



# Hem Multi Commodities Pvt. Ltd.

**Multi Commodity Exchange of India Limited (MCX)  
National Commodity & Derivatives Exchange Ltd. (NCDEX)**

## CLIENT REGISTRATION FORM - INDIVIDUAL

Registration For : ☐ MCX ☐ NCDEX

CLIENT NAME : \_\_\_\_\_

BRANCH CODE : \_\_\_\_\_

CLIENT CODE : \_\_\_\_\_

Registered Office : 210, Jaipur Tower, M. I. Road, Jaipur-302001 • Phone : 0141-4051000 / 2378363  
Mumbai Office : 904, A-Wing, Naman Midtown, Senapati Bapat Marg, Prabha Devi Station, Lower Parel, Mumbai-400013

Form Received by

Form Checked by

Form Entered by

Form Audited by

### Document Check List (Individual)

1. Two recent passport size photographs. (Mandatory) ☐
2. Clear Copy of PAN Card. (Mandatory ) ☐
3. Proof of Bank Account in the name of Individual as printed on PAN Card (Mandatory):
  - Personalized Crossed Cheque **or** ☐
  - Certified Copy of Bank Statement/ Bank Passbook of latest 2 months. ☐
4. Clear Copy of AADHAR (Mandatory ) ☐
5. Identity Proof – Copy of any of the following :
  - Passport ☐
  - Aadhar ☐
  - Voter ID ☐
  - Driving License ☐
6. Address Proof - Copy of any of the following :
  - Ration Card ☐
  - Passport ☐
  - Voter's Identity Card ☐
  - Driving License ☐
  - Aadhar ☐
  - Certified Copy of Bank Statement/ Bank Passbook of latest 2 months. ☐
  - Electricity, Landline Telephone Bill (MTNL/BSNL), Latest Gas Bill  
(Not more than 2 months old) ☐
  - Copy of Registered Lease or Sale Agreement of Residence. ☐

#### ***Other Considerations:***

- **All the above documents should be self attested.**
- **Copy of all the above mentioned Documents must be in separate Full A4 Size Paper.**

# HEM MULTI COMMODITIES PVT. LTD.

## Acknowledgement Receipt

Form No.

We acknowledge the receipt of the following :

1. Client Name \_\_\_\_\_

2. Client Code \_\_\_\_\_

3. Trading Account Opening Form ☐ MCX ☐ NCDEX

Received by (Hem Multi Commodities Pvt. Ltd.)

Signature .....

Name : .....

Date : .....





Name of Member : **Hem Multi Commodities Pvt. Ltd.**  
 SEBI Unique Membership Code (UMC) No. - MCX : MCX/TCM/CORP/0586, MCX Member ID 10055  
 SEBI Unique Membership Code (UMC) No. - NCDEX : NCDEX/TCM/CORP/0570, NCDEX Member ID 00038  
 SEBI Registration No. : INZ000091331  
 CIN : U67120RJ1995PTC010383  
 Registered Office / Correspondence address : 210, Jaipur Tower, M. I. Road, Jaipur - 302001, Rajasthan  
 Telephone : 0141 - 4051000, 2378363  
 Website : www.hemsecurities.com  
 E-mail : hem@hemsecurities.com / info@hemsecurities.com  
 Compliance Officer : Mr. Anil Bhargava, 0141-4051000, compliance@hemsecurities.com  
 Chairman : Mr. Hem Chand Jain, 0141-4051000, hem@hemsecurities.com

For any grievance/dispute please contact **Hem Multi Commodities Pvt. Ltd.** at the above address or email us at [investorgrievance@hemsecurities.com](mailto:investorgrievance@hemsecurities.com) and Phone no. 0141-4051000. In case not satisfied with the response, please contact the **MCX at [grievance@mcxindia.com](mailto:grievance@mcxindia.com)**, and Phone no. 91-022-66494070 and **NCDEX at [ig@ncdex.com](mailto:ig@ncdex.com)** and Phone no. 91-022-66406789

## SET OF ACCOUNT OPENING DOCUMENT

### ANNEXURE-1

S No	Name of the Document	Brief Significance of the Document	Page
<b>MANDATORY DOCUMENTS AS PRESCRIBED BY SEBI &amp; EXCHANGES</b>			
1.	KYC (Account Opening) Application Form	KYC form - Document captures the basic information about the constituent and an instruction/check list.	1-10
2.	Uniform Risk Disclosure Document (RDD)	Document detailing risks associated with dealing in the commodities market.	11-13
3.	Rights and Obligations of Members, Authorised Persons & Investors	Document stating the Rights & Obligations of member, Authorised person and client for trading on exchanges (including additional rights & obligations in case of internet/wireless technology based trading).	14-22
4.	Do's & Don'ts for the Investors	Document detailing do's and don'ts for trading on exchange, for the education of the investors.	23-24
5.	Tariff sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the Commodity Exchange(s)	25
6.	FATCA Declaration	FATCA & CRS Declaration for Individual	26-28
<b>VOLUNTARY DOCUMENTS</b>			
7.	Authorisation for Electronic Contract Note	Required for Issuance of Electronic Contract Notes and other documents on the client's registered E-mail ID	29
8.	Letter of Authority	Required for the Purpose of operational efficiency.	30
9.	Letter for Securities Trading using Internet & Wireless Technology	Required to avail facility of Online Trading	31
10.	Consent Letter for Trading in Commodity option segment	Required for availing facility of trading in commodity option segment	32-33
11.	Declaration for Common Email ID/Mobile No.	Declaration for Common Email ID/Mobile No. in Family Accounts.	34
12.	Running Account Authorisation	Required for maintaining clients account on a running account basis.	35
13.	SMS / Email alerts to the clients	Consent form for Receiving trade alerts through SMS and/ or Email.	36

## ACKNOWLEDGEMENT

To,  
Manager,  
**Hem Multi Commodities Pvt. Ltd.**  
Regd. Off. : 210, Jaipur Tower, M. I. Road, Jaipur (Raj.) 302001

Dear Sir,

I undersigned, hereby confirm that I have received the duly executed copy of KYC, CKYC, Risk Disclosure Document, Right & Obligation document, Guidance Note (Do's and Dont's for the Clients), Tariff Sheet and all other documents as executed by me.

I acknowledge that the details related to my account are as under.

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

UCC code \_\_\_\_\_

E-mail id \_\_\_\_\_

Mobile No. \_\_\_\_\_



\_\_\_\_\_

Signature of Client (1/19)



☐ Same as Current / Permanent / Overseas Address details (In case of multiple correspondence / local addresses, please fill 'Annexure A1')

Line 1*																																								
Line 2																																								
Line 3																									City / Town / Village*															
District*							Pin / Post Code*												State / U.T Code*								ISO 3166 Country Code*													

☐ Same as Current / Permanent / Overseas Address details ☐ Same as Correspondence / Local Address details

Line 1*																																								
Line 2																																								
Line 3																									City / Town / Village*															
State*											ZIP / Post Code*										ISO 3166 Country Code*																			

[illegible]

<input type="checkbox"/> Addition of Related Person	<input type="checkbox"/> Deletion of Related Person	KYC Number of Related Person (if available*)	<input type="text"/>
Related Person Type*	<input type="checkbox"/> Guardian of Minor	<input type="checkbox"/> Assignee	<input type="checkbox"/> Authorized Representative
Name*	Prefix <input type="text"/>	First Name <input type="text"/>	Middle Name <input type="text"/>
			Last Name <input type="text"/>

(If KYC number and name are provided, below details of section 6 are optional)

<input type="checkbox"/> A- Passport Number	<input type="text"/>	Passport Expiry Date	<input type="text"/>
<input type="checkbox"/> B- Voter ID Card	<input type="text"/>		
<input type="checkbox"/> C- PAN Card	<input type="text"/>		
<input type="checkbox"/> D- Driving Licence	<input type="text"/>	Driving Licence Expiry Date	<input type="text"/>
<input type="checkbox"/> E- UID (Aadhaar)	<input type="text"/>		
<input type="checkbox"/> F- NREGA Job Card	<input type="text"/>		
<input type="checkbox"/> Z- Others (any document notified by the central government)	<input type="text"/>	Identification Number	<input type="text"/>
<input type="checkbox"/> S- Simplified Measures Account - Document Type code	<input type="text"/>	Identification Number	<input type="text"/>

[illegible]

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

● I hereby consent to receiving information from Central KYC Registry through SMS/Email on the above registered number/email address.

Date :  -  -

[illegible]

(3/19)

Signature / Thumb Impression of Applicant

**Documents Received**      ☐ **Certified Copies**

KYC VERIFICATION CARRIED OUT BY												
Date	<input type="text"/>	<input type="text"/>	—	<input type="text"/>	<input type="text"/>	—	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Emp. Name	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Emp. Code	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Emp. Designation	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Emp. Branch	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
[Employee Signature]												

INSTITUTION DETAILS	
Name	<div style="display: flex; border: 1px solid black;"> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> <div style="border: 1px solid black; width: 25px; height: 25px;"></div> </div>
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[Institution Stamp]

**General Instructions:**

- 1 Fields marked with '\*' are mandatory fields.
- 2 Tick '✓' wherever applicable.
- 3 Self-Certification of documents is mandatory.
- 4 Please fill the form in English and in BLOCK Letters.
- 5 Please fill all dates in DD-MM-YYYY format.
- 6 Wherever state code and country code is to be furnished, the same should be the two-digit code as per Indian Motor Vehicle, 1988 and ISO 3166 country code respectively list of which is available at the end.
- 7 KYC number of applicant is mandatory for updation of KYC details.
- 8 For particular section update, please tick (✓) in the box available before the section number and strike off the sections not required to be updated.
- 9 In case of 'Small Account type' only personal details at section number 1 and 2, photograph, signature and self-certification required.

