



# **FAIR INTERMEDIATE INVESTMENT PVT. LTD.**

**MEMBER: MULTI COMMODITY EXCHANGE OF INDIA LTD.  
SEBI REGISTRATION NUMBER: INZ000185032 (NSE, BSE, MCX)  
SEBI REGISTRATION NUMBER: IN-DP-CDSL-81-2015 (CDSL)**

## **Corporate Member:**

**National Stock Exchange of India Ltd (NSE)  
Bombay Stock Exchange Ltd (BSE)  
Central Depository Services India Ltd (CDSL)  
Multi Commodity Exchange of India Limited (MCX)**

Receipt by Branch: \_\_\_\_\_ Date When forwarded by Branch: \_\_\_\_\_  
Date when received at H.O.: \_\_\_\_\_ H.O. Inward No. \_\_\_\_\_  
Group: \_\_\_\_\_ Location: \_\_\_\_\_  
Date of Activation: \_\_\_\_\_  
Name of Applicant: \_\_\_\_\_  
Trading Code: \_\_\_\_\_ Demat A/c. No. 12039800 \_\_\_\_\_

## **CLIENT REGISTRATION FORM – MCX COMODITY & DP- CDSL**

=====INDIVIDUAL / HUF / PARTENER SHIP FIRM / CORPORATE / FIRM / NRI=====

**PLEASE READ THIS DOCUMENT CAREFULLY BEFORE AGREEING TO ITS  
CONTENTS & ENSURE ALL THE DETAILS PROVIDED ARE CORRECT.**

**Regd. Office: 2<sup>nd</sup> Floor, Shukla Palace, Sapru Marg, Lucknow – 226 001  
Telephone: 0522-4052800, 4052803, 4052806, 4052813, 4052823, 4052826  
Visit us at: [www.fairinvest.co.in](http://www.fairinvest.co.in), E-mail us on: [helpdesk@fairinvest.co.in](mailto:helpdesk@fairinvest.co.in)  
For any type of grievances kindly E-mail us on: [compliance@fairinvest.co.in](mailto:compliance@fairinvest.co.in)**

**FIPL****ATTENTION****Declaration pursuant to Multi Commodity Exchange Limited (MCX) Circular bearing No.MCX/COMP/469/2011 dated 22nd December,2011****CASH RECEIPTS & PAYMENTS STRICTLY NOT ALLOWED**

Constituents are requested to make payments to "FAIR INTERMEDIATE INVESTMENT PVT LTD." by cheques / Account transfers.

In case Demand Drafts / Pay-Orders, constituent to substantiate that the same is drawn favoring Fair Intermediate Investment Pvt. Ltd. with his / her / their permission and knowledge.

If the aggregate value of prefunded instrument i.e. Demand Draft / Pay order / Bankers cheque etc. is above Rs.50,000/- then the client needs to submit as follow :

- (1) Certificate from the issuing bank on its letterhead or on a plain paper with the seal of the issuing bank.
- (2) Certified copy of the requisition slip (portion which is retained by the bank) to issue the instrument.
- (3) Certified copy of the passbook / bank statement for the account debited to issue the instrument.
- (4) Authentication of the bank account number debited and name of the account holder of the issuing bank on the reverse of the instrument.

**FIPL****REGISTERED & CORPORATE OFFICE ADDRESS****Fair Intermediate Investment Private Limited**

2<sup>nd</sup> Floor, Shukla Palace, Sapru Marg, Lucknow-226001  
Tel No: 0522- 4052800, 4052802, 4052803, 4052806 , 4052824

**CORPORATE MEMBER**

<b>NATIONAL STOCK EXCHANGE OF INDIA LTD.)</b>			<b>Member ID : 12098</b>
	<i>SEBI Registration No.</i>	<i>Registration Date</i>	
Cash Segment	: INZ000185032	13/08/2004	
Future & Option Segment	: INZ000185032	14/10/2004	
Currency Derivative Segment	: INZ000185032	28/08/2008	
<b>BSE (BOMBAY STOCK EXCHANGE LTD.)</b>			<b>Member ID : 3131</b>
	<i>SEBI Registration No.</i>	<i>Registration Date</i>	
Cash Segment	: INZ000185032	29/03/2006	
Future & Option Segment	: INZ000185032	22/02/2008	
Currency Derivative Segment	: INZ000185032	20/03/2015	
<b>CDSL (CENTRAL DEPOSITORY SERVICES LTD.)</b>			<b>DP ID : 39800</b>
Registration No.	: IN-DP-CDSL-81-2015		
Registration Date	: 02/06/2015		
<b>MCX (Multi Commodity Exchange of India Limited)</b>			<b>Member ID : 57540</b>
	<i>SEBI Registration No.</i>	<i>Registration Date</i>	
Commodity Future & Option Segment	: INZ000185032	14/10/2025	

**GRIEVANCE / OTHER ISSUES & COMPLAINTS**

For any grievance/dispute please contact **FAIR INTERMEDIATE INVESTMENT PVT. LTD.** at our email id- [helpdesk@fairinvest.co.in](mailto:helpdesk@fairinvest.co.in) & phone no. **0522-4052813**. In case not satisfied with the response, please contact the concerned exchanges (NSE) [ignse@nse.co.in](mailto:ignse@nse.co.in) Contact No.022-26598100 Toll Free No.**18002660050 (Option-5)**

(BSE) [is@bseindia.com](mailto:is@bseindia.com) / [iscdelhi@bseindia.com](mailto:iscdelhi@bseindia.com) Contact No. **022-22728097** & Depository (CDSL) [complaints@cdslindia.com](mailto:complaints@cdslindia.com) Contact No. **022-22723333**. Toll Free No.18002005533. (MCX) [grievance@mcxindia.com](mailto:grievance@mcxindia.com) Contact No.022-67318888 you can also lodge your grievances with SEBI <http://scores.gov.in> . for any queries, feedback or assistance, please contact SEBI Office on Toll Free Helpline at 1800227575 & 18002667575

**COMPLIANCE OFFICER DETAILS**

Name: Mrs. Mansi Nagrath

Tel No. : 0522-4052806, Email ID: [compliance@fairinvest.co.in](mailto:compliance@fairinvest.co.in)**MANAGING DIRECTOR/CEO DETAILS**

Name: Mr. Mahesh Mittal

Tel No.: 0522-4052855



Sr. No.	Name of the Document	Brief Significance of the Document	Page No.
<b>MANDATORY DOCUMENTS as prescriber by Exchanges &amp; SEBI</b>			
01.	KYC Form	KYC form–Document captures the basic information about the constituent and an instruction/checklist (To be filled by customer) Document captures the additional information for Trading in Commodity Exchange	1-9
02.	Know Your Client (KYC) Application Form - For Non-Individual	This Document capture the basic information about the client for Trading & Demat Account respectively	10-12
03.	Rights and Obligations	Document stating the Rights & Obligations of commodity broker / trading member, Authorized Person and client for trading on exchanges.	Enclose
04.	Risk Disclosure Document (ROD)	Document detailing Risks associated with dealing in the commodity market.	Enclose
05.	Guidance note	Document detailing do's and don'ts for trading on commodity exchange, for the education of the investors.	Enclose
06.	Policy & Procedures	Policy & procedures member & client trade in commodity exchange	31-32
07.	Additional Details for Opening Commodity Trading Account	This Document captures the additional information about the client relevant for opening commodity Trading Account	13-14
08.	Nominee Details	Nomination format for trading account & Declaration opting out nomination	15-16
09.	Tariff Sheet	Document detailing the rate/amount of brokerage and other charges levied on the client for trading on the commodities exchange	17
10.	Other account related details	Additional information about the client (bank details, DP details, Segment for trade, income range & additional details)	18
11.	Demat Account Opening Form & Tariff Sheet	This document captures the additional information about Demat Account DP Tariff Sheet	19-20
<b>VOLUNTARY DOCUMENTS</b>			
13.	ECN Declaration	Where the client authorized TM to send all document in digital mode like contact note, bill, Ledger Statement, DP Statement & Notices etc.	21
14.	Mandate for maintaining the account of running account basis	This Document enables you to maintain your account on a running account basis.	22
15.	Authorization & Declaration	Authorization for verbal order acceptance & open interest position declaration by client	23
16.	Letter of Authority to Trade	Where the client wishes to authorize other person to operate his account	24
17.	Consent to Receive SMS Alerts	Consent form for registration & verification of mobile number and email address for receiving trade alerts through SMS and / or E-mail	25
18.	Declaration by client	declaration by client rules, bye laws & defaulter & disclosure information pro- trading account	26
19.	MITC & Aadhaar sharing	Most important terms & conditions & Consent for sharing Aadhaar details with KRA agency	27
20.	Categorization	declaration of the client categorization & consent for trading in commodity option contact	28-29
21.	Declaration & Authorization	Open interest declaration & authorisation to pledge/re-pledge cm and cc	30
23.	Terms & Conditions	additional terms and conditions	33
24.	Authorization Letter	letter of authorisation for trade in mcx commodity	34
25.	Authorization for Contract Notes	authorisation for contract notes and other documents in digital mode	35
26.	Fit & Proper Person Declaration	declaration by client for fit and proper person	36
27.	FATCA & CRS DECLARATION	FATCA & CRS DECLARATION FOR INDIVIDUAL & NON-INDIVIDUAL	37-39

I/We confirm that trading in equity/derivative contracts is appropriate or suitable for me/us. Further by signing this document, I/we confirm that I/we have been apprised of the risks involved in investing in securities market and in particular all types of derivative contracts.

I/We confirm that there is no assurance on profits or any fixed or guaranteed return while executing transactions in the securities market /commodities market. I/We confirm that the research recommendations disseminated by FIIPL through its employees/associates are incidental to its stock broking services and transactions affected basis the same are in good faith and are

I/we authorize the same.

