

Full Name of KYC Verifier: \_\_\_\_\_ Employee Code: \_\_\_\_\_

## KYC Checklist

**\* All Originals to Produced for physical verification. | \*Copies of all documents to be self attested.**

**i. General**

- Colored Passport size photo & Signed across       PAN Card     Pan Verification     All Copies Self Attested  
 In person verification stamp on all docs (Individuals)     Original seen and verified stamp on all docs  
 Witness Signature, Address & Contact details

**ii. Additional Proof of Identify**

- UID (Aadhaar)     Valid Passport     Valid Driving License     Voter ID     Any other Supporting doc: \_\_\_\_\_

**iii. Bank Proof With MICR / IFSC Code**

- Pre printed Cancelled cheque     Bank Statement     Pass Book

**iv. Proof of Permanent / Correspondence address**

- Ration Card     Valid Passport     Valid Driving License     Voter ID     Bank Passbook (Not more than 3 months old)  
 Tel. Land Line Bill (Not more than 3 months old)     Electricity Bill (Not more than 3 months old)     UID (Aadhaar)  
 Registered Lease or Sale Agreement     Bank Statement (Not more than 3 months old)     Bank Verification Letter  
(on Letterhead of Bank)

Any other supporting doc; \_\_\_\_\_

**v. Demat Proof**

- Client Master     DP Statement     Transaction cum Holding Statement     Welcome Letter

**vi. Financial Documentary Proof**

- Copy of ITR Acknowledgement     Bank account statement for last 6 months     Net worth certificate     Salary Slip  
 Copy of Form 16 in case of salary income     Copy of demat account Holding Statement.     Copy of Annual Accounts  
 Any other relevant documents substantiating ownership of assets.     Self declaration along with relevant supporting

## Ganganagar Commodity Limited

### Membership Details:

Exchange	Registration No.	FMC Unique Membership Code (UMC)
MCX	40355	MCX/TCM/CORP/1764
NCDEX	00471	NCDEX/TCM/CORP/0593
ACE	6128	ACEL/TCM/CORP/0311

### Registered Office Address

Ganganagar Commodity Limited  
 424, 4<sup>th</sup> Floor, City Centre, The Mall, Kanpur-208001  
 Email: [info@gclindia.co](mailto:info@gclindia.co) | Website: [www.gclindia.co](http://www.gclindia.co)

### Correspondence Address

Ganganagar Commodity Limited  
 15 National Highway, Opp. S.D. College, Sri Ganganagar-335001  
 Phone: +91-154-2486281  
 Fax: +91-154-2477181  
 Email: [info@gclindia.co](mailto:info@gclindia.co) | Website: [www.gclindia.co](http://www.gclindia.co)

### **Compliance Officer Details**

Name: Atul Midha  
 Email ID: [compliance@gclindia.co](mailto:compliance@gclindia.co)  
 Phone No: +91-141-2357943

### **CEO Details**

Name: Vishal Bagadia  
 Email ID: [ceo@gclindia.co](mailto:ceo@gclindia.co)  
 Phone No: +91-154-2486281

For any grievance/dispute please contact Ganganagar Commodity Limited at the above mentioned address or email [complaints@gclindia.co](mailto:complaints@gclindia.co) or call 0154-2486281. In case you are not satisfied with the response, please contact the concerned exchanges, MCX at [grievance@mcxindia.com](mailto:grievance@mcxindia.com) or Phone No.: 022-67318888; NCDEX at [askus@ncdex.com](mailto:askus@ncdex.com) or Phone No.: 022-66406084; ACE at [services@aceindia.com](mailto:services@aceindia.com) or Phone No.: 022-66709201

### CLIENT REGISTRATION FORM

BRANCH/AUTHORIZED PERSON CODE:	
BRANCH/AUTHORIZED PERSON NAME:	
INTRODUCER/CODE:	
CLIENT CODE:	
CLIENT NAME:	


**GANGANAGAR COMMODITY LIMITED**  
**SET OF ACCOUNT OPENING DOCUMENTS**

S. No.	Name of the Document	Brief Significance of the Document	Page No
<b>MANDATORY DOCUMENTS AS PRESCRIBED BY FMC &amp; EXCHANGES</b>			
1	KYC (Account Opening) Application Form	KYC Form - Document captures the basic information about the constituent and an instruction/check list.	4-8
2	Uniform Risk Disclosure	Document detailing risks associated with dealing in the	9-10
3	Rights and Obligations of Members, Authorized Persons and Client	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).	11-16
4	Dos and Don'ts for the Investors	Document detailing do's and don'ts for trading on exchange for the education of the investors.	17
5	Tariff Sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the Commodity Exchange(s)	18
<b>VOLUNTARY DOCUMENTS</b>			
6	Internet & Wireless Technology	Internet & Wireless Technology based Trading Facility provided by Members to Client	19
7	Running Account Authorization	Voluntary Authorization letter	20
8	SMS & Email Alert Facility	Authorization to confirm details of transaction carried out through GCL.	20
9	Letter of Authority	Voluntary Authorization to Stock Broker	21
10	Appendix-A	Electronic Contract Note [ECN] Declaration	22
11	Annexure-N	Receipt of KYC, RDD and Dos & Don'ts	23
12	Annexure-O	Additional Rights & Obligations	24
13	User ID	Application for User ID Creation	25
14	Disclosure Information	Voluntary Document	26
15	Declaration	Declaration for Mobile	26
16	Declaration	Client Defaulter Declaration	26
17	Authorization Format	Format for Client Position Authorization.	27
18	Order Acceptance Declaration	Verbal order Acceptance Authorization	27
19	Trade Authorization	Voluntary Document	28
20	Request for trading in commodity forward contracts/ commodity derivatives	Request from client for trading in commodity forward contract/commodity derivatives as prescribed by NCDEX vide circular NCDEX/ TRADING-114/2006/247 dated September 28, 2006 (Mandatory for NCDEX Clients)	29
21	Clubbing of Open Positions	Guidelines regarding clubbing of open positions from MCX and NCDEX	29
22	Clubbing of Open Positions	Guidelines regarding clubbing of open positions from MCX and NCDEX	29

**Know Your Client (KYC)****Application Form (For Individuals Only)**

Application No.:

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

<p><b>A. Identity Details (please see guidelines overleaf)</b></p> <p>1. <b>Name of Applicant</b> (As appearing in supporting identify cation document) Name _____ Father's /Spouse's Name _____</p> <p>2. <b>a. Gender</b> Please tick (✓) <input type="checkbox"/> Male <input type="checkbox"/> Female <b>b. Marital Status</b> Please tick ( ) <input checked="" type="checkbox"/> Single <input type="checkbox"/> Married</p> <p>3. <b>c. Date of Birth</b> (DD/MM/YYYY) _____</p> <p>4. <b>Nationality</b> Please tick (✓) <input type="checkbox"/> Indian <input type="checkbox"/> Others _____ Please specify _____</p> <p>5. <b>Status</b> Please tick (✓) <input type="checkbox"/> Resident Individual <input type="checkbox"/> Non Resident <input type="checkbox"/> Foreign National (Passport copy mandatory for NRIs and Foreign Nationals)</p> <p>6. <b>PAN</b> _____ Please enclose a duly attested copy of your PAN Card. Unique Identifi cation Number (UID) /Aadhaar, if any _____</p> <p>7. <b>Proof of Identity submitted for PAN exempt cases</b> Please tick (✓) <input type="checkbox"/> UID (Aadhaar) <input type="checkbox"/> Passport <input type="checkbox"/> Voter ID <input type="checkbox"/> Driving License <input type="checkbox"/> Other _____ Please specify _____ (please see guideline 'D' overleaf)</p>	<p>PHOTOGRAPH Please affix</p> <p>A recent passport size photograph and sign across it</p> 	
<p><b>B. Address Details (please see guidelines overleaf)</b></p> <p>1. <b>Address for Correspondence:</b> _____ _____ City / Town / Village _____ Postal Code _____ State _____ Country _____</p> <p>2. <b>Contact Details</b> Tel. (Off.) _____ Tel. (Res.) _____ Mobile _____ Fax _____ E-Mail Id. _____</p> <p>3. <b>Proof of address to be provided by Applicant. Please submit ANY ONE of the following valid documents &amp; tick (✓) against the document attached.</b> <input type="checkbox"/> Passport <input type="checkbox"/> Ration Card <input type="checkbox"/> Registered Lease / Sale Agreement of Residence <input type="checkbox"/> Driving License <input type="checkbox"/> Voter Identity Card <input type="checkbox"/> *Latest Bank Account Statement/Passbook <input type="checkbox"/> *Latest Telephone Bill (only Land Line) <input type="checkbox"/> *Latest Electricity Bill <input type="checkbox"/> Other .....Please</p> <p>4. <b>Permanent Address of Resident Applicant if different from B1 above OR Overseas Address (Mandatory) for Non-Resident Applicant</b> _____ _____ City / Town / Village _____ Postal Code _____ State _____ Country _____</p> <p>5. <b>Proof of address to be provided by Applicant. Please submit ANY ONE of the following valid documents &amp; tick (✓) against the document attached.</b> <input type="checkbox"/> Passport <input type="checkbox"/> Ration Card <input type="checkbox"/> Registered Lease / Sale Agreement of Residence <input type="checkbox"/> Driving License <input type="checkbox"/> Voter Identity Card <input type="checkbox"/> *Latest Bank Account Statement/Passbook <input checked="" type="checkbox"/> *Latest Telephone Bill (only Land Line) <input type="checkbox"/> *Latest Electricity Bill <input type="checkbox"/> Other .....Please</p>		
<p><b>C. Other Detials (please see guidelines overleaf)</b></p> <p>1. <b>Gross Annual Income Details</b> Please tick (✓) <input type="checkbox"/> Below 1 Lac <input type="checkbox"/> 1-5 Lacs <input type="checkbox"/> 5-10 Lacs <input type="checkbox"/> 10-25 Lacs <input type="checkbox"/> &gt;25 Lacs [OR] Net-worth in v .....(*Net worth should not be older than 1 year) _____ as on (date) DD/MM/YYYY</p> <p>2. <b>Occupation Details</b> (Please tick (✓) any one and give brief details) <input type="checkbox"/> Private Sector Service <input type="checkbox"/> Public Sector <input type="checkbox"/> Government Service <input type="checkbox"/> Business <input type="checkbox"/> Professional <input type="checkbox"/> Agriculturist <input type="checkbox"/> Retired <input type="checkbox"/> Housewife <input type="checkbox"/> Student <input type="checkbox"/> Forex Dealer <input type="checkbox"/> Others(Please specify) _____</p> <p>3. <b>Please tick if applicable:</b> <input type="checkbox"/> Politically Exposed Person (PEP) <input type="checkbox"/> Related to a Politically Exposed Person (PEP) for definition of PEP, please refer guideline overleaf</p> <p>4. <b>Any Other Information :</b> _____</p>		
<p style="text-align: center;"><b>DECLARATION</b></p> <p>I hereby declare that the details furnished above are true and correct to the best of my knowledge and belief and I undertake to inform you of any changes therein, immediately. In case any of the above information is found to be false or untrue or misleading or misrepresenting, I am aware that I may be held liable for it. I hereby authorize sharing of the information furnished on this form with all SEBI/FMC registered KYC Registration Agencies.</p> <p>Place: _____ Date: _____</p>	<p style="text-align: center;"><b>SIGNATURE OF APPLICANT</b></p> <div style="border: 1px solid black; height: 80px; width: 100%;"></div>	
<b>FOR OFFICE USE ONLY</b>		
<p>AMC/Intermediary name OR code _____</p> <p><input type="checkbox"/> (Originals Verified) Self Certified Document copies received</p> <p><input type="checkbox"/> (Attested) true copies of documents received</p>	<p>Seal/Stamp of the intermediary should contain Staff Name * _____ Designation _____</p> <p>Name of the Organization Signature _____</p> <p>Date _____</p>	<p><b>IPV Done</b> <input type="checkbox"/> on (DD/MM/YYYY) _____</p> <p>Seal/Stamp of the intermediary should contain Staff Name _____</p> <p>Designation _____</p> <p>Name of the Organization Signature _____</p> <p>Date _____</p>

## INSTRUCTIONS / CHECK LIST FOR FILLING KYC FORM

### A. IMPORTANT POINTS:

1. **Self attested copy of PAN card is mandatory.**
2. Copies of all documents that are submitted need to be compulsorily self-attested by the applicant and accompanied by 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 list mentioned under [E].
3. If any proof of identity or address is in a foreign 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 addresses 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 FEMA guidelines), copy of passport/PIOCard/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.
10. 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 (\*Documents having an expiry date should be valid on the date of submission.):

1. PAN card with photograph. This is a mandatory requirement for all applicants except those who are specifically exempt from obtaining PAN (listed in Section D).
2. Unique Identification Number (UID) (Aadhaar)/Passport/Voter ID card/Driving license.
3. Identity card/ document with applicant's Photo, 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: (\*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 or 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. The proof of address in the name of the spouse may be accepted.

### D. Exemptions/clarifications to PAN (\*Sufficient documentary evidence in support of such claims to be collected.)

1. In case of transactions 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.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. Micro schemes such as Systematic Investment Plan (SIP), where aggregate of installments in a rolling 12 month period or in a financial year i.e. April to March does not exceed Rs 50,000.




### E. List of people authorized to attest the documents after verification with the originals:

1. Authorised officials of Asset Management Companies (AMC).
2. Authorised officials of Registrar & Transfer Agent (R&T) acting on behalf of the AMC.
3. KYD compliant mutual fund distributors.
4. 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).
5. 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.

Government authorised officials who are empowered to issue Apostille Certificates.