**A Clarification / Guidelines on filling 'Personal Details' section**

- 1 **Name:** Please state the name with Prefix (Mr/Mrs/Ms/Dr/etc.). The name should match the name as mentioned in the Proof of Identity submitted failing which the application is liable to be rejected.
- 2 Either **father's name or spouse's name** is to be mandatorily furnished. In case PAN is not available father's name is mandatory.

**B Clarification / Guidelines on filling details if applicant residence for tax purposes in jurisdiction(s) outside India**

- 1 **Tax identification Number (TIN):** TIN need not be reported if it has not been issued by the jurisdiction. However, if the said jurisdiction has issued a high integrity number with an equivalent level of identification (a "Functional equivalent"), the same may be reported. Examples of that type of number for individual include, a social security/insurance number, citizen/personal identification/services code/number, and resident registration number)

**C Clarification / Guidelines on filling 'Proof of Identity [Pol]' section**

- 1 If driving license number or passport is provided as proof of identity then expiry date is to be mandatorily furnished.
- 2 Mention identification / reference number if 'Z- Others (any document notified by the central government)' is ticked.
- 3 In case of Simplified Measures Accounts for verifying the identity of the applicant, any one of the following documents can also be submitted and underlined relevant code may be mentioned in point 3 (S).

Document Code	Description
01	Identity card with applicant's photograph issued by Central/ State Government Departments, Statutory/ Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, and Public Financial Institutions.
02	Letter issued by a gazetted officer, with a duly attested photograph of the person.

**D Clarification / Guidelines on filling 'Proof of Address [PoA] - Current / Permanent / Overseas Address details' section**

- 1 PoA to be submitted only if the submitted Pol does not have an address or address as per Pol is invalid or not in force.
- 2 State / U.T Code and Pin / Post Code will not be mandatory for Overseas addresses.
- 3 In case of Simplified Measures Accounts for verifying the address of the applicant, any one of the following documents can also be submitted and underlined relevant code may be mentioned in point 4.1.

Document Code	Description
01	Utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill).
02	Property or Municipal Tax receipt.
03	Bank account or Post Office savings bank account statement.
04	Pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address.
05	Letter of allotment of accommodation from employer issued by State or Central Government departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies. Similarly, leave and license agreements with such employers allotting official accommodation.
06	Documents issued by Government departments of foreign jurisdictions and letter issued by Foreign Embassy or Mission in India.

**E Clarification / Guidelines on filling 'Proof of Address [PoA] - Correspondence / Local Address details' section**

- 1 To be filled only in case the PoA is not the local address or address where the customer is currently residing. No separate PoA is required to be submitted.
- 2 In case of multiple correspondence / local addresses, Please fill '**Annexure A1**'

**F Clarification / Guidelines on filling 'Contact details' section**

- 1 Please mention two- digit country code and 10 digit mobile number (e.g. for Indian mobile number mention 91-9999999999).
- 2 Do not add '0' in the beginning of Mobile number.

**G Clarification / Guidelines on filling 'Related Person details' section**

- 1 Provide KYC number of related person if available.

**H Clarification / Guidelines on filling 'Related Person details – Proof of Identity [Pol] of Related Person' section**

- 1 Mention identification / reference number if 'Z- Others (any document notified by the central government)' is ticked.

## List of two – digit state / U.T codes as per Indian Motor Vehicle Act, 1988

State / U.T	Code	State / U.T	Code	State / U.T	Code
Andaman & Nicobar	AN	Himachal Pradesh	HP	Pondicherry	PY
Andhra Pradesh	AP	Jammu & Kashmir	JK	Punjab	PB
Arunachal Pradesh	AR	Jharkhand	JH	Rajasthan	RJ
Assam	AS	Karnataka	KA	Sikkim	SK
Bihar	BR	Kerala	KL	Tamil Nadu	TN
Chandigarh	CH	Lakshadweep	LD	Telangana	TS
Chhattisgarh	CG	Madhya Pradesh	MP	Tripura	TR
Dadra and Nagar Haveli	DN	Maharashtra	MH	Uttar Pradesh	UP
Daman & Diu	DD	Manipur	MN	Uttarakhand	UA
Delhi	DL	Meghalaya	ML	West Bengal	WB
Goa	GA	Mizoram	MZ	Other	XX
Gujarat	GJ	Nagaland	NL		
Haryana	HR	Orissa	OR		

## List of ISO 3166 two- digit Country Code

Country	Country Code	Country	Country Code	Country	Country Code	Country	Country Code
Afghanistan	AF	Dominican Republic	DO	Libya	LY	Saint Pierre and Miquelon	PM
Aland Islands	AX	Ecuador	EC	Liechtenstein	LI	Saint Vincent and the Grenadines	VC
Albania	AL	Egypt	EG	Lithuania	LT	Samoa	WS
Algeria	DZ	El Salvador	SV	Luxembourg	LU	San Marino	SM
American Samoa	AS	Equatorial Guinea	GQ	Macao	MO	Sao Tome and Principe	ST
Andorra	AD	Eritrea	ER	Macedonia, the former Yugoslav Republic of	MK	Saudi Arabia	SA
Angola	AO	Estonia	EE	Madagascar	MG	Senegal	SN
Anguilla	AI	Ethiopia	ET	Malawi	MW	Serbia	RS
Antarctica	AQ	Falkland Islands (Malvinas)	FK	Malaysia	MY	Seychelles	SC
Antigua and Barbuda	AG	Faroe Islands	FO	Maldives	MV	Sierra Leone	SL
Argentina	AR	Fiji	FJ	Mali	ML	Singapore	SG
Armenia	AM	Finland	FI	Malta	MT	Sint Maarten (Dutch part)	SX
Aruba	AW	France	FR	Marshall Islands	MH	Slovakia	SK
Australia	AU	French Guiana	GF	Martinique	MQ	Slovenia	SI
Austria	AT	French Polynesia	PF	Mauritania	MR	Solomon Islands	SB
Azerbaijan	AZ	French Southern Territories	TF	Mauritius	MU	Somalia	SO
Bahamas	BS	Gabon	GA	Mayotte	YT	South Africa	ZA
Bahrain	BH	Gambia	GM	Mexico	MX	South Georgia and the South Sandwich Islands	GS
Bangladesh	BD	Georgia	GE	Micronesia, Federated States of	FM	South Sudan	SS
Barbados	BB	Germany	DE	Moldova, Republic of	MD	Spain	ES
Belarus	BY	Ghana	GH	Monaco	MC	Sri Lanka	LK
Belgium	BE	Gibraltar	GI	Mongolia	MN	Sudan	SD
Belize	BZ	Greece	GR	Montenegro	ME	Suriname	SR
Benin	BJ	Greenland	GL	Montserrat	MS	Svalbard and Jan Mayen	SJ
Bermuda	BM	Grenada	GD	Morocco	MA	Swaziland	SZ
Bhutan	BT	Guadeloupe	GP	Mozambique	MZ	Sweden	SE
Bolivia, Plurinational State of	BO	Guam	GU	Myanmar	MM	Switzerland	CH
Bonaire, Sint Eustatius and Saba	BQ	Guatemala	GT	Namibia	NA	Syrian Arab Republic	SY
Bosnia and Herzegovina	BA	Guernsey	GG	Nauru	NR	Taiwan, Province of China	TW
Botswana	BW	Guinea	GN	Nepal	NP	Tajikistan	TJ
Bouvet Island	BV	Guinea-Bissau	GW	Netherlands	NL	Tanzania, United Republic of	TZ
Brazil	BR	Guyana	GY	New Caledonia	NC	Thailand	TH
British Indian Ocean Territory	IO	Haiti	HT	New Zealand	NZ	Timor-Leste	TL
Brunei Darussalam	BN	Heard Island and McDonald Islands	HM	Nicaragua	NI	Togo	TG
Bulgaria	BG	Holy See (Vatican City State)	VA	Niger	NE	Tokelau	TK
Burkina Faso	BF	Honduras	HN	Nigeria	NG	Tonga	TO
Burundi	BI	Hong Kong	HK	Niue	NU	Trinidad and Tobago	TT
Cabo Verde	CV	Hungary	HU	Norfolk Island	NF	Tunisia	TN
Cambodia	KH	Iceland	IS	Northern Mariana Islands	MP	Turkey	TR
Cameroon	CM	India	IN	Norway	NO	Turkmenistan	TM
Canada	CA	Indonesia	ID	Oman	OM	Turks and Caicos Islands	TC
Cayman Islands	KY	Iran, Islamic Republic of	IR	Pakistan	PK	Tuvalu	TV
Central African Republic	CF	Iraq	IQ	Palau	PW	Uganda	UG
Chad	TD	Ireland	IE	Palestine, State of	PS	Ukraine	UA
Chile	CL	Isle of Man	IM	Panama	PA	United Arab Emirates	AE
China	CN	Israel	IL	Papua New Guinea	PG	United Kingdom	GB
Christmas Island	CX	Italy	IT	Paraguay	PY	United States	US
Cocos (Keeling) Islands	CC	Jamaica	JM	Peru	PE	United States Minor Outlying Islands	UM
Colombia	CO	Japan	JP	Philippines	PH	Uruguay	UY
Comoros	KM	Jersey	JE	Pitcairn	PN	Uzbekistan	UZ
Congo	CG	Jordan	JO	Poland	PL	Vanuatu	VU
Congo, the Democratic Republic of the	CD	Kazakhstan	KZ	Portugal	PT	Venezuela, Bolivarian Republic of	VE
Cook Islands	CK	Kenya	KE	Puerto Rico	PR	Viet Nam	VN
Costa Rica	CR	Kiribati	KI	Qatar	QA	Virgin Islands, British	VG
Cote d'Ivoire	CI	Korea, Democratic People's Republic of	KP	Reunion	RE	Virgin Islands, U.S.	VI
Croatia	HR	Korea, Republic of	KR	Romania	RO	Wallis and Futuna	WF
Cuba	CU	Kuwait	KW	Russian Federation	RU	Western Sahara	EH
Curacao	CW	Kyrgyzstan	KG	Rwanda	RW	Yemen	YE
Cyprus	CY	Lao People's Democratic Republic	LA	Saint Barthelemy	BL	Zambia	ZM
Czech Republic	CZ	Latvia	LV	Saint Helena, Ascension and Tristan da Cunha	SH	Zimbabwe	ZW
Denmark	DK	Lebanon	LB	Saint Kitts and Nevis	KN		
Djibouti	DJ	Lesotho	LS	Saint Lucia	LC		
Dominica	DM	Liberia	LR	Saint Martin (French part)	MF		





