

INDEX OF DOCUMENTS

S.No.	Name of the Document	Brief Significance of the Document	Page No.
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MANDATORY DOCUMENTS AS PERSCRIBED BY FMC & EXCHANGES

1.	KYC (Account Opening) Application Form	KYC form - Document captures the basic information about the constituent and an instruction/check list	3
2.	Uniform Risk Disclosure Document (RDD)	Document detailing risks associated with dealing in the commodities market	7
3.	Rights and Obligations of Member/ Authorized Persons/Clients	Document stating the rights & obligations of member, authorized person and client for trading on Exchanges (including additional rights & obligations in case of internet/wireless technology based trading)	9
4.	Do's and Don'ts of the Investors	Document detailing do's and don'ts for trading on Exchanges, for the education of the investors	18
5.	Tariff Sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the commodity exchange(s) (to be added by the member)	19

VOLUNTARY DOCUMENTS AS PROVIDED BY THE MEMBER

6.	ECN Declaration	Receipt of contract notes / statements electronically	20
7.	Letter of Authority	For running account authorisation	21
8.	Trading Request	Request for trading in commodity forward contracts / commodity derivatives	22
9.	CRD / Acknowledgement	For CRD registration / acknowledgement receipts	23

Name of Member

Alice Blue Commodities (P) Ltd

CIN U51909TZ2006PTC013271

FMC Unique Membership Code (UMC) No. : MCX-TCMID - 35290 / FMC CODE-MCX/TCM/CORP/1442

NCDEX-TCMID - 00965 / FMC CODE-NCDEX/TCM/CORP/0940

NMCE-TCMID – CL0481/ FMC CODE-NMCE/TCM/CORP/0406 NSEL – TMID – 37200

Corporate Office / Correspondence Office

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Compliance Officer : V.Vijayakumar / Phone no : 044 - 49122333 / E-mail id : compliance@aliceblueindia.com

CEO : V.Vijayakumar / Phone no : 044 - 49122333 / E-mail id : vijayakumar@aliceblueindia.com

For any grievance/dispute please contact Alice Blue Commodities (P) Ltd at the above address or email id vijayakumar@aliceblueindia.com and phone no. 044 - 45092302. In case not satisfied with the response, please contact the concerned Exchange(s). For MCX grievance@mcxindia.com and phone no. 022-67318888 For NCDEX askus@ncdex.com and phone no. 022-66406789. For NMCE grievance@nmce.com and phone no. 079-40086037 For NSEL info@nationalspotexchange.com and phone no. 022-67619900.

INSTRUCTIONS/CHECK LIST FOR FILLING KYC FORM

A.IMPORTANT POINTS

1. Self attested copy of PAN card is mandatory for all clients, including promoters/partners/karta/trustees and whole time directors and persons authorized to deal in commodity derivatives on behalf of company/firm/others.
2. Copies of all the documents submitted by the applicant should be self-attested 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 below mentioned list.
3. If any proof of identity or address is in a regional language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent address are different, then proofs for both have to be submitted.
6. Sole proprietor must make the application in his individual name & capacity.
7. For non-residents and foreign nationals, (allowed to trade subject to RBI and FIPB/FEMA guidelines and other applicable statutory approvals), copy of passport/PIO card/OCI card and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (Continuous Discharge Certificate) is to be submitted along with other statutory approvals required for investment in commodities.
10. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., heads of states or of governments, senior politicians, senior government/judicial/military officers, senior executives of state owned corporations, important political party officials, etc.,

B. Proof of Identity (POI) / List of documents admissible as proof of identity

1. Unique Identification Number (UID) (Aadhaar)/ Passport/ Voter ID card/ Driving license.
2. PAN card with photograph.
3. Identity card issued by any of the following : central/state government and its departments, statutory/regulatory authorities, public sector undertakings, scheduled commercial banks, public financial institutions, colleges affiliated to universities, professional bodies such as ICAI, ICWAI, ICSI, bar council etc., to their members and credit cards /debit cards issued by banks.

C. Proof of Address (POA) / List of documents admissible as proof of address

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

1. Passport/ voters identity card/ ration card/ registered lease or sale agreement of residence/ driving license/ flat maintenance bill/ insurance copy / 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. Proof of address issued by any of the following: Bank managers of scheduled commercial banks/scheduled co operative bank/multinational foreign banks/gazetted officer/notary public/elected representatives to the legislative assembly/parliament/documents issued by any government or statutory authority.
5. 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.
6. The proof of address in the name of the spouse may be accepted.

D. Exemptions to PAN

(Note: Sufficient documentary evidence in support of such claims to be collected)

1. 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 (subject to the continued exemption granted by government).

E. List of people authorized to attest the documents

1. Notary public, gazetted officer, manager of a scheduled commercial/co-operative bank or multinational foreign banks (name, designation & seal should be affixed on the copy).
2. In case of NRIs, authorized officials of overseas branches of scheduled commercial banks registered in India, notary public, court magistrate, judge, indian embassy /consulate general in the country where the client resides are permitted to attest the documents.

KNOW YOUR CLIENT (KYC) Application Form - For Individuals
 NEW CHANGE REQUEST (please tick the appropriate) Acknowledgment No.
Please fill this form in **ENGLISH** and in **BLOCK LETTERS**(Please tick box on left margin of appropriate row where CHANGE/CORRECTION is required and provide the details in the corresponding row)**A. IDENTITY DETAILS** 1) Name of the Applicant : _____ 2) Father's/Spouse Name : _____ 3a. Gender : Male Female 3b. Marital Status : Single Married 3c. Date of Birth : ____/____/____ 4a. Nationality : Indian Other (Please specify) _____ 4b. Status : Resident Individual Non Resident Foreign National 5a. PAN : _____ 5b. Unique Identification Number (UID) / Aadhaar, if any : _____6) Specify proof of Identity submitted PAN Card Other (Please specify) _____

PHOTOGRAPH

Please affix your recent passport size photograph and sign across it

B. ADDRESS DETAILS 1) Residence / Correspondence Address : _____

City/Town/Village : _____ Pin Code : _____

State : _____ Country : _____

2) Specify the Proof of Address submitted for Residence / Correspondence Address : _____

 3) Contact Details : Tel. (Off.) : _____ Fax : _____

Tel. (Res.) : _____ Mobile No.: _____

E-Mail ID. : _____

 4) Permanent Address (If different from above or overseas address, mandatory for Non-Resident Applicant)

City/Town/Village : _____ Pin Code : _____

State : _____ Country : _____

DECLARATION

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.