### F. List of people authorized to perform In Person Verification (IPV):

1. Authorised officials of Asset Management Companies (AMC).
2. Authorised officials of Registrar & Transfer Agent (R&T) acting on behalf of the AMC.
3. KYD compliant mutual fund distributors.
4. Manager of a Scheduled Commercial/Co-operative Bank or Multinational Foreign Banks (for investors investing directly).
5. In case of NRI applicants, a person permitted to attest documents in E(5) above, may also conduct the In Person Verification and confirm this in the KYC Form.

Bank Name		Account No.	Account Type	Branch Address	MICR No.	IFSC Code
1.			<input type="checkbox"/> Saving <input type="checkbox"/> Current <input type="checkbox"/> Others			
2.			<input type="checkbox"/> Saving <input type="checkbox"/> Current <input type="checkbox"/> Others			
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.						
<b>D. BANK ACCOUNT(S) DETAILS</b>						
<b>E. DEPOSITORY ACCOUNT (S) DETAILS, if available</b>						
Depository Participant Name		Depository Name (NSDL/CDSL)	Beneficiary Name	DP ID	Beneficiary ID (BO ID)	
Note: Provide a copy of either Demat Master or a recent holding statement issued by DP bearing name of the client.						
<b>F. TRADING PREFERENCES</b>						
Note: Please sign in the relevant boxes against the Exchange with which you wish to trade. The Exchange not chosen should be struck off by the client.						
Sr. No.	Name of the National Commodity Exchanges #	Date of Consent for Trading on concerned Exchange	Signature of the Client			
1.	MCX					
2.	NCDEX					
3.	ACE					
<b>G. INVESTMENT/TRADING EXPERIENCE</b>						
Investment Experience			<input type="checkbox"/> No prior experience _____ Years in Commodities _____ Years in other investment related fields			
<b>H. SALES TAX REGISTRATION DETAILS (As applicable, State wise)</b>						
Local Sales Tax (Details of all states where registered)		State	Registration No.	Validity Date		
Central Sales Tax		Registration No.	Validity Date			
<b>I. VAT DETAILS (As applicable, State wise)</b>						
Local Vat (Details of all states where registered)		State	Registration No.	Validity Date		
<b>J. PAST REGULATORY ACTIONS</b>						
Details of any action/proceedings initiated/pending/taken by FMC/SEBI/Stock Exchange/Commodity Exchange/ any other Authority against the client during the last 3 years:						
<b>K. DEALINGS THROUGH OTHER MEMBERS</b>						
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 Registration No.				
Concerned Member's Name with whom AP is registered						

Registered Office Address			
Phone		Fax	
Email		Client Code	
Website			
Details of disputes/dues pending from/ to such Member/ AP:			
<b>L. INTRODUCER DETAILS (Optional)</b>			
Name of Introducer			
Status of the Introducer		<input type="checkbox"/> Authorized Person <input type="checkbox"/> Existing Client <input type="checkbox"/> Others _____	
Address & Ph. No. of Introducer		Ph:	
Introducer's Signature		Introducer Code	
<b>M. ADDITIONAL DETAILS</b>			
Whether you wish to receive communication from member in electronic form on your Email ID			
<input type="checkbox"/> Yes <input type="checkbox"/> No    {If Yes then please fill in Appendix-A}			
<input type="checkbox"/> Yes <input type="checkbox"/> No    {If Internet Trading}			
<b>N. NOMINATION DETAILS</b>			
<input type="checkbox"/> I/We do not wish to nominate			
<input type="checkbox"/> I/We wish to nominate			
Name of Nominee		Relationship with Nominee	
PAN of Nominee		DOB of Nominee	
Address & Ph. No. of Nominee			
If Nominee is a minor, details of guardian:			
Name of Guardian		Signature of Guardian	
Address & Ph. No. of Guardian			
<b>WITNESSES (Only applicable in case the account holder has made nomination)</b>			
Name of Witness 1		Signature of Witness	
Address & Ph. No. of Witness			
Name of Witness 2		Signature of Witness	
Address & Ph. No. of Witness			



Signature of Client

**DECLARATION**

1. 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.
2. I/We confirm having read/been explained and understood the contents of the tariff sheet and all voluntary/non-mandatory documents.
3. I/We further confirm having read and understood the contents of the 'Rights and Obligations' document(s), 'Risk Disclosure Document' and 'Dos and Don'ts'. I/We do hereby agree to be bound by such provisions as outlined in these documents. I/We have also been informed that the standard set of documents has been displayed for Information on Member's designated website, if any

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



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

Signature of Client

**FOR OFFICE USE ONLY**

<b>UCC Code allotted to the Client</b>	
<b>Documents verified with Originals</b>	
<b>Name of the Employee</b>	
<b>Employee Code</b>	
<b>Designation of the Employee</b>	
<b>Date of Verification</b>	
<b>Signature of Employee</b>	

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, 'Dos 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 Authorised Signatory

Seal/Stamp of the Member



**Annexure-2**  
**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 market/trading. This brief statement does not disclose all of the risks and other significant aspects of trading. You should, therefore, study derivatives trading carefully before becoming involved in it. In the light of the risks involved, you should undertake transactions only if you understand the nature of the relationship into which you are entering and the extent of your exposure to risk.

You must know and appreciate that trading in Equity shares, derivatives contracts or other instruments traded on the Stock Exchange, 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 Stock exchanges and suffer adverse consequences or loss, you shall be solely responsible for the same and Stock exchanges/its Clearing Corporation and/or FMC shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take a plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned Member. The constituent 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 derivative contract being traded on Stock exchanges.

It must be clearly understood by you that your dealings on Stock exchanges through a Member shall be subject to your fulfilling certain formalities set out by the Member, which may inter alia include your filling the know your client form, reading the rights and obligations, do's and don'ts, etc., and are subject to the Rules, Byelaws and Regulations of relevant Stock exchanges, its Clearing Corporation, guidelines prescribed by FMC and in force from time to time and Circulars as may be issued by Stock exchanges or its Clearing Corporation and in force from time to time.

The exchanges 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 Stock exchanges and/or any third party based on any information contained in this document. Any information contained in this document must not be construed as business advice. No consideration to trade should be made without thoroughly understanding and reviewing the risks involved in such trading. If you are unsure, you must seek professional advice on the same.

In considering whether to trade or authorize someone to trade for you, you should be aware of or must get acquainted with the following.

**1. BASIC RISKS involved in the trading of Commodity futures Contracts and other Commodity Derivatives Instruments on the Exchange.**

**1.1 Risk of Higher Volatility:**

Volatility refers to the dynamic changes in price that a security/derivatives contract undergoes when trading activity continues on the Stock Exchanges. Generally, higher the volatility of a security/derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded securities/ derivatives contracts than in active securities / derivatives 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 notional or real losses.

**1.2 Risk of Lower Liquidity:**

- a. Liquidity refers to the ability of market participants to buy and/or sell securities / derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers 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 securities / derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities / derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities / derivatives contracts as compared to active securities / derivatives contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.
- b. Buying or selling securities / derivatives contracts as part of a day trading strategy may also result into losses, because in such a situation, securities / derivatives contracts may have to be sold / purchased at low/ high prices, compared to the expected price levels, so as not to have any open position or obligation to deliver or receive a security / derivatives contract.

