

NIKHIL COMMODITY & DERIVATIVES PVT. LTD.

Regd. Office : 401 Princess Empire, 12 Race Course Road, Indore – 452001
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(INDIVIDUAL KYC FORM)

GENERAL INFORMATION

Corporate Member Details :

Name of Trading & Clearing Member	Exchange Name	Exch. Code	SEBI Reg. No.
Nikhil Commodity & Derivatives Pvt. Ltd.	National Commodity and Derivatives Exchange Ltd. (NCDEX)	00384	INZ000080136
	Multi Commodity Exchange of India Ltd. (MCX)	28345	
	National Stock Exchange of India Ltd. (NSE Currency)	90306	

Compliance Officer & CEO Details:

Name	Nirav Desai
Telephone No.	0731-4015001
Email ID	compliance@nikhilgroup.co.in

NO.	NAME OF DOCUMENTS	BRIEF SIGNIFICANCE OF THE DOCUMENTS	PAGE NO.
MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI & EXCHANGES			
1.	General Information	General Information Instruction/check list for filling KYC Form.	1 to 3
2.	KYC (Account Opening) Application form	KYC form - Document captures the basic information about the constituent.	5 to 12
3.	Tariff Sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the Commodity Exchange(s) (to be added by the member)	13
4.	Risk Disclosure Document (RDD)	Document detailing risks associated with dealing in the commodities market.	14 to 17
5.	Rights and Obligations of Members, Authorized Persons and Clients	Document stating the Rights & Obligations of member, authorized person and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based trading).	18 to 27
6.	Do's and Don'ts for the Investors	Document detailing do's and don'ts for trading on exchange, for the education of the investors.	28 to 29
7.	Policies and Procedures	Document describing significant policies and procedures of the stock broker (to be added by the stock broker).	30 to 32
VOLUNTARY DOCUMENTS AS PROVIDED BY THE MEMBER			
1.	Authorisation of Running Account	Account Maintain with member against Margin	33
2.	Disclosure & Declaration under PMLA 2002	Disclosure by member & Declaration by Client under PMLA 2002	34
3.	Letter of Authority (For Digital Contract Notes)	Acceptance to receive contract notes through e-mail/electronically and declaration for common email ID.	35
4.	KYC Supporting Formats (Print on Letterhead in case of Non INDIVIDUALS and Plain Page in case of INDIVIDUALS If Require)	List of Director/Partner/ Detail of Karta and Co-persons (Annxure-1), Share Holding Pattern (Annxure-2), Board Resolution (Annxure-3), Authority Letter (In case of Individual / HUF / Partnership) Annxure-4, Gross Annual Income Detail and Net-worth (Annxure-5), Declaration by Karta & All the Co-Parceners (Annxure-6)	36 to 38
5.	ACKNOWLEDGEMENT	Aware to Client and Acknowledgement of KYC from Client to Member	39
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For any grievance/dispute please contact NIKHIL COMMODITY & DERIVATIVES PVT. LTD. at the above address or email id : investorgrievance@nikhilgroup.co.in and Phone No. 0731- 4015042-47. In case not satisfied with the response, please contact the concerned exchange(s) at : MCX - grievance@mcxindia.com (022) 66494000 / 67318888 and NCDEX – askus@ncdex.com (022) 66406789

INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

A. IMPORTANT POINT :

1. Self attested copy of PAN card is mandatory for all clients, including Promoters/Partners/Karta/Trustees and whole time directors and persons authorized to deal in commodity derivatives on behalf of company/firm/other.
2. Copies of all the documents submitted by the applicant should be self-attested and accompanied by originals for verification. In case the originals for verification. In case the original of any document is not produced for verification. Then the copies should be properly attested by entities authorized for attesting the documents, as per the below mentioned list.
3. If any proof of identity or address is in a regional language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent address are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity.
7. For non-residents and foreign nationals, (allowed to trade subject to RBI and FIPB/FEMA guidelines and other applicable statutory approvals), copy of passport/PIO Card/OCI Card and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN No. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (continuous Discharge Certificate) is to be submitted along with other statutory approvals required for investment in commodities.
10. For opening an account with Depository participant or Mutual Fund, for a minor, photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of governments, senior politicians, senior Government/judicial/military officers, senior executives of state owned corporations, important political party officials, etc.

B. Proof of Identity (POI) :- list of documents admissible as Proof of identity :

1. Unique Identification Number (UID) (Aadhaar)/Passport/Voter ID card/Driving License.
2. PAN card with photograph.
3. Identity card issued by any of the following : Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks.

C. Proof of Address (POA) :- List of documents admissible as Proof of Address :

(Note : Documents having an expiry date should be valid on the date of submission).

1. Passport/Voters Identity Card/Ration Card/Registered Lease or Sale Agreement of Residence/Driving License/Flat Maintenance Bill/Insurance Copy.
2. Utility bills like Telephone Bill (only land line), Electricity bill or Gas bill - Not more than 3 months old.
3. Bank Account Statement/Passbook- Not more than 3 months old.
4. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.
5. Proof of address issued by any of the following : Bank Managers of Scheduled Commercial Banks/Scheduled Co-operative Bank/Multinational Foreign Banks/Gazetted Officer/Notary public/Elected representatives to the Legislative Assembly/Parliament/Documents issued by any Govt. or Statutory Authority.
6. Identity card/document with address, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, colleges affiliated to Universities and Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members.
7. For FI/sub account, Power of Attorney given by FI/sub-account to the Custodians (which are duly notarized and/or apostilled or consularised) that gives the registered address should be taken.
8. The proof of address in the name of the spouse may be accepted.

D. Exemptions of PAN : (Note : Sufficient documentary evidence in support of such claims to be collected).

1. Transaction undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official Liquidator court receiver etc.

2. Investors residing in the State of Sikkim (Subject to the continued exemption granted by government).
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. SIP of Mutual Funds upto Rs. 50,000/-
5. In case of institutional clients, namely, FIs, MFs, VCFs, FVCI, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card provide duly certified copies of such verified PAN details to the intermediary.

E. List of people authorized to attest the documents :

1. Notary Public, Gazetted Officer, Manager of a Scheduled Commercial/Co-operative Bank or Multinational Foreign Banks (Name, Designation & Seal should be affixed on the copy).
2. In case of NRIs, authorized officials of overseas branches of scheduled Commercial Banks registered in India, Notary Public, Court Magistrate, Judge, Indian Embassy/Consulate General in the country where the client resides are permitted to attest the documents.

Type of Entity	Documentary Requirements
Corporate	Copy of the balance sheet for the last 2 financial year (to be submitted every year) <input type="checkbox"/> Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulation, duly certified by the company secretary/Whole time director/MD (to be submitted every year) <input type="checkbox"/> Photograph, POI, POA, PAN and DIN Number of whole time directors/two directors in charge of day to day operations, <input type="checkbox"/> Photograph, POI, POA, PAN of individual promoters holding control - either directly or indirectly. <input type="checkbox"/> Copies of the Memorandum and Articles of Association and Certificate of incorporation. <input type="checkbox"/> Copy of the Board Resolution for investment in commodity market. <input type="checkbox"/> Copy of Board Resolution or declaration (on the letterhead) naming the persons authorized to deal in commodity derivatives on behalf of company/firm/other and their specimen signatures. <input type="checkbox"/> Copy of the Board Resolution for investment in securities market. <input type="checkbox"/> Authorised signatories list with specimen signatures.
Partnership Firm	<input type="checkbox"/> Copy of the balance sheet for the last 2 financial year (to be submitted every year). <input type="checkbox"/> Certificate or registration (for registered partnership firm only). <input type="checkbox"/> Copy of partnership deed. <input type="checkbox"/> Authorised Signatories list with specimen signatures. <input type="checkbox"/> Photograph, POI, POA, PAN of partners.
Trust	<input type="checkbox"/> Copy of the balance sheet for the last 2 financial year (to be submitted every year). <input type="checkbox"/> Certificate or registration (for registered Trust only). <input type="checkbox"/> Copy of Trust deed. <input type="checkbox"/> List of Trustees certified by managing trustees/CA. <input type="checkbox"/> Photograph, POI, POA, PAN of partners.
HUF	<input type="checkbox"/> PAN of HUF <input type="checkbox"/> Deed of declaration of HUF & list of coparceners. <input type="checkbox"/> Bank pass-book/bank statement in the name of HUF. <input type="checkbox"/> Photograph, POI, POA, PAN of Karta, PAN of coparceners.
Government Bodies	<input type="checkbox"/> Self-certification on letterhead <input type="checkbox"/> Authorized signatories list with specimen signatures.
Registered Society	<input type="checkbox"/> Copy of Registration Certificate under Societies Registration Act. <input type="checkbox"/> List of Managing Committee members. <input type="checkbox"/> Committee resolution for persons authorised to act as authorised signatories with specimen signatures. <input type="checkbox"/> True Copy of Society Rules & Byelaws certified by the Chairman/Secretary.
Unincorporated Association or a body of individuals	<input type="checkbox"/> Proof of Existence/Constitution document. <input type="checkbox"/> Resolution of the managing body & Power of Attorney granted to transact business on its behalf. <input type="checkbox"/> Authorized signatories list with specimen signatures.
Banks/Institutional Investors	<input type="checkbox"/> Copy of the constitution/registration or annual report/balance sheet for the last 2 financial years. <input type="checkbox"/> Authorized signatories list with specimen signatures.

