

Sl. No.

Branch Address :-

Branch :

Client Code :

Date of commencement
of operations:



COMMODITY MARKET SEGMENT

**CLIENT REGISTRATION FORM
&
MEMBER-CLIENT AGREEMENT**

**"KARVY HOUSE", 46, AVENUE 4, STREET NO.1, BANJARA HILLS, HYDERABAD - 500 034.
TEL : 040-23312454 / 23320751 FAX : 040-23311968 Email : kcb@karvy.com**

Dear Client,

Welcome to **KARVY COMMODITIES BROKING PRIVATE LIMITED**

We thank you for giving us an opportunity to serve you. You are requested to complete this Registration Kit comprising of the Client Registration Form (CRF) and Member-Client Agreement (MCA) and alongside do submit the required proofs/documents.

Should you face any difficulty in fulfilling the documentation, please feel free to contact our staff for assistance.

It shall be our endeavour to provide you with comprehensive & exemplary service and look forward to a long and fruitful relationship.

- 1. The Client should sign at the places with “ X ” markings.**
- 2. The Client Agreement should be witnessed.**

CHECK LIST

General: All fields provided in the Client Registration Form and the Agreement together with other Letters / Undertaking / Authorization **should be duly** filled in. In case of information in a field not being available, the words "N.A." or "NIL" should be mentioned. And if a complete section of information is not provided, then the client should mention as "N.A." and also sign in that section. Any correction / overwriting also should be authenticated by the client by signing besides such correction.

Tick the box / circle provided to ensure due completion of documentation.

Account Opening : INDIVIDUALS

- Full name on the form as per the mandatory proof
- Recent passport size photograph and signed across the photograph
- Copy of any one for mandatory address proof :
 - Passport
 - Bank Pass Book / Latest Bank Statement
 - Latest LIC Premium receipt
 - Latest House Tax / Municipal Tax Payment receipt
 - Employer Certificate
 - Latest Telephone Bill
- Copy of any two of the mandatory identity proof :
 - Passport : Validity of Passport must be six months beyond the present date
 - Driving License : Validity of Driving Licence must be six months beyond the present date
 - Ration Card
 - Voters Identity Card
 - PAN Card
- Copy of any two of the following for Financial Appraisal :
 - Income Tax Return for the last three years
 - Details of Annual Income for the last three years
 - Details of Term / Fixed deposits with Banks
 - Latest Property tax receipt
 - Bank Statement for the last six months
- Details of Depository Account
- Account Conduct Certificate from Bank
- Details of Sales Tax Registration (if any)
- Signature attestation by Bank (in case required)

Account Opening : NON - INDIVIDUALS

For Corporates

- Recent Passport Size photographs of all authorized signatories signed across the photograph
- Memorandum and Articles of Association
- Audited Annual Accounts for last three years
- Net worth Certificate from the Auditor
- Board Resolution authorizing Directors / other Representatives to trade in commodities and to sign / execute documents
- Account Conduct Certificate from the Bank
- Income Tax PAN of the company
- Identity proof of directors / authorised representatives
- Details of Directors / Promoters / Key Managers
- Details of Depository Account
- Details of Sales Tax Registration (if any)
- Signature attestation by Bank (in case required)

For Partnership Firms

- Recent Passport Size photographs of all partners signed across the photograph
- Copy of the Partnership Deed duly signed by all partners
- Authorization by Partner(s) with regard to trading in commodities
- Income tax PAN details of all partners
- Details of Bank Account
- Audited Accounts for last three years
- Details of Depository Account
- Account Conduct Certificate from the Bank
- Details of Sales Tax Registration (if any)
- Signature attestation by Bank (in case required)

For HUF

- Recent Passport Size photograph of Karta signed across the photograph
- Income tax PAN details of HUF
- Details of Bank Account of HUF
- Details of Depository Account of HUF
- Account Conduct Certificate from the Bank
- Details of Sales Tax Registration (if any)
- Signature attestation by bank (in case required)

For Official use by Branch:-

1. Authorised person / sub-broker sharing arrangement, if any _____
2. Brokerage : Trading _____ % _____ side(s) with minimum _____ ps Delivery _____ % with minimum _____ ps
3. Following verified whether filled or not before submitting documents to HO for account opening:
 - Telephone No.s & pin code
 - Annual Income (household income in case of housewife) and Investment particulars
 - Introducer particulars
 - Client signature at all relevant spaces
 - Validity of non-judicial stamp paper (maximum six months from the date of issue of stamp paper)
 - Witness name, address & signature at relevant spaces
 - Copies of proofs verified with originals.

