Bank   
Branch with Address & Phone No.   
  
Account Type   
Account Number   
Date of Opening Account   
Passport No.   
Place of Issue   
Expiry Date   
Driving License No.   
Ration Card No.   
Voter Identity Card No.

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

Name : \_\_\_\_\_

Place : \_\_\_\_\_

Client's Signature : (6) 



**(ii) ANNEXURE C - DETAILS OF PROMOTERS / PARTNERS / KEY MANAGERIAL PERSONNEL**

Full Name   
Father's Name   
Date of Birth   
Designation

PHOTOGRAPH  
  
Sign across the  
Photograph

**RESIDENCE DETAILS**

Address   
  
City  State  Pin Code   
Telephone   
Fax  E-mail   
Qualification   
Experience   
Equity Stake   
Income Tax No (PAN / GIR)

RESIDENTIAL STATUS Resident Indian / Non-Resident Indian / Others

**BANK ACCOUNT DETAILS**

Name of Bank   
Branch with Address & Phone No.   
  
Account Type   
Account Number   
Date of Opening Account   
Passport No.   
Place of Issue   
Expiry Date   
Driving License No.   
Ration Card No.   
Voter Identity Card No.

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

Name : \_\_\_\_\_

Place : \_\_\_\_\_

Client's Signature : (7) 

**(iii) MEMBER - CLIENT AGREEMENT – MCX**

This agreement is made at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ by and between **Multiplex Commodity Mercantile (P)LTD.**, a company registered under the Companies Act, 1956, hereinafter called MEMBER of the Multi Commodity Exchange of India Ltd. having its registered office address at 100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi- I 10 085 and \_\_\_\_\_, a company / firm / individual or any other body duly formed and registered under the Relevant Act, hereinafter called CLIENT, having its registered office address at \_\_\_\_\_

Witnessth:

Whereas the member is registered as MEMBER OF THE EXCHANGE of MULTI COMMODITY EXCHANGE OF INDIA LIMITED (hereinafter called MCX). Whereas the CLIENT is desirous of trading in those contracts admitted for dealing on the MCX as defined in the Bye - Laws, Rules and Business Rules of MCX as amended from time to time

Whereas the CLIENT has satisfied itself of the capability of the MEMBER OF THE EXCHANGE to deal in those contracts admitted for dealing on the MCX and wishes to execute his orders through him and the CLIENT shall continue to satisfy him of such capability of the MEMBER OF THE EXCHANGE before executing any orders through him. Whereas the MEMBER OF THE EXCHANGE has satisfied and shall continuously satisfy himself about the genuineness and financial soundness of the CLIENT and trading objectives relevant to the services to be provided. Whereas the MEMBER OF THE EXCHANGE has taken steps and shall take steps to make the CLIENT aware of the precise nature of the MEMBER liability for business to be conducted, including any limitations on that liability and the capacity in which it acts. In consideration of your handling derivatives transactions carried out on the MCX, I agree that

- 1) I have read the Risk Disclosure Document appended hereto and understand the trading & risks involved in the trading these instruments and am fully responsible for my dealings in these instruments.
- 2) I shall be bound by the Bye-Laws, Rules, Business Rules, and Customs of the MULTI COMMODITY EXCHANGE OF INDIA LIMITED and the Clearing House of the Exchange.
- 3) I shall deposit with you monies, Warehouse Receipts or other property, which may be required to open and/or maintain my account or maintain my position.
- 4) I shall not, acting alone or in concert with others, directly or indirectly, hold and control excess number of permitted futures contracts as fixed from time to time by the Exchange.
- 5) I shall not exercise a long or short position where, acting alone or in concert with others, directly or indirectly I will have exercised in excess of the number of permitted futures contracts as may be fixed from time to time by the Exchange.

In WITNESS THEREOF, the parties to agreement have caused these presents to be executed as of the day and year first above written. SIGNED for and on behalf of

Name of Client : \_\_\_\_\_

Title/Designation of Client : \_\_\_\_\_

Client's Signature : (8) 

Name/Trade Name of Member : Multiplex Commodity Mercantile (P) Ltd.

Title/Designation of Member : \_\_\_\_\_

Signature of Member :

**For Multiplex Commodity Mercantile (P) LTD.,**

**Authorised Signatory / Director**

Name and address of 1st witness (on behalf of Client):

Signature

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Name and address of 2nd witness (on behalf of Multiplex):

Signature

Name \_\_\_\_\_

Address: 100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi- I 10 085

Note : All references to the specific quantity/rate/fee mentioned in this agreement are subject to change from time to time, so as agreed in writing between the parties.

(iv) MEMBER - CLIENT AGREEMENT – NCDEX

This agreement is made at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by and between **Multiplex Commodity Mercantile (P)LTD.**, a company registered under the Companies Act, 1956, hereinafter called MEMBER of the National Commodity & Derivatives Exchange having its registered office address at 100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110085 and \_\_\_\_\_, a company / firm / individual or any other body duly formed and registered under the \_\_\_\_\_ Act, hereinafter called

CONSTITUENT, having its registered office address at \_\_\_\_\_

**WITNESSTH:**

Whereas the member is registered as TRADING AND CLEARING MEMBER (Member) of NATIONAL COMMODITY AND DERIVATIVES EXCHANGE (hereinafter called NCDEX or the Exchange).

Whereas the CONSTITUENT is desirous of investing/trading in those contracts admitted for dealing on NCDEX as defined in the Bye - Laws of NCDEX.

Whereas the CONSTITUENT has satisfied itself of the capability of the MEMBER to deal in those contracts admitted for dealing on NCDEX and wishes to execute his orders through him and the Constituent shall continue to satisfy himself of such capability of the MEMBER before executing any orders through him.

Whereas the MEMBER has satisfied and shall continuously satisfy himself about the genuineness and financial soundness of the CONSTITUENT and objectives relevant to the services to be provided

Whereas the MEMBER has taken steps and shall take steps to make the CONSTITUENT aware of the precise nature of the MEMBER's liability for business to be conducted, including any limitations on that liability and the capacity in which it acts.

In consideration of the Member agreeing to handle the transaction on NCDEX on my/our behalf, I/We, the Constituent hereby agree that

- 1) I / We have read the Risk Disclosure Document appended hereto and understand the trading & risks involved in the trading of these instruments and am/are fully responsible for my/our dealings in these instruments.
- 2) I / We shall be bound by the constitutions, bylaws, rules, regulations, and customs of NCDEX
- 3) I / We shall deposit with you monies, securities or other property, which may be required to open and/or maintain my/our account.
- 4) I / We shall not, either acting alone or in concert with others, directly or indirectly, hold and control excess number of permitted contracts as fixed from time to time by the Exchange.
- 5) I / We shall not exercise a long or short position where, acting alone or in concert with others, directly or indirectly I / We will have exercised in excess of the limit of permitted contracts as may be fixed from time to time by the Exchange.
- 6) All monies, securities or other property, which you may hold on my / our account, shall be subject to a general lien for the discharge of my / our obligations to you under this agreement.
- 7) I / We hereby authorize you, should you deem it necessary for your protection to buy, sell or close out any part or all of the contracts held in my/our account with you. I/We will reimburse any or all such incidental expense incurred by you.

Now, THEREFORE, in consideration of the mutual understanding as set forth in this agreement, the parties hereto have agreed to the terms and conditions, as follows:

- 1) The agreement entered into between the Member and the Constituent shall stand terminated by mutual consent of the parties by giving at least one month notice to each other. Such termination shall not have any effect on the transactions executed till the date of termination and the parties shall enjoy same rights and shall have same obligations in respect of such transactions.
- 2) In the event of the death or insolvency of the Constituent or his otherwise becoming incapable of receiving and paying for or delivering or transferring commodities which the Constituent has ordered to be bought or sold, the Member may with the approval of the Exchange, close out the transaction of the Constituent and the Constituent or his legal representative shall be liable for any losses, costs, damages including statutory / regulatory charges, if any and be entitled to any surplus which may result therefrom.
- 3) All trades, transactions and contracts are subject to the Rules, Bye - Laws and Regulations of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed for the purpose of giving effect to the provisions of the Rules, Bye - Laws and Regulations of the Exchange.
- 4) The Member hereby undertakes to maintain the details of the Constituent as

mentioned in the Constituent registration form or any other information pertaining to the Constituent, in confidence and that he shall not disclose the same to any person/entity except as required by the Exchange or as required under the law;

Provided however that the Member shall be allowed to share the details of the Constituent as mentioned in the Constituent registration form or any other information pertaining to the Constituent with parties / entities other than required under law with the express permission of the Constituent.