I/We also confirm that I/we will not hold FIIPL or its group companies, associates or any of its employees, directors, officers or sub brokers/authorized persons responsible or liable for any direct or indirect, punitive, special or exemplary damages, for any profit /loss arising or resulting due to transactions elected in my/our trading /demat account.

I/We may, in advance, instruct the dealer for placement of orders in my/our trading account basis market events/market view/ recommendations and I/we may not be available for re-confirmation on such order placement. I/We also understand that all orders placed in the derivative segment/trade confirmations with account balances are sent to my registered mobile number. I/We also understand that contract notes, margin bills, statement of accounts, profit and loss statements, statement of transactions / holding (if any) are sent to my/our registered e-mail id and I/we shall bring any discrepancy therein to your notice within 24 hours from the date of receipt of the said details / documents, in writing, failing which it shall be legally construed that the transactions have been elected by me/us and I/we shall not challenge the same in any forum / court of law. I/We further confirm the levy of interest on the amounts lent by the Member towards securities transactions / commodities transactions and / or margin requirements and payable by me/us in my trading / demat accounts as agreed by me/us in the tariff sheet and I/we undertake not to challenge the levy of such Interest at a later point of time.

I/We further agree that I/We may acknowledge net positions / statement of accounts / statement of transactions / profits and loss statements by affixing my/our signature on the said documents and that would amount to confirmation of transactions effected in my/our trading account and would not be disputed in any manner at any point of time. I have been informed and I acknowledge that FIIPL does not authorize any of its employees/Authorised Person/employees of Authorised person to send any details / documents pertaining to my/our trading / demat accounts and I/we shall not depend upon or take into consideration any mail / document shared through mobile or any other modes of communication except the mails / documents received from the below mentioned email ids and my/our reliance to such communication shall be at my own risk and shall not in any way bind the company.

Documents	E Mail ID
Contract Note	<a href="mailto:edocuments@fairinvest.co.in">edocuments@fairinvest.co.in</a>
Demat Transaction statement and holdings	<a href="mailto:dp.fair@fairinvest.co.in">dp.fair@fairinvest.co.in</a>
Statement of accounts	<a href="mailto:dp.fair@fairinvest.co.in">dp.fair@fairinvest.co.in</a>

I understand that FIIPL Employees / Authorized Persons or their Employees are not authorized to offer fixed/ guaranteed/regular returns/ capital protection / investment advisory / recommendation services through any mode including verbal/ digital (SMS/WhatsApp/email or any other messaging services) and also are not authorized to enter into any loan agreement with me to pay interest on the funds offered by me. I undertake to evaluate recommendation / advise if any, received through any mode and take informed decisions before investing. I understand that FIIPL shall not be responsible for any loss arising thereof. I also undertake not to initiate any legal proceeding including vicarious liability basis the above.

I understand that surveillance department of FIIPL on a random basis will seek confirmation as to whether am trading through my trading account and affirmative confirmations to that effect would be deemed by FIIPL as confirmation of all transactions elected in my account and I undertake not to challenge the same in any manner at a later point of time as the transactions are owned by me upon such confirmation. I confirm having read and understood all the contents of the suitability assessment cum declaration as given here in above and I agree to the same.

Risk Profile:  Aggressive  Moderate  Conservative

Sign here  \_\_\_\_\_

Name: \_\_\_\_\_



Demat Debit and Pledge Instruction (DDPI) The attached non Judicial Stamp Paper of Rs.100/- form part and parcel of the "Demat Debit and Pledge Instructions(DDPI)" executed by Mr./Mrs./Ms./M/s.

..... on  
...../...../.....

**Demat Debit and Pledge Instruction (DDPI)****Annexure-A**

Client UCC Code	
Demat / Client-ID	
Date	
Place	

**I/We request to activate the DDPI facility for following purposes**

S. No.	Purpose	Signature of Client
1.	Transfer of securities held in the beneficial owner accounts of the client towards Stock Exchange related deliveries / settlement obligations arising out of trades executed by clients on the Stock Exchange through the same stock broker.	
2.	Pledging / re-pledging of securities in favour of trading member (TM) / clearing member (CM) for the purpose of meeting margin requirements of the clients in connection with the trades executed by the clients on the Stock Exchange.	
3.	Mutual Fund transactions being Order Entry Platform	
4.	Tendering Shares in open Offers through Stock Exchange	

- the same may be signed physically against each purpose of DDPI or may also be e-Signed.
- in this regard refer the clause in 'Rights and Obligations' Document under the sub heading 'Additional Rights and obligations. given on website and in client copy of KYC.
- Additional Right and Obligations - The stock broker / stock broker and depository participant shall not directly / indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI."

**ADDENDUM TO THE DDPI**

Details of demat account where securities shall be moved towards stock exchange related deliveries/settlement obligation, pledging, re-pledging of securities in favour of TM/CM for meeting margin requirement, mutual fund transaction on stock exchange platform and tendering shares in open offer:-

List of FIIPL Pool Account / Early Payin Account & Margin Pledge Account		
	National Stock Exchange	Bombay Stock Exchange
CM-BP-Id For NSDL Pay-in	IN512331	-----
CDSL Pool A/c For Pay-in	DP ID:-12039800 Client ID:- 00001684	DP ID:-12039800 Client ID:-00038501
CDSL A/c for Early Pay In	11000011-00015709	11000010-00015210
TM POOL A/c-F&O,Currency	12039800-00146583	-----
CDSL TM/CM-Client Securities Margin Pledge Account		DP ID:-12039800 Client ID:-00141114
Client Security Margin Funding Account		DP ID:-12039800 Client ID:-00154404

Signature of 1st holder

Signature of 2nd holder

Signature of 3rd holder

This Document shall be subject to the jurisdiction of the Courts of Lucknow.



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/ Securities and Exchange Board of India (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 discharging any obligations under it.
  - b. "professional diligence" means the standard of skill and care that a Member would be reasonably expected to exercise towards a Client, commensurate with-
    - I. honest market practice;
    - II. the principle of good faith;
    - III. 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/SEBI from time to time.
9. The client shall familiarize himself with all the mandatory provisions in the Account Opening documents. Any additional clauses or documents specified by the Member shall be non-mandatory; therefore, subject to specific acceptance by the client.
10. The client shall immediately notify the Member in writing if there is any change in the information in the 'account opening form' as provided at the time of account opening and thereafter; including the information on winding up petition/insolvency petition or any litigation which may have material bearing on his capacity. The client shall provide/update the financial information to the Member on a periodic basis.
11. A. Protection from unfair terms in financial contracts\*\*
  - a. An unfair term of a non-negotiated contract will be void.
  - b. A term is unfair if it –
    - I. causes a significant imbalance in the rights and obligations of the parties under the financial contract, to the detriment of the Client; and
    - II. is not reasonably necessary to protect the legitimate interests of the Member.
  - c. The factors to be taken into account while determining whether a term is unfair, include –
    - 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.

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

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

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

- ii. a standard form contract.
- b. “Standard form contract” means a financial contract that is substantially not negotiable for the Client, except for the terms contained in point 11.C.
- c. Even if some terms of a financial contract are negotiated in form, the financial contract may be regarded as a 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.
  - 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**

- e. “Personal information” means any information that relates to a Client or allows a Client’s identity to be inferred, directly or indirectly, and includes –
  - I. name and contact information;
  - II. biometric information, in case of individuals
  - III. information relating to transactions in, or holdings of, financial products
  - IV. information relating to the use of financial services; or
  - V. such other information as may be specified.

**13. B.**

**a. A Member must –**

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

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

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

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

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

- a. Member must ensure fair disclosure of information that is likely to be required by a Client to make an informed transactional decision.
- b. In order to constitute fair disclosure, the information must be provided –

- i. sufficiently before the Client enters into a financial contract, so as to allow the Client reasonable time to understand the information;
  - ii. in writing and in a manner that is likely to be understood by a Client belonging to a particular category; and
  - iii. in a manner that enables the Client to make reasonable comparison of the financial product or financial service with other similar financial products or financial services.
- c. The types of information that must be disclosed to a Client in relation to a financial product or financial service, which may include information regarding –
- i. main characteristics of the financial product or financial service, including its features, benefits and risks to the Client;
  - ii. consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
  - iii. existence, exclusion or effect of any term in the financial product or financial contract;
  - iv. nature, attributes and rights of the Member, including its identity, regulatory status and affiliations;
  - v. contact details of the Member and the methods of communication to be used between the Member and the Client;
  - vi. rights of the Client to rescind a financial contract within a specified period; or
  - vii. rights of the Client under any law or regulations.

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

- i. any material change to the information that was required to be disclosed under point 14.A at the time when the Client initially availed the financial product or financial service;
- ii. information relating to the status or performance of a financial product held by the Client, as may be required to assess the rights or interests in the financial product or financial service; and
- iii. any other information that may be specified.

**b.A continuing disclosure must be made –**

- i. within a reasonable time-period from the occurrence of any material change or at reasonable periodic intervals, as applicable; and
- ii. in writing and in a manner that is likely to be understood by a Client belonging to that category.

**MARGINS**

15. The client shall pay applicable initial margins, withholding margins, special margins or such other margins as are considered necessary by the Member or the Exchange or as may be directed by SEBI 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 in solvency 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 Clients.

### **29. A. Suitability of advice for the Client**

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

#### **a. A Member must –**

- i. make all efforts to obtain correct and adequate information about the relevant personal circumstances of a Client; and
- ii. Ensure that the advice given is suitable for the Client after due consideration of the relevant personal circumstances of the Client.
- b. If it is reasonably apparent to the Member that the available information regarding the relevant personal circumstances of a Client is incomplete or inaccurate, the Member must warn the Client of the consequences of proceeding on the basis of incomplete or inaccurate information.
- c. If a Client intends to avail of a financial product or financial service that the Member determines unsuitable for the Client, the Member –
  - i. must clearly communicate its advice to the Client in writing and in a manner that is likely to be understood by the Client; and
  - ii. May provide the financial product or financial service requested by the Client only after complying with point 29.A. a and obtaining a written acknowledgement from the Client.