**1.3 Risk of Wider Spreads:**

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

**1.4 Risk-reducing orders:**

- c. Most of the Exchanges have a facility for investors to place "limit orders", "stop loss orders" etc. Placing of 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.
- d. 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 security / derivatives contract.
  - e. A "limit" order will be executed only at the "limit" price specified for the order or a better price. However, while the customer receives price protection, there is a possibility that the order may not be executed at all.
- f. A stop loss order is generally placed "away" from the current price of a stock / derivatives contract, and such order gets activated if and when the security / derivatives 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 security / derivatives contract reaches the 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 security / derivatives 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.

### 1.5 Risk of News Announcements:

Traders/Manufacturers make news announcements that may impact the price of stock / derivatives contract 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 security / contract.

### 1.6 Risk of Rumors:

Rumors about companies / currencies at times float in the market through word of mouth, newspapers, websites or news agencies, etc. The investors should be wary of and should desist from acting on rumors.

### 1.7 System Risk:

- g. 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.
- h. 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 order execution and its confirmations.
- i. 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 security / derivatives contract due to any action on account of unusual trading activity or security / derivatives contract hitting circuit filters or for any other reason.

### 1.8 System/Network Congestion:

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

### Effect of "Leverage" or "Gearing":

- A. The amount of margin is small relative to the value of the commodity derivatives contract so the transactions are 'leveraged' or 'geared'.  
Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the margin amount. But transactions in derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in derivatives and also trade with caution while taking into account one's circumstances, financial resources, etc.
- B. Trading in Futures Commodity Derivatives involve daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index / derivatives contract. If the contract has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This amount will have to be paid within a stipulated time frame, generally before commencement of trading on next day.
- C. If you fail to deposit the additional amount by the deadline or if an outstanding debt occurs in your account, the Member may liquidate a part of or the whole position or substitute securities. In this case, you will be liable for any losses incurred due to such close-outs.
- D. Under certain market conditions, an investor may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- E. Steps may be changes in the margin rate, increases in the cash margin rate or others. These new measures may also 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 broker to provide the full details of 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 commodity trading through wireless technology or any other technology should be brought to the notice of the client by the Member.

## 4. GENERAL

- **Deposit cash and property:**

You should familiarize yourself with the protections accorded to the money or other property 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 the arbitration as per the Rules, Bye-laws and Business Rules of the Exchange.

- **Commission and other charges:**

Before you begin to trade, you should obtain a clear explanation of all commissions, fees and other charges for which you will be liable.

These charges will affect your net profit (if any) or increase your loss.

- For right and obligations of the Members/Authorised Persons/clients, please refer to Annexure 3

- 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.
- 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 Unique Member Code from FMC.



.....  
Signature of Client

**Annexure-3****RIGHTS AND OBLIGATIONS OF MEMBERS, AUTHORIZED PERSONS AND CLIENTS****As prescribed by FMC 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/Forward Markets Commission (FMC) 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 FMC 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 stock 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 Precise nature of the Member's liability for business to be conducted, including any limitations, the liability and the capacity in which the Members 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. The 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/FMC 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.
- 11A.. Protection from Unfair terms in financial Contracts\*\*
  - a) An unfair term of a non-negotiated Contract Will be Void.
  - 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 in to 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;
    - 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 Contracts offered by Commodity exchanges.
    - iv. The financial contract as a whole and the terms of any other contract on which it is dependent.
  - j. 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.
  - k. 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 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 Member.
11. C.
- a. The above does not apply to term of 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 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.
13. A. Protection of any 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; any
    - 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 services 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, unauthorized 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.
- 14A Requirement of fair disclosure both initially and on continuing basis
- a. Member must endure 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. Sufficient 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 risk to the Client;
    - ii. Consideration to be paid for the financial product or financial services or the manner in which the consideration is calculated;
    - 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. Right of the Client to rescind a financial contract within a specified period; or
- vii. Right of the Client under any law of 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 FMC 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 FMC) 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 regards 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/securities 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, Regulations, circulars, notices, guidelines of FMC and/or Rules, Regulations, Bye-laws, circulars and notices of Exchange.
- 20. Where the Exchanges(s) cancels trade(s) suomoto 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 Regulations and circulars/notices issued there under 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 Regulations of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Regulations of the Exchanges and the circulars/notices issued there under.

**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, regulations and bye-laws of the relevant commodity exchanges and/or rules of FMC.

**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/commodity 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 Regulations of the Exchanges where the trade is executed and circulars/notices issued there under 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 in to account the relevant personal circumstances of the Client, such as the Clients 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 –

- 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.

29. Dealing with conflict of interest

In case of any conflict between the interests of a Client and that of the Member, preference much 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 sub-broker by the stock 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, Regulations, Bye Laws, Circulars, Notices and Guidelines issued by FMC and the relevant Exchanges where the trade is executed.

35. The Member shall issue a contract note to his constituents 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 one working day 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 securities, as the case may be, to the Client within one working day of 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.

37. The Member shall send a complete 'Statement of Accounts' for both funds and securities 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 Member. A detailed statement of accounts must be sent every month to all the clients in physical form. The proof of delivery of the same should be preserved by the Member.

38. The Member shall send daily margin statements to the clients. Daily 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 and securities.
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 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;
  - iv. Any non-contractual barriers imposed by the member where the client wishes to exercise right 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)**

42. 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 1). 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.
43. The Member shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-tamper able 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.
44. 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.
45. 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/regulations/circulars/guidelines issued by FMC/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 regulations of FMC/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 FMC/commodity exchanges.

46. 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 FMC/commodity exchanges and maintain the proof of dispatch and delivery of such physical contract notes.
47. 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.
48. The Electronic Contract Note (ECN) declaration form will be obtained from the Client who opts to receive the contract note in electronic form. The declaration will remain valid till it is revoked by the client.

#### LAW AND JURISDICTION

49. 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 there under or Rules of FMC.
50. The provisions of this document shall always be subject to Government notifications, any rules, regulations, guidelines and circulars/notices issued by FMC and Rules, Regulations and Bye laws of the relevant stock exchanges, where the trade is executed, that may be in force from time to time.
51. 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 within the stock exchanges, if either party is not satisfied with the arbitration award.
52. 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 and circulars/notices issued there under of the Exchanges/FMC.
53. All additional voluntary/non-mandatory clauses/ document added by the Member should not be in contravention with rules/business rules/notices/circulars of Exchanges/FMC. Any changes in such voluntary clauses/documents(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/FMC shall also be brought to the notice of the clients.
54. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of FMC or Bye-laws, Rules and business rules of the relevant stock 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.
55. Members are required to send account statement to their clients every month in physical form.