Date : ____/____/____

Signature of the Applicant

FOR OFFICE USE ONLY**In Person Verification (IPV Details) :**

Name of the person who has done the IPV : _____

Designation : _____ Employee ID : _____

Name of the Organization : _____

Date of IPV : ____/____/____

Signature of the person who has done the IPV

Seal/Stamp of the Intermediary

 Originals Verified and Self Attested Document copies received

Date :

Signature of the Authorized Signatory

OTHER DETAILS

1. Gross Annual Income Details (please specify): Income Range per annum : Below Rs. 1 Lacs 1-5 Lacs
 5-10 Lacs 10-25 Lacs above 25 Lacs **or**
 Net-worth as on _____ / _____ (Net worth should not be older than 1 year)
2. Occupation (please tick any one and give brief details) : Private Sector Public Sector
 Government Service Business Professional Farmer Others (Specify) : _____
3. Please tick, as applicable : Politically Exposed Person (PEP) Related to a Politically Exposed Person (PEP) Not a Politically Exposed Person (PEP) Not Related to a Politically Exposed Person (PEP)

BANK ACCOUNT(S) DETAILS

Bank Name	Branch Address	Account No.	Account Type	MICR Number	IFSC Code
			<input type="checkbox"/> Savings <input type="checkbox"/> Current		

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

DEPOSITORY ACCOUNT(S) DETAILS (If Available)

Depository Participant Name	Depository Name	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

TRADING PREFERENCES

Note: Please sign in the relevant boxes against the Exchange(s) with which you wish to trade. The Exchange(s) not chosen should be struck off by the client

S. No.	Name of the National Commodity Exchanges	Date of Consent for trading on concerned Exchanges	Signature of the Client
1	MCX		<input type="checkbox"/>
2	NCDEX		<input type="checkbox"/>
3	NMCE		<input type="checkbox"/>
4	NSEL		<input type="checkbox"/>

At the time of printing the form, the member must specify the names of the Exchanges where the member has membership. (In case of allowing a client for trading on any other Exchange(s) at a later date, which is not selected now, a separate consent letter is required to be obtained by the member from client and to be kept as enclosure with this document)

INVESTMENT/TRADING EXPERIENCE

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

VAT DETAILS
(As applicable, State wise)

Local VAT Registration No. : _____

Validity Date : _____

Name of the State : _____

Other VAT Registration No. : _____

Name of the State : _____

Validity Date : _____

SALES TAX REGISTRATION DETAILS
(As applicable, State wise)

Local Sales Tax State Registration No. : _____

Validity Date : _____

Name of the State : _____

Central Sales Tax Registration No : _____

Validity Date : _____

Other Sales Tax State Registration No. : _____

Validity Date : _____

Name of the State : _____

PAST REGULATORY ACTIONS

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 : _____

DEALINGS THROUGH OTHER MEMBERS

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

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

Exchange : _____

Exchange's Registration Number : _____

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

Registered Office Address : _____

Ph : _____ Fax : _____ Email : _____

Client Code : _____ Website : _____

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

INTRODUCER DETAILS (Optional)

Name of the Introducer : _____
 Status of the Introducer : Authorized Person Existing Client Others _____
 Address and Phone no. of the Introducer : _____
 Signature of the Introducer : _____

ADDITIONAL DETAILS

Whether you wish to receive communication from member in electronic form on your e-mail id Yes / No
 (If yes then please fill in Appendix-A)

NOMINATION DETAILS

I / We wish to nominate I / We do not wish to nominate
 Name of the Nominee : _____ Relationship with the Nominee : _____
 PAN of Nominee: _____ Date of Birth of Nominee : _____
 Address of the Nominee : _____
 _____ Phone No. _____

If Nominee is a Minor, Details of Guardian


Name of Guardian : _____ Address of Guardian : _____
 _____ Phone No. _____
 Signature of Guardian : _____

WITNESSES (Only applicable in case the account holder has made nomination)

Name : _____ Name : _____
 Signature : _____ Signature : _____
 Address : _____ Address : _____

DECLARATION

1./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./We confirm having read/been explained and understood the contents of the tariff sheet and all voluntary/non-mandatory documents
 3./We further confirm having read and understood the contents of the 'Rights and Obligations' document(s), 'Risk Disclosure Document' and 'Do's and Dont's'. 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 the Client**

FOR OFFICE USE ONLY

UCC Code allotted to the Client : _____

Particulars	Documents verified with Originals
Name of the Employee	
Employee Code	
Designation of the Employee	
Date	
Signature	◆

I/We undertake that we have made the client aware of tariff sheet and all the voluntary/non-mandatory documents. I/We have also made the client aware of 'Rights and Obligations' document (s), RDD, 'Do's and Dont's' 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 : _____ Seal / Stamp of the Member  _____
Signature of the Authorised Signatory

Annexure 2
RISK DISCLOSURE DOCUMENT

The Exchange(s) 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(s) endorsed or passed any merits of participating in the commodity derivatives market/trading. This brief statement does not disclose all of the risks and other significant aspects of trading. You should, therefore, study derivatives trading carefully before becoming involved in it.

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

You must know and appreciate that investment in commodity futures contracts/derivatives or other instruments traded on the commodity Exchange(s), which have varying element of risk, is generally not an appropriate avenue for someone of limited resources/limited investment and/or trading experience and low risk tolerance. You should, therefore, carefully consider whether such trading is suitable for you in the light of your financial condition. In case, you trade on the Exchange and suffer adverse consequences or loss, you shall be solely responsible for the same and the Exchange shall not be responsible, in any manner whatsoever, for the same and it will not be open for you to take the plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by the concerned member. The client shall be solely responsible for the consequences and no contract can be rescinded on that account.

You must acknowledge and accept that there can be no guarantee of profits or no exception from losses while executing orders for purchase and/or sale of a commodity derivatives being traded on the Exchange.

