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|---|---|---|---|--------------|------------------------------|---------------------------|--|----------------------|----------------------|------|---|------|-----------|--------|----------|--|--|------|------|------|------|--------|--|--|--|--|------|--|--|--|--|
| Sales Tax Registration | Local Sales Tax | Registration Number : <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table> | | | | | | | | | Validity Date | | | | | | | | | | | | | | | | | | | | |
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| | Central Sales Tax | Registration Number : <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr></table> | | | | | | | | | Validity Date | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Client Profile | Producer / Trader / Consumer / Other | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interested in Commodities | Agro Commodities / Precious Metals / Base Metals / All | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| For Non-Individuals | Name : _____ Date of commencement of Business : _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Exchange Regn No: _____ Total No. of Employees: _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Networth (certified) as on _____ (excluding Revaluation Reserves) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | No. of Employees in Back-Office: _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Broker Details | Depository Name: _____ DP Id : _____ Client Id : _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Whether registered with any other Member : <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | If Yes, Broker's Name : _____ Broker Code : _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Name of the Exchange : _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Introducer's Details | Introducer's Name : _____ Client Code : _____ (Surname) (Name) (Father's/Husband's Name) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Branch : _____ Introducer's Signature : _____ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Declaration | The information furnished above is true to the best of my knowledge and belief, and I undertake to inform you of any changes there in immediately in writing. I am agreeable to enter into an agreement to abide by your terms and conditions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Place : |  Signature | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Date : | Name | (In case of Director attest with the Company Seal) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Enclosures | Compulsory Documents to be enclosed | | Additional Enclosures for Firms / Corporates | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <input type="checkbox"/> Copy of Passport <input type="checkbox"/> Copy of Ration Card <input type="checkbox"/> Three Photographs <input type="checkbox"/> Copy of Latest Salary Slip <input type="checkbox"/> Copy of PAN Card | | <i>Compulsory Documents to be Enclosed</i> <input type="checkbox"/> Copy of MOA & AOA / Partnership Deed <input type="checkbox"/> Copy of Board Resolution <input type="checkbox"/> Copy of Annual Report for last 2 years <input type="checkbox"/> Copy of Income Tax Returns for last 2 years <input type="checkbox"/> Copy of Values Certificate (in case of Immovable Property) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office Use | Any one Proof to be enclosed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <input type="checkbox"/> Copy of Voters ID Card <input type="checkbox"/> Copy of Income Tax Return <input type="checkbox"/> Copy of Driving License | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | %age | Min. | %age | Min. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Metals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agro | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sub Broker / Authorised Person Code : | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Authorised Person: (Name and Signature) | (Name and Signature) | (Name and Signature) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



MEMBER CLIENT AGREEMENT

This agreement is made at _____ this _____ day of _____ 20__ by **FORTUNE COMMODITIES**, a company formed under the Companies Act, 1956, having its registered office at No. 39, Middle School Road, V. V. Puram, Bangalore - 560 004. (hereinafter called "MEMBER") and _____ a company / trust / firm / individual or any other body duly formed and registered under the _____ Act, having its registered office address at _____ (hereinafter called "Client")

WITNESSTH:

Whereas the member is registered as MEMBER OF THE NATIONAL SPOT EXCHANGE LIMITED (hereinafter called (NSEL). Whereas the CLIENT is desirous of trading in those contracts admitted for dealing on NSEL as defined in the Bye – Laws, Rules and Business Rules of NSEL. Whereas the CLIENT has satisfied himself of the capability of the MEMBER OF THE EXCHANGE to deal in those contracts admitted for dealing on the NSEL and wishes to execute his orders through him and the CLIENT shall continue to satisfy him of such capability of the MEMBER OF THE EXCHANGE before executing any orders through him. Whereas the MEMBER OF THE EXCHANGE has satisfied and shall continuously satisfy himself about the genuineness and financial soundness of the CLIENT and trading objectives relevant to the services to be provided. Whereas the MEMBER OF THE EXCHANGE has taken steps and shall take steps to make the CLIENT aware of the precise nature of the MEMBER liability for business to be conducted, including any limitations on that liability and the capacity in which it acts. In consideration of handling transactions carried out on the NSEL, THE CLIENT understands the following risks disclosed by the Member and states as follows:

- A. I / We understand that the spot trading involves daily settlement. Every day the net outstanding position (whether purchase or sale) at the end of the day shall result into compulsory delivery. I/We shall ensure that the commodities are as per the contract specifications of the Exchange and within tolerance limits set out in the contract specification and such commodities are delivered at the designated warehouse of the Exchange before the scheduled pay-in time fixed by the Exchange. I/We further understand that in case of failure on my part to deliver the specified commodity at the specified delivery center within the specified time set by the Exchange, such commodities shall be procured by the Exchange through auction procedure at my cost and risk. I / we shall be liable to make good of such losses that may be recovered from the members by the Exchange on my account.
- B. I / We understand that in case of my liability of funds pay-in position, I shall ensure transfer of funds to the members account well before the schedule pay-in time to enable the member to meet his funds pay-in obligation on my account. I/We further understand that in case of failure on my/our part to pay/transfer funds before the scheduled pay-in date, the commodities purchased by the member on my account may be auctioned by the Exchange/sold by the Member at my cost and risk. I / We shall be liable to make good of such losses that may be recovered from/suffered by the members on my account.
- C. I / we hereby authorize the member to execute all my written/verbal order for purchase and sale of commodities and comply with the Sales Tax/ VAT/ CST related liabilities on my behalf. I / we irrevocably authorize the member to recover all the dues from my account against sales tax and other liabilities that may arise in the course of executing my orders on the Exchange platform. I further undertake that the member shall be authorized to take all actions for compliance with the VAT regulations.
- D. I / We understand that my purchase and sales positions shall be marked to market at and of the day of transaction based on the closing price of commodities. I / We shall be required to deposit the amount of loss (notional) resulting from such closing price (if any). This margin will have to be paid within a stipulated time frame, generally before commencement of trading next day.
- E. If I / we fail to deposit the additional margin by the deadline or if an outstanding debt occurs in my account, the Member of the Exchange may liquidate a part of or the whole position or substitute commodities. In this case, I / we shall be liable for any losses incurred due to such close outs.
- F. My order for purchase or sale of any commodity may not be executed when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- G. In order to maintain market stability, the Exchange may change the margin rate, increases in the cash margin rate or others. These new measures may be applied to the existing outstanding position, which are yet to be settled. In such conditions, I / We shall be required to put up additional margins against my positions.
- H. I / We shall ask my Member of the Exchange to provide the full details of the spot contracts before I / WE plan to trade i.e. the contract specifications and the associated obligations.
- I. Before trade, I / We shall obtain a clear explanation of all commission, fees and other charges for which I / We will be liable.
- J. The Exchange offers electronic trading facilities, which are computer-based systems for order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. The execution of my orders shall be subject to limits on liability imposed by the system provider, the market, the Clearing House and/or Member of the Exchange firms.

In view of the above, I / WE agree that

- 1) I / WE am aware of the risks stated above and understand the trading & risks involved in the trading through the Electronic spot Exchange and am fully responsible for my dealings in this Exchange platform.
- 2) I / WE shall be bound by the Bye-Laws, Rules, Business Rules, and Customs of the NATIONAL SPOT EXCHANGE LIMITED and the Clearing House of the Exchange.
- 3) I / WE shall deposit monies, Warehouse Receipts or other property, which may be required to open and carry out the transactions in my account with you as my agent at the capacity of the Member of NSEL and I / WE being your client.
- 4) I / WE shall not, acting alone or in concert with others, directly or indirectly, hold and control or create excess position than what is permitted from time to time by the Exchange or any other authority.
- 5) All monies, Warehouse Receipts or other property, which you may hold on my account, shall be held subject to a general lien for the discharge of my obligations to you under this agreement.
- 6) I / WE hereby authorize you at your discretion, should you deem it necessary for your protection to buy, sell or close out any part or all of the contracts held in my account with you. I / WE will reimburse any or all such incidental expenses incurred by you.