Task	Name	Date & Time	Signature
Person at branch submitting and dispatching the application to HO			
Person vetting the application and assigning UCC at HO			
UCC Generated			
Person activating the code for dealing			
Person creating UCC data for submission to the Exchange.			



MCX MEMBERSHIP NO. : 10775
 NCDEX MEMBERSHIP NO. : 00236

“KARVY HOUSE”, 46, AVENUE 4, STREET NO.1, BANJARA HILLS, HYDERABAD - 500 034.
 TEL : 040-23312454 / 23320751 FAX : 040-23311968 Email : kcb@karvy.com

CLIENT REGISTRATION FORM

(This information is the sole property of the member and would not be disclosed to anyone unless required by law)

FOR OFFICE PURPOSES

CLIENT CODE :
 (to be inserted by the trading firm)

BRANCH CODE :
 (branch code assigned by the trading firm)

Verified By :

Authorised by :

FOR INDIVIDUAL CLIENTS

To,
KARVY COMMODITIES BROKING PRIVATE LTD.
 46, Avenue 4, Street No. 1,
 Banjara Hills,
 Hyderabad - 500 034.

Recent
 Photograph
 Please sign across
 the face of
 photograph

Dear Sir,

We request you to register my self as your client and in this regard the following information is furnished here below.

Client Name	_____	_____	_____
	Surname	Middle Name	First Name
Father's/Husband's Name	_____		
Date of Birth	_____	_____	_____
	Date	Month	Year
Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female		
Home Address	_____		
City	_____		
State	_____		
Country	_____		
Pin Code	_____		
Nationality	_____		
Home Telephone	_____		
Fax	_____		
Employer Name	_____		
Office Address	_____		
City	_____	Pin Code	_____
		State	_____
Office Telephone	_____		
Fax	_____		
Residential Status	<input type="checkbox"/> Indian <input type="checkbox"/> NRI <input type="checkbox"/> Others (Please Specify)		
Passport No.	_____		
Marital Status	_____		
E-mail ID	_____		

Occupation																					
If Employed																					
Employer's Name																					
Address																					
Designation																					
Working Since (in years and months)																					
If Self Employed																					
Firm's Name																					
Address																					
Designation																					
Established Since (in years and months)																					
Business Activity																					
Particulars of Bank Account																					
Name of Bank																					
Branch Address																					
Telephone No.																					
Account Type																					
Account Number																					
Date of Opening Account																					
Income Tax No. (PAN/GIR)																					
Sales Tax Registration (if any)																					
Local Sales Tax	State - Registration Number - Validity Date (Please give details of all States where you are registered.																				
Central Sales Tax	Registration Number : <input type="text"/> Validity Date : <input type="text"/>																				
Client Profile	Producer / Trader / Consumer / Other																				
Interested in Commodities	Agro Commodities / Precious Metals / Base Metals / All																				
Collateral Details	<table border="1"> <thead> <tr> <th>Collateral</th> <th>Declared Value</th> <th>% Haircut</th> <th>Assigned Value</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td></td> <td></td> <td></td> </tr> <tr> <td>DD</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cheque</td> <td></td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Collateral	Declared Value	% Haircut	Assigned Value	Cash				DD				Cheque				TOTAL			
Collateral	Declared Value	% Haircut	Assigned Value																		
Cash																					
DD																					
Cheque																					
TOTAL																					
Depository Account Details																					
Depository ID																					
DP ID																					
Client ID																					

Whether registered with any other member for commodities trading	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, Please provide Details		
Broker's Name		
Broker's Code		
Name of Exchange		
Introduced By		
Name		
Address		
Telephone No.		
Signature of Introducer		

The information furnished above is true to the best of my knowledge and belief and I undertake to inform you of any changes therein immediately in writing. I am agreeable to enter into an agreement to abide by your Terms & Conditions.