### **30. Dealing with conflict of interest**

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

#### **a. A member must –**

- i. provide a Client with information regarding any conflict of interests, including any conflicted remuneration that the Member has received or expects to receive for making the advice to the Client; and
- ii. give priority to the interests of the Client if the Member knows, or reasonably ought to know, of a conflict between –
  1. its own interests and the interests of the Client; or
  2. The interests of the concerned Member and interests of the Client, in cases where the Member is a financial representative.
- b. The information under point 16a.i. must be given to the Client in writing and in a manner that is likely to be understood by the Client and a written acknowledgement of the receipt of the information should be obtained from the Client.
- c. In this section, "conflicted remuneration" means any benefit, whether monetary or non-monetary, derived by a Member from persons other than Clients, that could, under the circumstances, reasonably be expected to influence the advice given by the Member to a Client.

## **TERMINATION OF RELATIONSHIP**

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

**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 stock broker / stock broker and depository participant shall not directly / indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI.
35. 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.
36. 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.
37. 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.
38. 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.
39. The Statement shall also state that the client shall report errors, if any, in the Statement within such time as may be prescribed by the relevant Exchange from time to time where the trade was executed, from the receipt thereof to the Stock/ Commodity broker. The Member shall send margin statements to the clients on daily 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.
40. 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.
41. 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.
42. **A. Protection from unfair conduct which includes misleading conduct & abusive conduct**
  - a. Unfair conduct in relation to financial products or financial services is prohibited.
  - b. "Unfair conduct" means an act or omission by a Member or its financial representative that significantly impairs, or is likely to significantly impair, the ability of a Client to make an informed transactional decision and includes –
    - i. misleading conduct under point 42.B
    - ii. abusive conduct under point 42.C
    - iii. such other conduct as may be specified
- 42.B. **Conduct of a Member or its financial representative in relation to a determinative factor is misleading if it is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise, and the conduct involves –**
  - i. providing the Client with inaccurate information or information that the Member or financial representative does not believe to be true; or
  - ii. providing accurate information to the Client in a manner that is deceptive.
- b. In determining whether a conduct is misleading under point 42.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;
  - iv. the consideration to be paid for the financial product or financial service or the manner in which the consideration is calculated;
  - v. the existence, exclusion or effect of any term in a financial contract, which is material term in the context of that financial contract;
  - vi. the nature, attributes and rights of the Member, including its identity, regulatory status and affiliations; and the rights of the Client under any law or regulations.
- a. A conduct of a Member or its financial representative in relation to a financial product or financial service is abusive if it –**
  - i. involves the use of coercion or undue influence; and
  - ii. causes or is likely to cause the Client to take a transactional decision that the Client would not have taken otherwise.
- b. In determining whether a conduct uses coercion or undue influence, the following must be considered-**
  - i. the timing, location, nature or persistence of the conduct;
  - ii. the use of threatening or abusive language or behaviour;
  - iii. the exploitation of any particular misfortune or circumstance of the Client, of which the Member is aware, to influence the Client's decision with regard to a financial product or financial service;
  - iv. any non-contractual barriers imposed by the Member where the Client wishes to exercise rights under a financial contract, including
  - v. the right to terminate the financial contract;
  - vi. the right to switch to another financial product or another Member and
  - vii. a threat to take any action, depending on the circumstances in which the threat is made.

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

43. 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.
44. The Member shall ensure that all ECN s sent through the e-mail shall be digitally signed, encrypted, non-tamperable and in compliance with the provisions of the IT Act, 2000. In case, ECN is sent through e-mail as an attachment, the attached file shall also be secured with the digital signature, encrypted and non-tamper able.
45. 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.
46. 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.
47. 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.
48. 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.
49. 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**

50. 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.
51. 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.
52. 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.
53. 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.
54. 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.
55. 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.
56. Members are required to send account statement to their clients every month.

## **INTERNET & WIRELESS TECHNOLOGY BASED TRADING FACILITY PROVIDED BY STOCK BROKERS 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. Stock broker is eligible for providing Internet based trading (IBT) and securities/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 stock broker shall comply with all requirements applicable to internet based trading/securities trading using wireless technology as may be specified by SEBI & the Exchanges from time to time.
2. Client is desirous of investing/trading in securities and for this purpose, the client is desirous of using either the internet based trading facility or the facility for securities/commodities trading through use of wireless technology. The Stock broker shall provide the Stock broker's IBT Service to the Client, and the Client shall avail of the Stock broker's IBT Service, on and subject to SEBI/Exchanges Provisions and the terms and conditions specified on the Stock broker's IBT Web Site provided that they are in line with the norms prescribed by Exchanges/SEBI.
3. The stock broker shall bring to the notice of client the features, risks, responsibilities, obligations and liabilities associated with securities trading through wireless technology/internet/smart order routing or any other technology should be brought to the notice of the client by the stock broker.
4. The stock broker shall make the client aware that the Stock Broker'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 Stock broker'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/securities 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 stock broker.
6. The Client shall immediately notify the Stock broker in writing if he forgets his password, discovers security Flaw in Stock Broker'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/securities 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 stock broker 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 stock broker 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 Stock broker and the Exchange do not make any representation or warranty that the Stock broker'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 Stock broker on account of any suspension, interruption, non-availability or malfunctioning of the Stock broker's IBT System or Service or the Exchange's service or systems or non-execution of his orders due to any link/system failure at the Client/Stock brokers / Exchange end for any reason beyond the control of the stock Broker/Exchanges.

<b>Client Name</b>		<b>Sign.</b> 	
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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 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 execute 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. “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 Rumors**

- a. Rumors 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.

iv. 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 Registration Certificate from SEBI.

#### ADDITIONAL RISK DISCLOSURE DOCUMENTS FOR OPTIONS TRADING RISK OF OPTION HOLDERS

##### 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.

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

Annexure-4

##### Do's

1. Trade only through Registered Members of the Exchange. Check from the Exchange website at following link to see whether the Member is registered with The Exchange. For MCX: <http://www.mcxindia.com/SitePages/MembersDetails.aspx>
2. Insist on filling up a standard 'Know Your Client (KYC)' form before you commence trading.
3. Insist on getting a Unique Client Code (UCC) and ensure all your trades are done Under the said UCC.
4. Insist on reading and signing a standard 'Risk Disclosure Agreement'.
5. Obtain a copy of your KYC and/ or other documents executed by you with the Member, from the Member.
6. Cross check the genuineness of trades carried out at the Exchange through the trade verification facility available on the Exchange website at the following link. For MCX [MCX: http://www.mcxindia.com/SitePages/TradeVerification.aspx](http://www.mcxindia.com/SitePages/TradeVerification.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 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 stock 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 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/Authorized 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'ts**

1. Do not deal with any unregistered intermediaries.
2. Do not undertake off-market transactions as such transactions are illegal and fall outside the jurisdiction of the Exchange.
3. Do not enter into assured returns arrangement with any Member
4. Do not get carried away by luring advertisements, rumors, 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 accept contract note/confirmation memo signed by any unauthorized person.
8. Don't share your internet trading account's password with anyone
9. Do not delay payment/deliveries of commodities to Member.
10. Do not forget to take note of risks involved in the investments.
11. 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.
12. Do not pay brokerage in excess of that rates prescribed by the Exchange
13. Don't issue cheques in the name of Authorized Person.
14. Do not neglect to set out in writing, orders for higher value given over phone.
15. Do not accept unsigned/duplicate contract note/confirmation memo.

### **Most Important Link:**

For detailed information on the policy regarding voluntary freezing/blocking of trading account please visit our website:-<https://fairinvest.co.in/wp-content/uploads/2024/07/Policy-for-facility-freezing-bloking-of-trading-account-by-Clients.pdf>

For detailed information related Investor Charter of Stock Broker & Depository Participant, please click on the link given below:- <https://fairinvest.co.in/wp-content/uploads/2025/03/New-Investor-Charter-Stock-Broker-Depository-Participant2024.pdf>



## **RIGHTS AND OBLIGATIONS OF BENEFICIAL OWNER AND DEPOSITORY PARTICIPANT AS PRESCRIBED BY SEBI & DEPOSITORIES**

### **General Clause**

1. The Beneficial Owner and the Depository participant (DP) shall be bound by the provisions of the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996, Rules and Regulations of Securities and Exchange Board of India (SEBI), Circulars/Notifications/Guidelines issued there under, Bye Laws and Business Rules/Operating Instructions issued by the Depositories and relevant notifications of Government Authorities as may be in force from time to time.
2. The DP shall open/activate demat account of a beneficial owner in the depository system only after receipt of complete Account opening form, KYC and supporting documents as specified by SEBI from time to time. Beneficial Owner information
3. The DP shall maintain all the details of the beneficial owner(s) as mentioned in the account opening form, supporting documents submitted by them and/or any other information pertaining to the beneficial owner confidentially and shall not disclose the same to any person except as required by any statutory, legal or regulatory authority in this regard.
4. The Beneficial Owner shall immediately notify the DP in writing, if there is any change in details provided in the account opening form submitted to the DP at the time of opening the demat account or furnished to the DP from time to time. Fees/Charges/Tariff
5. The Beneficial Owner shall pay such charges to the DP for the purpose of holding and transfer of securities in dematerialized form and for availing depository services as may be agreed to from time to time between the DP and the Beneficial Owner as set out in the Tariff Sheet provided by the DP. It may be informed to the Beneficial Owner that "no charges are payable for opening of demat account.
6. In case of Basic Services Demat Accounts, the DP shall adhere to the charge structure as laid down under the relevant SEBI and/or Depository circulars/directions/notifications issued from time to time.
7. The DP shall not increase any charges/tariff agreed upon unless it has given a notice in writing of not less than thirty days to the Beneficial Owner regarding the same. Dematerialization
8. The Beneficial Owner shall have the right to get the securities, which have been admitted on the Depositories, dematerialized in the form and manner laid down under the Bye Laws, Business Rules and Operating Instructions of the depositories. Separate Accounts
9. The DP shall open separate accounts in the name of each of the beneficial owners and securities of each beneficial owner shall be segregated and shall not be mixed up with the securities of other beneficial owners and/or DP's own securities held in dematerialized form.
10. The DP shall not facilitate the Beneficial Owner to create or permit any pledge and /or hypothecation or any other interest or encumbrance over all or any of such securities submitted for dematerialization and/or held in demat account except in the form and manner prescribed in the Depositories Act, 1996, SEBI (Depositories and Participants) Regulations, 1996 and Bye-Laws/Operating Instructions/Business Rules of the Depositories.