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

- 1. The agreement entered into between the Member and the CLIENT shall stand terminated by mutual consent of the parties by giving at least one-month notice to each other. Such termination shall not have any effect on the transactions executed before the date of notice of termination and the parties shall enjoy same rights and shall have same obligations in respect of such transactions.
- 2. In the event of the death or insolvency of the CLIENT or his otherwise becoming incapable of receiving and paying for or delivering or transferring Commodities which the CLIENT has ordered to be bought or sold, the Member may with the approval of the Exchange, close out the transaction of the CLIENT and the CLIENT or his legal representative shall be liable for any losses, costs and be entitled to any surplus which may result there from.
- 3. All trades, transactions and contracts are subject to the Rules, Bye Laws and Business Rules of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of MUMBAI for the purpose of giving effect to the provisions of the Rules, Bye - Laws and Business Rules of the Exchange.

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

SIGNED for and on behalf of SIGNED for and on behalf of

THE Member: THE Client:.....

By : By

Signature : Signature :

Title : Title :

Witness:..... Witness:.....

SIGNED for and on behalf of
the Member : **Fortune Commodities**

By :

Signature :

Title :

Witness :

SIGNED for and on behalf of
the CLIENT :

By :

Signature :

Title :

Witness :

Date: _____

To,

FORTUNE COMMODITIES

39, Middle School Road,
V. V. Puram, Bangalore - 560 004.
Member ID : **53650**

Dear Sir,

Sub: Authority Letter

I/We _____

Residing / having registered office at _____

am/are attached to **Fortune Commodities** as a client bearing the code No. _____ operating from the _____ branch

1. Margin with Banks Institutions: I/We hereby authorize the member to place the securities deposited by me/us as margin with the member, as margin by the MEMBER with the Exchange or Banks or such other Institutions as the member may deem fit. I/We authorize the MEMBER to do all such acts, deeds and things as may be necessary and expedient for placing such securities with Exchange / banks / institutions as margin.

2. Pay out of Securities/Fund: In order to facilitate operations, I/We hereby authorize the member to maintain a running account with the MEMBER, instead of settlement to settlement clearance of funds/securities due to me/us. The payout of funds/securities may be retained by the MEMBER and no interest shall be payable by the MEMBER on such securities/funds so retained. I/We also authorize the MEMBER to consider the funds/securities so retained by the MEMBER towards collateral margin for allowing enhanced gross exposure to me/us. I/We agree that the MEMBER shall not be liable for any claim for loss or profit or for any consequential, incidental, special or exemplary damages, caused by retention of such securities/funds under this agreement or otherwise. On my/our written request the MEMBER may release funds/securities to him, it sufficient margins in respect of his trading, across the exchange are available with the MEMBER.

3. Short fall in Margins: I/We hereby authorize the member if payment towards the margin or shortfall in margin is not received instantaneously to enable restoration of sufficient margin in my/our account, all or some of the position taken by me/us as well as securities / other property placed as margin may be liquidated by the MEMBER at its sole discretion, without any reference or prior notice. The resultant or associated losses that may occur due to such squaring off or sale of securities / other property shall be borne by me/us and the MEMBER is hereby fully indemnified and held harmless in this behalf. Such liquidation or close out of position shall apply to any segment in which I/we do business with the MEMBER

4. Delayed Payment: If any amount is overdue from me/us towards trading in the Commodity Exchange or on account of any other reason to the MEMBER, the Member may charge delayed payment charges at the rate of 1.5% per month or part thereof - or such other rate as determined by the MEMBER on such overdue amount. I/We authorize the MEMBER to directly debit the same to my/our account at the end of each month or any other period as may be decided by the MEMBER. I/We also agree that any amount overdue from me/us (including the interest on delayed payments) shall be offset against the dues owed by the MEMBER to me/us.