- 5) Provisions in case of Default: In the event of a default of a Member on his own account, the Constituent's money shall not be utilized to meet the Member's liabilities. In such cases, the Constituent's positions shall be either transferred to another solvent member or closed-out as per the provisions of the Rules, Byelaws and Regulations of the Exchange. The loss, if any, caused to the Constituent because of such action would be recoverable by the Constituent from the Member. In the event of failure of the Constituent to fulfill his obligations to the Member, the Exchange or the Clearing House, the Constituent's position may be closed out and the money, if any, of the Constituent available with the Member or with any other Member or the Exchange, may be adjusted against the Constituent's liabilities / obligations. The Professional Clearing Member (PCM), if opted by the Constituent to settle his trades, shall confirm all trades executed as PCM trades on the day the order is executed. In the event of non-confirmation and /or rejection of the trade by such PCM, the Constituent shall be liable to pay forth with the applicable margin as enunciated by the Member on the same day.
- 6) Collateral: The Constituent shall pay to the Member such amount as an initial deposit (collateral / initial deposit) as decided by the Member, and in such form as may be approved by the Member up-front, on or before creating a position in any contract. The Member shall reserve the mark up margin (commonly referred to as 'haircut margin') from the collateral, which shall not be utilized for margin requirements. The collateral reduced by markup / haircut margin shall thereafter be utilized against creating and maintaining the position by the Constituent. The mark up margin shall be subject to the change from time to time as may be decided by the Member and / or the exchange.
- 7) Utilization by Member of the Initial Deposit by the Constituent: The initial deposit so paid shall be first utilized towards initial margin requirement as calculated by the Exchange from time to time and the balance if any, after such adjustment against initial margin payments, will be available for adjustment against daily margin requirement, Mark to Market (MTM) loss on open positions created by the Constituent. The Constituent shall forward in advance a written request to the Member for adjustment MTM loss against the cash portion of the collateral.
- 8) Payment of Margins: The daily margin requirement can be adjusted against the collateral maintained by the Constituent with the Member. The Member shall accept from the Constituent further order, which, if executed, will add to the open positions, only if the balance collateral is adequate to meet the initial margin on such new positions. If the balance collateral is not adequate for adjusting the daily margin requirement, the Constituent shall deposit the additional margins as required by the Member. The Constituent shall also be obliged to pay the shortfall of the daily margin, if any, on the immediate succeeding business day when the Member raises such additional margin requirement. The Constituent shall not be permitted to create any new open positions, until receipt of such additional margin. If the Constituent defaults in paying the daily margin, the Member shall be entitled to liquidate / close out all or any of the Constituent's positions, without prejudice to the Member's right to refer the matter to arbitration. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Constituent. The Member is permitted in its sole and absolute discretion to impose additional margin (even though not imposed by the Exchanges, the Clearing Corporation / Clearing House) and the Constituent shall be obliged to fulfill such additional margin requirements.
- 9) Receipts & Payment of Premium MTM: The Member will block up-front from the collateral maintained with it the MTM loss on open positions. The Member shall accept from the Constituent further order, which, if executed, will add to the open positions, only if the balance collateral is sufficient to meet the requisite margin on such new positions. The Constituent shall be obliged to pay the amount of MTM loss blocked against the collateral on the

Client's Signature : (9) 

immediate succeeding business day. Member to this effect. If the Constituent defaults in paying in the MTM loss, the Member shall be entitled to liquidate/ close out all or any of the Constituent's positions, without prejudice to the Member's right to refer the matter to arbitration. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Constituent.

On a written request from the Constituent, MTM profit (on derivative positions) shall be adjusted towards the collateral maintained with the Member. These adjustments pertaining to MTM profit shall be treated as additional collateral brought in by the Constituent and the Member shall reserve the mark up margin from this collateral, which shall not be utilized for margin requirements. The total collateral (inclusive of mark to market inflows) reduced by markup shall thereafter be utilized against creating and maintaining the position by the Constituent.

If the complete recovery is not possible then, the Member shall be entitled to liquidate / close out all or any of the Constituent's other outstanding positions, without prejudice to the Member's right to recover the damage from the Constituent. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Constituent.

The Constituent acknowledges that all contracts culminating in delivery (which are not squared off and information for giving and taking delivery is given by the Constituents) would be transactions for purchase and sales between the Constituents inter-se and the Constituents would be personally liable to each other though the contract and relationships are governed and regulated by the Bye Laws, Rules and Regulations of the Exchange.

The Exchange may cancel a trade suo-moto without giving any reason thereof. In the event of such cancellation, MEMBER shall be entitled to cancel relative contract(s) with CONSTITUENT.

All trades, transactions and contracts are subject to the Rules and Regulations of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of Mumbai and the parties to such trade shall be deemed to have submitted to the jurisdiction of the Courts in Mumbai for the purpose of giving effect to the provisions of the Rules and Regulations of the Exchange.

**Trade Obligations:**

The Constituent shall accept all trades executed, resulting from the orders placed with the Member, irrespective of the fact that the order is executed partially or in full, on the Exchange.

In the event of non-confirmation of custodial trades by PCM for any reason whatsoever, all exchange-levied margins, MTM losses (on open position), will be borne by the Member for the unconfirmed trades. In such case, the Constituent shall pay to the Member, all margins levied by the Exchange on the unconfirmed trades. In addition to the above, the Member shall have an option to call for collateral from the Constituent, to meet the subsequent daily margin obligation / MTM losses on the unconfirmed trades. The Constituent shall be obliged to pay the daily margin, MTM on the immediate succeeding business day, of the day when the

Member raises such margin requirement. The Member shall not permit the Constituent to create any new open positions, until receipt of such additional margin requirement.

If the Constituent defaults in paying the daily margin, MTM, if any, the Member shall be entitled to liquidate / close out all or any of the Constituent's positions, without prejudice to the Member's right to refer the matter to arbitration. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Constituent.

**Deliveries:**

The Constituent will be responsible for providing information for the purposes of giving / taking delivery against his Net Open Position along-with information necessary for giving / taking delivery within stipulated period as specified by the Exchange from time to time. Member shall submit the same to the Exchange.

The Exchange at the end of stipulated period shall match the information provided by the Member against Net Open Positions of the Constituent and shall confirm the Delivery / Receipt to be effected against Delivery information submitted by the Member. Constituent shall co-ordinate with the Member to ensure that all requirements for giving / taking delivery are fulfilled. Constituent shall also ensure to comply with all statutory requirements laid down regarding Sale / Purchase of goods including payment of taxes, local levies and other statutory / regulatory charges as prescribed under applicable laws from time to time.

Constituent shall submit documents such as Invoices, Sales Tax exemption or concession forms or any other documents as required under the prevalent laws and forward the same to the Counter-party Constituent or any other Member of the Exchange within stipulated period as specified by the Exchange from time to time.

Constituent shall be liable to pay sales tax under the local State sales tax law or the Central Sales Tax Act, 1956, as the case may be and will be solely responsible for complying with all the provisions and regulation of the applicable sales tax law.

In WITNESS THEREOF, the parties to agreement have caused these presents to be executed as of the day and year first above written. SIGNED for and on behalf of

Name of Client : \_\_\_\_\_

Title/Designation of Client : \_\_\_\_\_

Client's Signature : (10) 

Name and address of 1st witness (on behalf of Client):


Signature 

Name \_\_\_\_\_

Address \_\_\_\_\_

Name/Trade Name of Member : Multiplex Commodity Mercantile (P) Ltd.

Title/Designation of Member : \_\_\_\_\_

Signature of Member :   
**For Multiplex Commodity Mercantile (P) LTD.,**  
**Authorised Signatory / Director**

Name and address of 2nd witness (on behalf of Multiplex):

Signature 

Name \_\_\_\_\_

Address: 100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110 085

Note : All references to the specific quantity/rate/fee mentioned in this agreement are subject to change from time to time, so as agreed in writing between the parties.

**(v) MEMBER CLIENT AGREEMENT-NMCE**

This agreement is made at \_\_\_\_\_  
this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ by and between  
**Multiplex Commodity Mercantile (P)LTD.**, a company registered under the  
companies Act, 1956, herein after called EXCHANGE MEMBER, having its  
registered office address at 100/28, Keshav Tower, Rajapur Market, Sector-9,  
Rohini, Delhi-I 10 085 and \_\_\_\_\_

\_\_\_\_\_ a company / firm / individual or any other body duly formed and registered  
under the Relevant Act, hereinafter called NON MEMBER CLIENT, having its  
registered office address at \_\_\_\_\_

**WITNESSTH:**

Whereas the member is registered as EXCHANGE MEMBER of NATIONAL  
MULTI-COMMODITY EXCHANGE OF-INDIA LIMITED (hereinafter called  
NMCE).

Whereas the NON MEMBER CLIENT is desirous of trading in those contracts  
admitted for dealing on the NMCE as defined in the Bye - Laws, Rules and  
Regulations of NMCE.

Whereas the NON MEMBER CLIENT has satisfied itself of the capability of the  
EXCHANGE MEMBER to deal in those contracts admitted for dealing on the  
NMCE and wishes to execute his orders through him and the NON MEMBER  
CLIENT shall continue to satisfy him of such capability of the EXCHANGE  
MEMBER before executing any orders through him.

Whereas the EXCHANGE MEMBER has satisfied and shall continuously satisfy  
himself about the genuineness and financial soundness of the NON MEMBER  
CLIENT and trading objectives relevant to the services to be provided. Whereas  
the EXCHANGE MEMBER has taken steps and shall take steps to make the  
NON MEMBER CLIENT aware of the precise nature of the TRADING  
MEMBER liability for business to be conducted, including any limitations on that  
liability and the capacity in which it acts. In consideration of your handling  
derivatives transactions carried out on the NMCE, I agree that

- 1) I have read the Risk Disclosure Document appended hereto and understand the trading & risks involved in the trading these instruments and am fully responsible for my dealings in these instruments.
- 2) I shall be bound by the ByeLaws, Rules, Regulations, and Customs of the NATIONAL MULTI-COMMODIY EXCHANGE OF INDIA LIMITED and the Clearing House of the Exchange.
- 3) I shall deposit with you monies, Warehouse Receipts or other property, which may be required to open and/or maintain my account.
- 4) I shall not, acting alone or in concert with others, directly or indirectly, hold and control excess number of permitted futures contracts as fixed from time to time by the Exchange.
- 5) I shall not exercise a long or short position where, acting alone or in concert with others, directly or indirectly I will have exercised in excess of the number of permitted futures contracts as may be fixed from time to

time by the Exchange.