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Signature of Client



**Annexure - 4**  
**GUIDANCE NOTE DOS AND DON'TS FOR THE CLIENTS**

**DOS**

1. Trade only through Registered Members of the Exchange. Check from th Exchange website at following link  
MCX: <http://www.mcxindia.com/SitePages/MembersDetails.aspx>  
NCDEX: <http://www.ncdex.com/Membership/MemDirectory.aspx>  
ACE: <http://www.aceindia.com/membership/Directory>
2. Insist on filling up a standard 'Know Your Client (KYC)' form before yo commence trading
3. Insist on getting a Unique Client Code (UCC) and ensure all your trades ar 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 wit the Member, from the Member.
6. Cross check the genuineness of trades carried out at the Exchange through the trade verification facility available at the following link MCX: <http://www.mcxindia.com/SitePages/TradeVerification.aspx> NCDEX: <http://www.ncdex.com/MarketData/VerifyTrade.aspx> ACE: <http://www.aceindia.com/market-Data/tradeverification>  
The trades can be verified online up to 5 working days from the trad date.
7. Insist on a duly signed Contract Note in specified format for ever executed trade within 24 hours of trade, highlighting the details of th trade along with your UCC.
8. Ensure that the Contract Note contains all the relevant information suc 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 toward margins.
10. Go through the Rules, Bye-laws, Regulations, Circulars, Directives Notifications of the Exchange as well as of the Regulators, Governmen and other authorities to know your rights and duties vis-à-vis those of th Member.
11. Ask all relevant questions and clear your doubts with your Member befor transacting.
12. Insist on receiving the bills for every settlement.
13. Insist on Monthly statements of your ledger account and report an discrepancies in the statement to your Member within 7 working days. I case of unsatisfactory response report the discrepancy to the Exchang within 15 working days from the date of cause of action.
14. Scrutinize minutely both the transaction & holding statements that yo 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 numbe (UCC) is mentioned in the DIS book.
17. Freeze your Demat account in case of your absence for longer duration o 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 o 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 agree between you and the Member cannot be changed without your consent
22. Get a clear idea about all brokerage, commissions, fees and other charge levied by the Member on you for trading and the relevant provisions guidelines specified by FMC/Commodity exchanges.
23. Make the payments by account payee cheque in favor of the Membe Ensure that you have a documentary proof of your payment/deposit o commodities with the Member, stating date, commodity, quantity towards which bank/ demat account such money or commodities (in th form of warehouse receipts) deposited and from which bank/ dema account.
24. The payout of funds or delivery of commodities (as the case may be) sha not be made to you within one working day from the receipt of payou from the Exchange, in case you have given specific authorization fo maintaining running account to the member. Thus, in this regard, th 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.
- 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 market 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/Authorized 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 FMC.

**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, rumors, 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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Signature of Client

**TARIFF SHEET**

To,  
M/s Ganganagar Commodity  
Ltd. 424-4<sup>th</sup> floor, City Centre,  
The Mall Kanpur (U.P.)-208001

I/We agree to pay the charges as per following charge structure for my/our Trading account with Ganganagar Commodity Ltd. effective from the time of account opening.

Client ID : .....

Particulars	NCDEX Rs. Per Crore	MCX Rs. Per Crore	ACE Rs. Per Crore
Trading			
Delivery			

In addition to brokerage, the following statutory charges will also be levied.

Schedule of Charges:

1. Turnover Charges
2. Service Tax on TOC & Brokerage
3. Stamp Duty: State-wise stamp duty as applicable will be levied
4. Education Cess and Higher Education Cess
5. Commodity Transaction Tax as per the Government of India

I am aware of the fact that these charges can be changed from time to time as per the circular of respective Exchange/FMC or Ganganagar Commodity Ltd can make changes in my Brokerage with prior information to me on telephone or written.



\_\_\_\_\_  
Signature of Client

**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 FMC & 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 FMC/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/FMC.
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/FMC.
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 whatsoever 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.
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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**Signature of Client**



**RUNNING ACCOUNT AUTHORISATION**

To,  
Ganganagar Commodity Ltd.  
424,4th Floor, City Centre,  
The Mall, Kanpur-208001

Date.....

Dear Sir,

Ref.: Authorization to maintain running accounts for transactions and retention of funds/collateral for my/our clients code.....

I/We hereby authorize you to maintain running account(s) for my/our transactions executed through GCL on any of the commodity exchanges/segment for both collateral and funds with you. I/we also request you to consider the balances in my/our running account with you for the purpose of margins/any other obligations due to you. The funds and collateral due to me/us should be released on our specific request.

I/We understand and agree that no interest will be payable to me/us on the amount of collateral so retained with you.

The authorization may be revoked by me/us at any time, subject to me/us giving GCL prior written intimation of my/our intention to revoke the same.

Yours faithfully,

  
.....  
**Client Signature**

**SMS AND EMAIL ALERTS FACILITY**

To,  
Ganganagar Commodity Ltd.  
424,4th Floor, City Centre,  
The Mall, Kanpur-208001

Date.....

Dear Sir,

Sub: SMS and Email alerts facility by Commodity Exchanges

We/I are/am aware that Commodities Exchange provide SMS/Email alerts to the constituents (clients) of its member for trades executed on its platform. We/I hereby proved and confirm my/our mobile number and/or email address as stated below for the purpose of receipt of SMS/email alerts.

- I want to receive transaction alerts in SMS as well as Email from Commodity Exchanges,
- I want to receive transaction alerts only in SMS from Commodity Exchanges,
- I want to receive transaction alerts only in Email from Commodity Exchanges,
- I do not want to receive nay transaction alerts from Commodity Exchanges, specify reason.....

The alerts should be sent on:

Mobile No. (Enter 10 digits mobile no).....

Email id.....

We/I agree to the terms and condition specified by the Exchange in its circulars as modified from time to time. We/are/am aware that the receipt of SMS/Email alerts on the above mobile number and/or email address can be stopped only or our/my written request.

Name of Client: .....

Client ID: .....

  
.....  
**Client Signature**

**AUTHORITY LETTER**

To,  
Ganganagar Commodity Ltd.  
424,4th Floor,City Centre,  
The Mall, Kanpur-208001

Date.....