## INSTRUCTIONS / CHECK LIST FOR FILLING KYC FORM

### A. IMPORTANT POINTS:

1. Self attested copy of PAN card is mandatory for all clients.
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 foreign language, then translation into English is required.
4. Name & address of the applicant mentioned on the KYC form, should match with the documentary proof submitted.
5. If correspondence & permanent 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 FEMA guidelines), copy of passport/PIOCard/OCICard and overseas address proof is mandatory.
8. For foreign entities, CIN is optional; and in the absence of DIN no. for the directors, their passport copy should be given.
9. In case of Merchant Navy NRI's, Mariner's declaration or certified copy of CDC (Continuous Discharge Certificate) is to be submitted.
10. For opening an account with Depository participant or Mutual Fund, for a minor, photocopy of the School Leaving Certificate/Mark sheet issued by Higher Secondary Board/Passport of Minor/Birth Certificate must be provided.
11. Politically Exposed Persons (PEP) are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/military officers, senior executives of state owned corporations, important political party officials, etc.

### B. Proof of Identity( POI): List of documents admissible as Proof of Identity:

1. PAN card with photograph. This is a mandatory requirement for all applicants except those who are specifically exempt from obtaining PAN (listed in Section D).
2. Unique Identification Number (UID) (Aadhaar) / Passport / Voter ID card / Driving license.
3. Identity card/ document with applicant's Photo, issued by any of the following: Central/State Government and its Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions, Colleges affiliated to Universities, Professional Bodies such as ICAI, ICWAI, ICSI, Bar Council etc., to their Members; and Credit cards/Debit cards issued by Banks.

### C. Proof of Address (POA): List of documents admissible as Proof of Address: (\*Documents having an expiry date should be valid on the date of submission.)

1. Passport/Voters Identity Card/Ration Card/Registered Lease or Sale

Agreement of Residence/Driving License/Flat Maintenance bill/Insurance Copy.

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

### D. Exemptions/clarifications to PAN

#### (\*Sufficient documentary evidence in support of such claims to be collected.)

1. In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
2. Investors residing in the state of Sikkim.
3. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.
4. SIP of Mutual Funds upto Rs 50,000/- p.a.
5. In case of institutional clients, namely, FIIs, Mfs, VCFs, FVCIs, Scheduled Commercial Banks, Multilateral and Bilateral Development Financial Institutions, State Industrial Development Corporations, Insurance Companies registered with IRDA and Public Financial Institution as defined under section 4A of the Companies Act, 1956, Custodians shall verify the PAN card details with the original PAN card and provide duly certified copies of such verified PAN details to the intermediary.

### E. List of people authorized to attest the documents:

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



## Annexure 1, Part-II

### A. OTHER DETAILS

1. **Gross Annual Income Details (please specify):** Income Range per annum

☐ Below Rs 1 Lac ☐ 1-5 Lac ☐ 5-10 Lac ☐ 10-25 Lac ☐ Above 25 Lacs **Or**

**Net-worth as on** (date)..... (-----) (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 ☐ Housewife

☐ Others \_\_\_\_\_

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)

### B. BANK ACCOUNT DETAILS \*

Bank Name \_\_\_\_\_

Branch Address \_\_\_\_\_

Bank Account No. \_\_\_\_\_ MICR Number \_\_\_\_\_

Account Type ☐ Saving ☐ Current ☐ Others IFSC Number \_\_\_\_\_

\*Submit cancelled cheque leaf/passbook/bank statement specifying name of the Client, MICR Code/ IFSC Code of the bank

### C. DEPOSITORY ACCOUNT DETAILS \*\* (If Available)

Depository Participant ☐ CDSL ☐ NSDL

Depository Participant Name \_\_\_\_\_



Beneficiary Name \_\_\_\_\_

DP ID No. \_\_\_\_\_ Beneficiary ID (BOID) \_\_\_\_\_

\*\* Demat Master or recent holding statement issued by DP bearing name of the client should be submitted.

### D. TRADING PREFERENCES

Please sign in the relevant boxes where you wish to trade. The segment not chosen should be struck off by the client.

Name of the National Commodity Exchanges	Date of Consent for Trading on Concerned Exchange	Signature of the Client
Multi Commodity Exchange of India Ltd. (MCX)		 (6/19)
National Commodity and Derivatives Exchange Ltd. (NCDEX)		 (7/19)

If, in future you want to trade on any other Exchange at a later date, which is not selected now, a separate consent letter will be taken.

#### E. INVESTMENT/TRADING EXPERIENCE

☐ No Prior Experience      ☐ \_\_\_\_ Years in Commodities      ☐ \_\_\_\_ Years in other investment related fields

#### F. GST REGISTRATION DETAILS (As applicable)

GST Registration No. : \_\_\_\_\_ Validity Date : \_\_\_\_\_

Name of the State : \_\_\_\_\_

GST Registration No : \_\_\_\_\_ Validity Date : \_\_\_\_\_

Name of the State : \_\_\_\_\_

#### G. 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: \_\_\_\_\_

#### H. DEALINGS THROUGH OTHER MEMBERS

Member's / Authorized Person (AP)'s Name: \_\_\_\_\_

Exchange: \_\_\_\_\_ Exchange's Registration number: \_\_\_\_\_

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

Registered office address: \_\_\_\_\_ Ph: \_\_\_\_\_

Fax: \_\_\_\_\_ Email: \_\_\_\_\_ Website: \_\_\_\_\_

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

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

#### I. INTRODUCER DETAILS (optional)

Name of the Introducer: \_\_\_\_\_

Status of the Introducer: ☐ Authorized Person ☐ Existing Client ☐ Others please specify \_\_\_\_\_

Address and phone no. of the Introducer: \_\_\_\_\_

Signature of the Introducer \_\_\_\_\_

#### J. ADDITIONAL DETAILS

• Whether you wish to receive communication from Member in electronic form on your Email-id [Yes / No] :  
{If yes then please fill in Appendix-A on page no. 29 }

• Whether you wish to avail of the facility of online trading/wireless technology (please specify) : ☐ Yes ☐ No

## K. NOMINATION DETAILS

☐ I do not wish to nominate

☐ I wish to nominate following person

Name of the Nominee: \_\_\_\_\_ Relationship with the Nominee: \_\_\_\_\_

PAN of Nominee: \_\_\_\_\_ Date of Birth of Nominee: \_\_\_\_\_

Address and phone no. of the Nominee: \_\_\_\_\_

**If Nominee is a minor, details of guardian:**

Name of guardian: \_\_\_\_\_

Address and phone no. of Guardian: \_\_\_\_\_

Signature of guardian \_\_\_\_\_

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

Witness 1

Witness 2

Name \_\_\_\_\_

Name \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

## DECLARATION

1. 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 change 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.

2. I confirm having read/been explained and understood the contents of the tariff sheet and all voluntary/non-mandatory documents.

3. I further confirm having read and understood the contents of the 'Rights and Obligations' document(s), 'Risk Disclosure Document' and 'Do's and Don't's'. I do hereby agree to be bound by such provisions as outlined in these documents. I have also been informed that the standard set of documents has been displayed for Information on Member's designated website [www.hemsecurities.com](http://www.hemsecurities.com)



Signature of the Client (8/19)

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

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

## Disclosure Information

Sir,

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

Thanks and best regards.

**For Hem Multi Commodities Pvt. Ltd.**

### FOR OFFICE USE ONLY

UCC Code allotted to the Client: \_\_\_\_\_

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

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

(.....)