It must be clearly understood by you that your dealings on the Exchange through a member shall be subject to your fulfilling certain formalities set out by the member, which may, inter alia, include your filing the know your client form and are subject to rules, byelaws and business rules of the Exchange(s) guidelines prescribed by FMC from time to time and circulars as may be issued by the Exchange from time to time.

The Exchange does not provide or purport to provide any advice and shall not be liable to any person who enters into any business relationship with any member of the Exchange and/or third party based on any information contained in this document. Any information contained in this document must not be construed as business advice/investment advice. No consideration to trade should be made without thoroughly understanding and reviewing the risks involved in such trading. If you are unsure, you must seek professional advice on the same.

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

1. Basic Risks involved in the trading of commodity futures contracts and other commodity derivatives instruments on the Exchange(s)

i. Risk of Higher Volatility

Volatility refers to the dynamic changes in price that commodity derivative contracts undergo when trading activity continues on the commodity Exchange(s). Generally, higher the volatility of a commodity derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded commodity derivatives contracts than in actively traded commodities/contracts. As a result of volatility, your order may only be partially executed or not executed at all, or the price at which your order got executed may be substantially different from the last traded price or change substantially thereafter, resulting in real losses.

ii. Risk of Lower Liquidity

a. Liquidity refers to the ability of market participants to buy and/or sell commodity derivative contract expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the number of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell commodity derivatives contracts swiftly and with minimal price difference and as a result, investors are more likely to pay or receive a competitive price for commodity derivative contracts purchased or sold. There may be a risk of lower liquidity in some commodity derivative contracts as compared to active commodity derivative contracts. As a result, your order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.

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

iii. Risk of Wider Spreads

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

iv. Risk-reducing orders

a. Most of the Exchanges have a facility for investors to place "limit orders", "stop loss orders" etc., Placing of such orders (e.g. "stop loss" orders or "limit" orders) which are intended to limit losses to certain amounts may not be effective many a time because rapid movement in market conditions may make it impossible to execute such orders.

b. A "market" order will be executed promptly, subject to availability of orders on opposite side, without regard to price and that while the customer may receive a prompt execution of a "market" order, the execution may be at available prices of outstanding orders, which satisfy the order quantity, on price time priority. It may be understood that these prices may be significantly different from the last traded price or the best price in that commodity derivatives contract.

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

d. A stop loss order is generally placed "away" from the current price of a commodity derivatives contract, and such order gets activated if and when the contract reaches, or trades through, the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the contract approaches pre-determined price, or trades through such price, the stop loss order converts to a market/limit order and is executed at the limit or better. There is no assurance therefore that the limit order will be executable since a contract might penetrate the pre-determined price, in which case, the risk of such order not getting executed arises, just as with a regular limit order.

v. Risk of News Announcements

a. Traders/Manufacturers make news announcements that may impact the price of the commodities and/or commodity derivatives contracts. These announcements may occur during trading and when combined with lower liquidity and higher volatility may suddenly cause an unexpected positive or negative movement in the price of the commodity/ commodity derivatives contract.

vi. Risk of Rumours

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

vii. System Risk

a. High volume trading will frequently occur at the market opening and before market close. Such high volumes may also occur at any point in the day. These may cause delays in order execution or confirmation.

b. During periods of volatility, on account of market participants continuously modifying their order quantity or prices or placing fresh orders, there may be delays in execution of order and its confirmation.

c. Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a commodity due to any action on account of unusual trading activity or price hitting circuit filters or for any other reason.

viii. System/ Network Congestion

a. Trading on the Exchange is in electronic mode, based on satellite/leased line communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond the control of and may result in delay in processing or not processing buy or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, but when you have outstanding open positions or un executed orders, these represent a risk because of your obligations to settle all executed transactions.

2. As far as futures commodity derivatives are concerned, please note and get yourself acquainted with the following additional features

Effect of "Leverage" or "Gearing"

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

b. Trading in futures commodity derivatives involves daily settlement of all positions. Every day the open positions are marked to market based on the closing price. If the closing price has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This margin will have to be paid within a stipulated time frame, generally before commencement of trading on the next day.

- c. If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the member of the Exchange may liquidate/square-up a part of or the whole position. In this case, you will be liable for any losses incurred due to such square-up/close outs.
- d. Under certain market conditions, an Investor may find it difficult or impossible to execute the transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- e. Steps, such as, changes in the margin rate, increase in the cash margin rate etc. may be adopted in order to maintain market stability. These new measures may be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- f. You must ask your member of the Exchange(s) to provide the full details of the commodity derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

3. TRADING THROUGH WIRELESS TECHNOLOGY OR ANY OTHER TECHNOLOGY

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

4. General

i. Deposited cash and property

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

ii. Commission and other charges

- i. 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.
- ii. For rights and obligations of the members/authorised persons/clients, please refer to Annexure 3
- iii. 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(s).
- iv. The term 'member' shall mean and include a trading member or a member/broker, who has been admitted as such by the Exchange(s) and got a unique member code from FMC.



Signature of the Client

Date

Place

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(s) 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 to deal in commodities and/or deal in derivatives contracts and wishes to execute its orders through the member and the client shall from time to time continue to satisfy itself of such capability of the member before executing orders through the member.
4. The member shall continuously satisfy itself about the genuineness and financial soundness of the client and investment objectives relevant to the services to be provided.
5. The member shall take steps to make the client aware of the precise nature of the member's liability for business to be conducted, including any limitations, the liability and the capacity in which the member acts.

CLIENT INFORMATION

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).
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.

11. A. 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 into account while determining whether a term is unfair, include –

- ii. the nature of the financial product or financial service dealt with under the financial contract;
- ii. the extent of transparency of the term;

**** Contracts offered by commodity exchanges**

- iii. the extent to which the term allows a Client to compare it with other financial contracts for similar financial products or financial services; and
- iv. the financial contract as a whole and the terms of any other contract on which it is dependent.

d. A term is transparent if it –

- ii. is expressed in reasonably plain language that is likely to be understood by the Client;
- ii. is legible and presented clearly; and
- iii. is readily available to the Client affected by the term

e. If a term of a financial contract is determined to be unfair under point 11.A.c, the parties will continue to be bound by the remaining terms of the financial contract to the extent that the financial contract is capable of enforcement without the unfair term.