### **Transfer of Securities**

11. The DP shall effect transfer to and from the demat accounts of the Beneficial Owner only on the basis of an order, instruction, direction or mandate duly authorized by the Beneficial Owner and the DP shall maintain the original documents and the audit trail of such authorizations.
12. The Beneficial Owner reserves the right to give standing instructions with regard to the crediting of securities in his demat account and the DP shall act according to such instructions. Statement of account
13. The DP shall provide statements of accounts to the beneficial owner in such form and manner and at such time as agreed with the Beneficial Owner and as specified by SEBI/depository in this regard.
14. However, if there is no transaction in the demat account, or if the balance has become Nil during the year, the DP shall send one physical statement of holding annually to such BOs and shall resume sending the transaction statement as and when there is a transaction in the account.
15. The DP may provide the services of issuing the statement of demat accounts in an electronic mode if the Beneficial Owner so desires. The DP will furnish to the Beneficial Owner the statement of demat accounts under its digital signature, as governed under the Information Technology Act, 2000. However if the DP does not have the facility of providing the statement of demat account in the electronic mode, then the Participant shall be obliged to forward the statement of demat accounts in physical form.
16. In case of Basic Services Demat Accounts, the DP shall send the transaction statements as mandated by SEBI and/or Depository from time to time. Manner of Closure of Demat account
17. The DP shall have the right to close the demat account of the Beneficial Owner, for any reasons whatsoever, provided the DP has given a notice in writing of not less than thirty days to the Beneficial Owner as well as to the Depository. Similarly, the Beneficial Owner shall have the right to close his/her demat account held with the DP provided no charges are payable by him/her to the DP. In such an event, the Beneficial Owner shall specify whether the balances in their demat account should be transferred to another demat account of the Beneficial Owner held with another DP or to rematerialize the security balances held.

18. Based on the instructions of the Beneficial Owner, the DP shall initiate the procedure for transferring such security balances or rematerialize such security balances within a period of thirty days as per procedure specified from time to time by the depository. Provided further, closure of demat account shall not affect the rights, liabilities and obligations of either the Beneficial Owner or the DP and shall continue to bind the parties to their satisfactory completion.

### **Default in payment of charges**

19. In event of Beneficial Owner committing a default in the payment of any amount provided in Clause 5 & 6 within a period of thirty days from the date of demand, without prejudice to the right of the DP to close the demat account of the Beneficial Owner, the DP may charge interest at a rate as specified by the Depository from time to time for the period of such default.
20. In case the Beneficial Owner has failed to make the payment of any of the amounts as provided in Clause 5&6 specified above, the DP after giving two days notice to the Beneficial Owner shall have the right to stop processing of instructions of the Beneficial Owner till such time he makes the payment along with interest, if any.

### **Liability of the Depository**

21. As per Section 16 of Depositories Act, 1996,
1. Without prejudice to the provisions of any other law for the time being in force, any loss caused to the beneficial owner due to the negligence of the depository or the participant, the depository shall indemnify such beneficial owner.
  2. Where the loss due to the negligence of the participant under Clause (1) above, is indemnified by the depository, the depository shall have the right to recover the same from such participant.

### **Freezing/ Defreezing of accounts**

22. The Beneficial Owner may exercise the right to freeze/defreeze his/her demat account maintained with the DP in accordance with the procedure and subject to the restrictions laid down under the Bye Laws and Business Rules/Operating Instructions.
23. The DP or the Depository shall have the right to freeze/defreeze the accounts of the Beneficial Owners on receipt of Instructions received from any regulator or court or any statutory authority.

### **Redressal of Investor grievance**

24. The DP shall redress all grievances of the Beneficial Owner against the DP within a period of thirty days from the date of receipt of the complaint.

### **Authorized representative**

25. If the Beneficial Owner is a body corporate or a legal entity, it shall, along with the account opening form, furnish to the DP, a list of officials authorized by it, who shall represent and interact on its behalf with the Participant. Any change in such list including additions, deletions or alterations thereto shall be forthwith communicated to the Participant.

### **Law and Jurisdiction**

26. In addition to the specific rights set out in this document, the DP and the Beneficial owner shall be entitled to exercise any other rights which the DP or the Beneficial Owner may have under the Rules, Bye Laws and Regulations of the respective Depository in which the demat account is opened and circulars/notices issued there under or Rules and Regulations of SEBI.
27. The provisions of this document shall always be subject to Government notification, any rules, regulations, guidelines and circulars/notices issued by SEBI and Rules, Regulations and Bye-laws of the relevant Depository, where the Beneficial Owner maintains his/ her account, that may be in force from time to time.
28. The Beneficial Owner and the DP shall abide by the arbitration and conciliation procedure prescribed under the Bye-laws of the depository and that such procedure shall be applicable to any disputes between the DP and the Beneficial Owner.
29. Words and expressions which are used in this document but which are not defined herein shall unless the context otherwise requires, have the same meanings as assigned thereto in the Rules, Bye-laws and Regulations and circulars/notices issued there under by the depository and /or SEBI
30. Any changes in the rights and obligations which are specified by SEBI/Depositories shall also be brought to the notice of the clients at once.
31. If the rights and obligations of the parties hereto are altered by virtue of change in Rules and regulations of SEBI or Bye-laws, Rules and Regulations of the relevant Depository, where the Beneficial Owner maintains his/her account, such changes shall be deemed to have been incorporated herein in modification of the rights and obligations of the parties mentioned in this document.

**The stock broker / stock broker and depository participant shall not directly /indirectly compel the clients to execute Power of Attorney (PoA) or Demat Debit and Pledge Instruction (DDPI) or deny services to the client if the client refuses to execute PoA or DDPI.**

## **MANAGING YOUR DEMAT ACCOUNT SIMPLE DOs and DON'Ts**

1. Verify your transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform your DP or CDSL.
2. Intimate any change of address or change in bank account details to your DP immediately.
3. While accepting the Delivery Instruction Slip (DIS) book from your DP, ensure that your BO ID is pre-stamped on all the pages along with the serial numbers.
4. Keep your DIS book safely and do not sign or issue blank or incomplete DIS slips.
5. Strike out the empty space, if any, in the DIS, before submitting to DP.
6. For market transactions, submit the DIS ahead of the deadline time. DIS can be issued with a future execution date.
7. The demat account has a nomination facility and it is advisable to appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
8. To open and operate your demat account, copy of PAN card of all account holders is to be submitted to the DP along with original PAN card, for verification.
9. Register for SMS Alert facility. If any unauthorized debit is noticed, the BO should immediately inform CDSL/NSDL and the Main DP, in writing. An email may be sent to CDSL at [complaints@cdslindia.com](mailto:complaints@cdslindia.com) and NSDL at [relations@nsdl.co.in](mailto:relations@nsdl.co.in)
10. Register for CDSL's Internet based facility "easi" / NSDL's Internet based facility "speede" to monitor your demat account yourself. Contact your DP or visit CDSL's website: [www.cdslindia.com](http://www.cdslindia.com) / NSDL's website [www.nsdl.co.in](http://www.nsdl.co.in) for details.
11. In order to receive all the credits coming to your demat account automatically, you can give a one-time, standing instruction to your DP.
12. Before granting Power of Attorney to anyone, to operate your demat account, carefully examine the scope and implications of powers being granted.

## **FACILITY OF VOLUNTARY BLOCKING/FREEZING OF THE ONLINE ACCESS OF TRADING ACCOUNT BY CLIENT**

**In order to enhance the online security of client account, we provide the facility to clients to freeze the online access of their trading account, in case any suspicious activity is observed in his trading account.**

The freezing shall be applicable to all modes of online access to the client account which includes; internet based trading/mobile app/any other online access.

**To receive a request from the client to freeze online access to their account, we are providing detailed information through the link below:**

### **MOST IMPORTANT LINK**

For detailed information on the policy regarding voluntary freezing/blocking of trading account please visit our website:-<https://fairinvest.co.in/wp-content/uploads/2024/07/Policy-for-facility-freezing-bloking-of-trading-account-by-Clients.pdf>

You can also get detailed information about Exchange Circular related freezing/blocking of trading account through this link:- <https://nsearchives.nseindia.com/content/circulars/INSP61529.pdf>

For detailed information related Investor Charter of Stock Broker & Depository Participant, please click on the link given below:- <https://fairinvest.co.in/wp-content/uploads/2025/03/New-Investor-Charter-Stock-Broker-Depository-Participant2024.pdf>

**1. Refusal of orders for Commodity Derivatives:-**

The client is aware and agrees that the Commodity broker may refuse or restrict a client in placing the order in certain commodities depending on various conditions like volume / value / part of illiquid commodities although a client may have credit balance or sufficient margin in the trading account.

However, Commodity broker under exceptional circumstances may execute cliental order. The Commodity broker has the discretion to reject execution of such orders based on its risk perception.