Place :

.....
X (Client Signature)

Date :

.....
(Client Name)

NOTE :

1. Original documents may be verified at the time of filling of application.
2. The information given above would be confidential. However, if the information is required by any government agency, it may be given to them.
3. Each constituent has to use one registration form. In case of joint names / family members, please submit separate form for each person.



MCX MEMBERSHIP NO. : 10775
NCDEX MEMBERSHIP NO. : 00236

“KARVY HOUSE”, 46, AVENUE 4, STREET NO.1, BANJARA HILLS, HYDERABAD - 500 034.
TEL : 040-23312454 / 23320751 FAX : 040-23311968 Email : kcb@karvy.com

CLIENT REGISTRATION FORM

(This information is the sole property of the member and would not be disclosed to anyone unless required by law)

FOR OFFICE PURPOSES

CLIENT CODE :
(to be inserted by the trading firm)

BRANCH CODE :
(branch code assigned by the trading firm)

Verified By :

Authorised by :

FOR NON - INDIVIDUAL CLIENTS

To,
KARVY COMMODITIES BROKING PRIVATE LTD.
46, Avenue 4, Street No. 1,
Banjara Hills,
Hyderabad - 500 034.

Please affix
recent Passport
size photograph
of Directors /
Auth. Signatories
Signed across the
photograph.

Dear Sir,

We request you to register us as your client and in this regard the following information is furnished here below.

Name of the Company/Firm/HUF	
Registered Office Address	
City	
State	
Pin Code	
Telephone No.	
Fax No.	
E-mail ID	
Correspondence Office Address	
City	
State	
Pin Code	
Telephone No.	
Fax No.	
E-mail ID	
Date of Incorporation	_____ Date _____ Month _____ Year
Date of Commencement of Business	_____ Date _____ Month _____ Year

Details of Promoters / Partners / Karta / Key Managerial Personnel of the Company / Firm / HUF					
Copies of the Annual Report of last Three years		If not completed three Financial years of the operation, copy of annual reports for such completed financial years.			
Net Worth Certificate as on DD-MM-YYYY from Chartered Accountant (Excluding Revaluation Reserves)					
Particulars of Bank Account					
Name of Bank					
Branch Address					
Telephone No.					
Account Type					
Account Number					
Date of Opening Account					
Income Tax No. (PAN/GIR)					
Annual Income in the Past Three years					
Year 1					
Year 2					
Year 3					
Sales Tax Registration Details (if any)					
Local Sales Tax		State - Registration Number - Validity Date (Please give details of all States where you are registered)			
Central Sales Tax		Registration Number :		Validity Date : <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 50px; height: 20px;"></td> </tr> </table>	
Client Profile		Producer / Trader / Consumer / Others			
Interested in Commodities		Agro Commodities / Precious Metals / Base Metals / All			
Collateral Details		Collateral	Declared Value	% Haircut	
		Cash			
		DD			
		Cheque			
		TOTAL			
Depository Account Details					
Depository ID					
DP ID					
Client ID					

Whether registered with any other member for commodities trading	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, Please provide Details		
Broker's Name		
Broker's Code		
Name of Exchange		

The information furnished above is true to the best of our knowledge and belief and we undertake to inform you of any changes therein immediately in writing. We are agreeable to enter into an agreement to abide by your Terms & Conditions.

Place :

X
(Client Signature & Seal)

Date :

NOTE :

1. Original documents may be verified at the time of filling of application.
2. The information given above would be confidential. However, if the information is required by any government agency, it may be given to them.
3. Each constituent has to use one registration form. In case of joint names / family members, please submit separate form for each person.

MEMBER AND CLIENT AGREEMENT (MCX)

This agreement is made at _____ on _____ day of _____ by and between **Karvy Commodities Broking Private Limited**, a company duly formed and registered under the Companies Act, having its Registered Office address at **46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034** (hereinafter called “MEMBER”), and _____ a company / trust / firm / individual or any other body duly formed and registered under the _____ Act, having its Registered Office / Home address at _____ (hereinafter called “CLIENT”).