- 6) All monies, Warehouse Receipts or other property which you may hold on my account shall be held subject to a general lien for the discharge of my obligations to you under this agreement.
- 7) I hereby authorize you at your discretion, should you deem it necessary for your protection to buy, sell or close out any part or all of the derivative contracts held in my account with you. Any or all such incidental expenses incurred by you will be reimbursed by me.

Now, THEREFORE, in consideration of the mutual understanding as set forth in this agreement, the parties thereto have agreed to the terms and conditions, as follows:

- 1. The agreement entered into between the Trading Member and the NON MEMBER CLIENT shall stand terminated by mutual consent of the parties by giving at least one-month notice to each other. Such termination shall not have any effect on the transactions executed before the date of notice of termination and the parties shall enjoy same rights and shall have same obligations in respect of such transactions.
- 2. In the event of the death or insolvency of the NON MEMBER CLIENT or his otherwise becoming incapable of receiving and paying for or delivering or transferring Commodities which the NON MEMBER CLIENT has ordered to be bought or sold, the Trading Member may with the approval of the Exchange, close out the transaction of the NON MEMBER CLIENT and the Exchange, close out the transaction of the NON MEMBER CLIENT and the NON MEMBER CLIENT or his legal representative shall be liable for any losses, costs and be entitled to any surplus which may result therefrom.
- 3. All trades, transactions and contracts are subject to the Rules, Bye Laws and Regulations of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of AHMEDABAD for the purpose of giving effect to the provisions of the Rules, Bye - Laws and Regulations of the Exchange.

In WITNESS THEREOF, the parties to agreement have caused these presents to be executed as of the day and year first above written. SIGNED for and on behalf of

Name of Client : \_\_\_\_\_

Title/Designation of Client : \_\_\_\_\_

Client's Signature : (11)  \_\_\_\_\_

Name and address of 1st witness (on behalf of Client):

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Name/Trade Name of Member : Multiplex Commodity Mercantile (P) Ltd.

Title/Designation of Member : \_\_\_\_\_

Signature of Member : **For Multiplex Commodity Mercantile (P) LTD.,**  
**Authorised Signatory / Director**

Name and address of 2nd witness (on behalf of Multiplex):

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address: 100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-I 10 085

Note : All references to the specific quantity/rate/fee mentioned in this agreement are subject to change from time to time, so as agreed in writing between the parties.

**(vi) MEMBER-CLIENT AGREEMENT - ICEX**

This agreement is made at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by and between **Multiplex Commodity Mercantile (P)LTD.,** a company registered under the Companies Act, 1956, hereinafter called MEMBER of the National Commodity & Derivatives Exchange having its registered office address at 100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110 085 (hereinafter called "Member") and \_\_\_\_\_, a company / firm / individual / Partnership firm /Trust or any other body duly formed and registered under the Relevant Act, hereinafter called CLIENT, having its registered office address at \_\_\_\_\_ (hereinafter called Constituent)

**WITNESSTH:**

Whereas the member is registered as MEMBER OF THE EXCHANGE of INDIAN COMMODITY EXCHANGE LIMITED (hereinafter called ICEX and /or 'EXCHANGE').

Whereas the CLIENT is desirous of trading in those contracts admitted for dealing on the ICEX as defined in the Bye - Laws, Rules and Business Rules of ICEX.

Whereas the CLIENT has satisfied itself of the capability of the MEMBER OF THE EXCHANGE to deal in those contracts admitted for dealing on the ICEX and wishes to execute his orders through him and the CLIENT shall continue to satisfy him of such capability of the MEMBER OF THE EXCHANGE before executing any orders through him.

Whereas the MEMBER OF THE EXCHANGE has satisfied and shall continuously satisfy himself about the genuineness and financial soundness of the CLIENT and trading objectives relevant to the services to be provided.

Whereas the MEMBER OF THE EXCHANGE has taken steps and shall take steps to make the CLIENT aware of the precise nature of the MEMBER liability for business to be conducted, including any limitations on that liability and the capacity in which it acts.

In consideration of your handling derivatives transactions carried out on the ICEX,I agree that

- 1) I have read the Risk Disclosure Document appended hereto and understand the trading & risks involved in trading in these instruments and am fully responsible for my dealings in these instruments.
- 2) I shall be bound by the Bye-Laws, Rules, Business Rules, and Customs of the Indian Commodity Exchange Limited and the Clearing House of the Indian Commodity Exchange Limited and the Clearing House of the Exchange.
- 3) I shall deposit with you monies, Warehouse Receipts or other property, which may be required to open and/or maintain my account or maintain my position.
- 4) I shall not, acting alone or in concert with others, directly or indirectly, hold and control excess number of permitted futures contracts as fixed from time to time by the Exchange.
- 5) I shall not exercise a long or short position where, acting alone or in concert with others, directly or indirectly I will have exercised in excess of the number

of permitted futures contracts as may be fixed from time to time by the Exchange.

- 6) All monies, Warehouse Receipts or other property, which you may hold on my account, shall be held subject to a general lien for the discharge of my obligations to you under this agreement
- 7) I hereby authorize you at your discretion, should you deem it necessary for your protection to buy, sell or close out any part or all of the derivative contracts held in my account with you. I will reimburse any or all such incidental expenses incurred by you.

Now, THEREFORE, In consideration of the mutual understanding as set forth in this agreement, the parties thereto have agreed to the terms and conditions, as follows:

- 1) The agreement entered into between the Member and the CLIENT shall stand terminated by mutual consent of the parties by giving at least one-month notice to each other. Such termination shall not have any effect on the transaction executed before the date of notice of termination and the parties shall enjoy same rights and shall have same obligations in respect of such transactions.
- 2) In the event of the death or insolvency of the CLIENT or his otherwise becoming incapable of receiving and paying for or delivering or transferring Commodities which the CLIENT has ordered to be bought or sold, the Member may with the approval of the Exchange, close out the transaction of the CLIENT and the CLIENT or his legal representative shall be liable for any losses, costs and be entitled to any surplus which may result there from.
- 3) All trades, transactions and contracts are subject to the Rules, Bye Laws and Regulations of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of MUMBAI for the purpose of giving effect to the provisions of the Rules, Bye-Laws and Regulations of the Exchange.

In WITNESS THEREOF, the parties to agreement have caused these presents to be executed as of the day and year first above written. SIGNED for and on behalf of

Name of Client : \_\_\_\_\_

Title/Designation of Client : \_\_\_\_\_

Client's Signature : (12) 

Name and address of 1st witness (on behalf of Client):

Signature

Name \_\_\_\_\_

Address \_\_\_\_\_

Name/Trade Name of Member : Multiplex Commodity Mercantile (P) Ltd.

Title/Designation of Member : \_\_\_\_\_

Signature of Member : 
**For Multiplex Commodity Mercantile (P) LTD.,**  
  
**Authorised Signatory / Director**

Name and address of 2nd witness (on behalf of Multiplex):

Signature

Name \_\_\_\_\_

Address: 100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110 085

Note : All references to the specific quantity/rate/fee mentioned in this agreement are subject to change from time to time, so as agreed in writing between the parties.

**THIS DOCUMENT SHOULD BE READ BY EACH AND EVERY PROSPECTIVE CONSTITUENT/ CLIENT BEFORE ENTERING INTO COMMODITY DERIVATIVES FUTURES CONTRACTS/ MARKET/ TRADING AND SHOULD BE READ IN CONJUNCTION WITH CLIENTS'/ CONSTITUENTS'/ INVESTORS' RIGHTS & OBLIGATIONS, BYE LAWS, RULES AND BUSINESS RULES OF THE MULTI COMMODITY EXCHANGE OF INDIA LTD. (MCX).**

MCX/Forward Markets Commission (FMC) does not singly or jointly, expressly or impliedly, guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure documents nor has MCX/FMC endorsed or passed any merits of participating in the Commodity Derivatives market/trading. This brief statement does not disclose all of the risks and other significant aspects of trading. You should, therefore, study derivatives trading carefully before becoming involved in it.

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

You must know and appreciate that investment in commodity futures contracts/ derivatives or other instruments traded on the Commodity Exchange(s), 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 MCX and suffer adverse consequences or loss, you shall be solely responsible for the same and MCX its Clearing House and/ or Forward Markets Commission shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take the plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned member. The Constituent/ Client 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 commodity derivatives being traded on MCX.

It must be clearly understood by you that your dealings on MCX through a member shall be subject to your fulfilling certain formalities set out by the member, which may, *inter alia*, include your filing the know your client form, client registration form, execution of an agreement etc. and are subject to Rules, Byelaws and Business Rules of the MCX and its Clearing Corporation/Clearing House, guidelines prescribed by FMC from time to time and circulars as may be issued by MCX or its Clearing Corporation/Clearing House from time to time.