**2. Setting Up client's Exposure Limit:-**

The client is aware and agrees that the Commodity broker may set the Exposure limits on the basis of available base capital which may comprise of Ledger and collaterals (after suitable margin hair cut). The limits may be allowed on a multiplier basis to the available capital or actual VAR margin basis or a specified margin depending on the Market conditions. Client agrees that said limit parameters is a dynamic process that is allowed at the discretion of the Commodity broker based on the market conditions and their risk perception about the market. However on exceptional situations broker may use its own discretion in providing the limits and may change for a client or for all depending on market condition.

**3. Applicable Brokerage Rate:-**

- a) The Commodity broker is eligible to charge brokerage with respect to transactions effected by it in various segment as mentioned herein below-

Delivery based- The maximum brokerage rate for the time being shall be 2 % (plus expenses) in case of transactions resulting into delivery.

**Non- delivery based - The maximum brokerage rate for the time being shall be 1 % in case of non-delivery transactions.**

- b) The Commodity broker may charge different Brokerage for Deliverable and Intraday transactions.
- c) Brokerage shall be charged on the premium amount at which the options contract was bought or sold and not on the strike price of The option contract. Maximum permissible brokerage rate is 2.50% of premium amount or Rs.250/- per lot, whichever is higher.
- d) The client is aware that any request for change in the brokerage rate has to send in writing to the Branch who in turn will forward the request to Head Office of the Commodity broker. Acceptance / rejection of such request is at the discretion of Commodity broker.
- e) Other Levies, charges, service tax etc. will be charged on Brokerage as per the Rules prescribed by the Government / Regulatory Agencies. All the above charges and levies debited to clients would be mentioned in the Contract Note send to client.

**4. Imposition of Interest on Outstanding debit and margins:-**

The client is required to pay all amounts due to the Commodity broker on its due date. The amount due to broker shall include all type of Margin and Pay-in obligation or on account of any other reason.

In case the client does not pay the amount due on time, the Commodity broker shall charge delayed payment charges up to the rate of 18% per year on the daily outstanding value or at such rates as may be determined from time to time by the Commodity broker. In case of Commodity market, interest will be charged from the time it become due till the time obligation is cleared by the client. The objective of charging such a charge is to force a client to clear their dues on a timely basis.

The client agrees that the Commodity broker may impose fines/penalties for any orders / trades of the client which are contrary to this agreement / rules / regulations of the Exchange. Further, under the instances where the Commodity broker has been penalized from any Authority on account of / as a consequence of orders /trades of the client, the same shall be borne by the client.

**5. The right to sell client's commodity derivative position or close client's positions, without giving notice to the client, on account of non-payment of client's dues:-**

The Client shall provide timely funds/Securities /commodities for the purchase/sale of commodities to the Broker for meeting his obligation to the Exchange. In case of client falling short of providing fund/commodities the Commodity broker has the right to close the positions. The Commodity Broker has the right to sell client's securities or close clients position with or without giving prior notice to client on account of non-payment of dues to the extent of Ledger debit and/or to the extent of Margin obligation. The broker can liquidate the securities bought or collaterals given or any other Commodities given in any other form for clearing the clients obligation.

**1. Shortages in Obligation Arising out Of Internal Netting of Trades**

The internal close out policy for handling internal shortages in Commodities is in line with the exchange policy for handling shortages at exchange level. Apart from this the seller will be additionally debited by 0.50% penalty. Thus, the buyer will get the credit of the shortage based on the calculation given by exchanges and the Seller will be debited by the same amount + 0.50% penalty. Any changes in this policy will be updated on Fair Intermediate Investment Pvt. Ltd. website from time to time.

## 2. Conditions under which a client may not be allowed to take further position or the broker may close the existing position of a client:-

In case overall position in derivatives contracts has reached the Regulators prescribed Exchange limit / Market Wide Open Interest limit, then client may not be allowed to take further position, till such time Regulator prescribed limits comes down to create a new position.

Further, the Commodity broker may close the existing position of a client to the extent of Debit balances to release the Margin from the Exchange. In case if the Commodity broker has sufficient Margin cover on behalf of its client, it may still decide based on the market conditions and risk perception not to allow further position or may close the existing position of a client.

## 3. Temporary Suspension/Closure of Accounts

The client may request the Commodity broker for temporary suspension/closure of his trading account by sending a written request to Branch. This request will be in turn sent by Branch to Head Office for further processing where after verification of the client details, the trading account of the client will be suspended.

The client would be required to clear all his dues / settlement of obligations before his account is temporarily suspended. The client may also be required to fulfill other conditions, on a case to case basis.

The Commodity broker can withhold the payouts of client and suspend/close his trading account due to any internal / regulatory action.

Upon Suspension/closure of trading account intimation will be sent to the client within 15 days of suspension.

## 4. Deregistering a client

In addition to what the client has agreed in the agreement, the Commodity broker may terminate a client with immediate effect, but not limited to the following reasons -

- If the client is debarred by SEBI or any other regulatory authority
- As a part of surveillance measure, if a client appears to be indulging in manipulative practices.
- Under the circumstances when there is a reasonable ground to believe that the client is unable to clear its dues or has admitted its inability to pay its debt.
- If the client violates any of the terms of the agreement.

## 5. Treatment of Inactive Clients

Fair Intermediate Investment Pvt. Ltd. identifies such client codes / trading accounts that are in-operative for a minimum period of preceding 12 months.

Accordingly, such trading accounts are made inactive in the Trading System and an email/letter/SMS or by way of any other mode the client is informed about the status of his trading account maintained with us. Further, if the client has any dues/ obligation to Fair Intermediate Investment Pvt. Ltd., then any Commodities/securities bought or collaterals given or any other securities/commodities. Given by the client in any other form for clearing his obligation; will be adjusted and the balance would be returned to the client.

For re-activation of such trading account, the client shall be required to make a request to re-open the account and submit all necessary information with regard to updation of his / their KYC requirement. Fair Intermediate Investment Pvt. Ltd. upon verifying at its end may activate client's trading code in the Trading System and an email/letter/SMS or by way of any other mode the client is informed about the status of his trading account. Upon re-activation the Member may execute the order on behalf of its client. Also, after reactivation, transactions on the basis of certain parameters are confirmed over telephone with clients, if such transactions are executed after a gap of such period of 12 months.

6. The Client is informed that Fair Intermediate Investment Pvt. Ltd. does carry proprietary trading.

12. Client acceptance of policies and procedures mentioned here in above –

I/we have fully understood and agree to sign the same. Above policies and procedures may be amended / changed unilaterally by the Member provided the same is intimated via email / writing or reflected in the client's login.

[The above declaration has 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]

Full Name: \_\_\_\_\_

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

Sign here:  \_\_\_\_\_




1. **Authorization for Fund Transfer & Maintaining the Margin:-** I am operating running accounts with you in Capital market segment, F&O segments and Currency & Commodity Segment of NSE/BSE/MCX, since I trade on continuous basis with you, various obligations may arise towards funds pay in, margin obligations and mark to market profit/loss. I hereby authorize FIIPL to effect transfer from my Account credits balance & securities from Capital market, Commodity market Segment of NSE, BSE & MCX as well as to derivatives Segment of both the exchange and vice versa to meet the settlement obligations and margin requirements in my Account as and when required. Further, I would also request you to release credit balance in my account on receipt of specific instruction in writing from me. Also you may take as standing instruction to adjust my credit balance with the debit balance, if any, in my account in other segment or Exchange as and when required.
2. **Authorisation for Sale of Securities/Commodity in case of Default:-** I/We hereby agree that if I/We fail to make payment of consideration to you in respect of any one or more securities/commodity purchased by me/us before the pay-in date notified by the exchange from time to time, you shall be at liberty to sell the securities/commodity received in pay-out, in proportion to the amount not received, after taking into account any amount lying to my/our credit, by selling equivalent securities/commodity at any time on the Exchange. I/We shall be liable for any loss arising to you on this account, till the date of sale out of securities/commodity by you in my account. I/We further agree that if I/We fail to deliver any one or more securities/commodity sold by me/us before the pay-in date notified by the exchange from time to time, such undercharged obligation in relation to delivering any one or more securities/commodity shall be deemed to have been closed out at the auction price or close out price, as may be debited to you in respect to the security/commodity for the respective settlement, to the extent traceable to me/us on my/our failure to deliver, otherwise the close out price on the date of pay-out in respect of the relevant securities/commodity, declared by the Exchange I/We further agree that the loss, if any, on account of the close out shall be to my/our account.
3. I/We further agree that if for any reason, schedule of pay-in and pay-out is modified the aforesaid shall be made applicable reckoning the actual date of pay-in and pay-out, as the case may be.

**4. Others Terms & Conditions:-**

- \* I purchase and sales with speculative intention that is no going to result into delivery must be compulsorily squared-up before the close of market you must square up all such position at least fifteen minutes before the market closes. Any failure on your part to do so shall beat your own risk and you shall be ready to give/take deliveries and funds accordingly.
- \*FIIPL shall not be responsible for any un-executed orders. All On-line best-Market orders should NOT to be presumed as executed unless confirmed as trade by our dealer.
- \*You must strictly adhere to margin norms of the BSE/NSE/MCX. Any failure on your part in timely payment of margins shall be viewed seriously and we may not allow any further position/exposure on your account, besides squaring up your existing position. Moreover, FIIPL shall have the right to charge penalty up-to @2% p.m. of the margin amount in default in case there is any delay in payment of the same. Further, we may demand additional margins depending on the speculative nature of the script and market conditions in general or as applied by the respective stock exchanges. These margins would be payable as and when asked for.
- \*In the matters where the Exchange is a party to the dispute, the Civil Courts at Mumbai shall have exclusive jurisdiction and in all other matters, Civil Courts nearest to the Regional Arbitration Centre where arbitration proceedings or appellate arbitration proceedings were conducted shall have exclusive jurisdiction.
- \*The client shall keep himself/herself/itself updated regarding the changes in the rules, regulations, bye- Laws of stock exchanges and guidelines issued by SEBI issued from time to time.
- \*The client shall keep himself updated with the information updated by Exchange through various means which includes information posted on website.