5. Inter company ledger balance transfer : I/We hereby authorize the member to transfer balance from my/our ledger account arising during the course of business to my/our account in any of the Member's Group Companies i.e. **Fortune Commodities** or vice versa, as often as may be required. The transfer may be complete by passing journal entries in my/our account. I/We would get to know about such transfers based on review of ledger account copies provided by the MEMBER.

6. Inter exchange ledger balance transfer: I/We hereby authorize the member to transfer the balance from my/our ledger accounts and arising during the course of business to my/our account in any other Exchange memberships of the member.

7. Family Account Adjustment: I/We hereby authorize the member to transfer balance from my/our ledger account arising during the course of business to my following family Account as often as may be required:

| Sr. No. | Name of Client | Client Code | Signature |
|---------|----------------|-------------|-----------|
| 1. | | | |
| 2. | | | |
| 3. | | | |

I/We hereby authorize the member to debit my/our ledger for the additional services as required by me/us and provided by the MEMBER or if the MEMBER incurs any additional expenses on my/our behalf.

Name of the Client: _____

Signature of the client: _____



RISK DISCLOSURE DOCUMENT

(Business Rule 27)

Annexure-XIII

THIS DOCUMENT SHOULD BE READ BY EACH AND EVERY PROSPECTIVE CONSTITUENT / CLIENT BEFORE ENTERING INTO COMMODITY FUTURES CONTRACTS / DERIVATIVES MARKET / TRADING AND SHOULD BE READ IN CONJUNCTION WITH CLIENTS' / CONSTITUENTS' / INVESTORS' RIGHTS & OBLIGATIONS, BYE LAWS, RULES AND BUSINESS RULES OF THE MULTI COMMODITY EXCHANGE OF INDIA LTD. (NSEL)

MCS / Forward Markets Commission (FMC) does not singly or jointly, expressly or impliedly guarantee nor make any representation concerning the completeness, the adequacy or accuracy of this disclosure documents nor has NSEL/FMC 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 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 elements 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 NSEL and suffer adverse consequences or loss, you shall be solely responsible for the same and NSEL its Clearing House and/or Forward Markets Commission 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 Constituent/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 NSEL.

1. Revised Annexure XIII vide Circular No. NSEL/COM/206/2008 dated 16/6/2008 w.e.f. 2/7/2008.

To the expected price levels, so as not to have any obligation to deliver/receive such commodities.

i. Risk of Higher Volatility

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

ii. Risk of Lower Liquidity

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

iii. Risk of Wider Spreads

a. Spread refers to the difference in best buy price and best sell price. It represents 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 order", "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" offer, 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 constituent/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, & 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, & 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 predetermined 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 community 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 not 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 NSEL is in electronic mode, based on satellite/leased line communications, combination of technologies & computer systems to place & 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.

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. 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 becoming 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 changes will affect your net profit (if any) or increase your loss.

iii. For rights and obligations of the clients, please refer to Appendix 1 enclosed with this document.

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 NSEL.

v. The term 'member' shall mean and include a Trading Member or a Broker, who has been admitted as such by MCS and got a Unique Member Code from FMC. I hereby acknowledge that I have received and understood this risk disclosure statement and Appendix 1 containing my rights and obligations.

⊗

Client's Signature

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

Date : (dd/mm/yyyy)

It must be clearly understood by you that your dealings on NSEL through a member shall be subject to your fulfilling certain formalities set out by the member, which may, inter alia, include your filling the know your client form, client registration form, execution of an agreement, etc. & are subject to Rules, Byelaws & Business Rules of the NSEL & its Clearing Corporation/Clearing House, guidelines prescribed by FMC from time to time and circulars as may be issued by NSEL or its Clearing Corporation/Clearing House from time to time. NSEL does not provide or purport to provide any advice & shall not be liable to any person who enters into any business relationship with any member of the NSEL 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 or authorize someone to trade for you, you should be aware of or must get acquainted with the following:-

1. Basic Risks involved in the trading of Commodity Futures Contracts and other Commodity Derivatives instruments on the Multi Commodity Exchange (NSEL).

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 level, go as not to have any obligations to deliver / receive such commodities.