MCX 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 member of the MCX and/ or third party based on any information contained in this document. Any information contained in this document must not be construed as business advice/investment 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:-

**I. Basic Risks involved in the trading of Commodity Futures Contracts and other Commodity Derivatives Instruments on the Multi Commodity Exchange(MCX).**

**i. Risk of Higher Volatility**

Volatility refers to the dynamic changes in price that commodity derivative contracts undergo when trading activity continues on the Commodity Exchange. Generally, higher the volatility of a commodity derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded commodity derivatives contracts than in actively traded commodities/ 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 real losses.

**ii. Risk of Lower Liquidity**

Liquidity refers to the ability of market participants to buy and/ or sell commodity derivative contract expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the number 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 commodity derivatives contracts swiftly and with minimal price difference and as a result, investors are more likely to pay or receive a competitive price for commodity derivative contracts purchased or sold. There may be a risk of lower liquidity in some commodity derivative contracts as compared to active commodity derivative 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.

Buying/ Selling without intention of giving and/ or taking delivery of certain commodities may also result into losses, because in such a situation, commodity derivative contracts may have to be squared-off at a low/ high prices, compared to the expected price levels, so as not to have any obligation to deliver/ receive such a commodities.

**iii. 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 commodity derivative and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid commodities/ commodity derivatives contracts. This in turn will hamper better price formation.

**iv. Risk-reducing orders**

Most of the Exchanges have a facility for investors to place "limit orders", "stop loss orders" etc. Placing of such 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.

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 commodity derivatives contract.

A "limit" order will be executed only at the "limit" price specified for the order or a better price. However, while the constituent/client received price protection, there is a possibility that the order may not be executed at all.

A stop loss order is generally placed "away" from the current price of a commodity derivatives contract, and such order gets activated if and when the 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 contract approaches 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 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.

**v. Risk of News Announcements**

Traders/Manufacturers make news announcements that may impact the price of the commodities and/or commodity derivatives contracts.

These announcements 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 commodity/ commodity derivatives contract.

Client's Signature :(13) 

**vi. Risk of Rumours**

Rumours about the price of a commodity at times float in the market through word of mouth, newspaper, websites or news agencies, etc., the investors should be wary of and should desist from acting on rumours.

**vii. 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. 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 execution of order and its confirmation. 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 commodity due to any action on account of unusual trading activity or price hitting circuit filters or for any other reason.

**viii. System/ Network Congestion**

Trading on MCX is in electronic mode, based on satellite/ leased line 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 the control of 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 Futures Commodity Derivatives are concerned, please note and get yourself acquainted with the following additional features:- Effect of "Leverage" or "Gearing":**

- a. The amount of margin is small relative to the value of the commodity derivatives contract so the transactions are 'leveraged' or 'geared'. Commodity Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the principal investment amount. But transactions in commodity derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in commodity derivatives contracts and also trade with caution while taking into account one's circumstances, financial resources, etc.
- b. Trading in Futures Commodity Derivatives involves daily settlement of all positions. Every day the open positions are marked to market based on the closing price. If the closing price has moved against you, you will be required

to deposit the amount of loss (notional) resulting from such movement. This margin will have to be paid within a stipulated time frame, generally before commencement of trading on the next day.

- c. If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the Member of the Exchange may liquidate/square-up a part of or the whole position. In this case, you will be liable for any losses incurred due to such square-up/ Close Outs.
- d. Under certain market conditions, an Investor may find it difficult or impossible to execute the 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.
- e. Steps, such as, changes in the margin rate, increase in the cash margin rate etc. may be adopted in order to maintain market stability. These new measures may be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- f. You must ask your Member of the Exchange to provide the full details of the commodity derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

**3. General**

**i. Deposited cash and property:**

You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm become insolvent or bankrupt. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which has been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the Member of the Exchange, the same shall be subject to arbitration as per the Rules, Bye-laws and Business Rules of the Exchange.

**ii. Commission and other charges:**

Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

- iii. For rights and obligations of the clients, please refer to Appendix I enclosed with this document.
- iv. The term 'Constituent' shall mean and include a Client, a Customer or an Investor, who deals with a member for the purpose of trading in the commodity derivatives through the mechanism provided by the MCX.
- v. The term 'member' shall mean and include a Trading Member or a Broker, who has been admitted as such by MCX and got a Unique Member Code from FMC.

I hereby acknowledge that I have received and understood this risk disclosure

statement and Appendix I containing my rights and obligations.

Client's Signature : (14) 

(If Partner, Corporate, or other Signatory, then attest with firm/ company seal.)

Date : \_\_\_\_\_

Station:



**(x) RISK DISCLOSURE DOCUMENT (NCDEX)**

(THIS DOCUMENT SHOULD BE READ BY EACH AND EVERY PROSPECTIVE CONSTITUENT BEFORE ENTERING INTO DERIVATIVES TRADING AND SHOULD BE READ IN CONJUNCTION WITH REGULATIONS OF NATIONAL COMMODITY&DERIVATIVESEXCHANGE(NCDEX))

NCDEX has not passed the merits of participating in this trading segment nor has NCDEX passed the adequacy or accuracy of this disclosure document. This brief statement does not disclose all of the risks and other significant aspects of trading. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Risk of loss in trading in derivatives can be substantial. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. Derivatives trading thus require not only the necessary financial resources but also the financial and emotional temperament. In case of any consequences or loss in the Futures segment, the Constituent shall be solely responsible for such loss and the Exchange shall not be responsible for the same and it will not be open for any client to take the plea that no adequate disclosure was made or he was not explained the full risk involved by the member. The client will be solely responsible for the consequences and no contract can be rescinded on that account.

**RISKS INVOLVED IN TRADING IN DERIVATIVES CONTRACTS Effect of "Leverage" or "Gearing"**

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 principal investment 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 equivalent to the principal investment amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

- I. Futures trading involves daily settlement of all positions. Every day the open positions are marked to market based on the Settlement price. If the settlement price has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This margin will have to be paid within a stipulated time frame, generally before commencement of trading next day.
- II. If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the broker/member may liquidate a part of or the whole position. In this case, you will be liable for any losses incurred due to such closeouts.
- III. 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 breaker setc.

I hereby acknowledge that I have received and understood this risk disclosure statement.

IV. 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 be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

V. You must ask your broker to provide the full details of the derivatives contracts you plan to trade, i.e. the contract specifications and the associated obligations.

**Risk-reducing orders or strategies**

The placing of certain orders (e.g., "stop-loss" orders, or "stop-limit" orders), which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" positions, may be as risky as taking simple "long" or "short" positions.

**Suspension or restriction of trading and pricing relationships**

Market conditions (e.g., illiquidity) and/or the operation of the rules of certain markets (e.g., the suspension of trading in any contract or contact month because of price limits or "circuit breakers") may increase the risk of loss due to inability to liquidate/offset positions.

**Deposited cash and property**

You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property that has been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the member, the same shall be subject to arbitration as per the bylaws/regulations of the Exchange.

**Commission and other charges**

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

**Trading facilities**

The Exchange offers electronic trading facilities, which are computer-based systems for order routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearinghouse and/or member firms. Such limits may vary; you should ask the firm with which you deal for details in this respect.

This document does not disclose all of the risks and other significant aspects involved in trading on a derivatives market. The Constituent should therefore study derivatives trading carefully before becoming involved in it.

Client's Signature : (15) 

(If Partner, Corporate, or other Signatory, then attest with company seal.)

Date : \_\_\_\_\_

[THIS DOCUMENT SHOULD BE READ BY EACH AND EVERY PROSPECTIVE NON MEMBER CLIENT BEFORE ENTERING INTO DERIVATIVES TRADING AND SHOULD BE READ IN CONJUNCTION WITH THE REGULATIONS OF NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED {NMCE}]

NMCE has not passed the merits of participating on the Exchange nor has NMCE passed the adequacy or accuracy of this disclosure document. This brief statement does not disclose all of the risks and other significant aspects of trading. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Risk of loss in trading in derivatives can be substantial. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. Derivatives' trading thus requires not only the necessary financial resources but also the financial and emotional temperament. In case of any consequences or loss in trading on the Exchange, the Non Member Client shall be solely responsible for such loss and the Exchange or Forward Markets Commission shall not be responsible for the same and it will not be open for any Non Member Client to take the plea that no adequate disclosure was made or he was not explained the full risk involved by the member. The Non member Client will be solely responsible for the consequences and no contract can be rescinded on that account.

**RISKS INVOLVED IN TRADING IN DERIVATIVES CONTRACTS**

**Effect of "Leverage" or "Gearing"**

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 principal investment amount. But transactions in derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in derivatives trading 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 equivalent to the principal investment amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

- A. Futures trading involves daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index. If the index has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This margin will have to be paid within a stipulated time frame, generally before commencement of trading next day.
- B. If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the Exchange member may liquidate a part of or the whole position or substitute commodities. In this case, you will be liable for any losses incurred due to such Close Outs.
- C. Under certain market conditions, a Non Member Client may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as liquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.

I hereby acknowledge that I have received and understood this risk disclosure statement.

- 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 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 Exchange Member to provide the full details of the derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

**Risk-reducing orders or strategies**

The placing of certain orders (e.g., "stop-loss" orders, or "stop-limit" orders), which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" positions, may be as risky as taking simple "long" or "short" positions.