I/we have read and understand the terms and conditions as mentioned above and agree to abide by them and any amendments thereto made by the stock exchanges from time to time.

Client Code		Client Name	
Date		Signature 	




To,  
**FAIR INTERMEDIATE INVESTMENT PVT. LTD.**

Dated: \_\_\_\_\_

Dear Sir,

I/we dealing with you as client at NSE/BSE/MCX in Capital, Derivative & Currency Segment and in order to facilitate ease of operations, I/We authorise you as under:

1. I/We authorise you to set off outstanding in any of my/our accounts against credits available or arising in any other segments maintained with you irrespective of the fact that such credits in the accounts may pertain to transactions in any segment of the Exchange or in any other exchange and/or against the value of cash margin or collateral shares provided to you by me/us.
2. I/We hereby authorise you not to provide me/us Order Confirmation/ Modification / Cancellation Slips and Trade Confirmation Slips to avoid unnecessary paper work. I/We shall get the required details from contract notes issued by you.
3. I / We request you to retain credit balance in any of my/our account and to use the unused funds towards my/our Margin / future obligation at any or all the Exchanges unless I/We instruct you otherwise. I/We also authorize you to Debit the necessary demat charges from time to time, for keeping the shares in your client demat beneficiary Account on my behalf. I/We also authorise you to debit the financial charges @2% p.m., for the debit balances or delay payment charges at the rate prescribed by exchange for shortage in margin/debit balances, if any, in my /our account and not settled as per the exchange requirements.
4. I/We request you to consider my/our telephonic instructions for order placing/order modification/order cancellation as a written instruction and give me/us all the confirmation on telephonic unless instructed otherwise in writing. I/We am/are getting required details from contracts notes issued by you.
5. I / We request that you / exchange / other regulatory authority may send /dispatch to me/us contract notes / e-mail Alert/other documents through e-mail on my / our designated e-mail address mentioned by me/us in KYC. I/We will completely rely on the log reports of you dispatching software as a conclusive proof of dispatch of e-mail to me/us and will not dispute on the same. I /We note that non-receipt of bounced mail notification by the stock/commodity broker shall Amount to delivery of the contract note at my/our e-mail ID.
6. I/We will inform you the change of my/our demographic detail and other detail like Bank, DP etc.
7. I/We are aware and acknowledge that trading of all exchanges is in Electronic mode, based on Vsat, lease line, ISDN, Modem, VPN, Internet and/or combination of technologies and computer system to place and route order and also Involves many uncertain factors and complex hardware, software, systems, communication lines, peripherals, pay in pay out of funds & securities, online & offline banking etc. these are susceptible to interruptions, delay, mistake and dislocations; and your services may at any time be unavailable without further notice and I/we understand that there exists a possibility of communication failure or system problems or slow or delay response from system or trading half, or any such other problem/glitch whereby not been able to establish access to the trading system/network or delay in execution of trades, which may be beyond your control any may result in delay in processing or not processing of any orders either in part or in full. I understand that you are not making any representation or warranty that your service will be available to the Client at all times without any interruption. I/We agree that I/We shall not have any claim for any loss incurred by me/us against you on account of any suspension, delay, interruption, non-availability or malfunctioning of your System or Service for any reason whatsoever.
8. I/We confirm that I/We never sublet the trading terminal on any term of connectivity from my place to any other place without your prior approval.
9. I/We am/are agreeable for inter-settlement transfer of securities towards settlement.
10. I/we am/are agreeable for & authorise you to withhold funds pay-out towards all the applicable margins and debits.
11. All fines/penalties and charges levied upon you due to my/our acts / deeds or transaction may be recovered by you from my/our account.
12. I/we have a Trading as well as depository relationship with Fair Intermediate Investment Pvt. Ltd. Please debit the Charges relevant with depository services to my/our trading account. I/we also agree to maintain the adequate balance in my / our trading account/ pay adequate advance fee for the said reason.
13. I/we authorise you to send me/our the physical Contract notes/Margin statement/Ledger/Other documents through postal/courier and to charge administrative/postal/other charges if the contract notes sent to me get bounced more than 5 times.
14. For the purpose of providing quality and transparent services to its clients, the Company may record your Conversation while interacting with you."

<b>Client Name</b>		<b>Sign.</b> 	
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**As per Regulation 19(I) of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012 (SECC Regulations) which states that no person shall, directly or indirectly, acquire or hold equity share of a recognized Stock Exchange or recognized Clearing Corporation unless he is a fit and proper person in terms of Regulation 19 and 20 of the said SECC Regulations.**

Regulation 19 and Regulation 20 as prescribed by SEBI (herein referred as “Board”) are reproduced below:

**Eligibility for acquiring or holding shares.**

- (1) No person shall, directly or indirectly, acquire or hold equity shares of a recognized stock exchange or recognized Clearing Corporation unless he is a fit and proper person.
- (2) Any person who, directly or indirectly, either individually or together with persons acting in concert, acquire Equity shares such that his shareholding exceeds two percent of the paid up equity share capital of a recognised Stock exchange or recognized clearing corporation shall seek approval of the Board within fifteen days of the Acquisition.
- (3) A person eligible to acquire or hold more than five percent of the paid up equity share capital under sub - regulation (2) of regulation 17 and sub-regulation (2) of regulation 18 may acquire or hold more than five percent of the paid up capital equity share capital of a recognized exchange or a recognised clearing corporation only if he has obtained prior approval of the Board.
- (4) Any person holding more than two per cent. Of the paid up equity share capital of the recognized stock exchange or the clearing corporation on the date of commencement of these regulations, shall ensure compliance with this regulation within a period of ninety days from the date of such commencement.
- (5) If approval under sub-regulation (2) or (3) is not granted by the Board to any person, such person shall forthwith divest his excess shareholding.
- (6) Any person holding more than two per cent, of the paid up equity share capital in a recognized stock exchange or a recognised clearing corporation, as the case may be, shall file a declaration within fifteen days from the end of every financial year to the recognised stock exchange or recognized clearing corporation, as the case may be, that he complies with the fit and proper criteria provided in these regulations.

**Fit and proper criteria.**

- 20** (1) For the purposes of these regulations, a person shall be deemed to be a fit and proper person if-----
- (a) Such person has a general reputation and record of fairness and integrity, including but not limited to -----
    - (i) Financial integrity;
    - (ii) Good reputation and character; and
    - (iii) Honesty;
  - (b) Such person has not incurred any of the following disqualifications-----
    - (i) The person, or any of its whole time directors or managing partners, has been convicted by a court for any offence involving moral turpitude or any economic offence or any offence against the securities laws;
    - (ii) An order for winding up has been passed against the person;
    - (iii) The person, or any of its whole time directors or managing partners, has been declared insolvent and has not been discharged;
    - (iv) An order, restraining, prohibiting or debaring the person, or any of its whole time directors or managing partners, from dealing in securities or form accessing the securities market, has been passed by the Board or any other regulatory authority, and a period of three years from the date of the expire of the period specified in the order has not elapsed;
    - (v) Any other order against the person, or any of its whole time directors or managing partners, which has a bearing on the securities market, has been passed by the Board or any other regulatory authority, and a period of three years from the date of the order has not elapsed;
    - (vi) The person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force; and
    - (vii) The person is financially not sound.
- (2) If any question arises as to whether a person is a fit and proper person, the Board’s decision on such question shall be final.

<b>Sign.  here:-</b>	
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# FATCA & CRS DECLARATION

## (FOR INDIVIDUAL)

Do you have any Non-Indian Country (ies) of Birth / Citizenship / Nationality and Tax Residency?  Yes  No

Sole/First Holder/Guardian <input type="checkbox"/> Yes <input type="checkbox"/> No		Second Holder <input type="checkbox"/> Yes <input type="checkbox"/> No		Third Holder <input type="checkbox"/> Yes <input type="checkbox"/> No	
Country of Birth		Country of Birth		Country of Birth	
Country of Citizenship /Nationality		Country of Citizenship /Nationality		Country of Citizenship /Nationality	
Are you a US Specified Person? <input type="checkbox"/> Yes <input type="checkbox"/> No Please provide Tax Payer ID		Are you US Specified Person? <input type="checkbox"/> Yes <input type="checkbox"/> No Please provide Tax Payer ID		Are you a US Specified Person? <input type="checkbox"/> Yes <input type="checkbox"/> No Please provide Tax Payer ID	
Country of Tax Residency* (Other than India)	Taxpayer Identification No.	Country of Tax Residency* (Other than India)	Taxpayer Identification no.	Country of Tax Residency* (Other than India)	Taxpayer Identification no.
1.		1.		1.	
2.		2.		2.	
Address		Address		Address	

\*Please indicate all countries in which you are a resident for tax purpose and associated Taxpayer identification number.

### FATCA-CRS Terms and Conditions

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 Fair Intermediate Investment 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).

**Signatures: Sole/First Holder Signature      Second Holder Signature      Third Holder Signature**

\*For detail terms & conditions please see Client Copy

## FATCA & CRS DECLARATION

## (FOR NON-INDIVIDUAL)

Please tick the applicable tax resident declaration-

I. Is "Entity" a tax resident of any country other than India  Yes  No

(If yes, please provide country/ies in which the entity is a resident for tax purposes and the associated Tax ID number below.)

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

\*In case Tax Identification Number is not available, kindly provide its functional equivalent.

In case TIN or its functional equivalent is not available, please provide Company Identification number of Global Entity Identification Number of GIIN, etc.