11. B

a. “Non-negotiated contract” means a contract whose terms, other than the terms contained in point 11.C. (given below) are not negotiated between the parties to the financial contract and includes -

- i. a financial contract in which, relative to the Client, the Member has a substantially greater bargaining power in determining terms of the financial contract; and
- ii. a standard form contract

b. “Standard form contract” means a financial contract that is substantially not negotiable for the Client, except for the terms contained in point 11.C -

- c. Even if some terms of a financial contract are negotiated in form, the financial contract may be regarded as a nonnegotiated contract if so indicated by –
 - ii. an overall and substantial assessment of the financial contract; and
 - ii. the substantial circumstances surrounding the financial contract
- d. In a claim that a financial contract is a non-negotiated contract, the onus of demonstrating otherwise will be on the Member.

11. C a. The above does not apply to a term of a financial contract if it –

- i. defines the subject matter of the financial contract;
- ii. sets the price that is paid, or payable, for the provision of the financial product or financial service under the financial contract and has been clearly disclosed to the Client; or
- iii. is required, or expressly permitted, under any law or regulations.

b. The exemption under point 11.C does not apply to a term that deals with the payment of an amount which is contingent on the occurrence or non-occurrence of any particular event.

12. The member and authorized person shall maintain all the details of the client as mentioned in the account opening form or any other information pertaining to the client, confidentially and that they shall not disclose the same to any person/ authority except as required under any law/regulatory requirements. Provided however that the member may so disclose information about his client to any person or authority with the express permission of the client.

13. A. Protection of Personal information and Confidentiality

a. “Personal information” means any information that relates to a Client or allows a Client’s identity to be inferred, directly or indirectly, and includes –

- i. name and contact information;
- ii. biometric information, in case of individuals
- iii. information relating to transactions in, or holdings of, financial products
- iv. information relating to the use of financial services; or
- v. such other information as may be specified.

13. B

a. A Member must –

- i. not collect personal information relating to a Client in excess of what is required for the provision of a financial product or financial service;
- ii. maintain the confidentiality of personal information relating to Clients and not disclose it to a third party, except in a manner expressly permitted under point 13.B. b.;
- iii. make best efforts to ensure that any personal information relating to a Client that it holds is accurate, up to date and complete;
- iv. ensure that Clients can obtain reasonable access to their personal information, subject to any exceptions that the Regulator may specify; and
- v. allow Clients an effective opportunity to seek modifications to their personal information to ensure that the personal information held by the Member is accurate, up to date and complete.

b. A Member may disclose personal information relating to a Client to a third party only if –

- i. it has obtained prior written informed consent of the Client for the disclosure, after giving the Client an effective opportunity to refuse consent;
- ii. the Client has directed the disclosure to be made;
- iii. the Regulator has approved or ordered the disclosure, and unless prohibited by the relevant law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;
- iv. the disclosure is required under any law or regulations, and unless prohibited by such law or regulations, the Client is given an opportunity to represent under such law or regulations against such disclosure;
- v. the disclosure is directly related to the provision of a financial product or financial service to the Client, if the Member
 1. informs the Client in advance that the personal information may be shared with a third party; and
 2. makes arrangements to ensure that the third party maintains the confidentiality of the personal information in the same manner as required under this Part; or

vi. the disclosure is made to protect against or prevent actual or potential fraud, unauthorised transactions or claims, if the Member arranges with the third party to maintain the confidentiality of the personal information in the manner required under this Part.-

c. "Third party" means any person other than the concerned Member, including a person belonging to the same group as the Member.

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

a. Member must ensure fair disclosure of information that is likely to be required by a Client to make an informed transactional decision.

b. In order to constitute fair disclosure, the information must be provided–

i. sufficiently before the Client enters into a financial contract, so as to allow the Client reasonable time to understand the information;

ii. in writing and in a manner that is likely to be understood by a Client belonging to a particular category; and

iii. in a manner that enables the Client to make reasonable comparison of the financial product or financial service with other similar financial products or financial services.

c. The types of information that must be disclosed to a Client in relation to a financial product or financial service, which may include information regarding –

i. main characteristics of the financial product or financial service, including its features, benefits and risks to the Client;

ii. consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;

iii. existence, exclusion or effect of any term in the financial product or financial contract;

iv. nature, attributes and rights of the Member, including its identity, regulatory status and affiliations;

v. contact details of the Member and the methods of communication to be used between the Member and the Client;

vi. rights of the Client to rescind a financial contract within a specified period; or

vii. rights of the Client under any law or regulations

14. B

a. Member must provide a Client that is availing a financial product or financial service provided by it, with the following continuing disclosures –

i. any material change to the information that was required to be disclosed under point 14.A at the time when the Client initially availed the financial product or financial service;

ii. information relating to the status or performance of a financial product held by the Client, as may be required to assess the rights or interests in the financial product or financial service; and

iii. any other information that may be specified.

b. A continuing disclosure must be made –

i. within a reasonable time-period from the occurrence of any material change or at reasonable periodic intervals, as applicable; and

ii. in writing and in a manner that is likely to be understood by a Client belonging to that category.

MARGINS

15. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the member or the Exchange(s) 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(s) 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 regard are complied with. The member shall ensure to place orders and execute the trades of the client, only in the unique client code assigned to that client.

18. The member shall inform the client and keep him apprised about trading/settlement cycles, delivery/payment schedules, any changes therein from time to time, and it shall be the responsibility in turn of the client to comply with such schedules/procedures of the relevant commodity exchange(s) where the trade is executed.

19. The member shall ensure that the money deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the member for himself/itself or for any other client or for any purpose other than the purposes mentioned in rules, circulars, notices, guidelines of FMC and/or rules, business rules, bye-laws, circulars and notices of Exchange(s).

20. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trades 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(s) are subject to rules, byelaws and business rules and circulars/notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the byelaws and business rules of the Exchange(s) where the trade is executed for the purpose of giving effect to the provisions of the rules, byelaws and business rules of the Exchange(s) and the circulars/notices issued thereunder.

BROKERAGE

22. The client shall pay to the member brokerage and statutory levies as are prevailing from time to time and as they apply to the client's account, transactions and to the services that member renders to the client. The member shall not charge brokerage more than the maximum brokerage permissible as per the rules, business rules and bye-laws of the relevant commodity exchanges and/or rules of 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/commodities in favor of a nominee shall be valid discharge by the member against the legal heir.