**Suspension or restriction of trading and pricing relationships**

Market conditions (e.g., illiquidity) and/or the operation of the rules of certain markets (e.g., the suspension of trading in any contract or contact month because of price limits or "circuit breakers") may increase the risk of loss due to inability to liquidate/offset positions.

**Deposited cash and property**

You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which has been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the Exchange member, the same shall be subject to arbitration as per the Bye Laws and Regulations of the Exchange.

**Commission and other charges**

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

**Trading facilities**

The Exchange offers electronic trading facilities, which are computer-based systems for order-routing, execution, matching, registration or clearing of trades, As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the Clearing House and/or Exchange Member firms. Such limits may vary; you should ask the firm with which you deal for details in this respect. This document does not disclose all of the risks and other significant aspects involved in trading on a derivatives market. The Non Member Client should therefore study derivatives trading carefully before becoming involved in it.

Client's Signature :(16) 

Date: \_\_\_\_\_ (DDMMYYYY)

**THIS DOCUMENT SHOULD BE READ BY EACH AND EVERY PROSPECTIVE CONSTITUENT/ CLIENT BEFORE ENTERING INTO COMMODITY FUTURES CONTRACTS/DERIVATIVES MARKET/ TRADING AND SHOULD BE READ IN CONJUNCTION WITH CLIENTS'/ CONSTITUENTS'/ INVESTORS' RIGHTS & OBLIGATIONS, BYE LAWS, RULES AND REGULATIONS OF THE INDIAN COMMODITY EXCHANGE LIMITED(ICEX).**

ICEX / Forward Markets Commission (FMC) does not singly or jointly, expressly or impliedly, guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure documents nor has ICEX/FMC endorsed or passed any merits of participating in the Commodity Derivatives market / trading. This brief statement does not disclose all of the risks and other significant aspects of trading. You should therefore, study derivatives trading carefully before becoming involved in it.

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

You must know and appreciate that investment in commodity futures contracts/derivatives or other instruments traded on the Commodity Exchange(s), 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 ICEX and suffer adverse consequences or loss, you shall be solely responsible for the same and ICEX its Clearing House and/ or Forward Markets Commission shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take the plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned member. The Constituent/ Client 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 profit or no exception from losses while executing orders for purchase and/or sale of a commodity derivatives being traded on ICEX.

It must be clearly understood by you that your dealings on ICEX through a member shall be subject to your fulfilling certain formalities set out by the member, which may, inter alia, include your filing the know your client form, client registration form, execution of an agreement etc. and are subject to Rules, Byelaws and Business Rules of the ICEX and its Clearing Corporation / Clearing House, guidelines prescribed by FMC from time to time and circulars as may be issued by ICEX or its Clearing Corporation/Clearing House from time to time.

ICEX 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 member of the ICEX and/ or third party based on any information contained in this document. Any information contained in this document must not be construed as business advice/investment 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:-

**I. Basic Risks involved in the trading of Commodity Futures Contracts and other Commodity Derivatives Instruments on the Indian Commodity Exchange Limited (ICEX).**

**i. Risk of Higher Volatility**

- a. Volatility refers to the dynamic changes in price that commodity derivative contracts undergo when trading activity continues on the Commodity Exchange. Generally, higher the volatility of a commodity derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded commodity derivatives contracts than in actively traded commodities/ 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 real losses.

**ii. Risk of Lower Liquidity**

- a. Liquidity refers to the ability of market participants to buy and/ or sell commodity derivative contract expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the number 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 commodity derivatives contracts swiftly and with minimal price difference and as a result, investors are more likely to pay or receive a competitive price for commodity derivative contracts purchased or sold. There may be a risk to lower liquidity in some commodity derivative contracts as compared to active commodity derivative 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.
- b. Buying / Selling without intention of giving and / or taking delivery of certain commodities may also result into losses, because in such a situation, commodity derivative contracts may have to be squared-off at a low/high prices, compared to the expected price levels, so as not to have any obligation to deliver/receive such a commodities.

**iii. Risk of Wider Spreads**

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

**iv. Risk-reducing orders**

- a. Most of the Exchanges have a facility for investors to place "limit orders", "stop loss orders" etc. Placing of such 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.
- b. 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 commodity derivatives contract.
- c. A "limit" order will be executed only at the "limit" price specified for the order or a better price. However, while the constituent/client received price protection, there is a possibility that the order may not be executed at all.
- d. A stop loss order is generally placed "away" from the current price of a commodity derivatives contract, and such order gets activated if and when the 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 contract approaches pre-determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at this limit or better. There is no assurance therefore that the limit order will be executable since a 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.

**v. Risk of News Announcements**

- a. Traders/Manufacturers make news announcements that may impact the price of the commodities and/or commodity derivatives contracts. These announcements 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

Client's Signature :(17) 

commodity/ commodity derivatives contract.

**vi. Risk of Rumours**

Rumours about the price of a commodity at times float in the market through word of mouth, newspaper, websites or news agencies, etc., the investors should be wary of and should desist from acting on rumours.

**vii. System Risk**

- a. 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.
- b. 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 execution of order and its confirmation.
- c. 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 commodity due to any action on account of unusual trading activity or price hitting circuit filters or for any other reason.

**viii. System/ Network Congestion**

Trading on ICEX is in electronic mode, based on satellite/ leased line 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 the control of 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 Futures Commodity Derivatives Trading are concerned, please note and get yourself acquainted with the following additional features:-**

**Effect of "Leverage" of "Gearing":**

The amount of margin is small relative to the value of the commodity derivatives contract so the transactions are 'leveraged' or 'geared'. Commodity Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the principal investment amount. But transactions in commodity derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in commodity derivatives contracts and also trade with caution while taking into account one's circumstances, financial resource, etc.

- i. Trading in Futures Commodity Derivatives involves daily settlement of all positions Every day the open positions are marked to market based

on the closing price. If the closing price has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This margin will have to be paid within a stipulated time frame, generally before commencement of trading on the next day.

- ii. If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the Member of the Exchange may liquidate / square-up a part of or the whole position. In this case, you will be liable for any losses incurred due to such square-up / Close Outs.
- iii. Under certain market conditions, an Investor may find it difficult or impossible to execute the 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.
- iv. Steps, such as, changes in the margin rate, increase in the cash margin rate etc. may be adopted in order to maintain market stability. These new measures may be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- v. You must ask your Member of the Exchange to provide the full details of the commodity derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

**3. General**

**i. Deposited cash and property:**

You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm become insolvent or bankrupt. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which has been specifically identifiable as your own, will be pro rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the Member of the Exchange, the same shall be subject to arbitration as per the Rules, Bye-laws and Business Rules of the Exchange.

**ii. Commission and other charges:**

Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

**iii.** For rights and obligations of the clients, please refer to *Appendix I enclosed with this document.*

**iv.** The term 'Constituent' shall mean and include a Client, a Customer or an Investor, who deals with a member for the purpose of trading in the commodity derivatives through the mechanism provided by the ICEX.

**v.** The term 'member' shall mean and include a Trading Member or a Broker, who has been admitted as such by ICEX and got a Unique Member Code from FMC.

I hereby acknowledge that I have received and understood this risk disclosure statement and **Appendix I** containing my rights and obligations.

Client's Name: \_\_\_\_\_

Client's Signature : (18) 