Sub : Letter of Authority

I/We am/are dealing in Commodities/Currencies/Securities with you at MCX/NCDEX/ACE/in order to facilitate ease of operations.  
We authorize you as under :

1. **Trading Operations** : I/We hereby undertake to take responsibility of all of the orders placed and trades done by me and I/We assure you that I/We will always monitor and check the orders and trades done in my trading account. My/our orders for purchase/sale of shares and securities/commodities/derivatives will be given on telephone or orally to you or to my authorized representative as mentioned In the case of any transaction done whether willful/international wrong entry or otherwise by my authorized representative, I/we hereby confirm that I/we shall not hold you responsible for the same. Any financial Losses/claims/disputes arising out of my/our relationship with my authorized representative, it shall be settled directly between us without making you a party to the same.
2. **Authorization to Use Margin** : I hereby authorize you to keep all the securities which we give you in margin including the payout of securities received, to use the securities for meeting margin/ other obligation in stock exchange in whatever manner which may include pledging of share in favor of bank and/or taking loan against the same for meeting margin/pay-in obligation on our behalf or for giving the same as margin to the Stock Exchange or otherwise.
3. I/We request you to retain credit balance in any of my/our account and to use the unused funds towards my/our margin/future obligations at any or both the Exchanges unless I/We instruct you otherwise. I/We also authorize you to debit the necessary demat charges from time to time, for keeping the shares in your client demat beneficiary account on my behalf. I/We also authorize you to debit the financial charges @ 2% p.m. for the debit balances if any, in my account and not settled as per the exchange requirements.
4. **Telephonic Conversation**: I/We request you to consider my/our telephonic instructions for order placing/order modification/order cancellation as a written instruction and give us all the confirmation on telephone unless instructed otherwise in writing. I/We am/are getting required details from contracts issued by you.
5. **Change in E-mail Id**: I/We will inform you any change in my E-Mail, if any, in future, in physical mode by regd. Post or by hand delivery and through a digitally signed E-mail.
6. **Electronic Trading**: Trading of MCX/NCDEX/ACE is in Electronic Mode, based on VSAT, leased line, ISDN, Modem and VPN, combination of technologies and computer system to place and route orders. I understand that there exists an possibility of communication failure or system problems or slow or delayed response from system or trading halt, of any such other problem, glitch whereby not being able to establish access to the trading system/network, which may be beyond the control of you and may result in delay in processing or not processing buy or sell orders either in part or in full. I agree that I shall be fully liable and responsible for any such problems glitch.
7. **Sub Letting of Terminal**: I/We confirm that I/we will never sublet the trading terminal on any term of connectivity from my place to any other place without your prior approval.
8. **Hold of Funds Pay outs**: I/We am/are agreeable for & authorize you to with hold funds pay-out towards all the applicable margins and debits.
9. **Fines & Penalties**: All fines/penalties and charges levied upon you due to my acts/deeds or transactions may be recovered by you from my account.
10. **Charges & Balance Maintenance**: I/We have a Trading As well as depository relationship with.....Please debit the charges relevant with depository services and courier charges for sending physical contract notes & other documents form my/our trading account on monthly basis. I/We also agree to maintain the adequate balance in my/our trading account/pay adequate advance fee for the said reason.
11. I/We authorize Mr./Ms. .... to deal/ transact on my my/our behalf and to place order, give instructions, make and received payments of securities and monies, collect contract notes, bills, order confirmations, trade confirmation, account statements, and any other documents or communication, to sign any document, settle the account, enter into any compromise and to do any and all act(s) on my/our behalf which I/we can do. And I/we the undersigned do here by agree and declare and confirm that all the acts, and things done by him/her or his/her or his/her substitutes shall be my/our acts, deed and things validly done by me/us to all intents and purpose.

\*Strike off the clauses not relevant to you.

Thanking you,

Yours faithfully,



Signature of Client

**Electronic Contract Note [ECN] – DECLARATION  
(VOLUNTARY)**

To,  
Ganganagar Commodity Ltd.  
424 4<sup>th</sup> Floor, City Centre,  
The Mall, Kanpur-208001

Member: NCDEX, MCX, ACE

Dear Sir,

I, \_\_\_\_\_ a client with Member

**M/s. Ganganagar Commodity Ltd. of NCDEX, MCX, ACE** Exchange undertake as follows:

- I am aware that the Member has to provide physical contract note in respect of all the trades placed by me unless I myself want the same in the electronic form.
- I am aware that the Member has to provide electronic contract note for my convenience on my request only.
- Though the Member is required to deliver physical contract note, I find that it is inconvenient for me to receive physical contract notes. Therefore, I am voluntarily requesting for delivery of electronics contract note pertaining to all the trades carried out/ordered by me.
- I have access to a computer and am a regular internet user, having sufficient knowledge of handling the email operations.
- My email id is \_\_\_\_\_. This has been created by me and not by someone else.
- I am aware that this declaration form should be in English or in any other Indian language known to me.

[The above declaration has been read and understood by me. I am aware of the risk involved in dispensing with the physical contract note, and do hereby take full responsibility for the same]

(The above lines must be reproduced in own handwriting of the client.)

\_\_\_\_\_

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

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

PAN: \_\_\_\_\_

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

Signature of Client  \_\_\_\_\_

Date:

Place:

Verification of the client signature done by,

Name of the designated officer of the Member

Signature

Date:

**RECEIPT OF KYC, RDD and Dos & Don'ts**

ANNEXURE-N

To

Ganganagar Commodity Limited  
424,4th Floor ,City Centre,  
The Mall, Kanpur-208001

Sub: Receipt of KYC, RDD and Dos &amp; Don'ts

Dear Sir,

I/We hereby acknowledge the receipt of the copy of the under-mentioned documents which are in accordance with the norms of the guidelines issued by the MCX, NCDEX & ACE.

- (a) Copy of the Client Registration Form
- (b) RDD with other Voluntary undertakings
- (c) Dos & Don'ts