DISPUTE RESOLUTION

25. The member shall co-operate in redressing grievances of the client in respect of all transactions routed through it.

26. The client and the member shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the rules, byelaws and business rules of the Exchange(s) where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.

27. The client/member understands that the instructions issued by an authorized representative for dispute resolution, if any, of the client/member shall be binding on the client/member in accordance with the letter authorizing the said representative to deal on behalf of the said client/member.

28. Requirement for each Member to have an effective grievance redress mechanism which is accessible to all its Clients

a. A Member must have in place an effective mechanism to receive and redress complaints from its Clients in relation to financial products or financial services provided by it, or on its behalf, in a prompt and fair manner.

b. A Member must inform a Client, at the commencement of relationship with the Client and at such other time when the information is likely to be required by the Client, of –

- i. the Client's right to seek redress for any complaints; and
- ii. the processes followed by the Member to receive and redress complaints from its Clients.

29. A Suitability of advice for the Client -

Right to receive advice that is suitable taking into account the relevant personal circumstances of the Client, such as the Client's financial circumstances and needs. This obligation would apply to persons who render advice to Clients and the regulator may specify categories of financial products and service that necessarily require such advice to be given.

a. A Member must –

- i. make all efforts to obtain correct and adequate information about the relevant personal circumstances of a Client; and

ii. ensure that the advice given is suitable for the Client after due consideration of the relevant personal circumstances of the Client.

b. If it is reasonably apparent to the Member that the available information regarding the relevant personal circumstances of a Client is incomplete or inaccurate, the Member must warn the Client of the consequences of proceeding on the basis of incomplete or inaccurate information.

c. If a Client intends to avail of a financial product or financial service that the Member determines unsuitable for the Client, the Member –

i. must clearly communicate its advice to the Client in writing and in a manner that is likely to be understood by the Client; and

ii. may provide the financial product or financial service requested by the Client only after complying with point 29.A.a and obtaining a written acknowledgement from the Client.

30. Dealing with conflict of interest

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

a. A member must –

i. provide a Client with information regarding any conflict of interests, including any conflicted remuneration that the Member has received or expects to receive for making the advice to the Client; and

ii. give priority to the interests of the Client if the Member knows, or reasonably ought to know, of a conflict between-

1. its own interests and the interests of the Client; or

2. the interests of the concerned Member and interests of the Client, in cases where the Member is a financial representative.

b. The information under point 16a.i. must be given to the Client in writing and in a manner that is likely to be understood by the Client and a written acknowledgement of the receipt of the information should be obtained from the Client.

c. In this section, “conflicted remuneration” means any benefit, whether monetary or non-monetary, derived by a Member from persons other than Clients, that could, under the circumstances, reasonably be expected to influence the advice given by the Member to a Client.

TERMINATION OF RELATIONSHIP

31. This relationship between the member and the client shall be terminated. If the member for any reason ceases to be a member of the commodity exchange including cessation of membership by reason of the member's default, death, resignation or expulsion or if the certificate is cancelled by the Exchange(s).

32. The member, authorized person and the client shall be entitled to terminate the relationship between them without giving any reasons to the other party, after giving notice in writing of not less than one month to the other parties. Notwithstanding any such termination, all rights, liabilities and obligations of the parties arising out of or in respect of transactions entered into prior to the termination of this relationship shall continue to subsist and vest in/be binding on the respective parties or his/its respective heirs, executors, administrators, legal representatives or successors, as the case may be.

33. In the event of demise/insolvency of the authorized person or the cancellation of his/its registration with the board or/ withdrawal of recognition of the authorized person by the commodity Exchange(s) and/or termination of the agreement with the authorized person by the member, for any reason whatsoever, the client shall be informed of such termination and the client shall be deemed to be the direct client of the member and all clauses in the 'Rights and Obligations' document(s) governing the member, authorized person and client shall continue to be in force as it is, unless the client intimates to the member his/its intention to terminate their relationship by giving a notice in writing of not less than one month.

ADDITIONAL RIGHTS AND OBLIGATIONS

34. The member and client shall reconcile and settle their accounts from time to time as per the rules, business rules, bye laws, circulars, notices and guidelines issued by FMC and the relevant Exchange(s) where the trade is executed.

35. The member shall issue a contract note to his clients for trades executed in such format as may be prescribed by the Exchange(s) 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(s). The member shall send contract notes to the investors within 24 hours of the execution of the trades in hard copy and/or in electronic form using digital signature.

36. The member shall make pay out of funds or delivery of commodities as per the Exchange(s) rules, bye-laws, business rules and circulars, as the case may be, to the client on receipt of the payout from the relevant Exchange(s) 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(s) from time to time where the trade is executed.

37. The member shall send a complete 'Statement of Accounts' for both funds and commodities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange(s), 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 immediately but not later than 30 calendar days of 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 margin statements to the clients on monthly basis. Margin statement should include, inter-alia, details of collateral deposited, collateral utilized and collateral status (available balance/due from client) with break up in terms of cash, fixed deposit receipts (FDRs), bank guarantee, warehouse receipts, securities etc.,

39. The client shall ensure that it has the required legal capacity to, and is authorized to, enter into the relationship with member and is capable of performing his obligations and undertakings hereunder. All actions required to be taken to ensure compliance of all the transactions, which the client may enter into shall be completed by the client prior to such transaction being entered into.

40. In case, where a member surrenders his/ her/ its membership, member gives a public notice inviting claims, if any, from investors. In case of a claim relating to transactions executed on the trading system of the Exchange(s), ensure that client lodge a claim with the Exchange(s) within the stipulated period and with the supporting documents.