Date : \_\_\_\_\_

Place : \_\_\_\_\_

### (xiii) INVESTORS' RIGHTS AND OBLIGATIONS

1. You should familiarize yourself with the protection accorded to the money or other property you may deposit with your member, particularly in the event of a default in the commodity derivatives market or the member becomes insolvent or bankrupt.
2. Please ensure that you have a documentary proof of having made the deposit of such money or property with the member, stating towards which account such money or property deposited.
3. Before you begin to trade, you should obtain a clear idea from your member of all brokerage, commissions, fees and other charges which will be levied on you for trading. These charges will affect your net cash inflow or outflow.
4. Furnish all such details in full as are required by the member as required in "Know Your Clients" form, which may also include details of PAN or Passport or Driving License or Voters Id, or Ration Card, bank account and depository account, or any such details made mandatory by the Exchange at any time, as is available with the investor.
5. Execute a Member-Client agreement in the form prescribed by the Exchange.
6. Ensure that a contract note is issued to you by the member in the prescribed format which contains the details of transaction(s). Verify that the contract note contains details of order number, trade number, trade time, trade price, trade quantity, and client code allotted to you and showing the brokerage separately. Contract notes are required to be issued by the member to the investors within 24 hours from the close of trading hours when the trade is executed. Member may also issue digitally signed contract note in electronic form at your request subject to the compliance of all the provision of IT Act, 2000 or in hard copy.
7. Facility of trade verification is available on the Exchange website (in case of commodity future contracts only) where details of trade as mentioned in the contract note may be verified up to seven days from the date of execution of the trade.
8. Ensure that payment/ delivery of warehouse receipts is given well in advance to the member prior to the date of pay-in announced by the Exchange or its Clearing Corporation/Clearing House. Payment should be made only by account payee cheque in favor of the member and receipt or acknowledgement towards what such payment is made and receipt/ acknowledgement for warehouse receipts delivered to the member, be obtained from the member. Delivery of warehouse receipts in demat, is made to the pool account of the member rather than to the beneficiary account of the member. In case pay-out of money is not received within 48 hours after pay-out announced by Exchange or its Clearing House/ Clearing Corporation, please follow-up with the concerned member for its release. In case, pay-out is not released as above from the member within five working days, ensure that you lodge a complaint immediately with the Investor Grievances Division of the concerned Exchange.
9. Every member is required to send a complete periodical 'Statement of Accounts', for both funds and commodities settlement to each of his/her/its clients, at such period as may be prescribed from time to time. You should report errors, if any, in the Statement immediately but not later than 30 calendar days of receipt thereof, to the member. In case, the error is not rectified or there is a dispute, ensure that you refer such matter to the Investor Grievances Division of the concerned Exchange without delay.
10. In case of a complaint against Member, you should address the complaint to the office as may be specified by the concerned Exchange from time to time.
11. In case, where a member surrenders his/her/its membership, Member gives a public notice inviting claims, if any, from investors. In case of a claim relating to "transactions executed on the trading system of the concerned Exchange, ensure that you lodge a claim with concerned Exchange or its Clearing Corporation/ Clearing House within the stipulated period and with the supporting documents.
12. In case, where a member is declared a defaulter or expelled from membership, concerned Exchange gives a public notice inviting claims, if any, from investors. In case of a claim, relating to transactions executed on the trading system of the concerned Exchange, ensure that you lodge a claim with concerned Exchange within the stipulated period and with the supporting documents.
13. Claim against a Defaulter/ Expelled Member found to be valid as per the prescribed relevant Rules/Bye-laws of the Exchange and Guidelines of the Investors' Protection Fund (IPF), the Relevant Authority of the Exchange/Committee will disburse the amount of compensation from the IPF to the extent of maximum amount fixed by the Exchange or the actual claim amount, whichever lower. The balance claim amount if any shall be paid on pro-rata basis out of the amounts realized by the Exchange from the assets vested with the relevant authority/ Committee of the Exchange, if the amount realized from the assets is inadequate.
14. In case of any claim, difference or dispute between you and the member arising out of or in relation to trades, contracts and transactions, the same shall be taken-up with the Member directly for conciliation with or without intervention of the Exchange. If the said claim, difference or dispute persists, you may refer the same to arbitration in accordance with the provisions of the Rules, Bye-laws and Business Rules of the Exchange within 6 months from the date of last transaction or delivery or payment effected between you and the member.

Client's Signature : (19) 

(xiv) LETTER OF AUTHORITY

Date : \_\_\_\_\_

Client Name : \_\_\_\_\_

Client Code : \_\_\_\_\_

## MultipleX Commodity Mercantile (P) Ltd.

Member : National Commodity & Derivatives Exchange Ltd. (NCDEX)

Member : Multi Commodity Exchange of India Ltd. (MCX)

Member : Indian Commodity Exchange Ltd. (ICEX)

Member : National Multy Commodity Exchange of India Ltd. (NMCE)

100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110 085

Dear Sir,

**Sub : Letter of Authority**

I / We am / are dealing in Commodity with you at Commodity Exchange and in order to facilitate ease of operations, I / We authorize you as under:

1. I / We authorise you to setoff outstanding in any of my accounts against credits available or arising in any other accounts maintained with you irrespective of the fact that such credits in the accounts may pertain to transactions in Exchange and/or against the value of cash margin or other collateral provided to you by me / us.
2. I / We hereby authorise you not be provide me Order Confirmation / Modification / Cancellation Slips and Trade Confirmation Slips to avoid unnecessary paper work. I / We shall get the required details from contracts issued by you.
3. I / We hereby authorize you to keep all the commodities which we give you in margin including the payout of commodities received, to use the commodities for meeting margin / other obligation in Commodity exchange in whatever manner which may include pledging of commodities in favour of bank and/or taking loan against the same of meeting margin/pay-in obligation on our behalf or for giving the same as margin to the Commodity Exchange or otherwise.
4. I / We hereby authorise you to maintain a running account.
5. I / We request you to retain credit balance in any of my account and to use the idel fund towards our margin/future obligation of all the exchanges unless I / We instant you otherwise.
6. I / We request you to retain/Commodity/warehouse receipt in your Demat account for my / our margin / future obligations at all the Exchanges, unless I / We instruct you to transfer the same to my / our account.
7. I / We request you to consider my / our telephonic instructions for order placing/order modification/order cancellation as a written instruction and give me / us all the confirmation on telephone unless instructed otherwise in writing. I / We am / are getting required details from contracts issued by you.
8. I / We request that you may send/despatch my / our contract notes other documents through E-mail : on my designated e-mail address of \_\_\_\_\_  
I / We stress that I will not hold you responsible under any circumstances in the event of an e-mail which you send gets bounced due to any reason such as mail box being full, inactive account or due to any technical reason beyond your control.
9. I / We will completely rely on the log reports of your despatching software as a conclusive proof of dispatch of e-mail to me and will not dispute the same.
10. I / We will inform you the change in my / our e-mail, if any, in future either by regd. post or through a digitally signed e-mail.
11. Trading of Commodity is in Electronic Mode, based on VSAT, leased line, ISDN, Modem and VPN, combination of technologies and computer systems to place and route orders.  
I / We understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, of any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond the control and may result in delay in processing or note processing buy or sell orders either in part or in full.  
I / We agree that I / We shall be fully liable and responsible for any such problems / glitch.
12. I / We confirm that I / We will not sublet the trading terminal on any term of connectivity from my / our place without your prior approval.
13. I / We shall abide by the rules regulations/guidelines circulars of the exchange issue from time to time as applicable and shall be liable for non-adherence.
14. I / We agree that any loss due to any erroneous entry / erroneous order modification shall be entertained only to the extent of insurance received.
15. I / We agree that any MTM loss on open positions should be adjusted against the initial deposit maintained in cash by me / us with you.

Thanking you,

Your faithfully,

Client's Signature : (20) 

\_\_\_\_\_

(xv) FORMAT OF LETTER TO BE OBTAINED FROM THE BANK FOR VERIFICATION

Dated : \_\_\_\_\_


To  
MultipleX Commodity Mercantile (P) Ltd.  
100/28, Keshav Tower, Rajapur Market,  
Sector-9, Rohini, Delhi-110 085

Dear Sir,

This is to certify that the account no. of M/s. \_\_\_\_\_ with M/s. \_\_\_\_\_ with our branch has been active since \_\_\_\_\_ years / months and the operation of the account has been satisfactory. We further confirm that the photograph herein bears true likeness to the identity of the above mentioned person & that the address of the person is as given below :

bank stamp  
across  
photograph


Type of account \_\_\_\_\_

Client's Signature : (21) 

--

Name, Signature of the Branch Manager

Signed in my presence and Attested:

Stamp of the Bank and the Branch

Signature of Branch Manager:

**(xvi) REQUEST FOR TRADING IN COMMODITY FORWARD CONTRACTS / COMMODITY DERIVATIVES ON ALL EXCHANGES**

To,  
**MultipleX Commodity Mercantile (P) Ltd.**  
100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110 085

Dear Sir,

**Subject : My / Our request for trading in commodity forward contracts / commodity derivatives on All Exchanges as your client**

I/We, the undersigned, have taken cognizance of circular no. MCX/338/2006 dated August 21, 2006 issued by the Multi Commodity Exchange of India Ltd. (MCX) and circular no. NCDEX/TRADING-114/2006/247 dated September 28, 2008 issued by the National Commodity & Derivatives Exchange Limited (NCDEX) on the guidelines for calculation of net open positions permitted in any commodity and I/we hereby undertake to comply with the same.

I/We hereby declare and undertake that we will not exceed the position limits prescribed from time to time by MCX/NCDEX/ICEX/NMCE or Forward Markets Commission and such position limits will be calculated in accordance with the contents of above stated circular of all exchanges as modified from time to time.

I/We undertake to inform you and keep you informed if any of our partners/directors/karta/trustee or any of the partnership firms/companies/HUF's/Trusts in which I or any of above such person is a partner/director/karta/trustee, takes or holds any position in any commodity forward contract/commodity derivative on MCX / NCDEX / ICEX / NMCE through you or through any other member(s) of MCX / NCDEX/ICEX/NMCE, to enable you to restrict our position limit as prescribed by the above referred circular of MCX / NCDEX/ICEX/NMCE as modified from time to time. I/We confirm that you have agreed to enter orders in commodity forward contracts/commodity derivatives for me/us as your clients on MCX/ NCDEX / ICEX / NMCE only on the basis of our above assurances and undertaking.

Yours faithfully

Client's Signature : (22) 



Sole Proprietor/Partner/Director/Karta/Trustee

**(xvii) DECLARATION BY FIRM(SOLE PROPRIETORSHIP / HUF) ON LETTER HEAD OF THE FIRM / HUF**

(To be Obtained on Pre-Printed Letter head of the firm)

**MultipleX Commodity Mercantile (P) Ltd.**  
100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110 085

Dated : \_\_\_\_\_

Dear Sir/Madam

I refer to the trading account opened with you in the name of \_\_\_\_\_ and declare and authorize you as under

I recognize that a beneficiary account cannot be opened with a depository participant in the name of a Sole Proprietorship Firm /HUF as per regulations. To facilitate the operation of the above trading account with you and for the purpose of completing the commodity transfer obligations pursuant to the trading operations, I authorize you to recognize the beneficiary account no. \_\_\_\_\_ with the depository \_\_\_\_\_ opened in the name of the undersigned who is the sole proprietor of the firm / Karta of HUF.

