

Shiva Commodities Pvt Ltd

Uppal's Plaza M6, 5G 5th Floor, Jasola District Centre, New Delhi-110076
Ph. 011-40678672-78, Fax : 91-11-40678671, Email ID : info@abhikfinance.com

ANNEXURE C - MEMBER AND CONSTITUENT AGREEMENT

This agreement is made at _____ this ____ day of _____ by and between, **Shiva Commodities Pvt. Ltd.**, (member of NCDEX, having membership No:00488) a company formed and registered under the Companies Act, 1956 having its registered office address at K-19, Second Floor, Green Park Main, New Delhi-110016, (hereinafter called "MEMBER"), and _____, an individual/company/partnership firm having its registered Office address at _____ (hereinafter called "CONSTITUENT").

WITNESSTH:

Whereas the member is registered as TRADING AND CLEARING MEMBER (Member) of NATIONAL COMMODITY AND DERIVATIVES EXCHANGE (hereinafter called NCDEX or the Exchange).

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

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

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

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

In consideration of the Member agreeing to handle the transaction on NCDEX on my behalf, I the Constituent hereby agree that :

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

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

1. The agreement entered into between the Member and the Constituent shall stand terminated by mutual consent of the parties by giving at least one month notice to each other. Such termination shall not have any effect on the transactions executed till the date of termination and the parties shall enjoy same rights and shall have same obligations in respect of such transactions.

2. In the event of the death or insolvency of the Constituent or his otherwise becoming incapable of receiving and paying for or delivering or transferring commodities which the Constituent has ordered to be bought or sold, the Member may with the approval of the Exchange, close out the transaction of the Constituent and the Constituent or his legal representative shall be liable for any losses, costs, damages including statutory / regulatory charges, if any and be entitled to any surplus which may result therefrom.

3. All trades, transactions and contracts are subject to the Rules, Bye – Laws and Regulations of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed for the purpose of giving effect to the provisions of the Rules, Bye - Laws and Regulations of the Exchange.

4. The Member hereby undertakes to maintain the details of the Constituent as mentioned in the Constituent registration form or any other information pertaining to the Constituent, in confidence and that he shall not disclose the same to any person/entity except as required by the Exchange or as required under the law;

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

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

The Professional Clearing Member (PCM), if opted by the Constituent to settle his trades, shall confirm all trades executed as PCM trades on the day the order is executed. In the event of non-confirmation and /or rejection of the trade by such PCM, the Constituent shall be liable to pay forth with the applicable margin as enunciated by the Member on the same day.

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

7. **Utilization by Member of the Initial Deposit by the Constituent:** The initial deposit so paid shall be first utilized towards initial margin requirement as calculated by the Exchange from time to time and the balance if any, after such adjustment against initial margin payments, will be available for adjustment against daily margin requirement, Mark to Market (MTM) loss on open positions created by the Constituent. The Constituent shall forward in

advance a written request to the Member for adjustment MTM loss against the cash portion of the collateral.

8. **Payment of Margins:** The daily margin requirement can be adjusted against the collateral maintained by the Constituent with the Member. The Member shall accept from the Constituent further order, which, if executed, will add to the open positions, only if the balance collateral is adequate to meet the initial margin on such new positions. If the balance collateral is not adequate for adjusting the daily margin requirement, the Constituent shall deposit the additional margins as required by the Member. The Constituent shall also be obliged to pay the shortfall of the daily margin, if any, on the immediate succeeding business day when the Member raises such additional margin

requirement. The Constituent shall not be permitted to create any new open positions, until receipt of such additional margin.

If the Constituent defaults in paying the daily margin, the Member shall be entitled to liquidate / close out all or any of the Constituent'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 Constituent. The Member is permitted in its sole and absolute discretion to impose additional margin (even though not imposed by the Exchanges, the Clearing Corporation / Clearing House) and the Constituent shall be obliged to fulfill such additional margin requirements.

9. Receipts & Payment of Premium MTM: The Member will block up-front from the collateral maintained with it the MTM loss on open positions. The Member shall accept from the Constituent further order, which, if executed, will add to the open positions, only if the balance collateral is sufficient to meet the requisite margin on such new positions. The Constituent shall be obliged to pay the amount of MTM loss blocked against the collateral on the immediate

succeeding business day. The Member will adjust the Constituent's liability towards MTM loss against the initial deposit maintained in cash by the Constituent, provided a written request is given by the Constituent to the Member to this effect. If the Constituent defaults in paying in the MTM loss, the Member shall be entitled to liquidate/ close out all or any of the Constituent'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 Constituent.