**Signature of the Authorised Signatory**

**Date**.....

**Seal/Stamp of the Member**

## ANNEXURE-2

### RISK DISCLOSURE DOCUMENT

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

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

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

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

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

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

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

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

##### **i. Risk of Higher Volatility**

Volatility refers to the dynamic changes in price that commodity derivative contracts undergo when trading activity continues on the Commodity Exchange. Generally, higher the volatility of a commodity derivatives contract, greater is its price swings. There may be normally greater volatility in thinly traded commodity derivatives contracts than in active 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 unexecuted orders, these represent a risk because of your obligations to settle all executed transactions.

### **2. As far as Futures Commodity Derivatives are concerned, please note and get yourself acquainted with the following additional features:-**

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

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

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

c. If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the Member of the Exchange may liquidate/square-up a part of or the whole position. In this case, you will be liable for any losses incurred due to such square-up/ Close Outs.

d. Under certain market conditions, an Investor may find it difficult or impossible to execute the transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.

e. Steps, such as, changes in the margin rate, increase in the cash margin rate etc. may be adopted in order to maintain market stability. These new measures may be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

f. You must ask your Member of the Exchange to provide the full details of the commodity derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

### **3. TRADING THROUGH WIRELESS TECHNOLOGY OR ANY OTHER TECHNOLOGY:**

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

#### **4. General**

##### **i. Deposited cash and property:**

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

##### **ii. Commission and other charges:**

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

iii. For rights and obligations of the Members/Authorised Persons/ clients, please refer to Annexure 3

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

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

## ANNEXURE-3

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

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

#### **CLIENT INFORMATION**

8. The client shall furnish all such details in full as are required by the Member in "Account Opening Form" with supporting details, made mandatory by commodity exchanges/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. cause a significant imbalance in the rights and obligations of the parties under the financial contract, to the detriment of the client; and
    - ii. is not reasonably necessary to protect the legitimate interests of the Member.
  - c. The factors to be taken into account while determining whether a term is unfair, include-
    - i. the nature of the financial product or financial service dealt with under the financial contract;
    - ii. the extent of transparency of the term;

\*\* contracts offered by commodity exchanges



- iii. the extent to which the term allows a Client to compare it with other financial contracts for similar financial products or financial services; and
  - iv. the financial contract as a whole and the terms of any other contract on which it is dependent.
- d. A term is transparent if it-
- i. is expressed in reasonably plain language that is likely to be understood by the Client;
  - ii. is legible and presented clearly; and
  - iii. is readily available to the Client affected by the term.
- e. If a term of a financial contract is determined to be unfair under point 11.c, the parties will continue to be bound by 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 non-negotiated contract if so indicated by-
  - i. an overall and substantial assessment of the financial contract; and
  - ii. the substantial circumstances surrounding the financial contract
- d) In a claim that a financial contract is a non-negotiated contract, the onus of demonstrating otherwise will be on the Member.

11.C.

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

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

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 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 a 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 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 to make an informed decision; and

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. contract 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 service; and

- 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 manner that is likely to be understood by a Client belonging to that category.

## **MARGINS**

15. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the Member or the Exchange or as may be directed by FMC from time to time as applicable to the segment(s) in which the client trades. The Member is permitted in its sole and absolute discretion to collect additional margins (even though not required by the Exchange or SEBI and the client shall be obliged to pay such margins within the stipulated time.

16. The client understands that payment of margins by the client does not necessarily imply complete satisfaction of all dues. In spite of consistently having paid margins, the client may, on the settlement of its trade, be obliged to pay (or entitled to receive) such further sums as the contract may dictate/require.

## **TRANSACTIONS AND SETTLEMENTS**

17. The client shall give any order for buy or sell of commodities derivatives contract in writing or in such form or manner, as may be mutually agreed between the client and the Member however ensuring the regulatory requirements in this regard are complied with. The Member shall ensure to place orders and execute the trades of the client, only in the Unique Client Code assigned to that client.

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

19. The Member shall ensure that the money deposited by the client shall be kept in a separate account, distinct from his/its own account or account of any other client and shall not be used by the Member for himself/itself or for any other client or for any purpose other than the purposes mentioned in Rules, circulars, notices, guidelines of SEBI and/or Rules, Business Rules, Bye-laws, circulars and notices of Exchange.

20. Where the Exchange(s) cancels trade(s) suo moto all such trades including the trade/s done on behalf of the client shall ipso facto stand cancelled, Member shall be entitled to cancel the respective contract(s) with client(s).

21. The transactions executed on the Exchange are subject to Rules, Byelaws and Business Rules and circulars/notices issued thereunder of the Exchanges where the trade is executed and all parties to such trade shall have submitted to the jurisdiction of such court as may be specified by the Byelaws and Business Rules of the Exchanges where the trade is executed for the purpose of giving effect to the provisions of the Rules, Byelaws and Business Rules of the Exchanges and the circulars/notices issued thereunder.

## **BROKERAGE**

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

## **LIQUIDATION AND CLOSE OUT OF POSITION**

23. Without prejudice to the Member's other rights (including the right to refer a matter to arbitration), the client understands that the Member shall be entitled to liquidate/close out all or any of the client's positions for non-payment of margins or other amounts, outstanding debts, etc. and adjust the proceeds of such liquidation/close out, if any, against the client's liabilities/obligations. Any and all losses and financial charges on account of such liquidation/closing-out shall be charged to and borne by the client.

24. In the event of death or insolvency of the client or his/its otherwise becoming incapable of receiving and paying for or delivering or transferring commodities which the client has ordered to be bought or sold, Member may close out the transaction of the client and claim losses, if any, against the estate of the client. The client or his nominees, successors, heirs and assignee shall be entitled to any surplus which may result there from. The client shall note that transfer of funds/commodities in favor of a Nominee shall be valid discharge by the Member against the legal heir.

## DISPUTE RESOLUTION

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

26. The client and the Member shall refer any claims and/or disputes with respect to deposits, margin money, etc., to arbitration as per the Rules, Byelaws and Business Rules of the Exchanges where the trade is executed and circulars/notices issued thereunder as may be in force from time to time.

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

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

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

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

i. the Client's right to seek redress for any complaints; and

ii. the processes followed by the Member to receive and redress complaints from its Client

29. 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 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 the 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 consequence of proceeding on the basis of incomplete or inaccurate information.

c. if a client intends to avail of a finance 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 much be given to the Client interests.

a. A member must-

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

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

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

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

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

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

## **TERMINATION OF RELATIONSHIP**

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

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

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

## **ADDITIONAL RIGHTS AND OBLIGATIONS**

34. The Member and client shall reconcile and settle their accounts from time to time as per the Rules, Business Rules, Bye Laws, Circulars, Notices and Guidelines issued by SEBI and the relevant Exchanges where the trade is executed.

35. The Member shall issue a contract note to his clients for trades executed in such format as may be prescribed by the Exchange from time to time containing records of all transactions including details of order number, trade number, trade time, trade price, trade quantity, details of the derivatives contract, client code, brokerage, all charges levied etc. and with all other relevant details as required therein to be filled in and issued in such manner and within such time as prescribed by the Exchange. The Member shall send contract notes to the investors within 24 hours of the execution of the trades in hard copy and/or in electronic form using digital signature.

36. The Member shall make pay out of funds or delivery of commodities as per the Exchange Rules, Bye-Laws, Business Rules and Circulars, as the case may be, to the Client on receipt of the payout from the relevant Exchange where the trade is executed unless otherwise specified by the client and subject to such terms and conditions as may be prescribed by the relevant Exchange from time to time where the trade is executed.

37. The Member shall send a complete 'Statement of Accounts' for both funds and commodities in respect of each of its clients in such periodicity and format within such time, as may be prescribed by the relevant Exchange, from time to time, where the trade is executed. The Statement shall also state that the client shall report errors, if any, in the Statement 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, ensure that client lodge a claim with the Exchange within the stipulated period and with the supporting documents.

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

- a. Unfair conduct in relation to financial products or financial services is prohibited.
- b. "Unfair conduct" means an act or omission by a Member or its financial representative that significantly impairs, or is likely to significantly impair, 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 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 and 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 determine whether a conduct uses coercion or undue influence, the following must be considered-
  - i. the timing, location, nature or persistence or the conduct;
  - ii. the use of threatening or abusive language or behavior;
  - iii. the exploitation of any particular misfortune or circumstance of the Client, of which the Member is aware, to influence the Client's decision with regard to a financial product or financial service;
  - iv. any non-contractual barriers imposed by the Member where the Client wishes to exercise rights under a financial contract, including-
  - v. the right to switch to another financial product or another Member and
  - vi. a treat to take any action, depending on the circumstances in which the threat is made.

### **ELECTRONIC CONTRACT NOTES (ECN)**

42. In case, client opts to receive the contract note in electronic form, he shall provide an appropriate e-mail id (created by the client) to the Member (Kindly refer Appendix A of Annexure 1). Member shall ensure that all the rules/Business Rule/Bye-Laws/ circulars issued from time to time in this regard are complied with. The client shall communicate to the Member any change in the email-id through a physical letter. If the client has opted for internet trading, the request for change of email id may be made through the secured access by way of client specific user id and password.