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KNOW YOUR CLIENT (KYC) APPLICATION FORM INDIVIDUALS

ANNEXURE 1(PART-I)

☐ NEW ☐ CHANGE REQUEST (Please tick the appropriate)

Please fill this form in **ENGLISH** and in **BLOCK LETTERS**

(Please tick the box on left margin of appropriate row where CHANGE/CORRECTION is required and provide the details in the corresponding row)

☐ (A) **IDENTITY DETAILS**

- Name of Applicant:
- Father's Name:
- Spouse Name:
- Gender : Male / Female
- Marital Status : Single / Married
- Date of Birth :(DD-MM-YYYY)
- (a) Nationality

(b) Status : Resident Individual / Non-Resident / Foreign National.

(If Non-Resident/ Foreign National, Self Certified Copy of Statutory Approval obtained must be attached)

- PAN: Aadhar No. (UID):.....

Any Other Additional proof of identity

Please affix your recent
passport size photograph
and sign across it

☐ (B) **ADDRESS DETAILS**

(Proof of address must be different from the proof of identity submitted)

- Correspondence Address:
.....
City: Pin Code: State:
Country: Tel No. : Fax:
Mobile No. : Email Id:
(Specify the proof of address submitted for correspondence address :.....)

- Permanent Address: (If different from above)

.....
.....
City: Pin Code: State:
Country: Tel No. : Fax:
Mobile No. : Email Id:
(Specify the proof of address submitted for Registered Address :.....)

(C) **Declaration**

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

Date:

(X1 _____)
Signature of Applicant

FOR OFFICE USE ONLY

In Person Verification (IPV) Details: Name of the person who has done the IPV: _____

Designation: _____ Name of the Organization: **Nikhil Commodity & Derivatives Pvt. Ltd.**

Date of IPV: _____ Signature of the person who has done the IPV Seal/Stamp of the intermediary

☐ Originals Verified and Self Attested Documents copies received

Annexure 1 -Part II

(A) OTHER DETAILS

- ☐ 1. Gross Annual Income Detail: Income range per annum (Please Tick):
☐ Below Rs. 1Lac, ☐ 1 to 5 Lac ☐ 5 to 10Lac ☐ 10 to 25Lac ☐ 25Lac to 1 Crore ☐ Above 1 Crore
- ☐ 2. Net Worthas on (Date).....
 (Net worth should not be older than 1 Year and submit **Annexure – 2**)
- ☐ 3. Please tick, as applicable : Occupation
☐ Private Sector ☐ Public Sector ☐ Government Service ☐ Business
☐ Professional ☐ Farmer ☐ Others Pl.Specify
- ☐ 4. Please tick, as applicable :
☐ Politically Exposed Person (PEP) ☐ Related to a Politically Exposed Person (PEP)
☐ Not a Politically Exposed Person (PEP) ☐ Not Related to a Politically Exposed Person (PEP)

☐ (B) BANK ACCOUNT DETAILS

Bank Name			
Branch Address & Tel. No.			
Account Number			
Account Type (Pl. Tick)	<input type="checkbox"/> Saving <input type="checkbox"/> Current <input type="checkbox"/> Others Pl. Specific.....		
MICR Code 9 Digit		IFS Code	

Note: Provide a copy of cancelled cheque leaf/ pass book/bank statement specifying name of the client, MICR Code or/and IFSC Code of the bank.

☐ (C) DEPOSITORY ACCOUNT(S) DETAILS, if available





Exchange	CDSL/ NSDL/ CONTRACT	DP NAME	DP ID	CLIENT ID

Note: Provide a copy of either Demat Master or a recent holding statement issued by DP bearing name of the client.

Trading Preference:

(Please sign in the relevant boxes where you wish to trade. Please strike off the segment not chosen by you.)

Client Code:	
Name:	

Exchanges	NSE	NCDEX	MCX
All Segments	Currency	Commodity Derivatives	Commodity Derivatives
			

X5 _____

Declaration for Opting out for Trading Preferences


Date: _____

To,
Nikhil Commodity and Derivatives Exchange Private Limited,
401, Princess Empire, 12, Race Course Road,
Indore – 452 003

Sub: Request for change in Trading Preferences/ Opting-out of segment/ Exchange

I/we would not like to trade/ deal in the following segments/ Exchanges:

Please tick below against the segments / Mutual Fund if you do not wish to trade in any of them:		
<input type="checkbox"/> NSE Currency	<input type="checkbox"/> NCDEX Commodity Derivative	<input type="checkbox"/> MCX Commodity Derivative

Client Code:	
Name:	
Signature	

(E) INVESTMENT/TRADING EXPERIENCE

- ☐ No Prior Experience
☐ _____ Years in Commodities
☐ _____ Years in other investment related fields

(F) GST REGISTRATION DETAILS (As applicable, State wise)

TAX AUTHORITY	REGISTRATION NO.	VALIDITY DATE
LOCAL SALES TAX/TIN		
CENTRAL SALES TAX		
VAT TAX/ GST		

(G) PAST REGULATORY ACTIONS

Details of any actions/proceedings initiated/pending/taken by FMC/SEBI /Stock Exchange/Commodity Exchange/ any other authority against the client during the last 3 years.....

(H) DEALINGS THROUGH OTHER MEMBERS

If client is dealing through any other Member, provide the following details (in case dealing with multiple Members, provide details of all in a separate sheet containing all the information as mentioned below):

Member's / Authorized Person (AP)'s Name: _____

Exchange: _____

Exchange's Registration number: _____

Concerned Member's Name with whom the AP is registered: _____

Registered office address: _____

Ph.: _____ Fax: _____

Email: _____ Website: _____

Client Code: _____

Details of disputes/dues pending from/to such Member/AP: _____

(I) INTRODUCER DETAILS (optional)

INTRODUCED BY		
STATUS OF INTRODUCER: AUTHORIZED PERSON/EXISTING CLIENT/OTHERS PLEASE SPECIFY.....		
NAME		SIGNATURE
ADDRESS AND		
TELEPHONE NO.		

(J) ADDITIONAL DETAILS

Whether you wish to receive communication from Member in electronic form on your Email-id [Yes / No]:

X6 _____

NOMINATION DETAILS

Nikhil Commodity & Derivatives Pvt. Ltd. Indore - 452 001 (M.P.)		Nomination Form																																							
Date:												UCC Code																													
DP ID												Client Id																													
I/We wish to make a nomination. [As per details given below]																																									
Nomination Details																																									
I/We wish to make a nomination and do hereby nominate the following person(s) who shall receive all the assets held in my / our account in the event of my / our death.																																									
Nomination can be made upto three nominees in the account.												Details of 1st Nominee										Details of 2nd Nominee										Details of 3rd Nominee									
1	Name of the nominee(s) (Mr./Ms.)																																								
2	Share of each Nominee	Equally [If not equally, please specify percentage]										%										%										%									
Any odd lot after division shall be transferred to the first nominee mentioned in the form.																																									
3	Relationship With the Applicant (If Any)																																								
4	Address of Nominee(s)																																								
												City / Place: State & Country:																													
												Pin Code																													
5	Mobile / Telephone No. of nominee(s)																																								
6	Email ID of nominee(s)																																								
7	Nominee Identification details – [Please tick any one of following and provide details of same] Photograph & Signature <input type="checkbox"/> PAN <input type="checkbox"/> Aadhaar <input type="checkbox"/> Saving Bank account no. <input type="checkbox"/> <input type="checkbox"/> Proof of Identity Demat Account ID <input type="checkbox"/>																																								
Sr. Nos. 8-14 should be filled only if nominee(s) is a minor:																																									
8	Date of Birth {in case of minor nominee(s)}																																								
9	Name of Guardian (Mr./Ms.) in case of minor nominee(s)																																								

10	Address of Nominee(s)			
	City / Place: State & Country:			
	Pin Code			

☐ Signature of witness, along with name and address are required, if the account holder affixes thumb impression, instead of

11	Mobile / Telephone no. of Guardian			
12	Email ID of Guardian			
13	Relationship of Guardian with nominee			
14	Guardian Identification details – [Please tick any one of following and provide details of same] Photograph & Signature <input type="checkbox"/> PAN <input type="checkbox"/> Aadhaar <input type="checkbox"/> Saving Bank account no. <input type="checkbox"/> <input type="checkbox"/> Proof of Identity Demat Account ID <input type="checkbox"/>			

Name(s) of holder(s)		Signature(s) of holder*
Sole / First Holder (Mr./Ms.)		X7
Second Holder (Mr./Ms.)		
Third Holder (Mr./Ms.)		

Note:

This nomination shall supersede any prior nomination made by the account holder(s), if any.

The Trading Member / Depository Participant shall provide acknowledgement of the nomination form to the account holder(s).

Place _____

Date _____

*Form need to be signed by all the authorized signatories

(X8 _____)

Signature of (all) Authorized Signatory (ies)*

FOR OFFICE USE ONLY**UCC Code allotted to the Client:**

EXCHANGE	NCDEX	MCX	NSE CURRENCY
CLIENT CODE			
DOCUMENTS VERIFIED WITH ORIGINALS			
NAME OF THE EMPLOYEE		SIGNATURE	
DESIGNATION OF THE EMPLOYEE			
DATE			

I / We undertake that we have made the client aware of tariff sheet and all the voluntary/non-mandatory documents. I/We have also made the client aware of 'Rights and Obligations' document (s), RDD, 'Do's and Don'ts' and Guidance Note. I/We have given/sent him a copy of all the KYC documents. I/We undertake that any change in the tariff sheet and all the voluntary/non-mandatory documents would be duly intimated to the clients. I/We also undertake that any change in the 'Rights and Obligations' and RDD would be made available on my/our website, if any, for the information of the clients.