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

Signature of Client



\_\_\_\_\_

**ADDITIONAL RIGHTS & OBLIGATIONS (VOLUNTARY) ANNEXURE- O M/s Ganganagar Commodity Ltd.**

**th**  
**424-4 Floor, City Centre, The Mall, Kanpur (U.P.)-208001**

1. The Member may set off outstanding in any of the Client's accounts against credits available or arising in any other accounts maintained with the Member irrespective of the fact that such credits in the accounts may pertain to transactions in any segment of the Exchange and/or against the value of cash margin or collateral shares provided to the Member by the Client.
2. The Member may keep all the securities/commodities/other collateral which the Client may give to the Member in margin including the payout of commodities received, to use the commodities for meeting margin/other obligation in the exchanges in whatever manner which may include pledging of shares/commodities other collateral in favour of bank and/or taking loan against the same for meeting margin/pay-in obligation on Client's behalf or for giving the same as margin to the Exchange.
3. Unless otherwise instructed the Member may retain Commodities/Shares in its Demat account for Client's margin/future Obligations at the Exchanges.
4. Where the Client has relationship with the Member on more than one Commodity Exchange the Member will treat the relationship in all the commodity exchanges as co-extensive and may make transfer, make adjustments and/or set off a part or whole of the securities/Commodities placed as margin and/or any surplus funds in any of the account of the Client for any of the commodities exchanges against the outstanding dues payable, if any, by the Client in any of his account(s) maintained with Member. The Member shall have right of lien on the credit balance in any of account of the Client for dues against any other account of the Client. Any entries passed by the Member in accordance with this provision shall be binding on the Client.
5. Unless otherwise instructed in writing the Member may consider Client's telephonic instructions for order placing/order modification/order cancellation as a written instruction and give to the Client all the confirmation on telephone.
6. Trading of Commodities is in Electronic Mode, based on VSAT, leased line, ISDN, Modem and VPN, combination of technologies and computer systems to place and route orders. The Client understands that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, of any such other problem/ glitch whereby not being able to establish access to the trading system/network, which may be beyond your control and may result in delay in processing or note processing buy or sell Orders either in part or in full. The Client shall bear all consequences of such problems/glitch and shall not hold the Member responsible for it.
7. The Client confirms he will never sublet the trading terminal on any term of connectivity, from my place to any other place without the Member's prior written approval.
8. The Client agrees that if he fails to meet his funds pay-in-obligation in respect of any one or more commodities purchased by him before the scheduled pay-in date, the Member shall be at liberty to sell the commodities received in pay-out, in proportion to the amount not received, after taking into account any amount lying to the Client's credit, by selling equivalent commodities at any time after the scheduled Pay-in time on the Exchange. If the Member does not sell the commodities within five trading days after the date of Pay-in for any reason whatsoever, such commodities shall be deemed to have been closed out at closing price declared by the exchange for the fifth trading day. The Client agrees that the loss, if any, on account of the close out shall be to his account.
9. The Client further agrees that if he fails to deliver any one or more commodities to the Member's pool account in respect of the commodities sold the Client before the pay-in date notified by the Exchange from time to time, such un discharged obligation(s) in relation to delivering any one or more commodities shall be deemed to have been closed out at the auction price or closing price, as may be debited to him in respect of the commodity for the respective settlement, to the extent traceable to him on his failure to deliver, otherwise the closing price on the date of pay-out in respect of the relevant commodities, declared by the Exchange. The Client acknowledges that the loss, if any, on account of the close out shall be debited to his account. The Client further agrees that if for any reason, schedule of pay-out is modified, the aforesaid shall be made applicable reckoning the actual date of pay-in and or pay-out, as the case may be.
10. The Client agrees that if he fails to meet his funds pay-in obligation in respect of any one or more contracts purchased by him before the scheduled pay-in date, the Member shall be at liberty to square off any open position in the Client's account in proportion to the amount not received, after taking into account any amount lying to his credit, at any time after the scheduled Pay-in time on the Exchange. The Client agrees that the loss, if any, on account of the ADDITIONAL RIGHTS & OBLIGATIONS (VOLUNTARY) said squaring off shall be to the account dues against the Client. Any change in any of the above voluntary/non-mandatory clauses will have to be preceded by a notice of 15 days. The Member and the Client understand that none of the above voluntary/non-mandatory clause is in contravention with the Rules/Business Rules/Notices/Circulars of Exchanges or FMC. If any of the above clauses or part thereof is found to be or becomes in such contravention, it shall be of no effect to the extent of contravention.

Date: .....

Place: .....



Signature of Client



**APPLICATION FOR APPROVAL AS AUTHORISED USER ID****VOLUNTARY**

To,  
 Ganganagar Commodity Limited  
 424,4th Floor , City Centre,  
 The Mall, Kanpur-208001

**Sub:- Allocation of New User ID**

Ref: Client Id \_\_\_\_\_

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

Father's / Husband's Name \_\_\_\_\_ Date of Birth \_\_\_\_\_

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

City \_\_\_\_\_ Pin \_\_\_\_\_

State \_\_\_\_\_ Phone No \_\_\_\_\_ Mobile No. \_\_\_\_\_

Type of ID :- Dealer ID (Multiple Code\_ / Diet ID (Single Code) Mode of Connectivity : Internet / Ras

Exchange : MCX/NCDEX/ACE

Remark .....

I hereby agree and bind myself to be responsible for all acts, quotations and transaction done, trade made or affected by me on the Trading System.

I request you to kindly allocate one User ID to me in the aforesaid name at the earliest.

Date:

Place:

Signature of Client

**DISCLOSURE INFORMATION****VOLUNTARY**

To,  
 \_\_\_\_\_

Sir,  
 This is to inform you that we do client based trading and Pro-account trading in Multi Commodity Exchange of India Ltd. (MCX)/National Commodity & Derivatives Exchange Limited (NCDEX)/ACE Derivatives and Commodity Exchange Limited (ACE).

Thanks and Regards.

For Ganganagar Commodity Ltd.

Authorised Signatory/Director

I acknowledge the receipt of information given above by Ganganagar Commodity. Ltd. that they do Client base trading and Pro-account trading.

Signature of Client:.....  

[Note: To be signed by person himself/herself not to be signed by his/her attorney/authorized person etc.]

**DECLARATION FOR MOBILE NO.**

I, ..... having PAN No ..... Do hereby declare that my mobile no. is ..... Further, I authorize GCL that the same maybe used for giving me any information /alter/trade confirmations sms/call.

Any change in above mentioned Mobile No. will be informed by me in writing. I further declare the above mentioned statement is true and correct.

Signature : .....  

Name :

Client Code :

Address :

Phone No.

Verified by (to be done by GCL)

Name of Employee :

Signature :

Date :

Date :

**CLIENT DEFAULTER DECLARATION**

Date: ...

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

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

Client Name :

Client Code :

Date :

Signature : 

(Note : To be signed by person himself/herself not to be signed by his/her attorney/authorized person etc.)

**CLIENT DECLARATION-OPEN INTEREST POSITION**

To,

Date \_\_\_\_\_

Ganganagar Commodity Limited  
Regd. Office: 424, 4th Floor, City Centre  
The Mall, Kanpur. Uttar Pradesh-208001

Sub: My/Our request for trading in commodity forward contract/ commodity derivatives on Commodity Exchanges as your clients

Dear Sir,

I/We, the undersigned, have taken cognizance of circulars issued by FMC/ Commodity Exchange from time to time on the guidelines for calculation of net open positions permitted in any commodity and I/We hereby undertake to comply with the same.


I/We hereby declare and undertake that I/we will not exceed the position limit prescribed from time to time by Commodity Exchange or Forward Market Commission and such position limits will be calculated in accordance with the circulars on position limits as modified from time to time.

I/We undertake to inform you and keep you informed if I/any of our partners/director/karta/trustee or any of the partnership firms/companies/HUFs/Trusts in which I or any of the above such person is a partner/director/karta/trustee, takes or holds any position in any commodity forward contract/commodity derivative on Exchange through any other member (s) or Exchanges, to enable you to restrict our position limit as prescribed by the above referred circular of Exchanges as modified from time to time.

I/We confirm that you have agreed to enter order in commodity forward contract/commodity derivatives for me / us as your clients on Commodity Exchanges only on the basis of our above assurance and undertaking.

I/We further undertake to bear any liable/penalty/charges levied by Commodity Exchanges/FMC.

Client Code

Client Signature 

Place:

**CLIENT POSITION AUTHORISATION**

To,

GANGANAGAR COMMODITY LIMITED

Member : NCDEX, MCX, ACE

Regd. Office : 424, 4<sup>th</sup> Floor, City Centre, The Mall,  
Kanpur, Uttar Pradesh-208001

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

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

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

Yours Faithfully,

Client Name:

Client Signature



Date : .....

Place : .....