WITNESSETH :

Whereas the member is registered as TRADING CUM CLEARING MEMBER of Multi Commodity Exchange (hereinafter called MCX or the Exchange).

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

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

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

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

In consideration of the member agreeing to handle the transaction on MCX on my/ our behalf, I/We, the client hereby agrees that;

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

X (Client Signature)

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

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

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

5. **Provisions in case of Default:** In the event of a default of a Member on his own account, the Client's money shall not be utilized to meet the Member's liabilities. In such cases, the Client's positions shall be either transferred to another solvent Member or closed-out as per the provisions of the Rules, Byelaws and Regulations of the Exchange. The loss, if any, caused to the Client because of such action would be recoverable by the Client from the Member. In the event of failure of the Client to fulfill his obligations to the Member, the Exchange or the Clearing House, the Client's position may be closed out and the money, if any, of the Client available with the Member or with any other Member or the Exchange, may be adjusted against the Client's liabilities / obligations.

X (Client Signature)

6. **Collateral:** The Client shall pay to the Member such amount as account opening deposit as decided by the Member, and in such form as may be approved by the Member up-front, on or before creating a position in any contract. The Member shall reserve the mark up margin (commonly referred to as 'haircut margin') from the account opening deposit, which shall not be utilized for any margin requirements. The said deposit reduced by markup / haircut margin shall thereafter be utilized against creating and maintaining the position by the Client. The mark up margin shall be subject to the change from time to time as may be decided by the Member and / or the Exchange.

The account opening deposit so paid by the Client shall not be utilized towards initial margin and mark to market margin (MTM) requirements as calculated by the Exchange from time to time.

7. **Payment of Margins:** The initial margin requirement shall not be adjusted against the collateral maintained by the Client with the Member. The Client shall be obliged to pay initial margin, if any, irrespective of the account opening deposit held with the Member. The Client shall not be permitted to create any new open positions, untill receipt of such margin.

If the Client defaults in paying margin, the Member shall be entitled to liquidate / close out all or any of the Client positions, without prejudice to the Member's right to refer the matter to arbitration. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Client. The Member is permitted in its sole and absolute discretion to impose such additional margin as may be imposed by the Exchanges, the Clearing Corporation / Clearing House and the Client shall be obliged to fulfill such additional margin requirements.

8. **Receipts of payment of premium MTM:** The Client shall be obliged to pay the amount of MTM loss immediately on the request of the Member, before the start of the next trading day. The Member will not adjust the client's liability towards MTM loss against any deposit maintained in cash by the Client. If the Client defaults in paying the MTM loss, the Member shall be entitled to liquidate / closeout all or any of the Client's positions, without prejudice to the Members right to refer the matter to the arbitration. Any and all losses and financial charges on account of such liquidation / closingout shall be charged to and borne by the Client. MTM profit (on derivative postions) by the Client shall also not be adjusted towards any of the deposits of the Client maintained with the Member.
9. If the complete recovery is not possible then, the Member shall be entitled to liquidate / lose out all or any of the Client's other outstanding positions, without prejudice to the Member's right to recover the damage from the Client. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Client.

10. The Client acknowledges that all contracts culminating in delivery (which are not squared off and information for giving and taking delivery is given by the Client) would be transactions for purchase and sales between the Client inter-se and the Client would be personally liable to each other though the contract and relationships are governed and regulated by the Bye Laws, Rules and Regulations of the Exchange.
11. The Exchange may cancel a trade suo-moto without giving any reason thereof. In the event of such cancellation, Member shall be entitled to cancel relative contract(s) with Client.
12. All trades, transactions and contracts are subject to the Rules and Regulations of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of Mumbai and the parties to such trade shall be deemed to have submitted to the jurisdiction of the Courts in Mumbai for the purpose of giving effect to the provisions of the Rules and Regulations of the Exchange.

Trade Obligations:

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

The Client shall be obliged to pay the daily margin, MTM when the Member raises such margin requirement. The Member shall not permit the Client to create any new open positions, until receipt of such additional margin requirement.