43. The Member shall ensure that all ECNs sent through the e-mail shall be digitally signed, encrypted, non-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 nontamperable.

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 SEBI/Commodity exchanges from time to time. The proof of delivery i.e., log report generated by the system at the time of sending the contract notes shall be maintained by the Member for the specified period under the extant rules/circulars/guidelines issued by SEBI/Commodity exchanges. The log report shall provide the details of the contract notes that are not delivered to the client/e-mails rejected or bounced back. The Member shall take all possible steps to ensure receipt of notification of bounced mails by him at all times within the stipulated time period under the extant rules/circulars/guidelines issued by SEBI/Commodity exchanges.

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 SEBI/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 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 Exchanges in which the client chooses to trade and circulars/notices issued thereunder or Rules of SEBI.

50. The provisions of this document shall always be subject to Government notifications, any rules, guidelines and circulars/notices issued by SEBI and Circulars, Rules, Business Rules and Bye laws of the relevant commodity exchanges, where the trade is executed, that may be in force from time to time.

43. 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.

44. Words and expressions which are used in this document but which are not defined herein shall, unless the context otherwise requires, have the same meaning as assigned thereto in the Rules, Byelaws and Regulations/Business Rules and circulars/notices issued thereunder of the Exchanges/SEBI.

45. All additional voluntary/non mandatory clauses/document added by the Member should not be in contravention with Rules/ Business Rules/Notices/Circulars of Exchanges/SEBI. Any changes in such voluntary clauses/document(s) need to be preceded by a notice of 15 days. Any changes in the rights and obligations which are specified by Exchanges/SEBI shall also be brought to the notice of the clients.

46. If the rights and obligations of the parties hereto are altered by virtue of change in Rules of SEBI or Bye-laws, Rules and Business Rules of the relevant commodity exchanges where the trade is executed, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

47. Members are required to send account statement to their clients every month.

## **INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY MEMBERS TO CLIENT**

**(All the clauses mentioned in the 'Rights and Obligations' document(s) shall be applicable. Additionally, the clauses mentioned herein shall also be applicable.)**

1. Member is eligible for providing Internet based trading (IBT) and commodities trading through the use of wireless technology that shall include the use of devices such as mobile phone, laptop with data card, etc. which use Internet Protocol (IP). The Member shall comply with all requirements applicable to internet based trading/- commodities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2. The client is desirous of investing/trading in commodities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for commodities trading through use of wireless technology. The Member shall provide the Member's IBT Service to the Client, and the Client shall avail of the Member's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Member's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The Member shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with commodities trading through wireless technology/internet or any other technology should be brought to the notice of the client by the Member.
4. The Member shall make the client aware that the Member's IBT system itself generates the initial password and its password policy as stipulated in line with norms prescribed by Exchanges/SEBI.
5. The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through the Member's IBT System using the Client's Username and/or Password whether or not such person was authorized to do so. Also the client is aware that authentication technologies and strict security measures are required for the internet trading/ commodities trading through wireless technology through order routed system and undertakes to ensure that the password of the client and/or his authorized representative are not revealed to any third party including employees and dealers of the Member
6. The Client shall immediately notify the Member in writing if he forgets his password, discovers security flaw in Member's IBT System, discovers/suspects discrepancies/ unauthorized access through his username/password/account with full details of such unauthorized use, the date, the manner and the transactions effected pursuant to such unauthorized use, etc.
7. The Client is fully aware of and understands the risks associated with availing of a service for routing orders over the internet/ commodities trading through wireless technology and Client shall be fully liable and responsible for any and all acts done in the Client's Username/password in any manner whatsoever.
8. The Member shall send the order/trade confirmation through email to the client at his request. The client is aware that the order/ trade confirmation is also provided on the web portal. In case client is trading using wireless technology, the Member shall send the order/trade confirmation on the device of the client.
9. The client is aware that trading over the internet involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, etc. are susceptible to interruptions and dislocations. The Member and the Exchange do not make any representation or warranty that the Member's IBT Service will be available to the Client at all times without any interruption.
10. The Client shall not have any claim against the Exchange or the Member on account of any suspension, interruption, non-availability or malfunctioning of the Member's IBT System or Service or the Exchange's service or systems or nonexecution of his orders due to any link/system failure at the Client/Members/Exchange end for any reason beyond the control of the Member/Exchanges.



## ANNEXURE-4

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

#### Do's

1. Trade only through Registered Members of the Exchange. Check from the MCX website at following link <https://www.mcxindia.com/Membership/Notice Board/ member-AP Details> to see whether the Member is registered with the MCX & from the NCDEX Website <https://www.ncdex.com/membership/memdirectory.aspx> to see whether the member is registered with NCDEX.
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 MCX through the trade verification facility available on the MCX website at the following link <https://www.mcxindia.com/login> and for the trades carried out at the NCDEX on NCDEX Website at the following link <https://www.ncdex.com/marketdata/verify trade.aspx>. The trades can be verified online where trade information is available up to 5 working days from the trade date.
7. Insist on a duly signed Contract Note in specified format for every executed trade within 24 hours of trade, highlighting the details of the trade along with your UCC.
8. Ensure that the Contract Note contains all the relevant information such as Member Registration Number, Order No., Order Date, Order time, Trade No., Trade rate, Quantity, Arbitration Clause, etc.
9. Obtain receipt for collaterals deposited with the Member towards margins.
10. Go through the Rules, Bye-laws, Regulations, Circulars, Directives, Notifications of the Exchange as well as of the Regulators, Government and other authorities to know your rights and duties vis-à-vis those of the Member.
11. Ask all relevant questions and clear your doubts with your Member before transacting.
12. Insist on receiving the bills for every settlement.
13. Insist on Monthly statements of your ledger account and report any discrepancies in the statement to your Member within 7 working days. In case of unsatisfactory response report the discrepancy to the Exchange within 15 working days from the date of cause of action.
14. Scrutinize minutely both the transaction & holding statements that you receive from your Depository Participant.
15. Keep Delivery Instruction Slips (DIS) book issued by DPs in safe possession.
16. Ensure that the DIS numbers are preprinted and your account number (UCC) is mentioned in the DIS book.
17. Freeze your Demat account in case of your absence for longer duration or in case of not using the account frequently.
18. Pay required margins in time and only by Cheque and ask for receipt thereof from the Member.
19. Deliver the commodities in case of sale or pay the money in case of purchase within the time prescribed.
20. Understand and comply with accounting standards for derivatives.
21. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the Member. Note that the clauses as agreed between you and the Member cannot be changed without your consent.
22. Get a clear idea about all brokerage, commissions, fees and other charges levied by the Member on you for trading and the relevant provisions/ guidelines specified by SEBI/Commodity exchanges.
23. Make the payments by account payee cheque in favour of the Member. Ensure that you have a documentary proof of your payment/deposit of commodities with the Member, stating date, commodity, quantity, towards which bank/ demat account such money or commodities (in the form of warehouse receipts) deposited and from which bank/ demat account.
24. The payout of funds or delivery of commodities (as the case may be) shall not be made to you within one working day from the receipt of payout from the Exchange, in case you have given specific authorization for maintaining running account to the member. Thus, in this regard, the running account authorization provided by you to the Member shall be subject to the following conditions:

- a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
  - b) You need to bring any dispute arising from the statement of account to the notice of the Member in writing preferably within 7 (seven) working days from the date of receipt of funds/commodities or statement, as the case may be. In case of dispute, refer the matter in writing to the Investors Grievance Cell of the relevant Commodity exchanges without delay.
  - c) In case you have not opted for maintaining running account and pay-out is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the Member. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the relevant Commodity exchange.
  - d) Please register your mobile number and email id with the Member, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the commodity exchanges.
25. You should familiarize yourself with the protection accorded to the money or other property you may deposit with your member, particularly in the event of a default in the commodity derivatives market or the member becomes insolvent or bankrupt.
26. Please ensure that you have a documentary proof of having made the deposit of such money or property with the member, stating towards which account such money or property deposited.
27. In case your problem/grievance/issue is not being sorted out by concerned Member/Authorised Person then you may take up the matter with the concerned Commodity Exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.

## Don't's

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

## POLICIES & PROCEDURE

**a) Setting up client's exposure limits :** The stock broker may from time to time impose and vary limits on the orders that the client can place through the stock broker's trading system (including exposure limits, turnover limits, limits as to the number, value and/or kind of securities in respect of which orders can be placed etc.). The client is aware and agrees that the stock broker may need to vary or reduce the limits or impose new limits urgently on the basis of the stock broker's risk perception and other factors considered relevant by the stock broker including but not limited to limits on account of exchange/SEBI directions/limits (such as broker level/market level limits in security specific/volume specific exposures etc.), and the stock broker may be unable to inform the client of such variation, reduction or imposition in advance. The client agrees that the stock broker shall not be responsible for such variation, reduction or imposition or the client's inability to route any order through the stock broker's trading system on account of any such variation, reduction or imposition of limits. The client further agrees that the stock broker may at any time, at its sole discretion and without prior notice, prohibit or restrict the client's ability to place orders or trade in securities through the stock broker, or it may subject any order placed by the client to a review before its entry into the trading systems any may refuse to execute/allow execution of orders due to but not limited to the reason of lack of margin/securities or the order being outside the limits set by stock broker/exchange/SEBI and any other reasons which the stock broker may deem appropriate in the circumstances. The client agrees that the losses, if any on account of such refusal or due to delay caused by such review, shall be borne exclusively by the client alone. We have margin based RMS system. Total deposits of the clients are uploaded in the system and client may take exposure on the basis of margin applicable for respective security as per VAR based margining system of the stock exchange and/or margin defined by RMS based on their risk perception. Client may take benefit of "credit for sale" i.e. benefit of share held as margin by selling the same by selecting Delivery option through order entry window on the trading platform, the value of share sold will be added with the value of deposit and on the basis of that client may take fresh exposure.