On a written request from the Constituent, MTM profit (on derivative positions) shall be adjusted towards the collateral maintained with the Member. These adjustments pertaining to MTM profit shall be treated as additional collateral brought in by the Constituent and the Member shall

reserve the mark up margin from this collateral, which shall not be utilized for margin requirements. The total collateral (inclusive of mark to market inflows) reduced by markup shall thereafter be utilized against creating and maintaining the position by the Constituent.

10. If the complete recovery is not possible then, the Member shall be entitled to liquidate / close out all or any of the Constituent's other outstanding positions, without prejudice to the Member's right to recover the damage from the Constituent. Any and all losses and financial charges on account of such liquidation / closing out shall be charged to and borne by the Constituent.

11. The Constituent acknowledges that all contracts culminating in delivery (which are not squared off and information for giving and taking delivery is given by the Constituents) would be transactions for purchase and sales between the Constituents inter-se and the Constituents would be personally liable to each other though the contract and relationships are governed and regulated by the B y e Laws, Rules and Regulations of the Exchange.

12. The Exchange may cancel a trade suo-moto without giving any reason thereof. In the event of such cancellation, MEMBER shall be entitled to cancel relative contract(s) with CONSTITUENT.

13. All trades, transactions and contracts are subject to the Rules and Regulations of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of Mumbai and the parties to such trade shall be deemed to have submitted to the jurisdiction of the Courts in Mumbai for the purpose of giving effect to the provisions of the Rules and Regulations of the Exchange.

Trade Obligations:

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

In the event of non-confirmation of custodial trades by PCM for any reason whatsoever, all exchange-levied margins, MTM losses (on open position), will be borne by the Member for the unconfirmed trades. In such case, the Constituent 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 Constituent, to meet the subsequent daily margin obligation / MTM losses on the unconfirmed trades. The Constituent 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 Constituent to create any new open positions, until receipt of such additional margin requirement.

If the Constituent defaults in paying the daily margin, MTM, if any, the Member shall be entitled to liquidate / close out all or any of the Constituent'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 Constituent.

Deliveries:

The Constituent 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 Constituent and shall confirm the Delivery / Receipt to be effected against Delivery information submitted by the Member

Constituent shall co-ordinate with the Member to ensure that all requirements for giving / taking delivery are fulfilled. Constituent 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.

Constituent 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 Constituent or any other Member of the Exchange within stipulated period as specified by the Exchange from time to time.

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

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

SIGNED for and on behalf of

THE Member :

By :

Signature :

Title :

Witness :

SIGNED for and on behalf of

THE Constituent:

By :

Signature :

Title :

Witness :

ANNEXURE D - RISK DISCLOSURE DOCUMENT

(THIS DOCUMENT SHOULD BE READ BY EACH AND EVERY PROSPECTIVE CONSTITUENT BEFORE ENTERING INTO DERIVATIVES TRADING AND SHOULD BE READ IN CONJUNCTION WITH REGULATIONS OF NATIONAL COMMODITY & DERIVATIVES EXCHANGE (NCDEX))

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

You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. Derivatives trading thus require not only the necessary financial resources but also the financial and emotional temperament.

In case of any consequences or loss in the Futures segment, the Constituent shall be solely responsible for such loss and the Exchange shall not be responsible for the same and it will not be open for any client to take the plea that no adequate disclosure was made or he was not explained the full risk involved by the member. The client will be solely responsible for the consequences and no contract can be rescinded on that account.

RISKS INVOLVED IN TRADING IN DERIVATIVES CONTRACTS

Effect of "Leverage" or "Gearing"

The amount of margin is small relative to the value of the derivatives contract so the transactions are 'leveraged' or 'geared'. Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with their principal investment amount. But transactions in derivatives carry a high degree of risk.

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

I. Futures trading involves daily settlement of all positions. Every day the open positions are marked to market based on the Settlement price. If the settlement price has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement.

This margin will have to be paid within a stipulated time frame, generally before commencement of trading next day.

II. If you fail to deposit the additional margin by the deadline or if an outstanding debt occurs in your account, the broker/member may liquidate a part of or the whole position. In this case, you will be liable for any losses incurred due to such closeouts.

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

IV. In order to maintain market stability, the following steps may be adopted: changes in the margin rate, increases in the cash margin rate or others. These new measures may be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.