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

Deliveries:

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

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

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

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

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

X (Client Signature)

SIGNED for and on behalf of

THE member : KARVY COMMODITIES BROKING PRIVATE LIMITED

By:

Signature:

Title:

Witness:

SIGNED for and on behalf of

THE client :

By:

XSignature:

Title:

Witness:

RISK DISCLOSURE DOCUMENT (MCX)

(THIS DOCUMENT SHOULD BE READ BY EACH AND EVERY PROSPECTIVE CLIENT BEFORE ENTERING INTO DERIVATIVES TRADING AND SHOULD BE READ IN CONJUNCTION WITH REGULATIONS OF MCX).

MCX has not passed the merits of participating in this trading segment nor has MCX passed the adequacy or accuracy of this disclosure document. This brief statement does not disclose all of the risks and other significant aspects of trading. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Risk of loss in trading in derivatives can be substantial.

You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. Derivatives trading thus require not only the necessary financial resources but also the financial and emotional temperament. In case of any consequences or loss in the Futures segment, the Client shall be solely responsible for such loss and the Exchange shall not be responsible for the same and it will not be open for any Client to take the plea that no adequate disclosure was made or he was not explained the full risk involved by the Member. The Client will be solely responsible for the consequences and no contract can be rescinded on that account.

RISKS INVOLVED IN TRADING IN DERIVATIVES CONTRACTS

Effect of “Leverage” or “Gearing”

The amount of margin is small relative to the value of the derivatives contract so the transactions are ‘leveraged’ or ‘geared’.

Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the principal investment amount. But transactions in derivatives carry a high degree of risk.

You should therefore completely understand the following statements before actually trading in derivatives and also trade with caution while taking into account one’s circumstances, financial resources, etc. If the prices move against you, you may lose a part of or whole margin equivalent to the principal investment amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

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

X (Client Signature)

- IV. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- V. You must ask your broker to provide the full details of the derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

Risk-reducing orders or strategies

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

Suspension or restriction of trading and pricing relationships

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

Deposited cash and property

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

Commission and other charges

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

Trading facilities

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

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

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

X(Client Signature)

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

Place :

Date :

X (Client Signature)

“KARVY HOUSE”, 46, AVENUE 4, STREET NO.1, BANJARA HILLS, HYDERABAD - 500 034.
TEL : 040-23312454 / 23320751 FAX : 040-23311968 Email : kcb@karvy.com

MEMBER AND CLIENT AGREEMENT (NCDEX)

This agreement is made at _____ on _____ day of _____
Karvy Commodities Broking Private Limited, a company duly formed and registered under the Companies Act, having its Registered Office address at **46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034** (hereinafter called “MEMBER”), and _____ a company / trust / firm / individual or any other body duly formed and registered under the _____ Act, having its Registered Office / Home address at _____ (hereinafter called “CLIENT”).

WITNESSETH :

Whereas the member is registered as TRADING AND CLEARING MEMBER of National Commodity and Derivatives Exchange (hereinafter called NCDEX or the Exchange).

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

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

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

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

In consideration of the member agreeing to handle the transaction on NCDEX on my / our behalf, I/We, the client hereby agrees that;

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

X (Client Signature)

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

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

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

5. **Provisions in case of Default:** In the event of a default of a Member on his own account, the Client's money shall not be utilized to meet the Member's liabilities. In such cases, the Client's positions shall be either transferred to another solvent Member or closed-out as per the provisions of the Rules, Byelaws and Regulations of the Exchange. The loss, if any, caused to the Client because of such action would be recoverable by the Client from the Member. In the event of failure of the Client to fulfill his obligations to the Member, the Exchange or the Clearing House, the Client's position may be closed out and the money, if any, of the Client available with the Member or with any other Member or the Exchange, may be adjusted against the Client's liabilities / obligations. The Professional Clearing Member (PCM), if opted by the Client to settle his trades, shall confirm all trades executed as PCM trades on the day the order is executed. In the event of non-confirmation and /or rejection of the trade by such PCM, the Client shall be liable to pay forth with the applicable margin as enunciated by the Member on the same day.