14. A. Protection from unfair conduct which includes misleading conduct & abusive conduct

a. Unfair conduct in relation to financial products or financial services is prohibited.

b. "Unfair conduct" means an act or omission by a Member or its financial representative that significantly impairs, or is likely to significantly impair, the ability of a Client to make an informed transactional decision and includes –

- i. misleading conduct under point 41.B
- ii. abusive conduct under point 41.C
- iii. such other conduct as may be specified

41. B.

a. Conduct of a Member or its financial representative in relation to a determinative factor is misleading if it is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise, and the conduct involves –

- i. providing the Client with inaccurate information or information that the Member or financial representative does not believe to be true; or
- ii. providing accurate information to the Client in a manner that is deceptive.

b. In determining whether a conduct is misleading under point 41.B.a, the following factors must be considered to be "determinative factors"

- i. the main characteristics of a financial product or financial service, including its features, benefits and risks to the Client;
- ii. the Client's need for a particular financial product or financial service or its suitability for the Client;
- iii. the consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
- iv. the existence, exclusion or effect of any term in a financial contract, which is material term in the context of that financial contract;
- v. the nature, attributes and rights of the Member, including its identity, regulatory status and affiliations; and
- vi. the rights of the Client under any law or regulations.

41. C

a. A conduct of a Member or its financial representative in relation to a financial product or financial service is abusive if it –

- i. involves the use of coercion or undue influence; and
- ii. causes or is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise.

b. In determining whether a conduct uses coercion or undue influence, the following must be considered –

- ii. the timing, location, nature or persistence of the conduct;
- ii. the use of threatening or abusive language or behaviour;
- 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 rights under a financial contract, including –
- v. the right to terminate the financial contract;
- vi. the right to switch to another financial product or another Member and
- vii. a threat to take any action, depending on the circumstances in which the threat is made.

ELECTRONIC CONTRACT NOTES (ECN)

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/by-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-tamperable and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through E-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamperable.
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/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 rules/circulars/guidelines issued by 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. This 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 Exchange(s) in which the client chooses to trade and circulars/notices issued thereunder or rules of FMC.
50. The provisions of this document shall always be subject to Government notifications, any rules, guidelines and circulars/notices issued by FMC and circulars, rules, business rules and bye laws of the relevant commodity Exchanges, where the trade is executed, that may be in force from time to time.
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, 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/business rules and circulars/notices issued there under of the Exchange(s)/FMC.
53. All additional voluntary/nonmandatory clauses/document added by the member should not be in contravention with rules/ business rules/notices/circulars of Exchange(s)/FMC. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchange(s)/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 of FMC or bye-laws, rules and business rules of the relevant commodity exchanges where the trade is executed, such changes shall be deemed to have been incorporated here 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.

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 Exchange(s) 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/Exchange(s) 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 Exchange(s)/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 Exchange(s)/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(s) 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(s) 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(s) end for any reason beyond the control of the member/Exchange(s).



Signature of the Client

Date

Place

Annexure 4
GUIDANCE NOTE - DO's AND DON'Ts FOR THE CLIENTS

Do's

1. Trade only through registered members of the Exchange(s). Check from the Exchange(s) websites to see whether the member is registered with the Exchange(s).
2. Insist on filling up a standard 'Know Your Client (KYC)' form before you commence trading.
3. Insist on getting a unique client code (UCC) and ensure all your trades are done under the said UCC.
4. Insist on reading and signing a standard 'Risk Disclosure Agreement'.
5. Obtain a copy of your KYC and/or other documents executed by you with the member, from the member.
6. Cross check the genuineness of trades carried out at the Exchange(s) through the trade verification facility available on the Exchange(s) websites. The trades can be verified online where trade information is available up to 5 working days from the trade date.
7. Insist on a duly signed contract note in specified format for every executed trade within 24 hours of trade, highlighting the details of the trade along with your UCC.
8. Ensure that the contract note contains all the relevant information such as member registration number, order no., order date, order time, trade no, trade rate, quantity, arbitration clause, etc.,
9. Obtain receipt for collaterals deposited with the member towards margins.
10. Go through the rules, bye-laws, regulations, circulars, directives, notifications of the Exchange(s) as well as of the r
11. Ask all relevant questions and clear your doubts with your member before transacting.
12. Insist on receiving the bills for every settlement.
13. Insist on monthly statements of your ledger account and report any discrepancies in the statement to your member within 7 working days. In case of unsatisfactory response report the discrepancy to the Exchange(s) within 15 working days from the date of cause of action.
14. Scrutinize minutely both the transaction & holding statements that you receive from your depository participant.
15. Keep Delivery Instruction Slips (DIS) book issued by DPs in safe possession.
16. Ensure that the DIS numbers are preprinted and your account number (UCC) is mentioned in the DIS book.
17. Freeze your demat account in case of your absence for longer duration or in case of not using the account frequently.
18. Pay required margins in time and only by cheque and ask for receipt thereof from the member.
19. Deliver the commodities in case of sale or pay the money in case of purchase within the time prescribed.
20. Understand and comply with accounting standards for derivatives.
21. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the member. Note that the clauses as agreed between you and the member cannot be changed without your consent.
22. Get a clear idea about all brokerage, commissions, fees and other charges levied by the member on you for trading and the relevant provisions/ guidelines specified by FMC/commodity exchanges.
23. Make the payments by account payee cheque in favour of the member. Ensure that you have a documentary proof of your payment/deposit of commodities with the member, stating date, commodity, quantity, towards which bank/demat account such money or commodities (in the form of warehouse receipts) deposited and from which bank/demat account.
24. The payout of funds or delivery of commodities (as the case may be) shall not be made to you within one working day from the receipt of payout from the Exchange(s), in case you have given specific authorization for maintaining running account to the member. Thus, in this regard, the running account authorization provided by you to the member shall be subject to the following conditions:
 - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
 - 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 Exchanges.
 - d) Please register your mobile number and E-mail 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/authorised person then you may take up the matter with the concerned commodity Exchange(s). 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(s).
3. Do not enter into assured returns arrangement with any member.
4. Do not get carried away by luring advertisements, rumours, hot tips, explicit/implicit promise of returns, etc.,
5. Do not make payments in cash/ take any cash towards margins and settlement to/from the member.
6. Do not start trading before reading and understanding the 'Risk Disclosure Agreement.'
7. Do not neglect to set out in writing, orders for higher value given over phone.
8. Do not accept unsigned/duplicate contract note/confirmation memo.
9. Do not accept contract note/confirmation memo signed by any unauthorized person.
10. Don't share your internet trading account's password with anyone.
11. Do not delay payment/deliveries of commodities to member.
12. Do not forget to take note of risks involved in the investments.
13. Do not sign blank delivery instruction slips (DIS) while furnishing commodities, deposits and/or keep them with depository participants (DP) or member to save time.
14. Do not pay brokerage in excess of that rates prescribed by the Exchange(s).
15. Don't issue cheques in the name of authorized person.