V. You must ask your broker to provide the full details of the derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

Risk-reducing orders or strategies

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

Suspension or restriction of trading and pricing relationships

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

Deposited cash and property

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

Commission and other charges

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

Trading facilities

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

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

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

Signature :

Date :

REGISTRATION APPLICATION FORM FOR INDIVIDUAL CONSTITUENTS

To,
Shiva Commodities Pvt. Ltd.,
K-19, Second Floor,
Green Park Main,
New Delhi-110 016

Membership Number: 00488

**Please affix Your
recent Passport
size photograph.**

Dear Sir,

I, request you to register me as your client and in this regard the following information is furnished:

Full Name: _____

Office Details:

Address: _____

City: _____

State: _____

Pin Code: _____

Telephone No. _____

Fax No.: _____

E-mail Address _____

Residence Details:

Address: _____

City: _____

State: _____

Pin Code: _____

Telephone No.: _____

Fax No.: _____

E-mail Address: _____

Date of Birth: _____

Sex : _____

Occupation: _____

Residential Status: Resident Indian / Non Resident Indian / Others.

Particular of Bank Account:

Name of Bank: _____

Branch with Address &Telephone No.: _____

Account Type: _____

Account Number : _____

Date of Opening Account: _____

Annual Income in Last 3 Years:

Year 1:_____

Year 2: _____

Year 3: _____

Income Tax No (PAN / GIR): _____

Sales Tax Registration Details

Local Sales Tax(Registration No. & Validity Date) : _____

Central Sales Tax(Registration No. & validity Date) : _____

Constituent Profile : Producer / Trader / Consumer

Interested in Commodities :Agro Commodities / Precious Metals / BaseMetals/
All

Collateral Details:

**Collateral's Declared
Value**

% Haircut

Assigned Value

Cash
MarketableSecurities
Bank Guarantees
Immovable Property
Jewellery
Others (Specify)

Depository Account Details:

Depository Id: _____

DP Id : _____

Client Id : _____

Whether Registered with any other Member: Y/N

Broker Name : _____

Broker Code: _____

Name of Exchange: _____

Introduced By:

Name: _____

Address: _____

Signature: _____

Proof of Identity(Provide Any Two)

Passport:

Driving License:

Ration Card

Voters Identity Card

Copy of Income Tax Return

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

Place :**Signature****Date :****Name****Notes:**

Please submit a letter from the banker certifying account number and the period from which this account is in operation.

Each client has to use one registration form. In case of joint names / family members please submit separate form for each person.

Original documents may be verified at the time of filling of application.

The information given would be confidential. However, if the information is required by any government agency, it may be given to them.

FOR NON-INDIVIDUAL CONSTITUENTS

To,
Shiva Commodities Pvt. Ltd.,
K-19, Second Floor,
Green Park Main,
New Delhi-110 016.

Membership Number: 00488

Please affix recent
Passport size
photograph of all
Authorized
Signatories.

Dear Sir,

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

Name of the Company/Firm: _____

Registered Office Details:

Address: _____

City: _____

State: _____

Pin Code: _____

Telephone No.: _____

Fax No. _____

E-mail Address: _____

Correspondence Office Details:

Address: _____

City: _____

State: _____

Pin Code: _____

Telephone No. _____

Fax No. _____

E-mail Address _____

Date of Incorporation: _____

Date of Commencement of Business: _____

Details of Promoters / Partners / Key Managerial Personnel of the
Company / Firm: _____

Copies of the Annual Report of last 3 years:

Net Worth (Excluding Revaluation Reserves)

Particular of Bank Account:

Name of Bank: _____

Branch with Address & Telephone No.: _____

Account Type: _____

Account Number: _____

Date of Opening Account: _____

Income Tax No (PAN / GIR): _____

Annual Income in the past 3 years:

Year 1

Year 2

Year 3

Sales Tax Registration Details:

Local Sales Tax : _____

Central Sales Tax: _____

Constituent Profile :

Producer

Trader

Consumer

Interested in Commodities: Agro Commodities/Precious Metals/Base Metal/All

Collateral Details:

Collateral's Declared

Value

%Haircut

Assigned Value

Cash
Marketable Securities
Bank Guarantees
Immovable Property
Jewellery
Others (Specify)

Depository Account Details:

Depository Id: _____

DP Id: _____

Client Id: _____

Whether Registered with Other Broker: Y/N

Broker Name: _____

Broker Code: _____

Name of Exchange: _____

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

Place

Authorized Signatory with Seal

Date

Name

Notes:

I. Please submit a letter from the banker certifying account number and the period from which this account is in operation

II. Please submit a Copy of Memorandum and Articles of Association/ Partnership Deed.

III. Original documents may be verified at the time of filing of application.

IV. The information given above would be confidential. However, if the information is required by any government agency, it may be given to them.