**Appendix - 1 of Annexure XIII of Business Rules
INVESTORS' RIGHTS AND OBLIGATIONS**

1. 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.
2. 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.
3. Before you begin to trade, you should obtain a clear idea from your member of all brokerage, commissions, fees and other charges which will be levied on you for trading. These charges will affect your net cash inflow or outflow.
4. Furnish all such details in full as are required by the member as required in "Know Your Clients" form, which may also include details of PAN or Passport or Driving Licence or Voter's ID, or Ration Card, Bank Account and Depository Account, or any such details made mandatory by the Exchange at any time, as is available with the investor.
5. Execute a Member-Client agreement in the form prescribed by the Exchange.
6. Ensure that a contract note is issued to you by the member in the prescribed format which contains the details of transaction(s). Verify that the contract note contains details of order number, trade number, trade time, trade price, trade quantity and client code allotted to you and showing the brokerage separately. Contract notes are required to be issued by the member to the investors within 24 hours from the close of trading hours when the trade is executed. Member may also be issued digitally signed contract note in electronic form at your request subject to the compliance of all the provision of IT Act, 2000 or in hard copy.
7. Facility of trade verification is available on the NSEL website (www.mcxindia.com) where details of trade as mentioned in the contract note may be verified up to seven days from the date of execution of the trade.
8. Ensure that payment/delivery of warehouse receipts is given well in advance to the member prior to the date of pay-in announced by the Exchange or its Clearing Corporation/Clearing House. Payment should be made only by account payee cheque in favour of the member and receipt or acknowledgement towards what such payment is made and receipt / acknowledgement for warehouse receipts in demat, is made to the pool account of the member rather than to the beneficiary account of the member. In case pay-out of money is not received within 48 hours after pay-out announced by Exchange or its Clearing House / Clearing Corporation, please follow-up with the concerned member for its release. In case, pay-out is not released as above from the member within five working days, ensure that you lodge a complaint immediately with the Investors Grievances Division of the NSEL.
9. Every member is required to send a complete periodical 'Statement of accounts', for both funds and commodities settlement to each of his/her/its clients, at such period as may be prescribed from time to time. You should report errors, if any, in the statement immediately but not later than 30 calendar days of receipt thereof, to the member. In case, the error is not rectified or there is a dispute, ensure that you refer such matter to the Investor Grievances Division of the NSEL without delay.
10. In case of a complaint against Member, you should address the complaint to the office as may be specified by the NSEL from time to time.
11. 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 NSEL, ensure that you lodge a claim with NSEL or its Clearing Corporation/Clearing House within the stipulated period and with the supporting documents.
12. In case, where a member is declared a defaulter or expelled from membership, NSEL 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 NSEL, ensure that you lodge a claim with NSEL within the stipulated period and with the supporting documents.
13. Claim against a Defaulter/Expelled member found to be valid as per the prescribed relevant Rules/Bye-laws of the Exchange and Guidelines of the Investors' Protection Fund (IPF), the Relevant Authority of the Exchange/Committee will disburse the amount of compensation from the IPF to the extent of maximum amount fixed by the Exchange or the actual claim amount, whichever lower. The balance claim amount if any shall be paid on pro-rata basis out of the amounts realized by the Exchange from the assets vested with the relevant authority/committee of the Exchange, if the amount realized from the assets is inadequate.
14. In case of any claim, difference or dispute between you and the member arising out of or in relation to trades, contracts and transactions, the same shall be taken up with the Member directly for conciliation with or without intervention of the Exchange. If the said claim, difference or dispute persists, you may refer the same to arbitration in accordance with the provisions of the Rules, Bye-laws and Business Rules of the Exchange within 6 months from the date of last transaction or delivery or payment effected between you and the member.