In case of exposure taken on the basis of shares margin the payment is required to be made before the exchange pay in date otherwise it will be liable to square off after the pay in time or any time due to shortage of margin.

**b) Applicable brokerage rate :** Brokerage will be charged within the limits prescribed by SEBI/Exchange.

**c) Imposition of penalty / delayed payment charges**

Clients will be liable to pay late pay in/delayed payment charges for non making payment of their payin/margin obligation on time as per the exchange requirement/schedule at the rate upto 2% per month.

The client agrees that the stock broker may impose fines / penalties for any orders / trades / deals / actions of the client which are contrary to this agreement / rules / regulations / bye laws of the

exchange or any other law for the time being in force, at such rates and in such form as it may deem fit. Further where the stock broker has to pay any fine or bear any punishment from any authority in connection with / as a consequence of / in relation to any of the orders / trades / deals / actions of the client, the same shall be borne by the client.

**d) The right to sell client's securities or close clients' positions, without giving notice to the client, on account of non-payment of client's dues** Without prejudice to the stock brokers other right (Including the right to refer the matter to arbitration), the stock broker shall be entitled to liquidate/close out all or any of the clients position without giving notice to the client for non payment of margins or other amounts including the pay in obligation, outstanding debts etc and adjust the proceeds of such liquidation/close out, if any, against the clients liabilities/ obligations. The client shall ensure timely availability of funds/securities in form and manner at designated time and in designated bank and depository account(s), for meeting his/her/its pay in obligation of funds and securities. Any and all losses and financial charges on account of such liquidations/ closing out shall be charged to & born by the client. In cases of securities lying in margin account/client beneficiary account and having corporate actions like Bonus, Stock split, Right issue etc, for margin or other purpose the benefit of shares due to received under Bonus, Stock split, Right issue etc will be given when the shares is actually received in the stock broker designated demat account. In case the payment of the margin / security is made by the client through a bank instrument, the stock broker shall be at liberty to give the benefit / credit for the same only on the realization of the funds from the said bank instrument etc, at the absolute discretion of the stock broker. Where the margin / security is made available by way of securities or any other property, the stock broker is empowered to decline its acceptance as margin / security &/or to accept it at such reduced value as the stock broker may deem fit by applying haircuts or by valuing it by marking it to market or by any other method as the stock broker may deem fit in its absolute discretion. The stock broker has the right but not the obligation, to cancel all pending orders and to sell/close / liquidate all open positions/securities/shares at the pre-defined square off time or when Mark to Market (M-T-M) percentage reaches or crosses stipulated margin percentage, whichever is earlier. The stock broker will have sole discretion to decide referred stipulated margin percentage depending upon the market condition. In the event of such square off, the client agrees to bear all the losses based on actual executed prices, the client shall also be solely liable for all and any penalties and charges levied by the exchange(s).

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

The policy and procedure for settlement of shortages in obligations arising out of internal netting of trades is as under:

a) The Short delivering client is debited by an amount equivalent to 20% above of closing rate of day prior to Payin/Payout Day. The securities delivered short are purchased from market on T+2 day and the purchase consideration (inclusive of all statutory taxes & levies) is debited to the short delivering seller client along with reversal entry of provisionally amount debited earlier.

b) If securities cannot be purchased from market due to any force majeure condition, the short delivering seller is debited at the closing rate on T+2 day or Auction day on Exchange +10% where the delivery is matched partially or fully at the Exchange Clearing, the delivery and debits/credits shall be as per Exchange Debits and Credits.

**f) Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client**

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

**g) Temporarily suspending or closing a client's account at the client's request** On the request of the client in writing, the client account can be suspended temporarily and same can be activated on the written request of the client only. During the period client account is suspended, the market transaction in the client account will be prohibited. However client shares/ledger balance settlement can take place. On the request of the client in writing, the client account can be closed provided the client account is settled. If the client wants to reopen the account in that case client settled. If the client wants to reopen the account in that case client has to again complete the KYC requirement.

**h) Deregistering a client :-**Notwithstanding anything to the contrary stated in the agreement, the trading member shall be entitled to terminate the agreement with immediate effect client account can be de-registered.

(i) If the action of the client are prima facie illegal / improper or such as to manipulate the price of any securities or disturb the normal/proper functioning of securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.

(ii) If there is any commencement of a legal process against the client under any law in force;

(iii) On the death/lunacy or other disability of the Client;

(iv) If the client being a partnership firm, has any steps taken by the Client and/or its partners for dissolution of the partnership;

(v) If the Client suffers any adverse material change in his/her/its financial position or defaults in any other agreement with the Stock broker;

(vi) If there is reasonable apprehension that the Client is unable to pay its debts or the Client has admitted its inability to pay its debts, as they become payable;

(vii) If the Client is in breach of any term, condition or covenant of this Agreement;

(viii) If the Client has made any material misrepresentation of facts, including (without limitation) in relation to the Security;

(ix) If a receiver, administrator or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Client;

(x) If the Client have taken or suffered to be taken any action for its reorganization, liquidation or dissolution;

(xi) If the Client has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;

(xii) If any covenant or warranty of the Client is incorrect or untrue in any material respect;

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

**(j) Client Acceptance of Policies and Procedures stated hereinabove:** I/We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses this document any circumstances what so ever. These Policies and Procedures may be amended / changed unilaterally by the broker, provided the change is informed to me / us with through any one or more means or methods. I/we agree never to challenge the same on any grounds including delayed receipt / non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read always be read along with the agreement and shall be compulsorily referred to while deciding any dispute / difference or claim between me / us and stock broker before any court of law / judicial / adjudicating authority including arbitrator / mediator etc.



Signature of Client

# TARIFF SHEET

## BROKERAGE STRUCTURE

### DERIVATIVE SEGMENT : SLAB

Brokerage Slab	Future %		Minimum		Option % (Rs.)	
	First Leg	Second Leg	First Leg	Second Leg	First Leg	Second Leg
Daily Square Up						
Settlement Square Up	Same as above		Same as above			

### CHARGES

	DERIVATIVES SEGMENT
TOC	As Per Actuls
STAMP DUTY	As Per Actuls
OTHER CHARGES	
1. CTT	As Per Applicable
2. GST	As Per Applicable
3.	
4.	
5.	
6.	

**NOTE :** All statutory charges will be levied as per applicable rates.



Signature of Client (9/19)





# FATCA & CRS Declaration - Individual

PAN           Trading       DP Code

Name

Place of Birth           Country of Birth

Nationality

Annual Income ☐ Below Rs. 1 Lac ☐ Rs. 1 Lac to 5 Lac ☐ Rs. 5 Lac to 10 Lac  
☐ Rs. 10 Lac to 25 Lac ☐ Rs. 25 Lac to 1 Crore ☐ > 1 Crore

Net Worth Amount Rs..... Net Worth as on            
(Net worth should not be older than 1 year)

Occupational ☐ Business ☐ Private Sector ☐ Professional ☐ Government Service ☐ Public Sector  
Detail . ☐ Agriculturist ☐ Housewife ☐ Student ☐ Retired ☐ Forex Dealer ☐ Others Pl. Specify

Politically Exposed Person (PEP) ☐ Related to Politically Exposed Person (RPEP) ☐

Are you a tax resident of any country other than India ☐ Yes ☐ No

If yes please indicates the all countries in which you are resident for tax purpose and the associated Tax ID number below.

Sr. No.	Country	Tax Identification Number	Identification Type (TIN or Other, please specify)
1.			
2.			
3.			

## DECLARATION

I have read and understood the information requirements and the Terms & Conditions mentioned in this Form (read along with FATCA & CRS instructions) and hereby confirm that the information provided by me on this Form is true, correct and complete. I hereby agree and confirm to inform M/s. Hem Multi Commodities Pvt. Ltd. for any modification to this information promptly.

I further agree to abide by the provisions of the scheme related documents inter alia provisions of FATCA & CRS on Automatic Exchange of Information (AEOI).

Sign here: (I)    
Signature of Client (10/19)

Date

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

Details	UBO1	UBO2	UBO3
Name of UBO			
UBO Code (Refer 3 (iv) (A) of Part C)			
Company of Tax residency*			
PAN*			
Address	Zip <input type="text"/> State: _____ Country: _____	Zip <input type="text"/> State: _____ Country: _____	Zip <input type="text"/> State: _____ Country: _____
Address Type	<input type="checkbox"/> Residence <input type="checkbox"/> Business <input type="checkbox"/> Registered office	<input type="checkbox"/> Residence <input type="checkbox"/> Business <input type="checkbox"/> Registered office	<input type="checkbox"/> Residence <input type="checkbox"/> Business <input type="checkbox"/> Registered office
Tax ID*			
Tax ID Type			
City of Birth			
Country of birth			
Occupation Type	<input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others _____	<input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others _____	<input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others _____
Nationality			
Father's Name			
Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Others	<input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Others	<input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Others
Date of Birth	DD/MM/YYYY	DD/MM/YYYY	DD/MM/YYYY
Percentage of Holding (%) <sup>\$</sup>			

\* To include US, where controlling person is a US Citizen or green card holder

† If UBA is KYC compliant, KYC proof to be enclosed. Else PAN or any other valid identity proof must be attached. Position I Designation like Director I Settlor of Trust I

Protector of Trust to be specified wherever applicable.