Checklist of Enclosures for Corporate Clients:

- I. Details of the Corporate Entity:
- II. Copy of Memorandum and Articles of Association / Partnership Deed.
- III. Resolution of Board Authorizing the Company Official(s) to deal with the Member / Authorization from Partners to deal with Member
- IV. Copies of Annual Reports of last three years.
- V. Net Worth Certificate by a Chartered Accountant.
- VI. Letter from the Banker, certifying the Account Number and the period from which this Account is in operation.
- VII. Copy of Income Tax return.
- VIII. Personal Details of Promoters / Directors:
- IX. Copy of Income Tax return.
- X. Salary Certificate.
- XI. Proof of Residence (Copy of Passport / Ration Card / Driving License / Voters Identity Card)
- XII. Letter from the Banker certifying the Account Number.

ANNEXURE E(1) - DETAILS OF PROMOTERS / PARTNERS / KEY MANAGERIAL PERSONNEL

Full Name: _____

Designation : _____

Residence Details:

Address: _____

City: _____

State: _____

Pin Code: _____

Telephone No.: _____

Fax No.: _____

E-mail Address: _____

Qualification: _____

Experience: _____

Equity Stake: _____

Income Tax No (PAN / GIR): _____

Residential Status: Resident Indian / Non-Resident Indian / Others

Bank Account Details:

Name of Bank: _____

Branch with Address & Telephone No. _____

Account Type: _____

Account Number: _____

Date of Opening Account: _____

Proof of Identity(Provide Any Two)

Passport No.: _____

Place of Issue: _____

Expiry Date: _____

Driving License No: _____

Ration Card No. _____

Voters Identity Card: _____

**Place
Date**

**Signature
Name**

To
Shiva Commodities Pvt. Ltd.
Uppal's Plaza M6, 5G 5th Floor,
Jasola District Centre,
New Delhi-110076

Dear Sir,

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

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

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

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

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

Yours faithfully,
For

Sole Proprietor/Partner/Director/Karta/Trustee*

* Strike off which is not applicable

Dos & Don'ts in Commodity Futures Market

A. Dealing in Commodity Futures

Do's	Don'ts
<ul style="list-style-type: none"> ✓ Read, understand and be updated about the guidelines and circulars of the Exchange and of the Forward Markets Commission. ✓ Refer and understand all the provisions of Forward Contracts (Regulations) Act, 1952 dealing with futures trading in commodities and amendments thereof from time to time, including provisions and rates relating to the sales tax, value added tax, APMC Tax, <i>Mandi</i> Cess and Tax, octroi, excise duty, stamp duty, etc., applicable on the underlying commodity of any contracts offered for trading by NCDEX. ✓ Read the commodity contracts circulars issued by NCDEX and carefully note the contract specifications of the commodity in which you wish to trade. The contract specifications are subject to change from time to time. ✓ Before entering into buy and sell transactions please be aware of all the factors that go into the mechanism of pricing, trading and clearing. ✓ Read the product note of the commodity in which you wish to deal to understand the commodity and parameters that impact on the trading and settlement of the commodity. ✓ Understand the Delivery & Settlement Procedures of the commodity that you wish to deal in the futures market. ✓ Study historical and seasonal price movements of the commodity that you wish to deal in the futures market. ✓ Keep track of Governments' Policy announcements from time to time of the commodity that you wish to deal in the futures market. ✓ Apply your own prudent judgment for investments in commodity futures and take 	<ul style="list-style-type: none"> ✗ Do not fall prey to market rumours. ✗ Do not go by any explicit/implicit promise made by analysts/advisors/experts/market intermediary until convinced. ✗ Do not deal based on Bull/Bear run of commodity markets sentiments. ✗ Do not go by the reports/predictions made in various print and electronic forms without verification. ✗ Do not trade on any product without knowing the risk and rewards associated with it.

informed decisions.