TRADE OBLIGATIONS:

The client shall accept all trades executed, resulting from the orders placed with the Member, irrespective of the fact that the order is executed partially or in full on the Exchange. In the event of non-confirmation of custodial trades by TCM for any reason whatsoever, all exchange levied margins, MTM losses (on open position) will be borne by the Member for the unconfirmed trades. In such case, the client shall pay to the Member, all margins levied by the Exchange on the unconfirmed trades. In addition to the above, the Member shall have an option to call for collateral from the client, to meet the subsequent daily margin obligation / MTM losses on the unconfirmed trades. The client shall be obliged to pay the daily margin, MTM on the immediate succeeding business day, of the day when the Member raises such margin requirement. The Member shall not permit the client to create any new open positions, until receipt of such additional margin requirement.

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

DELIVERIES:

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

The Exchange at the end of stipulated period shall match the information provided by the Member against Net Open Positions of the client and shall confirm the Delivery / Receipt to be effected against Delivery information submitted by the Member.

Client shall co-ordinate with the Member to ensure that all requirements for giving / taking delivery are fulfilled, client shall also ensure to comply with all statutory requirements laid down regarding Sale / Purchase of goods including payment of taxes, local levies and other statutory / regulatory charges as prescribed under applicable laws from time to time.

Client shall submit documents such as Invoices, Sales Tax exemption or concession forms or any other documents as required under the prevalent laws and forward the same to the Counter-party client or any other Member of the Exchange within stipulated period as specified by the Exchange from time to time, client shall be liable to pay sales tax under the local State sales tax law of the Central Sale Tax Act, 1956, as the case may be and will be solely responsible for complying with all the provisions and regulation of the applicable sales tax law.

GENERAL INSTRUCTIONS:

1. Please ensure that each detail is properly filled up.
2. Bring original documents for verification.
3. Put full signatures at all places marked as
4. Always keep the correspondence address, e-mail ID, DP details and bank details updated.
5. All cheques / drafts must be drawn in favour of FORTUNE COMMODITIES.
6. All documents must be self attested.
7. Brokerage will be charged as per brokerage schedule.
8. All clients will get digital contract notes.
9. All Taxes, Government levies and transaction charges will be charged in addition to the schedule brokerage charged.
10. Client has to sign the official duplicate copy for any document receiving from our office with name & date.

FOR INDIVIDUAL

- | | |
|--|---|
| 1. Two Photos | 2. Copy |
| 3. Bank A/c. Proof (latest month) | 4. Demat A/c. Proof |
| 5. Address Proof with PIN Code (any one) | |
| <input type="checkbox"/> Passport | <input type="checkbox"/> Voter ID |
| <input type="checkbox"/> Driving Licence | <input type="checkbox"/> Bank Pass Book |
| <input type="checkbox"/> Rent Agreement | <input type="checkbox"/> Ration Card |
| <input type="checkbox"/> Flat Maintenance Bill | <input type="checkbox"/> Telephone Bill |
| <input type="checkbox"/> Electricity Bill | <input type="checkbox"/> Insurance Policy |

FOR NRIs

Same as individual along with
Indian & Foreign Address with proof
Copy of Passport
Bank verification letter indicating A/c. type
PDO duly notarized
Copy of RBI approval / PIS No.

FOR PROPRIETORSHIP FIRM

Same as individual along with
PAN Card of the Firm
Bank Statement of the Firm
Address Proof of the Firm

FOR HUF

Same as individual
Copy of PAN Card

I have understood and accepted the above instructions and terms and conditions.



(Client Signature)

RUNNING ACCOUNT LETTER

Name :

Date :

Address :

Client Code :

To

FORTUNE COMMODITIES

(Member of the Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX) and National Spot Exchange Limited (NSEL))

Dear Sir,

Sub : Maintenance of my/our account on a running account basis.

Notwithstanding anything contrary contained in the agreement between us, I/We hereby request you to maintain my accounts with you on a running account basis. This will facilitate me in all my/our transactions through you. I/We also request you to consider the balances in my/our all running accounts with you for the purpose of margins/any other obligations due to you.

In view of the above it would be proper for you to release the funds and securities/commodities (if any) due to me/us on my/our specific request.

Further more, you may charge the cost of holding commodities (if any) to my/our account with you.