Date _____

Signature of the Authorized Signatory
Seal/Stamp of the Member

TARIFF SHEET
Brokerage & Charges Structure

Brokerage Slab		Please specify type of Brokerage	Signature
Normal	NCDEX		X9 _____
	MCX		
Delivery	NCDEX		X10 _____
	MCX		
Option	NCDEX		X11 _____
	MCX		
Normal & Option	NSE (Currency)		X12 _____

Important Note : In addition to Exchange levied penalty for short/non collection of margin, a delay payment charges up to @2% per month would be charged for debit / shortage in pay in / margin default, as per exchange requirements. Depository / Pledge charges for the movement of commodity / shares between pool / beneficiary / margin account for pay in / payout or margin purpose will be charged. SEBI Turnover Fees / Risk Management Fees / Transaction charges / Clearing charges / Statutory charges / Courier / Administration / Processing / Warehouse charges / Open interest charges/or any other charges prescribed / levied by Exchange / Regulatory authority from time to time will be charged as applicable.

Place _____
Date _____

(X13 _____)
Signature of (all) Authorized Signatory (ies)*

RISK DISCLOSURE DOCUMENT

The Exchange does not expressly or impliedly, guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure documents nor has the Exchange endorsed or passed any merits of participating in the Commodity Derivatives / 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 the Exchange and suffer adverse consequences or loss, you shall be solely responsible for the same and the Exchange 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 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 the Exchange.

It must be clearly understood by you that your dealings on the Exchange 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 and are subject to Rules, Byelaws and Business Rules of the Exchange guidelines prescribed by SEBI from time to time and circulars as may be issued by the Exchange from time to time.

The Exchange 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 Exchange 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, you should be aware of or must get acquainted with the following:-

1. Basic Risks involved in the trading of Commodity Futures Contracts and other Commodity Derivatives Instruments on the Exchange.

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

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 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.

X14 _____

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 commodities.

iii. Risk of Wider Spreads

a. 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

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 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 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

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 commodity/ commodity derivatives contract.

vi. Risk of Rumours

a. 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

X15 _____

a. Trading on the Exchange 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:-

2.1 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. TRADING THROUGH WIRELESS TECHNOLOGY OR ANY OTHER TECHNOLOGY:

Any additional provisions defining the features, risks, responsibilities, obligations and liabilities associated with commodities trading through wireless technology or any other technology should be brought to the notice of the client by the member.

4. 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:

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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 Members/Authorised Persons/ clients, please refer to *Annexure 3*

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 Exchange.

v. The term 'member' shall mean and include a Trading Member or a Member/Broker, who has been admitted as such by the Exchange and got a registration certificate from SEBI.

Additional Risk Disclosure documents for Options Trading

Risk of Option holders:

1. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells his option in the secondary market nor exercises it prior to its expiration will necessarily lose his entire investment in the option. If the price of the underlying does not change in the anticipated direction before the option expires, to an extent sufficient to cover the cost of the option, the investor may lose all or a significant part of his investment in the option.
2. The Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

Risks of Option Writers:

1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.
2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.
3. Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination transactions, such as option spreads, are more complex than buying or writing a single option. And it should be further noted that, as in any area of investing, a complexity not well understood is, in itself, a risk factor. While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.

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**RIGHTS AND OBLIGATIONS OF MEMBERS, AUTHORIZED PERSONS AND CLIENTS As prescribed by
SEBI and Commodity Exchanges**

1. The client shall invest/trade in those commodities /contracts/other instruments admitted to dealings on the Exchanges as defined in the Rules, Byelaws and Business Rules/ Regulations of Exchanges/SEBI and circulars/notices issued there under from time to time.
 2. The Member, Authorized Person and the client shall be bound by all the Rules, Byelaws and Business Rules of the Exchange and circulars/notices issued there under and Rules and Regulations of SEBI and relevant notifications of Government authorities as may be in force from time to time.
 3. The client shall satisfy himself of the capacity of the Member to deal in commodities and/or deal in derivatives contracts and wishes to execute its orders through the Member and the client shall from time to time continue to satisfy itself of such capability of the Member before executing orders through the Member.
 4. The Member shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.
 5. The Member shall take steps to make the client aware of the precise nature of the Member's liability for business to be conducted, including any limitations, the liability and the capacity in which the Member acts.
 6. Requirements of professional diligence
 - a. The Member must exercise professional diligence while entering into a financial contract or discharging any obligations under it.
 - b. "professional diligence" means the standard of skill and care that a Member would be reasonably expected to exercise towards a Client, commensurate with-
 - i) honest market practice;
 - ii) the principle of good faith;
 - iii) level of knowledge, experience and expertise of the Client;
 - iv) the nature and degree of risk embodied in the financial product* or financial service being availed by the Client; and
 - v) the extent of dependence of the Client on the Member.
- *Commodity derivative contract
7. The Authorized Person shall provide necessary assistance and co-operate with the Member in all its dealings with the client(s).

CLIENT INFORMATION

8. The client shall furnish all such details in full as are required by the Member in "Account Opening Form" with supporting details, made mandatory by commodity exchanges/SEBI from time to time.
9. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the Member shall be non-mandatory; therefore, subject to specific acceptance by the client.
10. The client shall immediately notify the Member in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the Member on a periodic basis.
11. A. Protection from unfair terms in financial contracts**
 - a. An unfair term of a non-negotiated contract will be void.

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- b. A term is unfair if it –
 - i. causes a significant imbalance in the rights and obligations of the parties under the financial contract, to the detriment of the Client; and
 - ii. is not reasonably necessary to protect the legitimate interests of the Member.
- c. The factors to be taken into account while determining whether a term is unfair, include –
 - i. the nature of the financial product or financial service dealt with under the financial contract;
 - ii. the extent of transparency of the term;

****contracts offered by commodity exchanges**

 - iii. the extent to which the term allows a Client to compare it with other financial contracts for similar financial products or financial services; and
 - iv. the financial contract as a whole and the terms of any other contract on which it is dependent.
- d. A term is transparent if it –
 - i. is expressed in reasonably plain language that is likely to be understood by the Client;
 - ii. is legible and presented clearly; and
 - iii. is readily available to the Client affected by the term.
- e. If a term of a financial contract is determined to be unfair under point 11.A.c, the parties will continue to be bound by the remaining terms of the financial contract to the extent that the financial contract is capable of enforcement without the unfair term.

11.B

- a. “Non-negotiated contract” means a contract whose terms, other than the terms contained in point 11.C. (given below) are not negotiated between the parties to the financial contract and includes –
 - I. a financial contract in which, relative to the Client, the Member has a substantially greater bargaining power in determining terms of the financial contract; and
 - II. a standard form contract.
- b. “Standard form contract” means a financial contract that is substantially not negotiable for the Client, except for the terms contained in point 11.C.
- c. Even if some terms of a financial contract are negotiated in form, the financial contract may be regarded as a non-negotiated contract if so indicated by –
 - I. an overall and substantial assessment of the financial contract; and
 - II. the substantial circumstances surrounding the financial contract
- d. In a claim that a financial contract is a non-negotiated contract, the onus of demonstrating otherwise will be on the Member.

11.C

- a. The above does not apply to a term of a financial contract if it –
 - I. defines the subject matter of the financial contract;
 - II. sets the price that is paid, or payable, for the provision of the financial product or financial service under the financial contract and has been clearly disclosed to the Client; or
 - III. is required, or expressly permitted, under any law or regulations.
- b. The exemption under point 11.C does not apply to a term that deals with the payment of an amount which is contingent on the occurrence or non- occurrence of any particular event.

- 12. The Member and Authorized Person shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the

same to any Person/authority except as required under any law/regulatory requirements. Provided however that the Member may so disclose information about his client to any person or authority with the express permission of the client.

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13. A. Protection of personal information and confidentiality

- a. "Personal information" means any information that relates to a Client or allows a Client's identity to be inferred, directly or indirectly, and includes –
- I. name and contact information;
 - II. biometric information, in case of individuals
 - III. information relating to transactions in, or holdings of, financial products
 - IV. information relating to the use of financial services; or
 - V. such other information as may be specified.

13. B.

- a. A Member must –
- I. not collect personal information relating to a Client in excess of what is required for the provision of a financial product or financial service;
 - II. maintain the confidentiality of personal information relating to Clients and not disclose it to a third party, except in a manner expressly permitted under point 13.B.b.;
 - III. make best efforts to ensure that any personal information relating to a Client that it holds is accurate, up to date and complete;
 - IV. ensure that Clients can obtain reasonable access to their personal information, subject to any exceptions that the Regulator may specify; and
 - V. allow Clients an effective opportunity to seek modifications to their personal information to ensure that the personal information held by the Member is accurate, up to date and complete.
- b. A Member may disclose personal information relating to a Client to a third party only if –
- I. it has obtained prior written informed consent of the Client for the disclosure, after giving the Client an effective opportunity to refuse consent;
 - II. the Client has directed the disclosure to be made;
 - III. the Regulator has approved or ordered the disclosure, and unless prohibited by the relevant law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;
 - IV. the disclosure is required under any law or regulations, and unless prohibited by such law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;
 - V. the disclosure is directly related to the provision of a financial product or financial service to the Client, if the Member –
 1. informs the Client in advance that the personal information may be shared with a third party; and
 2. makes arrangements to ensure that the third party maintains the confidentiality of the personal information in the same manner as required under this Part; or
 - VI. the disclosure is made to protect against or prevent actual or potential fraud, unauthorised transactions or claims, if the Member arranges with the third party to maintain the confidentiality of the personal information in the manner required under this Part.-
- c. "Third party" means any person other than the concerned Member, including a person belonging to the same group as the Member.