- ✓ Comply with Taxation and other Central Government/State Governments regulatory issues.
- ✓ Go through all Rules, Bye Laws, Regulations Circulars and directives issued by NCDEX.
- ✓ Since the investment is based on various types of margins, be aware of the risks associated with your positions in the market and margin calls made from time to time.
- ✓ Collect/Pay Mark-to-Market margins on your futures positions on a daily basis from/to your member.
- ✓ Be aware of your risk taking ability and fix stop-loss limits. Liquidate your positions at such levels to reduce further losses, if any.
- ✓ In case of any doubt/problems, contact Exchange's Help Desk or email at askus@ncdex.com

B. Dealing with Members

Do's	Don'ts
<ul style="list-style-type: none"> ✓ Trade only through registered members of the Exchange. Check with the Exchange to see whether the member is registered with the Exchange. ✓ Insist on filling up a standard 'Know Your Client (KYC)' form and on getting a Client-Id. ✓ Insist on reading and signing standard 'Risk Disclosure Agreement'. ✓ Cross check the genuineness of trades carried out at NCDEX through the trade verification facility available on NCDEX website. The trades can be verified online at www.ncdex.com/marketdata/hist_trade_verification.aspx where trade information is available up to 3 working days from the trade date. ✓ While trading through an authorized person ensure that a duly signed contract note has been issued by the member or its authorized persons for every executed trade, highlighting the details of the trade along with your unique Client-Id. ✓ Obtain receipt for collaterals deposited with the member towards margins. ✓ Go through the Rules, Bye-laws, Regulations, Circulars, directives, notifications of the Exchange as well as of the Regulators, Governments and other authorities and details of Client-Trading Member Agreement to know your rights and duties <i>vis-à-vis</i> those of the member. ✓ State clearly who will be placing orders on your behalf. Give precise and clear instructions while placing, modifying or canceling orders. ✓ Ask all relevant questions and clear your doubts with your member before transacting. ✓ Ensure that the Contract Note contains all 	<ul style="list-style-type: none"> ✗ Do not start trading before reading and understanding the Risk Disclosure Agreement and entering into the prescribed agreement with the Member. ✗ Do not deal with unregistered intermediaries even if their charges are lower and/or margins are lesser. ✗ Do not undertake off-market transactions in commodities with a member of the Exchange, unless such member records in the agreement for sale, note or memorandum that he is selling/purchasing the goods as the case may be, for his own account and obtains a consent from you in respect thereof as required u/s 15 (4) of the Forward Contracts (Regulation) Act, 1952. ✗ Do not neglect to set out in writing, orders for higher value given over phone. ✗ Do not accept unsigned/duplicate contract note/confirmation memo. ✗ Do not accept contract note/confirmation memo signed by any unauthorized person. ✗ Do not delay payment/deliveries of commodities to member. ✗ Do not get carried away by luring advertisements, rumours, hot tips, promise of unrealistic returns, etc. ✗ Do not forget to take note of risks involved in the investments. ✗ Do not sign blank Delivery Instruction Slips (DIS) while furnishing securities deposits and/or keep them with Depository Participants (DP) or broker to save time.

the relevant information such as Member Registration Number, Order No., Order Date, Order time, Trade No., Trade rate, Quantity, Arbitration Clause.

- ✓ Insist on receiving the bills for every settlement.
- ✓ Insist on periodical statements of your ledger account.
- ✓ Scrutinize minutely both the transaction as well as the holding statements that you receive from your Depository Participant.
- ✓ Keep Delivery Instruction Slips (DIS) book issued by DPs in safe possession.
- ✓ Ensure that the DIS numbers are pre-printed and your account number (Client-Id) is mentioned in the DIS book.
- ✓ Freeze your Demat account in case of your absence for longer duration or in case of not using the account frequently.
- ✓ Pay required margins in time and only by Cheque and ask for receipt thereof from the member.
- ✓ Deliver the commodities in case of sale or pay the money in case of purchase within the time prescribed.

C. Rights of a Client:

- ❖ In case of any disputes with the Member regarding the trades done on the Exchange platform, the client could contact the Exchange for suitable redressal as per Bye laws of the Exchange including use of mediation/arbitration mechanisms of the Exchange. The clients would be required to produce copies of the agreements entered into by them with their member, for obtaining relief through the process of arbitration. Hence, clients are advised to obtain copies of signed agreement from members and keep such copies with them. Further, all copies of all correspondence to and from members may be preserved for producing them to the arbitrators, if required.
- ❖ All rights as per the Rules, Bye Laws and Regulations of the Exchange are available to a client in respect of all transactions traded on the Exchange and for which the clients have a contract note duly issued by the member.
- ❖ In case of any disputes in respect of the trades on the Exchange or in the contract notes or any complaint against the member, take up the issue with member directly. In case of non-resolution, file written complaint against the member with the Exchange within 6 months from the date of cause of action. (Details and Format are available in Regulation 21.4.2 of the Regulations and Chapter 11, Clause 4, Part A, Bye Laws of the Exchange. The details are available respectively on NCDEX's web site –