X (Client Signature)

6. **Collateral:** The Client shall pay to the Member such amount as account opening deposit as decided by the Member, and in such form as may be approved by the Member up-front, on or before creating a position in any contract. The Member shall reserve the mark up margin (commonly referred to as 'haircut margin') from the account opening deposit, which shall not be utilized for any margin requirements. The said deposit reduced by markup / haircut margin shall thereafter be utilized against creating and maintaining the position by the Client. The mark up margin shall be subject to the change from time to time as may be decided by the Member and / or the Exchange.

The account opening deposit so paid by the Client shall not be utilized towards initial margin and mark to market margin (MTM) requirements as calculated by the Exchange from time to time.

7. **Payment of Margins:** The initial margin requirement shall not be adjusted against the collateral maintained by the Client with the Member. The Client shall be obliged to pay initial margin, if any, irrespective of the account opening deposit held with the Member. The Client shall not be permitted to create any new open positions, untill receipt of such margin.

If the Client defaults in paying margin, the Member shall be entitled to liquidate / close out all or any of the Client positions, without prejudice to the Member's right to refer the matter to arbitration. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Client. The Member is permitted in its sole and absolute discretion to impose such additional margin as may be imposed by the Exchanges, the Clearing Corporation / Clearing House and the Client shall be obliged to fulfill such additional margin requirements.

8. **Receipts of payment of premium MTM:** The Client shall be obliged to pay the amount of MTM loss immediately on the request of the Member, before the start of the next trading day. The Member will not adjust the client's liability towards MTM loss against any deposit maintained in cash by the Client. If the Client defaults in paying the MTM loss, the Member shall be entitled to liquidate / closeout all or any of the Client's positions, without prejudice to the Members right to refer the matter to the arbitration. Any and all losses and financial charges on account of such liquidation / closingout shall be charged to and borne by the Client. MTM profit (on derivative postions) by the Client shall also not be adjusted towards any of the deposits of the Client maintained with the Member.

9. If the complete recovery is not possible then, the Member shall be entitled to liquidate / lose out all or any of the Client's other outstanding positions, without prejudice to the Member's right to recover the damage from the Client. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Client.
10. The Client acknowledges that all contracts culminating in delivery (which are not squared off and information for giving and taking delivery is given by the Client) would be transactions for purchase and sales between the Client inter-se and the Client would be personally liable to each other though the contract and relationships are governed and regulated by the Bye Laws, Rules and Regulations of the Exchange.
11. The Exchange may cancel a trade suo-moto without giving any reason thereof. In the event of such cancellation, Member shall be entitled to cancel relative contract(s) with Client.
12. All trades, transactions and contracts are subject to the Rules and Regulations of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of Mumbai and the parties to such trade shall be deemed to have submitted to the jurisdiction of the Courts in Mumbai for the purpose of giving effect to the provisions of the Rules and Regulations of the Exchange.

Trade Obligations:

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

In the event of non-confirmation of custodial trades by PCM for any reason whatsoever, all exchange-levied margins, MTM losses (on open position), will be borne by the Member for the unconfirmed trades. In such case, the Client shall pay to the Member, all margins levied by the Exchange on the unconfirmed trades. In addition to the above, the Member shall have an option to call for collateral from the Client, to meet the subsequent daily margin obligation / MTM losses on the unconfirmed trades. The Client shall be obliged to pay the daily margin, MTM when the Member raises such margin requirement. The Member shall not permit the Client to create any new open positions, until receipt of such additional margin requirement.

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

Deliveries:

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

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

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

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

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

X (Client Signature)

SIGNED for and on behalf of

THE member : KARVY COMMODITIES BROKING PRIVATE LIMITED

By:

Signature:

Title:

Witness:

SIGNED for and on behalf of

THE client :

By:

XSignature:

Title:

Witness:

RISK DISCLOSURE DOCUMENT (NCDEX)

(THIS DOCUMENT SHOULD BE READ BY EACH AND EVERY PROSPECTIVE CLIENT BEFORE ENTERING INTO DERIVATIVES TRADING AND SHOULD BE READ IN CONJUNCTION WITH REGULATIONS OF NCDEX).