"In case Tax Identification Number is not available, kindly provide functional equivalent

\$ Attach valid documentary proof like Shareholding pattern duly self attested by Authorized Signatory I Comp < Iny Secretary

### DECLARATION

I have read and understood the information requirements and the Terms & Conditions mentioned in this Form (read along with FATCA & CRS instructions) and hereby confirm that the information provided by me on this Form is true, correct and complete. I hereby agree and confirm to inform M/s. Hem Multi Commodities Pvt. Ltd. for any modification to this information promptly.

I further agree to abide by the provisions of the scheme related documents inter alia provisions of FATCA & CRS on Automatic Exchange of Information (AEOI).

Name

Designation



Signature of Client (11/19)

Date :

Place :

## FATCA & CRS Terms & Conditions

Details under FATCA & CRS: The central Board of Direct Taxes has notified rules 114F to 114 H, as part of Income- tax Rules, 1962, which require Indian financial institutions such as the Banks/ other financial entities to seek additional personal, tax and beneficial owner information and certain certification and documentations from all our account holders. In relevant cases, information will have to be reported to tax authorities / appointed agencies. Towards compliances, we may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto.

Should there be any change in any information provided by you, please ensure you advise us promptly, i.e. within 30 days.

Please note that you may receive more than one request for information if you have multiple relationships with Hem Multi Commodities Pvt. Ltd. or its group entities. Therefore, it is important that you respond to our request, even if you believe you have already supplied any previously requested information.

## FATCA & CRS Instructions

If you have any question about your tax residency, please contact your tax advisor. If you are a US citizen or resident or green-card holder, please include United States in the foreign country information field along with your US Tax Identification Number.

It is mandatory to supply a TIN or functional equivalent if the country in which you are tax resident issues such identifiers. If no TIN is yet available or has not yet been issued, please provide an explanation and attach this to the form. In case customer has the following indicia pertaining to foreign country and yet declares self to be non-tax resident in the respective country, customer to provide relevant curing Document as mentioned below:

FATCA & CRS Indicia Observed (ticked)	Documentations required for Cure of FATCA/CRS indicia
U.S. place of birth	<ol style="list-style-type: none"><li>1. Self- certification that the account holder is neither a citizen of United States of America nor a resident for the tax purposes;</li><li>2. Non-US passport or any non- US government issued documents evidencing nationality or citizenship ( refer list below); AND</li><li>3. Any one of the following documents: Certified Copy of “Certificate of Loss of Nationality. Or Reasonable explanations of why the customer does not have such a certificate despite renouncing US Citizenship; Or Reason the customer did not obtain U.S. citizenship at birth.</li></ol>
Residence/ mailing address in a country other than India	<ol style="list-style-type: none"><li>1. Self- certification that the account holder is neither a citizen of United States of America nor a tax resident of any country other than India; and Documentary evidence ( refer list below)</li></ol>
Telephone number in a country other than India	<p><b><i>If Indian telephone number is provided</i></b></p> <ol style="list-style-type: none"><li>1. Self- certification that the account holder is neither a citizen of United States of America no a tax resident of any country other than India; <b>and</b></li><li>2. Documentary evidence ( refer list below)</li></ol> <p><b><i>If Indian telephone number is provided along with a foreign country telephone number</i></b></p> <p>Self- Certification that the account holder is neither a citizen of United States of America nor a tax resident for tax purposes of any country other than India; OR</p>
Telephone number in a country other than India	<ol style="list-style-type: none"><li>1. Self- Certification that the account holder is neither a citizen of United States of America nor a tax resident of any country other than India; and Documentary evidence (refer list below)</li></ol>

List of acceptable documentary evidence needed to establish the residence(s) for tax purposes:

1. Certificate of residence issued by an authorized government body\*
2. Valid identification issued by an authorized government body\* (e.g. Passport, Naitonal Identity card, etc.)

**\*Government or agency thereof or a municipality of the country or territory in which the payee claims to be a resident.**



# ELECTRONIC CONTRACT NOTE [ECN] - DECLARATION (Appendix - A)

## VOLUNTARY

To,

**Hem Multi Commodities Pvt. Ltd.**

Regd. Off. : 210, Jaipur Tower,  
M. I. Road, Jaipur-302001

Date .....

Dear Sir,

I, \_\_\_\_\_ a client with Member  
M/s.Hem Multi Commodities Pvt. Ltd. of Multi Commodity Exchange of India Ltd. (MCX) and /or National  
Commodity and Derivatives Exchange Ltd. (NCDEX) 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 I 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 email id is (1) \_\_\_\_\_  
(2) \_\_\_\_\_.

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 the non-receipt of bounced mail notification by the member shall amount to delivery of the contract note at the above e-mail ID.
8. In case of any change in the aforesaid Email-id, I/we undertake to intimate the same to you in writing through physical letter and the request for change in email id may be served to you through secured access by way of my specific user ID & password (in case of internet trading users).

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

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

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

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

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

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

Verification of the client signature done by,

Name of the designated officer of the Member Signature



Signature of Client (12/19)

**LETTER OF AUTHORITY  
VOLUNTARY**

To,

**Hem Multi Commodities Pvt. Ltd.**

Regd. Off. : 210, Jaipur Tower,  
M. I. Road, Jaipur-302001

Date .....

Dear Sir,

SUB : Letter of Authority

I have been regularly trading and investing, or plan to do so, with you at The Multi Commodities Exchange of India Ltd. (MCX) and/or National Commodity & Derivatives Exchange Ltd. (NCDEX). To facilitate ease of operations, I request and authorize you as under :

1. My orders for purchase / sale will be given on telephone or orally during my visit to your office. I further declare that all orders placed by me with you will be for my personal / family account (s) and that I will not operate for any client and will not issue any further contracts / bills for the transactions executed through you.
2. I hereby authorize you not to provide me Order Confirmation/ Modification/ Cancellation Slips and Trade Confirmation Slips to avoid unnecessary paper work. I shall get the required details from contract Note issued by you.
3. I hereby authorize you to maintain my account with you on a running account basis and request you to consider the balances in my running account with you for the purpose of margins / any other obligations due to you. In view of the same it would be proper for you to release the funds due to me on my specific request, either written or oral. Further I understand and agree that any credit amount lying with you will not attract any interest.
4. I hereby authorize you to liquidate/close out all or any of my positions for non-payment of margins or other account, outstanding debts etc. I agree to bear any and all losses and financial charges on account of such liquidation / close-out.
5. I agree that you may refuse to execute any particular transaction without assigning any reason thereof.
6. I agree not to hold you liable or responsible for delay or default in performance of your obligations due to contingencies beyond your control such as fire, flood, civil commotion, earthquake, riots, war, strikes, failure of systems, failure of internal links, government / regulatory actions or any such other contingencies which may be beyond your control.
7. I hereby confirm that I have received, read & understood the Risk Disclosure Document.
8. I hereby confirm that I have read and understood the provisions of prevention of money laundering act and will comply with these provisions.

Thanking you,

Yours truly,

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

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



Signature of Client (13/19)

# Letter for Securities Trading using Internet & Wireless Technology

## VOLUNTARY

To,

**Hem Multi Commodities Pvt. Ltd.**

Regd. Off. : 210, Jaipur Tower,  
M. I. Road, Jaipur-302001

Date .....

Sub: Securities (Commodity Derivatives) trading using Internet & wireless technology (incl. trading through mobile application).

Sir,

I/ we \_\_\_\_\_ registered as your client having trading code - \_\_\_\_\_ wish to trade through Internet & wireless technology (including trading through mobile application) and have executed the trading member and client agreement for the purpose of trading in Commodity derivative segment of Multi Commodity Exchange of India Ltd. (MCX) & or National Commodity & Derivatives Exchange of India Ltd. (NCDEX)

I/we am / are interested in carrying Securities (Commodity Derivatives) trading through use of Internet & wireless technology which shall include devices such as mobile phone, PC's & laptop with data card etc. using internet protocol (IP) and /or through mobile application.

I/we understand that the terms and conditions applicable to internet based trading will also be applicable to Securities (Commodity Derivatives) trading through use of wireless technology. I/ we am/are made aware by you regarding all the possible risks including risk of misuse and unauthorized use of username and or password by a third party and the risk of a person hacking into our account on your ITORS system and , responsibilities and liabilities associated with securities using Internet & wireless technology .

I/we shall be fully liable and responsible for any and all unauthorized use and misuse of our password and/ or username and also for any and all acts done by any person through your ITORS system on our username in any manner whatsoever.

I/we hereby confirm you to send my/ our username and password on my/ our registered e-mail address \_\_\_\_\_ and therefore request you to enable me/ us for carrying Securities (Commodity Derivatives) trading through use of Internet & wireless technology (Including trading through mobile Application).