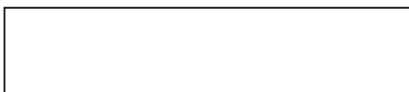
I agree that the obligation for Commodities purchased and/or sold by the firm will be handled and completed through transfer (s) to/from the above mentioned account. I recognize and accept transfer made by you to the aforesaid beneficiary account as completion of obligations by you in respect of trade executed in the above trading account of the firm.

Further I, the undersigned, am the sole proprietor of the firm / Karta of HUF and am solely responsible for the liabilities thereof. I shall advise you in writing of any change that take place in the constitution of the firm / HUF and will be personally liable to you for all the obligation that the firm may incur in the course of dealings with you and undertake to personally discharge such liabilities. The cheques/DDs (electronic/physical) shall be issued by me from my individual account with any bank and the amounts so given shall be solely/exclusively for credit to the account of my sole proprietorship firm / HUF M/s. \_\_\_\_\_ with your company.

Yours truly,

Name of the Sole Proprietor / Karta : \_\_\_\_\_

**Signature Sole Proprietor / Karta : (23)** 





**(xviii) DECLARATION BY FIRM ( Sole Proprietorship)**

(To be obtained on Pre-printed letter head of the firm)

To,

**MultipleX Commodity Mercantile (P) Ltd.**

100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110 085

Dear Sir,

I, the undersigned, am the sole proprietor of the firm and am solely responsible for the liabilities thereof. I shall advise you in writing of any change that takes place in the constitution of the firm and I will be personally liable to you for all the obligations that the firm may incur in the course of dealings with you and undertake to personally discharge such liabilities.

The Cheques / DDS may be issued by me from my individual account or my joint account with some one else. The said amounts so given shall be solely / exclusively for credit to the account of my sole proprietorship firm M/s. \_\_\_\_\_ with Multiplex Commodity Mercantile (P) Ltd. I shall not lay any claim whatsoever in future against Multiplex Commodity Mercantile (P) Ltd. for affording credit of such cheques / DDs issued from my individual / joint account credit of which has been provided by Multiplex Commodity Mercantile (P) Ltd. To the account of my proprietorship firm.

Yours truly,

Client's Signature : (24) 

(Sign without Stamp of the Firm)

**(xix) DECLARATION BY PARTNERSHIP**

(To be obtained on Pre-printed letter head of the firm)

To,

**MultipleX Commodity Mercantile (P) Ltd.**

100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110 085

Dear Sir,

We refer to the trading account opened with you in the name of \_\_\_\_\_ And declare and authorize you as under : We recognize that a beneficiary account can not be opened with Depository Participant in the name of the partnership firm as per regulations. To facilitate the operation of the above trading account with you and for the purpose of completing the commodities transfer obligations, pursuant to the trading operation, we authorize you to recognize the beneficiary account No. \_\_\_\_\_ with Depository \_\_\_\_\_ Having DP ID \_\_\_\_\_ opened as a joint account in the names of the partners of the firm.

We agree that the obligations for commodities purchased and/or sold by the firm will be handed and completed through transfers to/from the above mentioned account. We recognize and accept transfers made by you to beneficiary account as complete discharge or obligations by you in respect of trades executed in the above trading account of the firm.

Yours truly,

(25) 

Signature of partner with rubber stamp

(25) 

Signature of partner with rubber stamp

(25) 

Signature of partner with rubber stamp

(25) 

Signature of partner with rubber stamp

**(xx) FOR TRADING ACCOUNT OPENING**  
**FORMAT OF BOARD RESOLUTION TO BE GIVEN BY CORPORATE CLIENT**

(To be printed on letter head of company)

Certified true copy of extracts of the minutes of the meeting of the board of directors of \_\_\_\_\_ (Co. Name) convened on the \_\_\_\_\_ (date)  
/Time at \_\_\_\_\_ (Venue)

"Resolved that an account for the purpose of trading in Commodities & Derivatives to be opened with M/s. Multiplex Commodity Mercantile Pvt. Ltd., Member - Multi Commodity Exchange of India Ltd., National Commodity & Derivatives Exchange of India Ltd. and National Multi Commodity Exchange of India Ltd., Member - Indian Commodity Exchange Ltd., hereinafter referred to as the Broker, for undertaking trading in Commodities & Derivatives on the said exchange(s).

Further Resolved that Shri \_\_\_\_\_ and Shri \_\_\_\_\_, Directors of the Company, be and are hereby, authorised severally to do all such acts, deeds, things and sign all documents papers, authorisations, agreements etc. as may be necessary for opening and operating the said account with the Broker.

Further resolved that the aforementioned Directors, be and are hereby, authorised severally, to give instructions on behalf of the Company, for conducting trading in Commodities for and on behalf of the Company.

Further resolved that, a copy of this resolution be forwarded to the Broker by Shri \_\_\_\_\_ or Shri \_\_\_\_\_ Directors, & the Broker, be instructed to honour the instructions of Shri \_\_\_\_\_ and / or Shri \_\_\_\_\_, Directors of the Company to carry on trading in Commodities & Derivatives.

Certified true copy

For .....(Name of the Company)

Director

Client's Signature :(26) 

**(xxi) AUTHORISATION**

To,

**Multiplex Commodity Mercantile (P) Ltd.**  
100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110 085

**Sub : Authorisation**

Dear Sir,

I/we understand that in case, of my/our failure to make the funds pay in or delivery of commodities for my/our deals/trading by designated day, you are entitled to sell off in the market the commodities received in pay out and/or deem my/our position closed out at applicable rates; or

I/we do hereby request you not to carry out such sell off in the market the commodities received in pay out and/or deem my/our positions closed out and I/we shall in consideration thereof shall pay the opportunity cost/interest on such non sold off commodities and/or non closed out position without demur or protest at such opportunity cost and/or interest as you shall determine entirely at your discretion.

I/we do hereby indemnify and agree to compensate for any losses, penalties you may suffer for agreeing to this direction.

Thanking you,

Yours faithfully,

Client's Signature :(27) 

**(xxii) AUTHORISATION LETTER FOR AUTHORISED PERSON**

To,

**MultipleX Commodity Mercantile (P) Ltd.**  
100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110 085

**Sub : AUTHORITY LETTER FOR AUTHORISED PERSON**

Dear Sir,

I/we have been I shall be dealing through you as my /our broker on the Commodity Exchanges such as MCX/NCDEX/NMCE/ICEX. As my /our Broker i.e. agent I/ we direct and authorize you to carry out trading / dealings on my /our behalf as per instructions given below. Please treat these instructions as written ratification of my /our verbal directions/ authorizations given and carried out by you earlier.

I/ we authorise Mr./ Ms.....to deal / transact on my /our behalf and to place orders, give instructions, make and receive payments of deliveries and monies, collect contract notes, bills, order confirmations, trade confirmations, account statements and any other documents or communication, to sign any document, settle the account, enter into any compromise and to do any and all act (s) on my /our behalf which I/ we can do. And I/we the undersigned do hereby agree and declare and confirm that all the acts and things done by him/ her or his/ her substitutes shall be my /our acts, deeds and things validly done by me/ us to all intents and purposes.

Please treat this authorization as written ratification of my /our verbal directions / authorizations given and carried out by you earlier. I/We agree to indemnify you and keep you indemnified against all losses, damages and actions which you may suffer or face as a consequence of adhering to and carrying out my /our directions given above.

Thanking you,

Yours faithfully,

Client's Signature : (28) 

**(xxiii) ADJUSTMENT IN DIFFERENT EXCHANGES / ACCOUNTS**

Client Code : \_\_\_\_\_ Date :

Name \_\_\_\_\_

Address of Client : \_\_\_\_\_

To,

The Manager Accounts,  
**MultipleX Commodity Mercantile (P) Ltd.**  
100/28, Keshav Tower, Rajapur Market, Sector-9, Rohini, Delhi-110 085

**Sub : Adjustment in different Exchanges / Accounts maintained with you**

Dear Sir,

I/We executed/desire to execute an agreement with Multiplex Commodity Mercantile (P) Ltd. for trading on the Multi Commodity Exchange of India Ltd. (MCX), National Commodity & Derivatives Exchange Ltd. (NCDEX), Indian Commodity Exchange Ltd. (ICEX), National Multy Commodity Exchange of India Ltd. (NMCE) in Commodity Market. In this regard, I/We hereby request you to treat the agreement between us whether in MCX/NCDEX/ICEX/NMCE, as co-extensive and I/We hereby authorize you to transfer, make adjustments and/or to set off a part or whole of the securities / Commodities placed as margin and/or any surplus funds in any of my account/(s) maintained with you i.e. either in MCX / NCDEX / ICEX / NMCE against the outstanding dues payable if any, by me/us in any of my/our account/(s) maintained with Multiplex Commodity Mercantile (P) Ltd. or vice versa, notwithstanding anything contrary contained in the agreement between us. Multiplex Commodity Mercantile (P) Ltd. shall have right of lien on the credit balance in any of my/our accounts. Any entries passed by you in accordance with this authorization shall be binding on me/us.