NCDEX has not passed the merits of participating in this trading segment nor has NCDEX passed the adequacy or accuracy of this disclosure document. This brief statement does not disclose all of the risks and other significant aspects of trading. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Risk of loss in trading in derivatives can be substantial.

You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. Derivatives trading thus require not only the necessary financial resources but also the financial and emotional temperament. In case of any consequences or loss in the Futures segment, the Client shall be solely responsible for such loss and the Exchange shall not be responsible for the same and it will not be open for any Client to take the plea that no adequate disclosure was made or he was not explained the full risk involved by the Member. The Client will be solely responsible for the consequences and no contract can be rescinded on that account.

RISKS INVOLVED IN TRADING IN DERIVATIVES CONTRACTS

Effect of “Leverage” or “Gearing”

The amount of margin is small relative to the value of the derivatives contract so the transactions are ‘leveraged’ or ‘geared’.

Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the principal investment amount. But transactions in derivatives carry a high degree of risk.

You should therefore completely understand the following statements before actually trading in derivatives and also trade with caution while taking into account one’s circumstances, financial resources, etc. If the prices move against you, you may lose a part of or whole margin equivalent to the principal investment amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

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

X (Client Signature)

- IV. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- V. You must ask your broker to provide the full details of the derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

Risk-reducing orders or strategies

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

Suspension or restriction of trading and pricing relationships

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

Deposited cash and property

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

Commission and other charges

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

Trading facilities

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

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

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

X(Client Signature)

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

Place :

Date :

X (Client Signature)

Date :

From :

.....
.....
.....

To,
The Branch Manager

.....
.....
.....

Re : Attestation of Signature by Banker

Sir / Madam

I / We undersigned am / are holder(s) of SB / CA No..... in the name
of at your branch.

I / We request you to also confirm that this account has been in operation since

Kindly attest our signature/s appended below as per records.

Thanking you,
Yours faithfully,

X Specimen Signature

Signature verified
(Signature of Branch Manager & stamp)

Note : This document is mandatory in case the client signature on the mandatory proof submitted differs from his / her present signature.



AUTHORIZATION FOR TRANSFER OF CREDITS AND SETTLEMENT

I / We hereby authorize **Karvy Commodities Broking Private Limited** (KCBPL) to effect transfer of my / our account credits from MCX / NCDEX, and vice versa to meet the margin / settlement obligations of my / our account(s), as necessitated.

Further, I / We hereby authorize KCBPL to retain credit balances and settle / release such credit balances in our account (s) on receipt of specific instructions from me/us or my/our authorized representative. The credits can be utilized by KCBPL to meet any obligation arising of trades executed by me/us/authorized representative through KCBPL in my / our account.

Thanking You

Your's faithfully,

X(Signature of client)

Karvy Commodities Trading Account Details :

Client Code :

Branch Code :

MANDATE FOR AUTHORIZED REPRESENTATIVE

I / We _____ having a commodities trading account no. _____ with **Karvy Commodities Broking Private Limited** hereby authorize _____ son / daughter / wife of _____ R/o _____ herein after referred to as either mandate holder or authorized representative whose signature is given below, to trade on my/our behalf and I / we further accept that all obligations arising out of trades executed by such person will be met by me/us. Further, I / We authorize you to accept all instructions, from such person pertaining to settlement of transactions in my/our account.

I/ We also undertake to indemnify **Karvy Commodities Broking Private Limited** for all dues, penalties, and incidental expenses relating to, and arising out of and in connection with Karvy Commodity Broking Private Limited transactions pertaining to trading account no. _____ with Karvy Commodities Broking Private Limited and operated by my/our mandate holder or authorized representative Mr / Mrs. _____

.....
(Signature of Mandate Holder)

Attested

.....
X (Signature of client)

Place :

Date :

Witness Name and Address :

.....

Witness Signature :

Note : In case the client does not sign this mandate, orders, instructions and payment / transfer advises shall not be accepted in the client account from the person (s) other than the client.

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