In case the Entire of Incorporation /Tax residence is U.S. but Entity is not a Specified U.S. Person, mention Entity's exemption code here:

**PART A (to be filled by Financial Institutions or Direct Reporting NFEs)**

1.	We are a financial institution (Refer 1of part C) <input type="checkbox"/> Or Direct reporting NFE (Refer 3 (vii) of Part C) <input type="checkbox"/> Please tick as appropriate	GIIN <input style="width: 150px;" type="text"/> Note: If you do not have a GIIN but you are sponsored by another entity, please provide your sponsor's GIIN above and indicate your sponsor's name below  Name of sponsoring entity _____
	<b>GIIN not available (please tick as applicable)</b>	<input type="checkbox"/> Applied For <input type="checkbox"/> Not obtained - Non-participating FI  <input type="checkbox"/> Not required to apply for - please specify 2 digits sub-category <input type="checkbox"/> (Refer 1 A of Part C)

**PART B (please fill any one as appropriate "to be filled by NFEs other than Direct Reporting NFEs")**

1.	Is the Entity a publicly traded company (that is, a company whose shares are regularly traded on an established securities market) (Refer 2a of Part C)	Yes <input type="checkbox"/> (If yes, please specify any one Stock Exchange on which the stock is regularly traded) Name of Stock Exchange _____
2.	Is the Entity a related entity of a publicly traded company (a company whose shares are regularly traded on an established securities market) (Refer 2b of Part C)	Yes <input type="checkbox"/> (If yes, please specify name of the listed company and one Stock Exchange on which the stock is regularly traded) Name of listed company _____  Nature of relation: <input type="checkbox"/> Subsidiary of the Listed Company or <input type="checkbox"/> Controlled by a Listed Company Name of Stock Exchange _____
3.	Is the Entity an active NFE (Refer 2c of Part C)	Yes <input type="checkbox"/> Nature of Business Please specify the sub-category of Active NFE <input type="checkbox"/> (Mention code - refer 2c of Part C)
4.	Is the Entity a passive NFE (Refer 3(ii) of Part C)	Yes <input type="checkbox"/> Nature of Business

**UBO Declaration (Mandatory for all Entity Except, A Public Trust Company or a related entity of Publicly Traded Company)**

Category) Please tick applicable category):  Unlisted Company     Partnership Firm     Limited Liability Partnership Company     Union corporated association / body of individuals     Public Charitable Trust     Religious Trust  
 Private Trust     Others (please specify \_\_\_\_\_)

Please list below the details of controlling person(s), confirming ALL countries of tax residency / citizenship and

ALL Tax Identification Numbers for EACH controlling person(s). (Please attach additional sheets if necessary)

Owner-documented FFI's should provide FFI Owner Reporting Statement and Auditor's Letter with required details as mentioned in Form W8 BEN E (Refer 3 (vi) of Part C)

Details	UBO 1	UBO 2	UBO 3
Name of UBO			
UBO Code (Refer 3 (vi)of Part C)			
Country of Tax residency*			
PAN#			
Address			

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			
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			
Percentage of Holding(%)			

\*To include US, where controlling person is a US citizen of Green Card Holder.

If UBO is KYC compliant, KYC to be enclosed. Else PAN or any other valid identity proof must be attached. Position / Designation like Director / Settlor of Trust / Protector of Trust to be specified wherever applicable.

In Case Tax Identification Number is not available, kindly provide functional equivalent.

Attached valid documentary proof like Shareholding pattern duly self-attested by Authorized Signatory / Company 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 to inform Fair Intermediate Investment Pvt. Ltd. For any modification to this information promptly.

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

Name : \_\_\_\_\_

Designation: \_\_\_\_\_

Signature:

Sole/First Authorised Signatory \_\_\_\_\_ Second Authorised Signatory \_\_\_\_\_ Third Authorised Signatory \_\_\_\_\_

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

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

**For detail terms & conditions please see Client Copy.**



FIIP

# ACKNOWLEDGEMENT TO FAIR FROM CLIENT

To,  
**FAIR INTERMEDIATE INVESTMENT PVT. LTD.**  
2nd Floor Shukla palace Sapru Marg,  
Lucknow 226001

**I/We wish to open a commodity trading account with M/s Fair Intermediate Investments Private Limited, a member of MCX, and perform the following functions:**

**1. I/We have learned from the Member that clients prefer to receive the following documents in either electronic or physical form:**

- A. Rights and Responsibilities of Members, Authorized Persons, and Clients.**
- B. Internet and Wireless Technology-Based Trading Facility Provided by the Member to Clients.**
- C. Risk and Disclosure Document for Commodity Markets.**
- D. Policies and Procedures**
- E. Guidance Note - Do's and Don'ts for Investors Trading on the Exchange.**

**2. I/We also understand from our Member that to receive the above-mentioned documents in either electronic or physical form, I/We will be required to provide my/our consent.**

**3. Therefore, in light of the foregoing, I/We hereby voluntarily consent to receive the above-mentioned documents:**

**Electronic Form**                       **Physical Form**

4. If I/We opted for the same in Electronic mode, then Member can sent said aforesaid documents at my registered email id.

5. I/We have been further aware by my/our Member that the aforesaid documents has also been available at the Member's website i.e. at [www.fairinvest.co.in](http://www.fairinvest.co.in)

6. I/We am/are aware that the non receipt of bounced mail notification by the Member shall amount to delivery of the aforesaid documents at my registered email id.

7. I/We hereby accord my/our consent to an arbitration agreement by virtue of which I/We shall refer all my/our claims, differences or disputes between us which might have arise out of my/our trading, deposits, margin money, etc. in relation to my/our dealings in contracts and transactions which have been made subject to the Bye-Laws, Rules and Regulations of the Exchange or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions and contracts have entered into, to the arbitration in accordance with the provisions of these Byelaws, Rules and Regulations of the Exchanges.

**I/We hereby confirm that I/We have received a copy of following documents:**

- Account Opening Form
- Trading Account Related Details & Tariff Sheet (Trading & Demat Account)
- Rights and Obligations of Members, Authorised Person and Clients
- Internet and Wireless technology based trading facility provided by Members to Client
- Risk and Disclosure document for capital market and derivative segments
- Guidance note-Do's and Don't for trading on the Exchange(s) for Investors
- Policies and procedures
- Terms & Conditions as mutually agreed by me & FATCA & CRS Terms & Conditions
- Other disclosure/documents as agreed by me specifically in voluntary segment.
- Copy of DDPI (Demat Debit and Pledge Instruction)
- Investor Charter

"Investors may lodge their complaints by sending an email to us or by sending an email at the nearest Investor Service Centre of stock exchange or by sending physical complaint to the nearest investor service centre of stock exchange or through SEBI SCORES 2.0 (Home - scores.sebi.gov.in) or through SMART ODR Portal (<https://smartodr.in/>)."

Sign here: 

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

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



## **FIPL MOST IMPORTANT TERMS & CONDITIONS (MITC) for non-custodial settled trading accounts)**

(As per Circular Ref No: NSE/INSP/60147 Dated: Jan. 05, 2024, Annexure-A)

1. Your trading account has a “Unique Client Code” (UCC), different from your demat account number. Do not allow anyone (including your own Member, their representatives and dealers) to trade in your trading account on their own without taking specific instruction from you for your trades. Do not share your internet/ mobile trading login credentials with anyone else.
2. You are required to place collaterals as margins with the Member before you trade. The collateral can either be in the form of funds transfer into specified Member bank accounts or margin pledge of securities from your demat account. The bank accounts are listed on the Member website.
3. Please do not transfer funds into any other account. The Member is not permitted to accept any cash from you. The Member’s Risk Management Policy provides details about how the trading limits will be given to you, and the tariff sheet provides the charges that the Member will levy on you.
4. All securities purchased by you will be transferred to your demat account within one working day of the payout. In case of securities purchased but not fully paid by you, the transfer of the same may be subject to limited period pledge i.e. seven trading days after the pay-out (CUSPA pledge) created in favor of the Member. You can view your demat account balances directly at the website of the Depositories after creating a login.
5. The Member is obligated to deposit all funds received from you with any of the Clearing Corporations duly allocated in your name. The Member is further mandated to return excess funds as per applicable norms to you at the time of quarterly/ monthly settlement. You can view the amounts allocated to you directly at the website of the Clearing Corporation(s).
6. You will get a contract note from the Member within 24 hours of the trade.
7. You may give a one-time Demat Debit and Pledge Instruction (DDPI) authority to your Member for limited access to your demat account, including transferring securities, which are sold in your account for pay-in.
8. The Member is expected to know your financial status and monitor your accounts accordingly. Do share all financial information (e.g. income, net worth, etc.) with the Member as and when requested for. Kindly also keep your email Id and mobile phone details with the Member always updated.
9. In case of disputes with the Member, you can raise a grievance on the dedicated investor grievance ID of the Member. You can also approach the stock exchanges and/or SEBI directly.
10. Any assured/guaranteed/fixed returns schemes or any other schemes of similar nature are prohibited by law. You will not have any protection/recourse from SEBI/stock exchanges for participation in such schemes.

### **Consent for sharing Aadhaar Details with SEBI/KRA Agencies**

**(VOLUNTARY)**

**To,**  
**FAIR INTERMEDIATE INVESTMENT PVT. LTD.**  
2<sup>nd</sup> Floor Shukla palace Sapru marg,  
Lucknow 226 001

- I/We understand that Fair Intermediate Investment Pvt. Ltd. is in the business of providing trading services for buying/selling of securities to its clients.
- I/We am/are desirous for opening of Trading and Demat account with Globe and hereby declare that the KYC details furnished by me are true and correct to the best of my/our knowledge and belief and I/we under-take 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/we are aware that I/We may be held liable for it.
- I am aware of other modes of KYC which are available and I have chosen Aadhaar based method voluntarily. My Aadhaar record can be used by KRA agencies only for the specific purpose validating/ maintaining/ sharing my KYC record and as audit evidence. I will have an option to request for deleting of my Aadhaar record.
- I hereby give my consent for receiving information including Central KYC Registry through SMS/Email on the above registered mobile number/email address. I am/we are also aware that for Aadhaar OVD based KYC, my KYC request shall be validated against Aadhaar details. I/We hereby consent to sharing my/our masked Aadhaar card with readable QR code or my Aadhaar XML/Dig locker XML file, along with pass code and as applicable, with SEBI, KRA, CKYC and other Institutions/ agencies/ Intermediaries with whom I have a business relationship for KYC purposes only.