Thanking You,

Yours Faithfully,

Client's Signature : (29) 

**(xxiv) DECLARATION BY THE USER**

I hereby declare that I am aware about the Rules, Byelaws, Regulations and Circulars issued there under by the Exchange. I agree to become an Approved User (Internet) of Multiplex Commodity Mercantile (P) Ltd. I would intimate the Exchange on ceasing to be an Approved User of Multiplex Commodity Mercantile (P) Ltd. I hereby agree to abide by the Rules, Bye-laws, Regulations and Circulars issued by the Exchange that may be in force from time to time and understand that appropriate action may be initiated by the Exchange in case of violatio of the Rules, Bye-laws, Regulations and Circulars issued by the Exchange. I certify that I have not applied for any other Internet User ID on the same segment for which this ID's now being applied for I will not allow anybody else to access / use such Trading System using the Internet User ID so allotted to me.

I shall keep complete secrecy of the password and undertake not to disclose the password to any person.

Client's Signature :(30) 

Date : \_\_\_\_\_

Place : \_\_\_\_\_

**(xxv) CLIENT DEFAULTER DECLARATION**


We, \_\_\_\_\_ having PAN no. \_\_\_\_\_ Date : \_\_\_\_\_ do hereby declare that we have not been involved in any terrorist activity and we have not been declared as defaulter or my name is not appearing in defaulter database as per SEBI/FMC/ Various Exchanges/ Regulatory bodies/CIBIL (Credit Information Bureau of India Ltd.) etc. For that I have not been declared bankrupt /insolvent.

I further declare that the above mentioned declaration/statement is true and correct.

Name:

Client Code:

Date:

Client's Signature :(31) 

Client Name:

[Note: To be signed by person ..... not to be signed by ..... attorney/authorised person etc.]

**(xxvi) MOBILE DECLARATION**

I, \_\_\_\_\_ having Pan No. \_\_\_\_\_ do hereby declare that my mobile no. is \_\_\_\_\_. Further, I authorize Multiplex Commodity Mercantile (P) Ltd. that the same maybe used for giving me any information/alert/sms/call.I further declare the above mentioned statement is true and correct. \_\_\_\_\_

Client's Signature :(32) 

Name:

Client Code:

Date:

# (xxvii) Do's and Don'ts while dealing in Commodities Market

## Dealing in Commodity Futures

### Do's

1. Read, understand and be updated about the guidelines and circulars of the Exchange and of the Forward Markets Commission.
2. Refer and understand all the provisions of Forward Contracts (Regulations) Act, 1952 dealing with futures trading in commodities and amendments thereof from time to time, including provisions and rates relating to the sales tax, value added tax, APMC Tax, Mandi Cess and Tax, octroi, excise duty, stamp duty, etc., applicable on the underlying commodity of any contracts offered for trading by MCX/NCDEX/ICEX/NMCE.
3. Read the commodity contracts circulars issued by MCX / NCDEX / ICEX / NMCE and carefully note the contract specifications of the commodity in which you wish to trade. The contract specifications are subject to change from time to time.
4. Before entering into buy and sell transactions please be aware of all the factors that go into the mechanism of pricing, trading and clearing.
5. Read the product note of the commodity in which you wish to deal to understand the commodity and parameters that impact on the trading and settlement of the commodity.
6. Understand the Delivery & Settlement Procedures of the commodity that you wish to deal in the futures market.
7. Study historical and seasonal price movements of the commodity that you wish to deal in the futures market.
8. Keep track of Governments' Policy announcements from time to time of the commodity that you wish to deal in the futures market.
9. Apply your own prudent judgment for investments in commodity futures and take informed decisions.
10. Comply with Taxation and other Central Government/State Governments regulatory issues.
11. Go through all Rules, Bye Laws, Regulations Circulars and directives issued by all Exchanges.
12. Since the investment is based on various types of margins, be aware of the risks associated with your positions in the market and margin calls made from time to time.
13. Collect/Pay Mark-to-Market margins on your futures positions on a daily basis from/to your member.
14. Be aware of your risk taking ability and fix stop-loss limits. Liquidate your positions at such levels to reduce further losses, if any.
15. In case of any doubt/problems, contact concerned Exchange's Help Desk.

### Don'ts

1. Do not fall prey to market rumours.
2. Do not go by any explicit/implicit promise made by analysts/advisors/experts /market intermediary until convinced.
3. Do not deal based on Bull/Bear run of commodity markets sentiments.
4. Do not go by the reports/predictions made in various print and electronic forms without verification.
5. Do not trade on any product without knowing the risk and rewards associated with it.

## Rights of a Client

1. In case of any disputes with the Member regarding the trades done on the Exchange platform, the client could contact the Exchange for suitable redressal as per Bye laws of the Exchange including use of mediation/arbitration mechanisms of the Exchange. The clients would be required to produce copies of the agreements entered into by them with their member, for obtaining relief through the process of arbitration. Hence, clients are advised to obtain copies of signed agreement from members and keep such copies with them. Further, all copies of all correspondence to and from members may be preserved for producing them to the arbitrators, if required.
2. All rights as per the Rules, Bye Laws and Regulations of the Exchange are available to a client in respect of all transactions traded on the Exchange and for which the clients have a contact note duly issued by the member.
3. In case of any disputes in respect of the trades on the Exchange or in the contract notes or any complaint against the member, take up the issue with member directly. In case of nonresolution, file written complaint against the member with the Exchange within 6 months from the date of cause of action. (Details and Format are available on concerned exchange's website).

## Dealing with Members

### Do's

1. Trade only through registered members of the Exchange. Check with the Exchange to see whether the member is registered with the Exchange.
2. Insist on filling up a standard 'Know Your Client (KYC)' form and on getting a Client-Id.
3. Insist on reading and signing standard 'Risk Disclosure Agreement'.
4. Cross check the genuineness of trades carried out at MCX/NCDEX/ICEX/NMCE through the trade verification facility available on respective Exchange's website.
5. While trading through an authorized person ensure that a duly signed contract note has been issued by the member or its authorized persons for every executed trade, highlighting the details of the trade along with your unique Client-Id.
6. Obtain receipt for collaterals deposited with the member towards margins.
7. Go through the Rules, Bye-laws, Regulations, Circulars, directives, notifications of the Exchange as well as of the Regulators, Governments and other authorities and details of Client-Trading Member Agreement to know your rights and duties vis-à-vis those of the member.
8. State clearly who will be placing orders on your behalf. Give precise and clear instructions while placing, modifying or canceling orders.
9. Ask all relevant questions and clear your doubts with your member before transacting.
10. Ensure that the Contract Note contains all the relevant information such as Member Registration Number, Order No., Order Date, Order time, Trade No., Trade rate, Quantity, Arbitration Clause.
11. Insist on receiving the bills for every settlement.
12. Insist on periodical statements of your ledger account.
13. Scrutinize minutely both the transaction as well as the holding statements that you receive from your Depository Participant.
14. Keep Delivery Instruction Slips (DIS) book issued by DPs in safe possession.
15. Ensure that the DIS numbers are preprinted and your account number (Client- Id) is mentioned in the DIS book.
16. Freeze your Demat account in case of your absence for longer duration or in case of not using the account frequently.
17. Pay required margins in time and only by Cheque and ask for receipt thereof from the member.
18. Deliver the commodities in case of sale or pay the money in case of purchase within the time prescribed.

### Don'ts

1. Do not start trading before reading and understanding the Risk Disclosure Agreement and entering into the prescribed agreement with the Member.
2. Do not deal with unregistered intermediaries even if their charges are lower and/or margins are lesser.
3. Do not undertake off-market transactions in commodities with a member of the Exchange, unless such member records in the agreement for sale, note or memorandum that he is selling/purchasing the goods as the case may be, for his own account and obtains a consent from you in respect thereof as required u/s 15 (4) of the Forward Contracts (Regulation) Act, 1952.
4. Do not neglect to set out in writing, orders for higher value given over phone.
5. Do not accept unsigned/duplicate contract note/confirmation memo.
6. Do not accept contract note/confirmation memo signed by any unauthorized person.
7. Do not delay payment/deliveries of commodities to member.
8. Do not get carried away by luring advertisements, rumours, hot tips, promise of unrealistic returns, etc.
9. Do not forget to take note of risks involved in the investments.
10. Do not sign blank Delivery Instruction Slips (DIS) while furnishing securities deposits and/or keep them with Depository Participants (DP) or broker to save time.

Client's Signature : (33) 

(A) Special approval given by \_\_\_\_\_

Yes

No

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

Special Comment in relation to above approval

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(B) Trading Scheme Detail :

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(C) DP Scheme Detail :

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Client Code : .....

Client's Name : .....

DP Code : .....

**For Office Use Only :**

Internal Ref. No. : .....

Client's Name : .....

Branch Code : .....

Branch Name : .....

Print Solved # 9911243303, Date : 08/2011



## MultipleX Commodity Mercantile (P) Ltd.

**Regd. Office :**

100/28, Keshav Tower,  
Rajapur Market, Sector-9,  
Rohini, Delhi-110 085  
Ph.: 011-47055555  
Fax : 011-27561629

**Head Office :**

B-306, Everest Chamber,  
Andheri Kurla Road,  
Marol Naka, Andheri (East),  
Mumbai-400 059  
Ph.: 022-66713515

**Corporate Office :**

206, Kanchanjunga Building  
Barakhamba Road,  
Delhi-110001  
Ph.: 011-43596901  
43596902

E-mail : [info@onlymultiplex.com](mailto:info@onlymultiplex.com) Website : [www.onlymultiplex.com](http://www.onlymultiplex.com)



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A SEBI Initiative