Thanking you,

Yours Truly,



Signature

LETTER OF STANDING INSTRUCTIONS

This has reference to my/our trading account with you. I/We wish to place following standing instructions for operations of my/our account:

- 1) I/We understand that you require written instructions for receiving/modifying or cancelling orders. However, since it is not practical to give written instructions for every order. I/We hereby authorize you to kindly accept my/our authorised representatives, verbal instructions/order over phone and execute the same.
- 2) Since you are issuing contract notes bearing order numbers and trade numbers on a daily basis, please do not issue the order/trade confirmation slips as generated from the NCDEX/MCX/NSEL system, unless otherwise requested by me/us in writing.
- 3) I understood that digital documents (contracts, etc.) are being sent to me (Client), then I have to ensure that the mail servers pertaining to the provided mail ids sends the delivery (i.e. Delivered/Undelivered) status, if the recipient (Clients) mail server does not send the same then it'll be assumed that the mail sent from your (Member) Mail Server has been Delivered to me (Client).
- 4) I/We request you do send me the (contracts through E-mail (E-contracts) Digitally Signed for MCX, NCDEX & NSEL. My E-mail I.D. is _____ on Daily Basis.

You are requested to follow the above-mentioned standing instructions until further written notice.

Thanking you,

Yours truly,



Signature

Do's and Don'ts - NSEL

What to Do

- **Trade only through registered Members** : In the interest of your own safety, it is important to trade only through registered members since the commodity exchanges have jurisdiction over them in terms of their own rules, bye laws, etc. and can therefore, play a role in resolving investor grievances or even take action against the members if necessary. The exchange has no jurisdiction over entities who are not their members.
- **Familiarize yourself with FMC guidelines and rules, regulations, byelaws, circulars, etc. of NSEL** : Familiarize yourselves with FMC guidelines and rules, bye laws, etc. of the exchange to have a better understanding of the procedures relating to trading, clearing and settlement, your rights as investor, etc.
- **Take an informed decision** : Be sure that you are taking an informed decision. Read the product note available on the exchange website to understand the commodity specifications. Keep track of Government policy announcements such as the Minimum Support Price, Export/Import policy, etc. which have a significant impact on the prices of commodities. Also keep track of exchange announcements made through circulars regarding the methodology of computation of due date rates, launch of new contracts, etc. Understand the commodity thoroughly. Study historical and seasonal price movements of the commodity.
- **Understand the Delivery and Settlement Procedure** : Thoroughly understand the delivery and settlement procedure which differs from commodity to commodity in terms of quality implications, place of delivery, options, penalties, margins, etc. This information is given in the product note available on the website. Understanding of delivery would help in avoiding rejection of your delivery.
- **Understand and Comply with Taxation and other relevant laws** : Before initiating a trade, ascertain whether the price of the commodity is inclusive or exclusive of various taxes applicable at the delivery centre at the given point of time. Be aware of implications of various taxes such as Sales tax, Service tax, VAT, etc. Make sure that you understand and comply with accounting standards for derivatives.
- **Pay all applicable margins. Collect / pay mark-to-market margins on a daily basis** : Pay all the applicable margins on your futures position to the member. Also, collect or pay (as the case may be) mark-to-market margins from/to the member which are required to be settled on a daily basis.
- **Insist on documentation with the member such as Member Client agreement, and Know Your Client** : Enter into an agreement with the member since that would ensure that you have recourse to all the investor protection mechanisms of the exchange. Co-operate with the member in filling up the 'Know Your Client' form. This form has been devised to ensure that a member knows all his clients properly, and you are thus protected from the risk which may arise out of a member having unsuitable clients. Only clients with PAN numbers are allowed to trade on commodity exchanges.
- **Read and understand the Risk Disclosure Document** : The Risk Disclosure Document provides valuable insight into the risk associated with futures trading. It is therefore, in your interest to carefully read and understand this document.
- **Insist on signed Contract Notes containing all relevant information such as Member Registration Number, Order Details, Trade Rate, Quantity, etc.** : Insist on signed contract notes with all the relevant information for all your trades. The contract note is a proof of the transaction between you and the member and is absolutely essential for you to be able to approach the exchange for redressal of your complaints, availing arbitration mechanisms, etc.
- **Obtain receipt for collateral deposited with the Members** : Take a receipt from your members for collateral deposited with them.
- **Insist on a periodical statement of your ledger account** : Monitor your account with the member properly by insisting on a periodical statement of your ledger account.
- **Freeze your demat account in case of a long absence** : Freeze your demat account if it is not being used frequently for any reason, so that it is not misused.