14. A. Requirement of fair disclosure both initially and on continuing basis

- a. Member must ensure fair disclosure of information that is likely to be required by a Client to make an informed transactional decision.
- b. In order to constitute fair disclosure, the information must be provided –
- i. sufficiently before the Client enters into a financial contract, so as to allow the Client reasonable time to understand the information;
 - ii. in writing and in a manner that is likely to be understood by a Client belonging to a particular category; and
 - iii. in a manner that enables the Client to make reasonable comparison of the financial product or financial service with other similar financial products or financial services.
- c. The types of information that must be disclosed to a Client in relation to a financial product or financial service, which may include information regarding –
- i. main characteristics of the financial product or financial service, including its features, benefits and risks to the Client;
 - ii. consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;

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- iii. existence, exclusion or effect of any term in the financial product or financial contract;
- iv. nature, attributes and rights of the Member, including its identity, regulatory status and affiliations;
- v. contact details of the Member and the methods of communication to be used between the Member and the Client;
- vi. rights of the Client to rescind a financial contract within a specified period; or
- vii. rights of the Client under any law or regulations.

14. B.

- a. Member must provide a Client that is availing a financial product or financial service provided by it, with the following continuing disclosures –
 - I. any material change to the information that was required to be disclosed under point 14.A at the time when the Client initially availed the financial product or financial service
 - II. information relating to the status or performance of a financial product held by the Client, as may be required to assess the rights or interests in the financial product or financial service; and
 - III. any other information that may be specified.
- b. A continuing disclosure must be made –
 - I. within a reasonable time-period from the occurrence of any material change or at reasonable periodic intervals, as applicable; and
 - II. in writing and in a manner that is likely to be understood by a Client belonging to that category

MARGINS

- 15. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the Member or the Exchange or as may be directed by SEBI from time to time as applicable to the segment(s) in which the client trades. The Member is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange or SEBI) and the client shall be obliged to pay such margins within the stipulated time.
- 16. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

TRANSACTIONS AND SETTLEMENTS

- 17. The client shall give any order for buy or sell of commodities derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the Member however ensuring the regulatory requirements in this regard are complied with. The Member shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.
- 18. The Member shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant commodity exchange where the trade is executed.
- 19. The Member shall ensure that the money deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the Member for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, circulars, notices, guidelines of SEBI and/or Rules, Business Rules, Bye-laws, circulars and notices of Exchange.
- 20. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, Member shall be entitled to cancel the respective contract(s) with client(s).
- 21. The transactions executed on the Exchange are subject to Rules, Byelaws and Business Rules and circulars/notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Business Rules of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Business Rules of the Exchanges and the circulars/notices issued thereunder.

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BROKERAGE

22. The Client shall pay to the Member brokerage and statutory levies as are prevailing from time to time and as they apply to the Client's account, transactions and to the services that Member renders to the Client. The Member shall not charge brokerage more than the maximum brokerage permissible as per the Rules, Business Rules and Bye-laws of the relevant commodity exchanges and/or Rules of SEBI.

LIQUIDATION AND CLOSE OUT OF POSITION

23. Without prejudice to the Member's other rights (including the right to refer a matter to arbitration), the client understands that the Member shall be entitled to liquidate/close out all or any of the client's positions for non- payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.
24. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring commodities which the client has ordered to be bought or sold, Member may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/commodities in favor of a Nominee shall be valid discharge by the Member against the legal heir.

DISPUTE RESOLUTION

25. The Member shall co-operate in redressing grievances of the client in respect of all transactions routed through it.
26. The client and the Member shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Business Rules of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.
27. The client/Member understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/Member shall be binding on the client/Member in accordance with the letter authorizing the said representative to deal on behalf of the said client/Member.
28. Requirement for each Member to have an effective grievance redress mechanism which is accessible to all its Clients
- a. A Member must have in place an effective mechanism to receive and redress complaints from its Clients in relation to financial products or financial services provided by it, or on its behalf, in a prompt and fair manner.
 - b. A Member must inform a Client, at the commencement of relationship with the Client and at such other time when the information is likely to be required by the Client, of –
 - i. the Client's right to seek redress for any complaints; and
 - ii. the processes followed by the Member to receive and redress complaints from its Clients.
29. A. Suitability of advice for the Client
- Right to receive advice that is suitable taking into account the relevant personal circumstances of the Client, such as the Client's financial circumstances and needs. This obligation would apply to persons who render advice to Clients and the regulator may specify categories of financial products and service that necessarily require such advice to be given.
- a. A Member must –
 - i. make all efforts to obtain correct and adequate information about the relevant personal circumstances of a Client; and
 - ii. ensure that the advice given is suitable for the Client after due consideration of the relevant personal circumstances of the Client.
 - b. If it is reasonably apparent to the Member that the available information regarding the relevant personal circumstances of a Client is incomplete or inaccurate, the Member must warn the Client of the consequences of proceeding on the basis of incomplete or inaccurate information.
 - c. If a Client intends to avail of a financial product or financial service that the Member determines unsuitable for the Client, the Member –

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- i. must clearly communicate its advice to the Client in writing and in a manner that is likely to be understood by the Client; and
- ii. may provide the financial product or financial service requested by the Client only after complying with point 29.A.a and obtaining a written acknowledgement from the Client.

30. Dealing with conflict of interest

In case of any conflict between the interests of a Client and that of the Member, preference must be given to the Client interests.

- a. A member must –
 - i. provide a Client with information regarding any conflict of interests, including any conflicted remuneration that the Member has received or expects to receive for making the advice to the Client; and
 - ii. give priority to the interests of the Client if the Member knows, or reasonably ought to know, of a conflict between –
 - 1. its own interests and the interests of the Client; or
 - 2. the interests of the concerned Member and interests of the Client, in cases where the Member is a financial representative.
- b. The information under point 16a.i. must be given to the Client in writing and in a manner that is likely to be understood by the Client and a written acknowledgement of the receipt of the information should be obtained from the Client.
- c. In this section, “conflicted remuneration” means any benefit, whether monetary or non-monetary, derived by a Member from persons other than Clients that could, under the circumstances, reasonably be expected to influence the advice given by the Member to a Client.

TERMINATION OF RELATIONSHIP

- 31. This relationship between the Member and the client shall be terminated; if the Member for any reason ceases to be a member of the commodity exchange including cessation of membership by reason of the Member's default, death, resignation or expulsion or if the certificate is cancelled by the Exchange.
- 32. The Member, Authorized Person and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.
- 33. In the event of demise/insolvency of the Authorized Person or the cancellation of his/its registration with the Board or/withdrawal of recognition of the Authorized Person by the commodity exchange and/or termination of the agreement with the Authorized Person by the Member, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the Member and all clauses in the ‘Rights and Obligations’ document(s) governing the Member, Authorized Person and client shall continue to be in force as it is, unless the client intimates to the Member his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

ADDITIONAL RIGHTS AND OBLIGATIONS

- 34. The Member and client shall reconcile and settle their accounts from time to time as per the Rules, Business Rules, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.
- 35. The Member shall issue a contract note to his clients for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The Member shall send contract notes to the investors within 24 hours of the execution of the trades in hard copy and/or in electronic form using digital signature.
- 36. The Member shall make pay out of funds or delivery of commodities as per the Exchange Rules, Bye-Laws, Business Rules and Circulars, as the case may be, to the Client on receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.

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37. The Member shall send a complete 'Statement of Accounts' for both funds and commodities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock broker.
38. The Member shall send margin statements to the clients on daily basis. Margin statement should include, inter- alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, Fixed Deposit Receipts (FDRs), Bank Guarantee, warehouse receipts, securities etc.
39. The Client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with Member and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the Client may enter into shall be completed by the Client prior to such transaction being entered into.
40. 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 Exchange, ensure that client lodge a claim with the Exchange within the stipulated period and with the supporting documents.
41. A. Protection from unfair conduct which includes misleading conduct & abusive conduct
- a. Unfair conduct in relation to financial products or financial services is prohibited.
 - b. "Unfair conduct" means an act or omission by a Member or its financial representative that significantly impairs, or is likely to significantly impair, the ability of a Client to make an informed transactional decision and includes –
 - i. misleading conduct under point 41.B
 - ii. abusive conduct under point 41.C
 - iii. such other conduct as may be specified.
41. B.
- a. Conduct of a Member or its financial representative in relation to a determinative factor is misleading if it is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise, and the conduct involves—
 - I. providing the Client with inaccurate information or information that the Member or financial representative does not believe to be true; or
 - II. providing accurate information to the Client in a manner that is deceptive.
 - b. In determining whether a conduct is misleading under point 41.B.a, the following factors must be considered to be "determinative factors"—
 - I. the main characteristics of a financial product or financial service, including its features, benefits and risks to the Client;
 - II. the Client's need for a particular financial product or financial service or its suitability for the Client;
 - III. the consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
 - IV. the existence, exclusion or effect of any term in a financial contract, which is material term in the context of that financial contract;
 - V. the nature, attributes and rights of the Member, including its identity, regulatory status and affiliations; and
 - VI. the rights of the Client under any law or regulations.
41. C.
- a. A conduct of a Member or its financial representative in relation to a financial product or financial service is abusive if it –
 - i. involves the use of coercion or undue influence; and
 - ii. causes or is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise.
 - b. In determining whether a conduct uses coercion or undue influence, the following must be considered—
 - i. the timing, location, nature or persistence of the conduct;
 - ii. the use of threatening or abusive language or behavior;
 - iii. the exploitation of any particular misfortune or circumstance of the Client, of which the Member is aware, to influence the Client's decision with regard to a financial product or financial service;