With thanks & regards

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

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



Signature of Client (14/19)

## Consent Letter for Trading in Commodity Option Segment

### VOLUNTARY

To,

**Hem Multi Commodities Pvt. Ltd.**

Regd. Off. : 210, Jaipur Tower,  
M. I. Road, Jaipur-302001

Date .....

Dear Sir,

I/We \_\_\_\_\_ a client with M/s. Hem Multi Commodities Pvt. Ltd. Member of Multi Commodity Exchange of India Ltd ( MCX) and / or National Commodity and Derivatives Exchange Ltd. ( NCDEX ) having Unique Client Code \_\_\_\_\_.

I/we the above mentioned person/ entities or constituents have read and understood the attached Annexure-1 regarding Additional Risk Disclosure document for option Trading and would intend to trade in Commodity Options subject to regulatory requirements of the Exchange and SEBI from time to time.

This Consent is an addition to my KYC Details provided to you, for your record purpose.

With thanks & regards

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

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



Signature of Client (15/19)

Encl-

1. Additional Risk Disclosure Documents for Option Trading.

## Additional Risk Disclosure documents for Options Trading

### Risk of Option holders:

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

### Risks of Option Writers:

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

With thanks & regards

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

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



Signature of Client (16/19)

(Family means : Self, Spouse, Dependent Children & Dependent Parents only)

**Hem Multi Commodities Pvt. Ltd.**

Date .....

(Self) and Email ID \_\_\_\_\_ in your records, Exchanges . i.e MCX & or

S. No.	Name of Family Member	Trading Code	Relation with Self	Signature of Family Member
1.			Self	
2.				
3.				
4.				
5.				

Signature of Client (17/19)

Trading Code :

## RUNNING ACCOUNT AUTHORISATION

### VOLUNTARY

To,

**Hem Multi Commodities Pvt. Ltd.**

Regd. Off. : 210, Jaipur Tower,  
M. I. Road, Jaipur-302001

Date .....

Dear Sir,

I will be dealing through you as client in Commodity market and/ or derivative segment at MCX & or NCDEX. In order to facilitate ease of operations and upfront requirement of margin for trade. I authorize you as under:

1. I request you to maintain running balance in my account & retain the credit balance in any of my account and to use the unused funds towards my margin/pay-in/other-future obligation(s) at any segment(s) of the Exchange/ Clearing Corporation, unless I instruct you otherwise.
2. I request you to retain with you for my margin/pay-in/other-future obligation(s) at any segment(s) of the Exchange/ Clearing Corporation, unless I instruct you to transfer the same to my account.
3. I request you to settle my fund and securities account. Once in every calendar Quarter or /Once in a calendar Month or such other higher period as allowed by SEBI/Stock Exchange time to time except the funds given towards collaterals/ margin in form of Bank Guarantee and /or Fixed Deposit Receipts.
4. To transfer the funds/ securities laying in the credit of my account within one working day of the request if the same are lying with you and within three working days from the request if the same are lying with the Clearing Member/ Clearing Corporation.
5. In case I have an outstanding obligation on the settlement date, you may retain the requisite securities/ funds towards such obligation and may also retain the funds expected to be required to meet margin obligation for next 5 trading days, calculated in the manner specified by the exchanges.
6. I shall bring any dispute arising from the statement of account or settlement so made to the notice of the broker preferably within 7 working days from the date of receipts of funds/ securities or statement, as the case may be.
7. I confirm you that I can revoke the above mentioned authority anytime by giving notice in writing to you.
8. If I/ We have credit balance of Rs. 50000 or less that may automatically be retained and transfer of funds & Securities may not be made as per SEBI/ Exchange guidelines.

I request you to settle my funds and securities account.

Once in every:-

- ☐ Calendar Quarter  
☐ Calendar Month

Thanking You

Your's Faithfully

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

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



Signature of Client (18/19)

# Consent Form for Receiving Trade alerts through SMS and / or Email

## VOLUNTARY

To,  
The Compliance Officer

**Hem Multi Commodities Pvt. Ltd.**

Member ID : MCX-10055, NCDEX-00038

Regd. Off. : 210, Jaipur Tower,  
M. I. Road, Jaipur-302001

Date .....

Dear Sir,

We/I are/ am aware that Multi Commodity Exchange of India Ltd. (MCX), National Commodity & Derivative Exchange Ltd. (NCDEX) provides SMS / email alerts to the constituents (Clients) of its member for trades executed on its platform. We/ I hereby provide and confirm my / our mobile number and / or email address as stated below for the purpose of receipt of SMS / Email alerts.

- ☐ I Want to receive transaction alerts in SMS as well as Email from MCX & or NCDEX.
- ☐ I Want to receive transaction alerts only in SMS from MCX & or NCDEX.
- ☐ I Want to receive transaction alerts only in Email from MCX & or NCDEX.
- ☐ I do not want to receive any transaction alerts from MCX & or NCDEX, specify reason

.....

The alert should be sent on:

Mobile number (enter 10 digit mobile no.): 

--	--	--	--	--	--	--	--	--	--

Email: \_\_\_\_\_

I/We agree to the terms and conditions specified by the exchange vide its circular no. MCX/T&S/165/2012 dated April 26, 2012 (MCX) and NCDEX/COMPLIANCE-007/2012/093 (NCDEX) as modified from time to time. We/ I are /am aware that the receipt of SMS/ Email alerts on the above mobile number and / or email address can be stopped only on our / my written request. We are also aware that this is an additional facility provided by the exchange and we shall not solely rely or use such data for any purpose and, Exchange shall not be liable for any direct or indirect loss of any nature because of providing this additional facility.

Thanking You

Your's Faithfully

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

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



Signature of Client (19/19)



# AUTHORISATION FOR ELECTRONIC CONTRACT NOTE / STATEMENTS

## VOLUNTARY

To  
Hem Multi Commodities Pvt. Ltd.  
210, Jaipur Tower, M.I. Road,  
Jaipur (Rajasthan)-302001

Date\_\_\_\_\_

Dear Sir,

Subject: Issuance of Electronic Contract Notes/Statements in Electronic Form.

In reference to my/our dealing with you as a client for trading in the Commodity Market and/or Futures & Options Segment of MCX & or NCDEX, I/We hereby give my/our consent to receive electronic contract notes (ECN), financial statements, margin statements or any other reports/notices in electronic mode from Hem Multi Commodities Pvt. Ltd. (HMCPL) on my/our below mentioned e mail id.

I/We further give my/our consent to receive bills, ledgers, transaction statements, monthly/quarterly statement of accounts, bills, or any other reports/notices in electronic mode on my/our below mentioned E-mail id

I/we confirm that the e mail address has been generated by me/us.

1.....

2 .....

I/We further hereby agree that the HMCPL shall fulfill the legal obligation by sending the mentioned documents electronically to my/our e-mail id. I/We also agree that non-receipt of bounced mail notification by you shall amount to delivery at my/our email id(s).

I/We agree that the log reports of your dispatching software shall be a conclusive proof of dispatch of documents to me/us and such dispatch shall be deemed to mean receipt by me/us and shall not be disputed by me/us on account of any non-receipt/ delayed receipt for any reason whatsoever.

I/We also undertake to check the ECN/Statement and other documents and bring the discrepancies to your notice within the time period as specified by the regulatory authorities. My/Our non-verification or not accessing the ECN/Statement and other documents on regular basis shall not be a reason for disputing the same at any time.

I/We understand and agree that I/we shall intimate any change in the email id mentioned herein through a physical letter to you. Whenever I/We want to discontinue the said facilities, I/We shall inform to HMCPL immediately in writing.


I/We further agree that HMCPL will not be held responsible for non-receipt of documents sent via electronic delivery due to change in/incorrect e-mail address as mentioned or any other reason which inter alia include technical reasons or malfunction of my/our computer system/server/internet connection etc. Further I/We agree and undertake to indemnify HMCPL, that they will not be held liable/ responsible for any losses, claims damages, cost and liabilities etc. caused to me/us due to misuse of information or pursuant to any litigation cases, complaints, actions, etc. that may arise in future on account of my/ our above authorization request.

Thanking you

Yours faithfully,

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

Trading Code\_\_\_\_\_



Signature of Client (20/20)

# **CHECK-LIST**

(FOR OFFICE USE ONLY)

- |                                 |                       |       |
|---------------------------------|-----------------------|-------|
| 1. AOF RECEIVING DATE           | _____                 | _____ |
| 2. If common Email ID:-         |                       |       |
| Request letter is signed or not | YES (    )/ NO (    ) | _____ |
| 3. AOF REJECTED/PENDING/OPEN    | _____                 | _____ |
| 4. UCC DATE                     | _____                 | _____ |
| 5. MAPIN DATE                   | _____                 | _____ |
| 6. BROKERAGE FILLED             | _____                 | _____ |
| 7. KYC UPLOAD DATE              | _____                 | _____ |
| 8. KYC VERIFIED DATE            | _____                 | _____ |
| 9. CKYC UPLOAD DATE             | _____                 | _____ |
| 10. CKYC VERIFIED DATE          | _____                 | _____ |

OFFICER SIGNATURE.

DATE:

Stored by \_\_\_\_\_