What Not to Do

- **Don't get misled by rumours, luring advertisements and promises, and bull/bear run of market sentiments** : Take an informed decision. Do not get misled by rumours, luring advertisements, etc. nor get swayed by bull/bear run of market sentiments.
- **Don't trade any contract without knowing the associated risks** : You should be fully aware of risk associated with your position in the market arising out of variety of factors such as Government policy, volatility, macro-economic factors, international price movements, etc.
- **Don't undertake off-market transactions** : Do not undertake off-market transactions which are not only illegal but also unsafe since the same may not fall under the jurisdiction of the exchange.
- **Don't accept/pay cash** : Do not pay cash to the members nor take any cash as payments. It is in your interest to deal through cheques, demand drafts, etc. since these instruments leave a proper audit trail.
- **Don't sign blank Delivery Instruction Slips** : It is not advisable to sign blank delivery instruction slips, since the same can be misused.
- **Don't delay payment/deliveries to Members** : Do not delay payment or deliveries to members to avoid losses arising out of penalties, closing of positions, etc.

Know your rights

- **You are entitled to receive a contract note for each transaction.**
- You are entitled to receive funds towards your pay out within 48 hours.
- In case of any dispute with a Member regarding the trades, a client holding a valid contract note has the right to obtain redressal as per the byelaws of the Exchange, including arbitration.
- Contact FMC (website: www.fmc.gov.in) or NSEL (website: www.mcxindia.com, e-mail: grievance@mcxindia.com) in case of any complaint.



(Client Signature)

ORDER PLACEMENT INSTRUCTIONS

Fortune Commodities, Bangalore

Dear Sir,

I am having a broking account under UCC No. _____ with you.

I understand that you require written instructions from me/us for placing/modifying/canceling orders. However, since it is not practical for me/us to give written instruction for placing/modifying/canceling order. I hereby request you to kindly accept my/our/mandate holders verbal orders/instruction, in perso or over phone and execute the same. I/We understand the risk associated with placement of verbal orders and accept the same. I/We shall not disown orders under the plea that the same was not placed by me.

I/We indemnify Fortune Commodities and keep you indemnified against all losses, damage, actions which you may suffer or face, as a consequence of adhering to and carrying out my/our orders placed verbally.

In case if I wish to withdraw this consent I shall inform Fortune Commodities in writing and acknowledge by Fortune Commodities at least one week in advance from the date of withdrawal.

Thanking You,

Your's faithfully,

Client Code _____ Name of the Client _____ Signature of Client _____



To,

FORTUNE COMMODITIES

39, Middle School Road,
V. V. Puram, Bangalore - 560 004.

Member ID : **53650**

NOMINATION

I / We wish you to make a nomination and do hereby nominate the following person in whom all rights and / or amount payable in respect of Commodity held in the Depository by me / us in the said beneficiary owner account shall vest in the event of my / our death.

Name of the Nominee (Mr./Ms.) _____

Relationship with the Applicant (if any) _____

Address of Nominee _____

_____ PIN Code _____

Signature of Nominee _____

Date of Birth (in case of minor) _____

Name of Guardian (Mr./Ms.) (in case of Nominee is a minor) _____


Address of Guardian _____

_____ PIN Code _____


Signature of Guardian  _____

SIGNATURE OF TWO WITNESSES

Name _____ Address _____

_____ Signature with date  _____

(To be signed by the applicant only in case of nomination)

 _____
(Sole/First Holder)

Photograph of
Nominee

Signature of
Nominee across
Photograph