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- iv. any non-contractual barriers imposed by the Member where the Client wishes to exercise rights under a financial contract, including –
- v. the right to terminate the financial contract;
- vi. the right to switch to another financial product or another Member and
- vii. a threat to take any action, depending on the circumstances in which the threat is made

ELECTRONIC CONTRACT NOTES (ECN)

- 41. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id (created by the client) to the Member (Kindly refer Appendix A of Annexure 3). Member shall ensure that all the rules/Business Rule/Bye-Laws/ circulars issued from time to time in this regard are complied with. The client shall communicate to the Member any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.
- 42. The Member shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non- tamperable and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
- 43. The client shall note that non-receipt of bounced mail notification by the Member shall amount to delivery of the contract note at the e-mail ID of the client.
- 44. The Member shall retain ECN and acknowledgement of the e-mail in a soft and non-tamperable form in the manner prescribed by the exchange in compliance with the provisions of the IT Act, 2000 and as per the extant rules/circulars/guidelines issued by SEBI/Commodity exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the Member for the specified period under the extant rules/circulars/guidelines issued by SEBI/Commodity exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The Member shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant rules/circulars/guidelines issued by SEBI/Commodity exchanges.
- 45. The Member shall continue to send contract notes in the physical mode to such clients who do not opt to receive the contract notes in the electronic form. Wherever the ECNs have not been delivered to the client or has been rejected (bouncing of mails) by the e-mail ID of the client, the Member shall send a physical contract note to the client within the stipulated time under the extant Regulations/ Rules, Bye-Laws, Business Rules and Circulars of SEBI/commodity exchanges and maintain the proof of dispatch and delivery of such physical contract notes.
- 46. In addition to the e-mail communication of the ECNs to the client, the Member shall simultaneously publish the ECN on his designated web-site, if any, in a secured way and enable relevant access to the clients and for this purpose, shall allot a unique user name and password to the client, with an option to the client to save the contract note electronically and/or take a print out of the same.
- 47. The Electronic Contract Note (ECN) declaration form obtained from the Client who opts to receive the contract note in electronic form. This declaration will remain valid till it is revoked by the client.

LAW AND JURISDICTION

- 48. In addition to the specific rights set out in this document, the Member, Authorised Person and the client shall be entitled to exercise any other rights which the Member or the client may have under the Rules, Bye-laws and Business Rules of the Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules of SEBI.
- 49. The provisions of this document shall always be subject to Government notifications, any rules, guidelines and circulars/notices issued by SEBI and Circulars, Rules, Business Rules and Bye laws of the relevant commodity exchanges, where the trade is executed, that may be in force from time to time.
- 50. The Member and the client shall abide by any award passed by the Arbitrator(s) under the Arbitration and Conciliation Act, 1996. However, there is also a provision of appeal, if either party is not satisfied with the arbitration award.

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51. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations/Business Rules and circulars/notices issued thereunder of the Exchanges/SEBI.
52. All additional voluntary/non-mandatory clauses/document added by the Member should not be in contravention with Rules/ Business Rules/Notices/Circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.
53. If the rights and obligations of the parties hereto are altered by virtue of change in Rules of SEBI or Bye-laws, Rules and Business Rules of the relevant commodity exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.
54. Members are required to send account statement to their clients every month.

INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY MEMBERS TO CLIENT
(All the clauses mentioned in the 'Rights and Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)

1. Member is eligible for providing Internet based trading (IBT) and commodities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The Member shall comply with all requirements applicable to internet based trading/- commodities trading using wireless technology as may be specified by SEBI& the Exchanges from time to time.
2. The client is desirous of investing/trading in commodities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for commodities trading through use of wireless technology. The Member shall provide the Member's IBT Service to the Client, and the Client shall avail of the Member's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Member's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The Member shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with commodities trading through wireless technology/internet or any other technology should be brought to the notice of the client by the Member.
4. The Member shall make the client aware that the Member's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Member's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/ commodities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the Member
6. The Client shall immediately notify the Member in writing if he forgets his password, discovers security flaw in Member's IBT System, discovers/suspects discrepancies/ unauthorized access through his username/password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/ commodities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/password in any manner whatsoever.
8. The Member shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the Member shall send the order/trade confirmation on the device of the client.

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9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Member and the Exchange do not make any representation or warranty that the Member's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Member on account of any suspension, interruption, non-availability or malfunctioning of the Member's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Members/Exchange end for any reason beyond the control of the Member/Exchanges.

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GUIDANCE NOTE - DO's AND DON'Ts FOR THE CLIENTS

Do's

1. Trade only through Registered Members of the Exchange. Check from the Exchange website at following link <https://www.mcxindia.com/membership/notice-board/Member-AP> and <http://www.ncdex.com/Membership/MemDirectory.aspx> -Details to see whether the Member is registered with the Exchange.
2. Insist on filling up a standard 'Know Your Client (KYC)' form before you commence trading
3. Insist on getting a Unique Client Code (UCC) and ensure all your trades are done under the said UCC.
4. Insist on reading and signing a standard 'Risk Disclosure Agreement'.
5. Obtain a copy of your KYC and/ or other documents executed by you with the Member, from the Member.
6. Cross check the genuineness of trades carried out at the Exchange through the trade verification facility available on the Exchange website at the following link <https://www.mcxindia.com/en/login> and <http://www.ncdex.com/MarketData/VerifyTrade.aspx> .The trades can be verified online where trade information is available up to 5 working days from the trade date.
7. Insist on a duly signed Contract Note in specified format for every executed trade within 24 hours of trade, highlighting the details of the trade along with your UCC.
8. 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, etc.
9. Obtain receipt for collaterals deposited with the Member towards margins.
10. Go through the Rules, Bye-laws, Regulations, Circulars, Directives, Notifications of the Exchange as well as of the Regulators, Government and other authorities to know your rights and duties vis-à-vis those of the Member.
11. Ask all relevant questions and clear your doubts with your Member before transacting.
12. Insist on receiving the bills for every settlement.
13. Insist on Monthly statements of your ledger account and report any discrepancies in the statement to your Member within 7 working days. In case of unsatisfactory response report the discrepancy to the Exchange within 15 working days from the date of cause of action.
14. Scrutinize minutely both the transaction & holding statements that you receive from your Depository Participant.
15. Keep Delivery Instruction Slips (DIS) book issued by DPs in safe possession.
16. Ensure that the DIS numbers are preprinted and your account number (UCC) is mentioned in the DIS book.
17. Freeze your Demat account in case of your absence for longer duration or in case of not using the account frequently.
18. Pay required margins in time and only by Cheque and ask for receipt thereof from the Member.
19. Deliver the commodities in case of sale or pay the money in case of purchase within the time prescribed.
20. Understand and comply with accounting standards for derivatives.
21. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the Member. Note that the clauses as agreed between you and the Member cannot be changed without your consent.
22. Get a clear idea about all brokerage, commissions, fees and other charges levied by the Member on you for trading and the relevant provisions/ guidelines specified by SEBI/Commodity exchanges.
23. Make the payments by account payee cheque in favour of the Member. Ensure that you have a documentary proof of your payment/deposit of commodities with the Member, stating date, commodity, quantity, towards which bank/ demat account such money or commodities (in the form of warehouse receipts) deposited and from which bank/ demat account.
24. The payout of funds or delivery of commodities (as the case may be) shall not be made to you within one working day from the receipt of payout from the Exchange, in case you have given specific authorization for maintaining running account to the member. Thus, in this regard, the running account authorization provided by you to the Member shall be subject to the following conditions:
 - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.

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- b) You need to bring any dispute arising from the statement of account to the notice of the Member in writing preferably within 7 (seven) working days from the date of receipt of funds/commodities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Commodity exchanges without delay.
 - c) In case you have not opted for maintaining running account and pay-out is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the Member. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Commodity exchange.
 - d) Please register your mobile number and email id with the Member, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the commodity exchanges.
25. 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 or the member becomes insolvent or bankrupt.
 26. 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.
 27. In case your problem/grievance/issue is not being sorted out by concerned Member/Authorised Person then you may take up the matter with the concerned Commodity Exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.

Don'ts

1. Do not deal with any unregistered intermediaries.
2. Do not undertake off-market transactions as such transactions are illegal and fall outside the jurisdiction of the Exchange.
3. Do not enter into assured returns arrangement with any Member
4. Do not get carried away by luring advertisements, rumours, hot tips, explicit/ implicit promise of returns, etc.
5. Do not make payments in cash/ take any cash towards margins and settlement to/ from the Member.
6. Do not start trading before reading and understanding the Risk Disclosure Agreement.
7. Do not neglect to set out in writing, orders for higher value given over phone.
8. Do not accept unsigned/duplicate contract note/confirmation memo.
9. Do not accept contract note/confirmation memo signed by any unauthorized person.
10. Don't share your internet trading account's password with anyone
11. Do not delay payment/deliveries of commodities to Member.
12. Do not forget to take note of risks involved in the investments.
13. Do not sign blank Delivery Instruction Slips (DIS) while furnishing commodities, deposits and/or keep them with Depository Participants (DP) or member to save time.
14. Do not pay brokerage in excess of that rates prescribed by the Exchange
15. Don't issue cheques in the name of Authorized Person

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POLICIES AND PROCEDURES

1. Refusal of orders for illiquid Commodity

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

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

2. Setting up Client's exposure limits .

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

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

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

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

4. Applicable brokerage rate

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

5. Imposition of penalty / delayed payment charges

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

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

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

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

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

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

If the client give orders/trades in the anticipation of the required commodities being available subsequently for pay in through anticipated pay out from the exchange or through borrowings or any off market delivery(s) or market delivery(s) and if such anticipated availability does not materialize in actual availability of funds for pay in for any reason whatsoever including but not limited to any delays/shortages at the exchange or Commodity broker level/ non release of margin by the Commodity broker etc., the losses which may occur to the client as a consequence of such shortages in any manner such as on account of auctions/square off/ closing outs etc. , shall be solely to the account of the client and the client agrees not to hold the Commodity broker responsible for the same in any form or manner whatsoever.