**VERBAL ORDER ACCEPTANCE AUTHORISATION**

To,

GANGANAGAR COMMODITY LIMITED

Member : NCDEX, MCX, ACE

Regd. Office : 424, 4<sup>th</sup> Floor, City Centre, The Mall,  
Kanpur, Uttar Pradesh-208001

I/We have been/shall be dealing through you as my/our broker on the Commodities Market Segment. As my/our broker i.e. agent I/we direct and authorize you to carry out trading/dealings on my/our behalf as per instructions given below.

I/We agree and acknowledge that it is advised and preferred you that I/We give instructions for order placement/modification and cancellation in writing and to avoid disputes, I/we must give instructions in exactly the format given below in duplicate (carbon copy/photocopy) and take signatures of your duly authorized officers at the branch along with your company stamp on the carbon/photocopy of the instructions in acknowledgement of receipt of my/our instructions.

However as I/We shall be dealing by ordering over phone and even if we visit the branch, the fluctuations in market are so rapid that it is not practical to give written instructions for order placement/modification and cancellation, I/We hereby authorize you to accept my/my authorized representative's verbal instructions for order placement/ modification and cancellation in person or over phone (fixed line or mobile phone) and execute the same. I/We understand the risk associated with verbal orders and accept the same, and agree that I/We shall not be entitled to disown orders and consequent trades (if any) under the plea that same were not under mine/our instructions. I/We agree that I/We will not have the right to shift the burden of proof by asking you to prove the placement of orders through telephone recording or otherwise.

I/We shall be liable for all losses, damages and actions which may arise as a consequence of your adhering to and carrying out my/our directions given above.

Thank you,

Yours Faithfully,

Client Name:

Client Signature



Date: .....

Place : .....

**Trade Authorization**

**GANGANAGAR COMMODITY LIMITED**

Member: NCDEX, MCX & ACE

Regd. Office: 424, 4th Floor, City Centre

The Mall, Kanpur. Uttar Pradesh-

208001 Crop. Office:15- National

Highway, Opp. S.D College,

Sriganganagar , Rajasthan-335001

**Subject: – Authorization**

Date.....

I Have been/shall be dealing through you as my broker i.e. agent the Commodities. Market Segment. I/We authorize Mr./Ms.....

deal/transact on my/ behalf And to place orders, give instruction, make & receive payment of securities and monies, collect contract notes, bills , order confirmations, trade confirmation, account statement and any other document or communication. Mr. /

Ms.....is also authorized by me/ us to sign any document, settle the account, enter into any compromise and to do any and all act(s) on my / our behalf which I/we con do. And I/we the undersigned do hereby agree and declare and confirm that all the acts things done by him/her substitutes shall be my /our acts, deeds and things validly done by me/us to all intents and purposes.

Please treat this authorization as written ratification of my/ out verbal directions/ authorizations give and carried out by you earlier consequence of adhering to and carrying out my/our authorization given above.

Thanking you,

Yours faithfully,

Client Name.....

Client Code.....

Client Signature



.....

Date.....

Authorized Person Signature

Place.....



.....

Client Signature

**REQUEST FOR TRADING IN COMMODITY FORWARD CONTRACTS / COMMODITY DERIVATIVES  
(MANDATORY FOR NCDEX CLIENTS)**

To,  
M/s Ganganagar Commodity Ltd.  
424-4<sup>th</sup> Floor, City Centre, The Mall, Kanpur  
(U.P.)-208001 Dear Sir,

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

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

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

I/We undertake to inform you and keep you informed if I/any of our partners/directors/karta/trustee or any of the partnership firms companies/HUFs/Trusts in which I or any of above such person is a partner/director/karta/trustee, takes or holds any position in any commodity forward contract/commodity derivative on NCDEX through you or through any other member(s) of NCDEX, to enable you to restrict our position limit as prescribed by the above referred circular of NCDEX as modified from time to time.

I/We confirm that you have agreed to enter orders in commodity forward contracts/commodity derivatives for me/us as your clients on NCDEX only on the basis of our above assurances and undertaking.

Signature of Client .....  
Place: .....

Date:

**Clubbing of Open Positions**

**Circular No.: MCX/T&S/276/2007 August 8, 2007**

In terms of provisions of the Rules, Bye-Laws and Business Rules of the Exchange and in modification to circular no. MCX/266/2005 dated July 22, 2005 and MCX/338/2006 dated August 21, 2006, the Members of the Exchange are notified as under:

FMC vide its letter no. 6/1/2007 – MKT-II(VOL-II) dated July 26, 2007, partial modification to guidelines of its letter no. 1/1/2004/NCDEX-PER (PO) dated July 20, 2005, have prescribed following amendments in respect of clubbing of open positions of different Co-operative societies and Companies having common Directors with no financial interest:

- a. Primary Agriculture Marketing Societies registered under the State Co-operative Act, thus, are active in different agricultural commodities which are also members of Federations at the State and National level. Due to this Federal structure, there may be some instances when these societies have common Directors and also, persons nominated from State Governments/ RCS in these societies as Directors. In view of this, the position of different societies if they are members of a Federation will not be clubbed with the open interest position of the Federation for the purpose of determining the open interest position of the Federal or vice versa. Similarly, if Government/RCS nominated directors sit on the Board of different societies, this will not amount to common interest for the purpose of clubbing of positions.
- b. As a practice of Good Corporate Governance, the Companies now have independent Directors on their Board with no financial interest in the Company. Similarly, Companies also have Government/Financial Institution nominated Directors without any financial interest in the company. In such cases, when the Directors do not have any financial interest in the Company, the Commission has taken a view that the position of such Members are requested to take note of it.

Date: August 1, 2007

**Guidelines for clubbing of open positions**

**Circular No : NCDEX/TRADING-070/2007/188**

We refer to circular no. NCDEX/TRADING-114/2006/247 dated September 28, 2006 wherein the guidelines for calculation of net open position were issued. As per the directives of the Forward Markets Commission and as per the Rules, Bye-laws and Regulations of the Exchange the following guidelines in respect of clubbing of open position of different Co-operative Societies and Companies having common Directors are issued

- a. Primary Agriculture Marketing Societies registered under the State Cooperative Act are active in different agricultural commodities. These societies are also members of Federations at the State and National level. Due to this Federal Structure there may be some instances when these societies have common directors. Also, persons from State Governments/ RCS may be nominated as directors in these societies. In view of this the position of different societies if they are members of a Federation will not be clubbed with the open interest position of the Federation for the purpose of determining the open interest position of the Federation or vice versa. Similarly, if Government/RCS nominated directors sit on the Boards of different societies, this will not amount to common interest for the purpose of clubbing of positions.
- b. As a practice of good Corporate Governance, Companies now have independent directors on their Boards with no financial interest in the company. Similarly, Companies also have Government/Financial Institution nominated Directors without any financial interest in the company. In such cases, when the Directors do not have any financial interest in the company, the position of such Companies/Corporates may not be clubbed just because they have common Directors.  
2. Therefore, the guidelines issued vide circular no. NCDEX/TRADING-114/2006/247 dated September 28, 2006 will stand amended to the extent indicated in para 1 (a) & (b) above.

Members and their constituents are requested to take note of the above guidelines.

Signature of Client .....