Signature of the Client

Date

Place

Annexure 5

BROKERAGE STRUCTURE

In percentage column brokerage should be filled only in percentage (%) (Dont mention in Rupees)

MCX	Percentage	Minimum (Rs)	NCDEX	Percentage	Minimum (Rs)
Intraday / Same day	<input type="text"/> %	<input type="text"/>	Intraday / Same day	<input type="text"/> %	<input type="text"/>
Delivery / Carryover	<input type="text"/> %	<input type="text"/>	Delivery / Carryover	<input type="text"/> %	<input type="text"/>
NMCE	Percentage	Minimum (Rs)	NSEL	Percentage	Minimum (Rs)
Intraday / Same day	<input type="text"/> %	<input type="text"/>	Intraday / Same day	<input type="text"/> %	<input type="text"/>
Delivery / Carryover	<input type="text"/> %	<input type="text"/>	Delivery / Carryover	<input type="text"/> %	<input type="text"/>

NOTE

1. Stamp duty will be levied as per local laws
 2. Service tax as per service tax act
 3. All customers will get digital contract notes. Physical contract notes provided on request
 4. Charges/service standards are subject to revision at sole discretion of Alice Blue Commodities (P) Ltd
 5. Charges quoted above are for the services listed. Any service not quoted above will be charged separately
 6. Management reserves the right to freeze, discontinue or suspend any account if required
 7. In case of physical contract note are being dispatched to client, a difference of Rs. 25/- in total brokerage booked on a particular date would be charged toward minimum processing fee
- I/We, _____ have read the above given information and agree to pay the same.



Signature of the Client

Date : _____

Place : _____

Electronic Contract Note [ECN] Declaration
Voluntary

To
Alice Blue Commodities (P) Ltd.,
224/5, Srinivasa Nagar Layout,
Velachery,
Chennai - 600 042

Dear Sir,

I, _____ a client with member M/s _____
of _____ Exchange(s) undertake as follows :

1. I am aware that the member has to provide physical contract note in respect of all the trades placed by me unless myself want the same in the electronic form.
2. I am aware that the member has to provide electronic contract note for my convenience on my request only.
3. 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 electronic contract note pertaining to all the trades carried out/ordered by me.
4. I have access to a computer and am a regular internet user, having sufficient knowledge of handling the email operations.
5. My E-mail id is * _____.
This has been created by me and not by someone else.
6. I am aware that this declaration form should be in English or in any other Indian language known to me.
7. I am aware that non-receipt of bounced mail notification by the member shall amount to delivery of the contract note at the above e-mail ID.

(The above declaration and the guidelines on ECN given in the Annexure have been read and understood by me. 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)

* (The email id must be written in own handwriting of the client)

Client Name : _____

Unique Client Code : _____

PAN Number : _____

Address : _____

Signature of the Client :  _____ **Date :** _____ **Place :** _____

Verification of the client signature done by (Name) : _____

(Name of the designated officer of the Member)

Signature of the designated officer of the Member :  _____

LETTER OF AUTHORITY

To

Alice Blue Commodities (P) Ltd, No. 224/5, Srinivasa Nagar Layout, Velachery, Chennai - 600042

Client Name : _____ **Client Code** : _____

Dear Sir,

I/We am/are dealing in commodities with you and in order to facilities ease of operations, I/We authorize you as under:

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

Thanking you,



Signature of the Client

Date

Place

REQUEST FOR TRADING IN COMMODITY FORWARD CONTRACTS / COMMODITY DERIVATIVES

To

Alice Blue Commodities (P) Ltd No. 224/5, Srinivasa Nagar Layout, Velachery, Chennai - 600042

Dear Sir,

I/We, the undersigned, 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 Exchange(s) or forward markets commission (FMC) and such position limits will be calculated in accordance with the contents of above stated circular of exchanges as modified from time to time.

I/We undertake to inform you and keep you informed if any of our partners/directors/karta/trustee or any of the partnership firms/companies/HUF's/trusts in which I or any of above such person is a partner/director/karta/trustee, takes or holds any position in any commodity forward contract/commodity derivative on Exchanges through you or through any other member(s) of 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 orders in commodity forward contracts/commodity derivatives for me/us as your clients on Exchanges only on the basis of our above assurances and undertaking.



Signature of the Client

Date

Place

DECLARATION BY THE USER

I hereby declare that I am aware about the rules, bye-laws, regulations and circulars issued there under by the Exchange(s). I agree to become an approved user (Internet) of Alice Blue Commodities (P) Ltd., I would intimate the Exchange(s) on ceasing to be an employee/approved user of Alice Blue Commodities (P) Ltd., I hereby agree to abide by the rules, bye-laws, regulations and circulars issued by the Exchange(s) that may be in force from time to time and understand that appropriate action may be initiated by the Exchange(s) in case of violation of the rules, bye-laws, regulations and circulars issued by the Exchange(s). I certify that I have not applied for any other Internet User ID on the same segment for which this ID's now being applied for I will not allow anybody else to access/use the Exchange(s) trading system using the Internet User ID so allotted to me I shall keep complete secrecy of the password and undertake not to disclose the password to any person.



Signature of the Client

Date

Place

MOBILE DECLARATION

I, _____ having Pan No. _____ do hereby declare that my mobile no. is _____ Further, I authorize Alice Blue Commodities (P) Ltd that the same may be used for giving me any information/alert/sms/call. I further declare the above mentioned statement is true and correct.



Signature of the Client

Date

Place

To

Client Name : _____ **Client Code :** _____

This is to inform you that, we have received your CRD form for registration in MCX/NCDEX/NMCE/NSEL

List of documents which we have received with the CRD form duly verified and also details of your account are given below :

CRD No. : _____

E-mail Id : _____

Client Code : _____

Identity Proof : Voter Id / Passport / Ration Card / PAN Card / MAPIN / Driving License / Adhar Card

Bank Proof : Bank Statement of last quarter / Bank Pass Book / Cheque leaf with name printed

Address Proof : Bank Statement of last quarter / Bank Pass Book / Ration Card / Passport / Voter Id / Driving License / Electricity Bill - issued in last 2 months / Phone Bill issued in last 2 months / Rent Agreement

DP Proof : DP Proof issued in last quarter Client Master / Client should be 1st Holder

We assure that your above client code will be activated within 48 hours provided it is complete in all respect.