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

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

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

9. **Deregistering a client**

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

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

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

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

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

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

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

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

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RUNNING ACCOUNT AUTHORIZATION

To,
NikhilCommodity&DerivativesPvt.Ltd.
401 Princess Empire, 12 Race Course Road,
Indore – 452001(M.P.)

Dear Sir,

I/We hereby authorize(s) the MEMBER to maintain a running account, instead of settlement to settlement clearance of funds due to me/us.

The payout of funds may be retained by the MEMBER and no interest shall be payable, by the MEMBER on such funds so retained.

I/We also authorize(s) the MEMBER to consider the funds so retained by the MEMBER towards collateral margin for allowing enhanced gross exposure to me/us.

I/We agree(s) that the MEMBER shall not be liable for any claim for loss or profit, or for any consequential, incidental, special or exemplary damages, caused by retention of such funds under this document or otherwise.

I/WE agree(s) that Member may retain the requisite securities/funds towards outstanding settlement obligations and may also retain the funds expected to be required to meet margin obligations for next 5 trading days, calculated in the manner subject to change as maybe prescribed by SEBI/Exchange time to time.

The actual settlement of funds and securities shall be done by the broker, at least once in a calendar quarter or month, depending on the preference of the client.

While settling the account, the broker shall send to the client a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all receipts/deliveries of funds/securities. The statement shall also explain the retention of funds/securities and the details of the pledge, if any.

The client shall bring any dispute arising from the statement of account or settlement so made to the notice of the broker preferably within 7 working days from the date of receipt of funds/securities or statement, as the case may be. As per prescribed by SEBI/Exchange time to time. The stock broker shall transfer the funds / securities lying in the credit of the client within one working day of the request if the same are lying with him and within three working days from the request if the same are lying with the Clearing Member/Clearing Corporation

There must be a gap of maximum 90/30 days (as per the choice of client viz. Quarterly/Monthly) between two running account settlements as per prescribed by SEBI/Exchange time to time.

With a view to do away with the need to transfer small amounts from Members to the clients and to cut down avoidable transactions with the minimum amount prescribed which can be retained by the members, it may be noted that as per existing requirements members may not refund amounts below Rs.50,000/- to clients for the purpose of settlements. As per prescribed by SEBI/Exchange time to time

There shall be no inter-client adjustments for the purpose of settlement of the 'running account'. Settlement Preference: Monthly () or Quarterly ()

This authorization may be revoked at any time by me/us by giving written notice to the member.

Client Code: _____

Name of Client: _____

Date of Authorization: _____ (DD – MM – YYYY)

Client Signature: **X33** _____

(To be signed by client himself and not by any authorized person on his behalf or holder of the Power of Attorney)

DISCLOSURE BY MEMBER TO CLIENT UNDER PMLA 2002 DISCLOSURE

Dear Client,

Subject: Prevention of Money Laundering

Money laundering is a process of making dirty money clean. Money is moved around the financial system again and again in such manner that its origin gets hidden. It involves complex chain of activities whereby huge amount of money generated from illegitimate activities viz. selling of narcotic drugs, extortion, corruption, illicit dealing in weapons, human trafficking, etc. is put through a series of process so that it comes out at the other end as clean and legal money. Terrorist organizations encourage money laundering to support their illegal acts.

It is important to note that due to increased vigilance in the wake of threats emanating from increasing terrorism, any failure on our part to discharge the duties cast on us under the applicable laws or we becoming an instrumental or apart of the chain, even if unknowingly or ignorantly, may invite the trouble.

In order to fight against the money laundering and terrorist financing the Prevention of Money Laundering Act (PMLA) was brought into force w.e.f. July 1, 2005 in India. Guidelines were also issued in the context of the recommendations made by the Financial Action Task Force on anti- money laundering standards. Compliance with these standards has become imperative for international financial relations.

PMLA is applicable to every intermediary registered with SEBI, which includes a Commodity Brokers and any other intermediary associated with Commodities Market. As per the provisions of PMLA, the intermediaries are required to comply with Know Your Client (KYC) norms, conduct ongoing client due diligence to ensure that the activity being conducted in any account is consistent with the intermediary's knowledge of the client, its business and risk profile.

In light of the above, you are requested to provide the information or documents evidencing source of funds, income tax returns, bank records, demat holding, etc. at the time of registration as a client with us or subsequently whenever asked for during the course of your dealings with us.

DISCLOSURE BY CLIENT UNDER PMLA 2002

Client Name : _____

Details of the Corporate/Partnership Firm/Trust/etc. where I/We am/are affiliated

Sr.	Name	Entity Type	Nature of Business	Relationship	PAN

***If require you may submit in an Annexure.**

I/We hereby submit and agree to submit as the commitment every financial year the following documents to Nikhil Commodity & Derivatives Pvt. Ltd.

1. Audited Annual Accounts
2. Self attested copy of Income Tax Return or
3. Any other financial information as requested by the Nikhil Commodity & Derivatives Pvt. Ltd.

I/We further confirm that I/we invest in the Commodity Market with:

1. My/our owned funds,
2. Borrowed Funds from Bank/NBFC or
3. Borrowed Funds from others

I/We hereby declare that I/We am/are not doing any benami transactions in my/our account. I/We understand that in case of any Cash/ Suspicious/ Benami transactions being observed into my account, the Member may report the same to Director FIU-IND, New Delhi under the provisions of PMLA, 2002 and thereafter I/we will be liable for any enquiry or penalty which might be levy by the Regulatory Authority under the said Act.

Clt. Signature **X34**.....

Clt. Name

DISCLOSURE INFORMATION FOR NIKHIL COMMODITY & DERIVATIVES PVT. LTD.

To,

Dear Client,

Sir/Madam,

This is to inform you that we do not **PRO-ACCOUNT TRADING**. We do only **CLIENT BASE TRADING** in NCDEX and MCX, NSE CDs.

For Nikhil Commodity & Derivatives Pvt. Ltd.
(This is computer generate so signature is not require)

I/ We acknowledge the receipt of the information given by Nikhil Commodity & Derivatives Pvt. Ltd. that they do only client based trading.

Clt. Signature **X35**.....

Clt. Name

NIKHIL COMMODITY & DERIVATIVES PVT LTD

401, PRINCESS EMPIRE, 12 RACE COURSE ROAD, INDORE – 452001 M.P

Electronic Contract Note (ECN) – Declaration (Voluntary)

To,
Nikhil Commodity & Derivatives Pvt. Ltd.
401 Princess Empire, 12 Race Course Road,
Indore – 452001 (M.P.)

Dear Sir,

I/We

a client with Member **M/s Nikhil Commodity & Derivatives Pvt. Ltd.** of **NCDEX** and **MCX** Exchange, NSE CDs, undertake as follows:

- I/We am/are aware that the member has to provide physical contract note in respect of all the trades placed by me/us unless I/We myself/ourselves want/s the same in the electronic form.
- I/We am/are aware that the Member has to provide electronic contract note, I/We find that it is inconvenient for me/us to receive physical contract notes. Therefore, I/We am/are voluntarily requesting for delivery of electronic contract note pertaining to all the trades carried out/ordered by me.
- I/We have access to a computer and am a regular internet user, having sufficient knowledge of handling the email operations.
- My/Our Email ID* is/are This has been created by me not by someone else.
- I/We am/are aware that declaration form should be in English or in any other language known to me.
- I/We am/are aware that non-receipt of bounced mail notification by the member shall amount to delivery of the contract note at the above e-mail ID.

The above declaration and the guidelines on ECN given in the Annexure have been read and understood by me/us. I/We am/are aware of the risk involved in dispensing with the physical contract note and do hereby take full responsibility for the same.

*The Email ID must be written in own handwriting of the client)

Client Signature **X36**

Client Name

Unique Client

Code

PAN No.

Address

Date

Place.....

Verification of the client signature done by on behalf of Member,

Name of designated officer

Member Signature:

(All Document is must require on Company Letterhead and Signature also by 2 Director/Partner/Co-Persons)

List of Directors/Partners/Detail of Karta and Co-Persons in Case HUF (Annexure-1)

Sr.	Name	PAN	Residential Address	DIN/UID	Photographs	Signature

=====

Share Holding Pattern (Annexure-2) - For Company Only

Certificate Date Share Holding Pattern of as on

Sr.	Name	National / Residential Status of each Shareholder	No. of Share held (Face Value of Rs.....)	Amt. Paid up (Rs.)	% of Total	PAN Nos.
Total						

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Board Resolution (Annexure -3) - For Company Only

Certified true copy of the extracts of minutes of the meeting of the board of directors of _____ (Company Name), which was duly converted and where proper quorum was present. Held on _____ (Date), at _____ (address).

Resolved that the company has decided to trade in commodity market with Nikhil Commodity & Derivatives Pvt. Ltd. on National Commodity & Derivatives Exchange Ltd., Multi Commodity Exchange of India Ltd., other future Derivatives exchanges and in physical commodities.

It was further resolved that the below

Sr.	Director/ Authorised Person	Designation	Signature

Director/ Directors/ Authorized Signatory/ ies are hereby jointly & severally authorized to place orders/execute trade/confirm verbally and sign on contract notes, bills and other related document on behalf of company.