Sign here:



Name: \_\_\_\_\_



FIIP

**DECLARATION BY THE USER**

(VOLUNTARY)

I/We hereby declare that I/We am/are aware about the Rules, Byelaws, Regulations and Circulars issued there under by the Exchanges and SEBI that may in force from time to time and understand that appropriate action may be initiated by the Exchange(s) and SEBI in case of violation of the Rules, Byelaws, Regulations and Circulars issued by the Exchange(s) and SEBI. I further agree to become an approved User (Internet) of Fair Intermediate Investment Pvt. Ltd. I would intimate the Exchange on ceasing to be an Approved user of Fair Intermediate Investment Pvt. Ltd. I/We certify that I/We have not applied for any other Internet User ID for which this ID's now being applied for. I/We will not allow anybody else to access / use such Trading System using the Internet User ID so allotted to me/us.

I/We shall keep complete secrecy of the password and undertake not to disclose the password to any person.

Sign here: 

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

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



FIIP

**CLIENT DEFAULTER DECLARATION**

(VOLUNTARY)

I/we \_\_\_\_\_ having PAN No. \_\_\_\_\_ do hereby declare that I have not been involved in any terrorist activity and I have not been declared as defaulter or my name is not appearing in defaulter database as per SEBI/Various Exchanges/ Regulatory bodies/CIBIL (Credit Information Bureau of India Ltd.) etc.

I further declare that the above mentioned declaration/statement is true and correct.

Sign here: 

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

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

[Note: To be signed by person himself/herself not to be signed by his/her attorney/authorised person etc.]

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

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



FIIP

**DISCLOSURE INFORMATION**

(VOLUNTARY)

To,


Dated: \_\_\_\_\_

Dear Client,

Sir/Madam,

This is to inform you that we do client based trading and Pro-account Trading in Multi Commodity Exchange of India Ltd (MCX)

Thanks & best regards,

Sign here:  \_\_\_\_\_

I acknowledge the receipt of the information given by Fair Intermediate Investment Pvt. Ltd. that they do client based trading and Pro-account trading.

**For Fair Intermediate Investment Pvt. Ltd.**

**Authorised Signatory / Director**



FIIP

FOR REGISTRATION AND VERIFICATION OF MOBILE NUMBER AND E-MAIL ADDRESS

(VOLUNTARY)

To,
The Compliance Officer

Member ID: 57540

FAIR INTERMEDIATE INVESTMENT Pvt. Ltd.

2ND Floor Shukla Palace Sapru Marg Lucknow 226 001
SEBI Reg.No. MCX Commodity Exchange of India Ltd.:-INZ000185032

Dear Sir,

I/We am/are aware that MCX provide SMS/E-mail alerts to the constituents (clients) of its member for trades executed on its platform. I/We 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 Exchanges.
I want to receive transaction alerts only in SMS from Exchanges.
I want to receive transaction alerts only in Email from Exchanges.
I do not want to receive any transaction alerts from Exchanges, specify reason

The alerts should be sent on:

Mobile number (enter 10 digit mobile no.)

Grid for entering 10 digit mobile number

E-mail ID.....

I/We agree to the terms and conditions specified by the Exchange in its circular no. FMC/4/2012/C/13 dated 02/02/2012 as modified from time to time. I/We am/are aware that the receipt of SMS/E-mail alerts on the above mobile number and/or email address can be stopped only on my/our written request.

Name of the Client.....

Sign here:



Signature box



FIIP

DECLARATION FOR MOBILE NUMBER

(VOLUNTARY)

I/we \_\_\_\_\_ having Pan No. \_\_\_\_\_ do hereby declare that my mobile no. is \_\_\_\_\_. Further, I authorize Fair Intermediate Investment Pvt. Ltd., the same maybe used for giving me any information/alert/sms/call.

I further declare the above mentioned statement is true and correct.

Name of the Client: \_\_\_\_\_

Sign here:



Signature box

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



(In case of Corporate/Partnership Firm/Trust etc.)

To, FAIR INTERMEDIATE INVESTMENT PVT. LTD.

Date:

2ND Floor Shukla Palace Sapru Marg Lucknow 226 001
SEBI Reg.No. MCX Commodity Exchange of India Ltd.: -INZ000185032

Dear Sir,

Sub: Authority to Trade on my behalf

I/we am/are the holder of a trading account bearing number ..... (Here in after referred to as The "Account") opened and maintained with you and wish to appoint/nominate ..... (Here in after referred to as the "Representative"), s/d of..... aged about.....years, presently residing at .....

..... To perform all or any of the following acts, deeds And things. for and on my/our behalf and in my/our interest.

- 1. To operate the Account on my/our behalf.
2. To issue necessary instructions to you, for purchase, sale or transfer of Commodities from or to the Account as per Representative own judgment and to sign necessary documents.
3. To make or cause to make payments to Fair Intermediate Investment Pvt. Ltd. (FIPL) whenever necessary.
4. To duly honour all my/our contractual obligations under various agreements executed between me/us and FIPL including but not limited to the RIGHTS AND OBLIGATIONS OF FIPL, AUTHORIZED PERSONS AND me/us as prescribed by FMC and Commodity Exchanges and/or any other undertaking, commitment issued by my/us in favour or FIPL.
5. To accept contract notes and other documents from FIPL on my/our behalf and report any discrepancy therein to FIPL within the prescribed time frame.
6. To receive & accept necessary telephonic calls pertaining to margin &/or trade confirmation from FIPL at .....Telephone no. & undertake to update this contact detail in writing with FIPL in the event of any Such change. Taking place at any time in future.
7. To sincerely abide by the Statutes, Rules, Regulations and Guidelines prescribed for the purpose and in relation to the operation of the Account.
a. I/we hereby agrees and undertakes that all such acts, deeds and things done by the Representative shall be deemed to be binding Upon me/us as the same has been done by me/us only and I/we shall hereby ratify all and such acts, deeds. or things done by Representative in any manner whatsoever in discharge of the duties conferred upon him/her under the present instrument.
b. I/we hereby agree and undertake to indemnify and keep FIPL including its directors. Officers and employees indemnified against any loss, claims. Liabilities, obligations. Damages. Deficiencies, actions, suits, or proceedings aroused / accrued or caused to the FIPL for any wrong act, deed or thing done by the Representative in any manner whatsoever in exercise of the powers conferred upon him.
c. I/we further undertake and agree not to challenge any act, deed or things done by said Representative in any manner.
d. I/we hereby agree and acknowledge that this letter of Authority shall be effective and operational until FIPL received and acknowledged revocation letter at its registered office.

Name :

Client Code :

Sign here:



Signature box





I/We am dealing with you as client at NSE/BSE in Capital, Derivative & Currency Derivative Segment. At my/our broker i.e. agent I/We direct and authroze you to carry out trading / dealing on my/our behalf as per instruction given below.

I/We agree and acknowledge that it is advised by you that I/We should give instruction for order placement / modification and cancellation in writing and to avoid disputes, I/We should give instruction in exactly the format in duplicate (carbon copy/photocopy only) and take signature of at least two authorized officers at the branch along with company stamp on the carbon copy/photocopy of the instructions in acknowledgment of receipt of my our instructions.

However as I/We shall be dealing by ordering over phone and even if we visit the branch, the fluctuations in market are so rapid the it is not practical to give written instructions for order placement / modification and cancellation, I/We hereby authorize you to accept my/our authorized representative’s verbal instructions for order placement/modification and cancellation in person or over phone (fixed line/mobile phone) and execute the same.

I/We understand the risk associated with verbal order and accept the same, and agree that I/We shall not be entitled to disown order s and consequent trades (if any) by shifting the burden of proof by asking you to prove the placement/modification and cancellation or orders through telephone recording or otherwise.

I/We shall be liable for all losses, damages and actions which may arise as a consequence of your adhering to and carrying our my/our directions given above.

Client Name		Sign. 	
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***DECLARATION BY THE CLIENT TO ABIDE THE NET OPEN INTEREST POSITION AS PERMISSIBLE IN ANY COMMODITY***

Dear Sir,

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

I/We, the undersigned, have taken cognizance of circular no. MCX/338/2006 dated August 21, 2006 issued by the Multi Commodity Exchange of India Ltd. (MCX),, any other circulars issued by SEBI/Exchange from time to time on stated matter 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 undertake that I/we do not trade through any Trading Member other than **FAIR INTERMEDIATE INVESTMENT PVT. LTD.**

**OR**

I/We hereby declare that I/we are also trading in Commodities through **Fair Intermediate Investment Pvt. Ltd.** having **Member ID: 57540** in  MCX & **Client ID** \_\_\_\_\_

I/We hereby declare and undertake that I/we will not exceed the position limits prescribed from time to time by MCX or SEBI and such position limits will be calculated in accordance with the contents of above stated circulars of all exchanges as modified from time to time.

I/We undertake to inform you or keep you informed if 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, take or holds any position in any commodity forward contract/commodity derivative on MCX through you or through any other member(s) of MCX, to enable you to restrict our position limit as prescribed by the above referred circular of MCX 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 client on MCX only on the basis of our above assurance and undertaking.

I/We further undertake to bear any liability/penalty/charges levied by MCX for the non compliance of the aforesaid circulars or as modified from time to time.

Yours faithfully

Sign here:



Name \_\_\_\_\_