For Alice Blue Commodities (P) Ltd.,

Name of the Authorized Person
CRD Department

ACKNOWLEDGEMENT

I / We acknowledge receipt of all the documents executed by me including the following :

- (1) Account Opening Form
- (2) Rights and Obligations
- (3) Risk Disclosure Document (RDD)
- (4) Guidance Note
- (5) Tariff Sheet
- (6) Voluntary documents executed by the client & we have personally handed over to you all documents required by you during our meeting on

Name of the Client : _____

Client Code : _____

Signature of the Client :  _____

This document contains important information on trading in all segments; Prospective constituents should read this document before trading, 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.

- A day trader is provided with more exposure for indulging in day trading activities. This may vary from time to time in accordance with the market conditions. The positions taken for intra-day should be cleared before 15 Mins of market closing in all segments by the constituents else same will be closed out by RMS.
- The exposure set in Capital Market segment, Futures & options segment and Currency Derivatives is different. In capital market the client is allowed to take the exposure on multiplier basis which can be anywhere more exposure limit of initial deposit. Whereas, in all derivatives, Futures & options segment, where exchanges have stipulated fixed initial margins and exposure margin, it is compulsory to keep 100% margin for NSE Futures & Option either in the form of clear fund balance or as collateral securities.
- Surveillance will reduce the positions if the MTM loss incurred on a day is more than 40% of the actual margin requirement. In order to retain the position in such cases is possible only if Funds are transferred from the client's bank account either through ATOM or Fund Transfer.
- Once the MTM loss for the open positions reach as per the exchange rule of the margin available, the positions should be cleared from the branch concerned, failing which the positions taken will be cleared off from surveillance dept.
- You should carefully consider whether such trading is suitable for you in the light of your financial condition. In case of any market Volatility/adverse consequences or loss, you shall be solely responsible for the same and Alice Blue 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 stock broker.
- 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.
- Outstation cheques are not entertained. All the cheques collected against trading positions should carry a valid MICR number.
- All the cheque dishonor cases are viewed seriously and if position taken based on the bounced cheque same will be cleared from surveillance dept. The normal rule for 5 days debit (EQ Segment only) will not be applicable while selling the shares in cheque dishonor case.
- In all segments, the exchanges stipulate that every position should be taken based on the available initial margin. Apart from the initial margin, exchanges have introduced exposure (Special margin also applicable in some cases) margin in order to meet the market volatility and risk associated.
- In case at any point of time, if the client ledger arrived to debit due to whatever market volatile or higher position values in Less margin or dishonor of Pay in. Client will be responsible to pay the Dues to clear the outstanding in his/her ledger.
- In any Circumstances client fails to pay the due amount, Company will switch to Legal activities to recover such amount from client.
- Uncleared Funds: Every payment from clients should be in the form of cheque and the same will be considered for margin only after clearance of the instrument. There will not be any exposure provided to clients based on the uncleared funds. (Branch Consent can be considered to exposure only).
- However, based on the client's previous track record and the value of collaterals available with Alice Blue, exposure can be provided to clients based on uncleared funds. All such exposure will be provided on receipt of Exposure request in the predefined format signed by the Branch in charge concerned with an undertaking of responsibility or the guarantee that the cheque will be cleared.

- Shares in Member Beneficiary & constituent DP Account (If POA given) will be considered for intra-day exposure in Capital Market segment subject to haircut value. Exposure for delivery will be based only on the clear fund balance. Similarly, as mentioned earlier, no F&O exposure will be provided against shares lying in Member Beneficiary & constituent DP Account (If POA given).

Restrictions/Prohibition to take further position or closing existing position: Under any of the circumstances, such as, client's failure to meet pay-in or margin obligations or clearance of outstanding balance with broker before permissible time limit or beyond such period as may be allowed by broker, the Client may not be permitted to take any fresh or further position until the full clearance of earlier dues, obligation, outstanding etc. Even, broker can firstly set-off or adjust the same shall not allow the client to take further / fresh position.

Further, it would be the duty of the client to monitor his/her/its position with the Broker from time to time. In case of any delay or failure in meeting any obligation, margin requirements etc. from client side, broker might close the existing position or open position WITHOUT ANY FURTHER INTIMATION to the client. Such Circumstances may include (but not limited to):

- * Failure to meet pay-in obligation on Pay In day,
- * Delay in meeting the pay-in or margin requirement,
- * Delay or failure in clearance of outstanding or dues to the broker,
- * Returning or frequent returning of cheques of the client,
- * Unnecessary / Unwarranted dispute from client without any substantial cause / reason,
- * Client's attitude of not coming to the amicable settlement for any dispute that can be settled without involvement of Exchange and /or SEBI,
- * As per prevalent RMS policy of the Broker,
- * Any direction from SEBI/Exchange or such other authorities,
- * Under such other circumstances as the Broker might think just and proper on case to case basis.

Points to be noted

1. Deviations from the standard policy, if any, should get approval from the Head of Operations.
2. Debits beyond Five days should be cleared and no leniency is to be given under any circumstances.
3. Margin Shortage in F&O is to be cleared on the day of incurring shortage. MTM loss up to 25 % can be retained on a condition that funds are to be replenished on T+1 date failing which the positions will be reduced on the T+1 day.
4. Extreme care is taken while drafting the exposure policy. Even then, the chances for losses may arise in clients' accounts due to the high variation in security prices on reaching DPR levels. The chances are there that once a client initiates a short position in a security and the share may get the upper DPR level and the client could not close out the short position. In such case the chances of incurring auction loss is higher and chances for incurring such instances is existing in the market. Similarly a client goes on a Long position in a security and the chances that the shares price reaches the lower DPR on T day and coming days are there in the market. In these instances, the losses are inevitable and the recovery of funds depends on the relationship of the branch team and the client concerned.

I/We read and understood the above points and hereby request you to provide multiple exposures to my client id_____.

Name of the client:

Signature:

Date :

Name and Signature of the Branch Manager