Certified True Copy

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Authority Letter (In case of Individual / HUF / Partnership)- Annxeure-4

I /we _____ (Client Name) having a trading account bearing Account no. _____ with **M/s Nikhil Commodity & Derivatives Pvt. Ltd.** hereby authorize the following person hereinafter referred to as trader whose signature is given below, to trade on my/our behalf and we further accept that all obligations arising out of trades executed by the trader will be met by me/us. We further authorize him/ her to accept all our deliveries or make deliveries/contract-notes and other communications for and on behalf of us.

S.NO	NAME (AUTHORIZED PERSON)	SIGNATURE
1		X
2		X
THE ABOVE SIGNATURE ATTESTED BY ACCOUNT HOLDER.		X

WITNESS:-

SIGNATURE	
NAME OF WITNESS	
ADDRESS	

* Note: In case of Individual Account, if the above field is blank then in that case the person whose account is being opened should be treated as Authorised Person and will be authorised for Trading and all other Trading related activities.

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Gross Annual Income Detail and Net-worth (Annxure-5)

Date: _____

To,
Nikhil Commodity & Derivatives Pvt. Ltd.
401, Princess Empire, 12, Race Course Road,
Indore – 452001, Tel : 4015045-47, 4015040-41

Subject: Annual Income & Net worth as on date

This letter is with reference to trading account opening with Nikhil Commodity & Derivatives Pvt. Ltd. in NCDEX and MCX, NSE CDs 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

The information required for trading account opening as on dated _____ as under:-

(Company / Partnership Firm / Karta / Individual)		
Name:		
Descriptions	Date	Amount (In figures) (not be older than 1 Year)
Gross Annual Income (Specify the proof of Annual Income submitted for it)		
Net Worth (Specify the proof of Net Worth submitted for it)		

Thanks,

(_____)

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DECLARATION BY KARTA & ALL THE CO-PARCENERS (Annxure-6)

To,
NIKHIL COMMODITY & DERIVATIVES PVT. LTD.
401 Princess Empire 12 Race Course Road,
Indore – 452001 M.P. India

- Whereas the Hindu Undivided Family of..... is carrying on business in the firm name and style of at or we intent to deal have or desire to have Commodities Trading Account with NIKHIL COMMODITY & DERIVATIVES PVT LTD (hereinafter referred as Member). We undersigned, hereby confirm and declare that we are the present adult co-parceners of the said joint family; that Mr./Mrs. is the present Karta of the said joint family.
- We confirm that affairs of HUF firm are carried on mainly by the Karta Mr/ Mrs. on behalf and in the interest and for the benefits of all the co-parceners. We hereby authorize the Karta on behalf of the HUF to deal with the member and the said trading member is hereby authorized to honor all instructions oral or written, given by him on behalf of the HUF. He is authorized to sell, purchase, transfer, endorse, negotiate documents and/or otherwise deal through the member on behalf of the HUF.

NIKHIL COMMODITY & DERIVATIVES PVT LTD

401, PRINCESS EMPIRE, 12 RACE COURSE ROAD, INDORE – 452001 M.P

He is also authorize to sign execute and submit such applications, undertakings, agreements and other requisite documents, writings and deeds as may be deemed necessary or expedient to open account and give effect to this purpose. We are, however, jointly and severally responsible for all liabilities of the said HUF firm shall be recoverable from the assets of any one or all of us and also from the estate of the said joint family including the interest thereon of every coparceners of the said joint family, including the share of the minor co parceners, if any.

3. We undertake to advise the member in writing of any change that may occur in the Karta ship or in the constitution of the said joint family or of the said HUF firm and until receipt of such notice by the member who shall be binding on the said joint family and the said HUF firm and on our respective estates. We shall, however continue to be liable jointly and severally to the member for all dues obligations of the said HUF firm in the Member's book on the date of the receipt of such notice by the member and until all such dues and obligations shall have been liquidated and discharged.
4. The names and dates of the birth of all the present minor & major co-parceners of the said joint family are given below. We also undertake to inform you in writing as and when each of the said members attains the majority and is authorized to act on behalf of, and bind the said HUF firm.

S.No.	Name of the Co-parceners (including Minor also)	Relationship with Karta	PAN	Address (if other than Karta's address)	Date of Birth	Signature
1.						
2.						
3.						
4.						

***If Require Please submit separate sheet.**

Note : In case of adult family member provide copy of PAN card or any other ID proof (DL/Voter ID/ Passport). In case of Minor Family Member provide copy of age certificate (Birth Certificate/School Leaving Certificate).

Signature of Karta :

Name of HUF :

Date :

Place :

ACKNOWLEDGEMENT TO NIKHIL COMMODITY FROM CLIENT

To,
NIKHIL COMMODITY & DERIVATIVES PVT LTD
401 Princess Empire, 12 Race Course Road,
Indore – 452001 M.P., INDIA

I/We intends to open a Commodity Trading account with M/s. Nikhil Commodity & Derivative Pvt. Ltd. who is Member of NCDEX and MCX, NSE CDs, undertakes as follows :

1. I/We have been duly aware by Member that client has a preference to receive the below referred documents either in electronic form or in physical form:
 - A. Right and Obligations of Member, Authorized Person and Clients.
 - B. Internet and Wireless technology based trading facility provided by Member to Clients.
 - C. Risk and Disclosure document for commodity market.
 - D. Guidance Note-Do's and Don'ts for trading on the Exchange(s) for Investors
2. I/We am/are further aware by my/our Member that for receiving the above said documents in Electronic or Physical Form, I/We have to accord my/our consent.
3. Therefore, in reference to the above, I/We hereby voluntarily accord my/our consent to receive the aforesaid documents in:-
☐ Electronic Form ☐ Physical Form
4. If I/We opted for the same in Electronic mode, then Member can sent said aforesaid documents at my registered email id.
5. I/We am/are aware that the non receipt of bounced mail notification by the Member shall amount to delivery of the aforesaid documents at my registered email id.
6. I/We hereby accord my/our consent to an arbitration agreement by virtue of which I/We shall refer all my/our claims, differences or disputes between us which might have arise out of my/our trading, deposits, margin money, etc. In relation to my/our dealings in contracts and transactions which have been made subject to the Bye-Laws, Rules and Regulations of the Exchange or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions and contracts have entered into, to the arbitration in accordance with the provisions of these Byelaws, Rules and Regulations of the Exchanges.

Cl. Signature **X37**.....

Cl. Name

RECEIPT OF PHYSICAL KIT

To,
NIKHIL COMMODITY & DERIVATIVES PVT LTD
401 Princess Empire, 12 Race Course Road,
Indore – 452001 M.P., INDIA

I/We hereby confirm that I/We have received a copy of following document:

- A. Right and Obligation of Members, Authorised Person and Clients.
- B. Internet and Wireless technology based trading facility provided by Member to Clients.
- C. Risk and Disclosure document for commodity market.
- D. Guidance Note-Do's and Don'ts for trading on the Exchange(s) for Investors.
- E. Policies and Procedures
- F. Tariff Sheet
- G. Other disclosure/ documents as agreed by me/us specifically in voluntary segment

Cl. Signature **X38**.....

Cl. Name

Date

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Investor Charter – Stock Broker

Vision

To follow highest standards of ethics and compliances while facilitating the trading by clients in securities in a fair and transparent manner, so as to contribute in creation of wealth for investors.

Mission

1. To provide high quality and dependable service through innovation, capacity enhancement and use of technology.
2. To establish and maintain a relationship of trust and ethics with the investors.
3. To observe highest standard of compliances and transparency.
4. To always keep 'protection of investors' interest' as goal while providing service.

Services provided to Investors

- Services provided to Investors
- Execution of trades on behalf of investors.
- Issuance of Contract Notes.
- Issuance of intimations regarding margin due payments.
- Facilitate execution of early pay-in obligation instructions.
- Settlement of client's funds.
- Intimation of securities held in Client Unpaid Securities Account (CUSA) Account.
- Issuance of retention statement of funds.
- Risk management systems to mitigate operational and market risk.
- Facilitate client profile changes in the system as instructed by the client.
- Information sharing with the client w.r.t. exchange circulars.
- Redressal of Investor's grievances.

Rights of Investors

- **Ask** for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself.
- **Receive** complete information about the risks, obligations, and costs of any investment before investing.
- **Receive** recommendations consistent with your financial needs and investment objectives.
- **Receive** a copy of all completed account forms and agreements.
- **Receive** account statements that are accurate and understandable.
- Understand the terms and conditions of transactions you undertake.
- **Access** your funds in a timely manner and receive information about any restrictions or limitations on access.
- **Receive** complete information about maintenance or service charges, transaction or redemption fees, and penalties.
- **Discuss** your grievances with compliance officer of the firm and receive prompt attention to and fair consideration of your concerns.

Various activities of Stock Brokers with timelines

NIKHIL COMMODITY & DERIVATIVES PVT LTD

401, PRINCESS EMPIRE, 12 RACE COURSE ROAD, INDORE – 452001 M.P

#	Topic	Expected Timelines
1	KYC entered into KRA System and CKYCR	10 days of account opening
2	Client Onboarding	Immediate, but not later than one week
3	Order execution	Immediate on receipt of order, but not later than the same day
4	Allocation of Unique Client Code	Before trading
5	Copy of duly completed Client Registration Documents to clients	7 days from the date of upload of Unique Client Code to the Exchange by the trading member
6	Issuance of contract notes	24 hours of execution of trades
7	Collection of upfront margin from client	Before initiation of trade
8	Issuance of intimations regarding other margin due payments	At the end of the T day
9	Settlement of client funds	30 days / 90 days for running account settlement (RAS) as per the preference of client. If consent not given for RAS – within 24 hours of pay-out
10	Statement of Accounts for Funds, Securities and Commodities	Weekly basis (Within four trading days of following week)
11	Issuance of retention statement of funds/commodities	5 days from the date of settlement

12	Issuance of Annual Global Statement	30 days from the end of the financial year
13	Investor grievances redressal	30 days from the receipt of the complaint

DOs and DON'Ts for Investors

DOs	DON'Ts
1. Read all documents and conditions being agreed before signing the account opening form.	1. Do not deal with unregistered stock broker.
2. Receive a copy of KYC, copy of account opening documents and Unique Client Code.	2. Do not forget to strike off blanks in your account opening and KYC.
3. Read the product / operational framework / timelines related to various Trading and Clearing & Settlement processes.	3. Do not submit an incomplete account opening and KYC form.
4. Receive all information about brokerage, fees and other charges levied.	4. Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.
5. Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.	5. Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stock broker.
6. If executed, receive a copy of Power of Attorney. However, Power of Attorney is not a mandatory requirement as per SEBI / Stock Exchanges. Before granting Power of Attorney, carefully examine the scope and implications of powers being granted.	6. Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed.
7. Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT etc. as applicable, separately, within 24 hours of execution of trades.	7. Do not opt for digital contracts, if not familiar with computers.

8. Receive funds and securities / commodities on time within 24 hours from pay-out.

8. Do not share trading password.

9. Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges.

9. Do not fall prey to fixed / guaranteed returns schemes.

10. Receive statement of accounts periodically. If opted for running account settlement, account has to be settled by the stock broker as per the option given by the client (30 or 90 days).

10. Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.

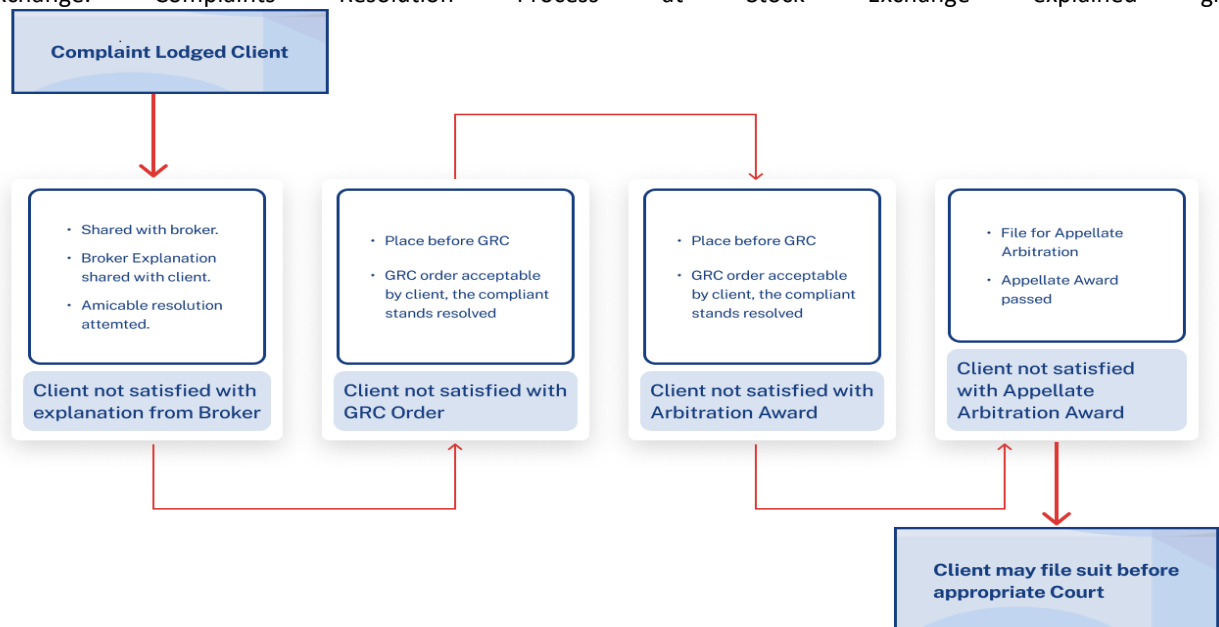
11. In case of any grievances, approach stock broker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.

11. Do not follow herd mentality for investments. Seek expert and professional advice for your investments.

Grievance Redressal Mechanism

Level 1 - Approach the Stock Broker at the designated Investor Grievance e-mail ID of the stock broker. The Stock Broker will strive to redress the grievance immediately, but not later than 30 days of the receipt of the grievance.

Level 2 - Approach the Stock Exchange using the grievance mechanism mentioned at the website of the respective exchange. Complaints Resolution Process at Stock Exchange explained graphically:



Timelines for complaint resolution process at Stock Exchanges against stock brokers

S.No.	Type of Activity	Timelines for activity
1	Receipt of Complaint	Day of complaint (C Day).
2	Additional information sought from the investor, if any, and provisionally forwarded to stock broker.	C + 7 Working days.
3	Registration of the complaint and forwarding to the stock broker.	C+8 Working Days i.e. T day.
4	Amicable Resolution.	T+15 Working Days.
5	Refer to Grievance Redressal Committee (GRC), in case of no amicable resolution.	T+16 Working Days.
6	Complete resolution process post GRC.	T + 30 Working Days.
7	In case where the GRC Member requires additional information, GRC order shall be completed within.	T + 45 Working Days.
8	Implementation of GRC Order.	On receipt of GRC Order, if the order is in favour of the investor, debit the funds of the stock broker. Order for debit is issued immediately or as per the directions given in GRC order.
9	In case the stock broker is aggrieved by the GRC order, will provide intention to avail arbitration	Within 7 days from receipt of order

10	If intention from stock broker is received and the GRC order amount is upto Rs.20 lakhs	Investor is eligible for interim relief from Investor Protection Fund (IPF).The interim relief will be 50% of the GRC order amount or Rs.2 lakhs whichever is less. The same shall be provided after obtaining an Undertaking from the investor.
11	Stock Broker shall file for arbitration	Within 6 months from the date of GRC recommendation
12	In case the stock broker does not file for arbitration within 6 months	The GRC order amount shall be released to the investor after adjusting the amount released as interim relief, if any.

Handling of Investor's claims / complaints in case of default of a Trading Member / Clearing Member (TM/CM) Default of TM/CM

Following steps are carried out by Stock Exchange for benefit of investor, in case stock broker defaults:

- Circular is issued to inform about declaration of Stock Broker as Defaulter.
- Information of defaulter stock broker is disseminated on Stock Exchange website.
- Public Notice is issued informing declaration of a stock broker as defaulter and inviting claims within specified period.
- Intimation to clients of defaulter stock brokers via emails and SMS for facilitating lodging of claims within the specified period

Following information is available on Stock Exchange website for information of investors:

- Norms for eligibility of claims for compensation from IPF.
- Claim form for lodging claim against defaulter stock broker.
- FAQ on processing of investors' claims against Defaulter stock broker.
- Provision to check online status of client's claim.

Level 3 – The complaint not redressed at Stock Broker / Stock Exchange level, may be lodged with SEBI on SCORES (a web based centralized grievance redressal system of SEBI) @ <https://scores.gov.in/scores/Welcome.html>

Most Important Terms and Conditions (MITC)

(For non-custodial settled trading accounts)

1. Your trading account has a “Unique Client Code” (UCC), different from your demat account number. Do not allow anyone (including your own stock broker, their representatives and dealers) to trade in your trading account on their own without taking specific instruction from you for your trades. Do not share your internet/ mobile trading login credentials with anyone else.
2. You are required to place collaterals as margins with the stock broker before you trade. The collateral can either be in the form of funds transfer into specified stock broker bank accounts or margin pledge of securities from your demat account. The bank accounts are listed on the stock broker website. Please do not transfer funds into any other account. The stock broker is not permitted to accept any cash from you.
3. The stock broker’s Risk Management Policy provides details about how the trading limits will be given to you, and the tariff sheet provides the charges that the stock broker will levy on you.
4. All securities purchased by you will be transferred to your demat account within one working day of the payout. In case of securities purchased but not fully paid by you, the transfer of the same may be subject to limited period pledge i.e. seven trading days after the pay-out (CUSPA pledge) created in favor of the stock broker. You can view your demat account balances directly at the website of the Depositories after creating a login.
5. The stock broker is obligated to deposit all funds received from you with any of the Clearing Corporations duly allocated in your name. The stock broker is further mandated to return excess funds as per applicable norms to you at the time of quarterly/ monthly settlement. You can view the amounts allocated to you directly at the website of the Clearing Corporation(s).
6. You will get a contract note from the stock broker within 24 hours of the trade.
7. You may give a one-time Demat Debit and Pledge Instruction (DDPI) authority to your stock broker for limited access to your demat account, including transferring securities, which are sold in your account for pay-in.
8. The stock broker is expected to know your financial status and monitor your accounts accordingly. Do share all financial information (e.g. income, networth, etc.) with the stock broker as and when requested for. Kindly also keep your email Id and mobile phone details with the stock broker always updated.
9. In case of disputes with the stock broker, you can raise a grievance on the dedicated investor grievance ID of the stock broker. You can also approach the stock exchanges and/or SEBI directly.
10. Any assured/guaranteed/fixed returns schemes or any other schemes of similar nature are prohibited by law. You will not have any protection/recourse from SEBI/stock exchanges for participation in such schemes.

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Signature of the Client