

Member - Client Agreement

(Business Rule - 27)

This agreement is made at this day of 20 by and between Adventures India registered under the Relevant Act, hereinafter called MEMBER OF THE EXCHANGE, having its registered office address of 3, A.E. Koil Southmada Street, Chennai - 81. TN. INDIA.

AND

....., a company / firm / individual or any other body duly formed and registered under the Relevant Act, hereinafter called CLIENT, having its registered office address at

(X3)

WHEREAS

- (i) The member is registered as MEMBER OF THE EXCHANGE of MULTI COMMODITY EXCHANGE OF INDIA LIMITED (hereinafter called MCX)
- (ii) Whereas the CLIENT is desirous of trading in those contracts admitted for dealing on the MCX as defined in the Bye - Laws, Rules and Business Rules of MCX.
- (iii) Whereas the CLIENT has satisfied itself of the capability of the MEMBER OF THE EXCHANGE to deal in those contracts admitted for dealing on the MCX and wishes to execute his orders through him and the CLIENT shall continue to satisfy him of such capability of the MEMBER OF THE EXCHANGE before executing any others through him.
- (iv) Whereas the MEMBER OF THE EXCHANGE has satisfied and shall continuously satisfy himself about the genuineness and financial soundness of the CLIENT and trading objectives relevant to the services to be provided.
- (v) Whereas the MEMBER OF THE EXCHANGE has taken steps and shall take steps to make the CLIENT aware of the precise nature of the MEMBER liability for business to be conducted, including any limitations on that liability and the capacity in which it acts.

IN CONSIDERATION OF YOUR HANDLING DERIVATIVES TRANSACTIONS CARREID OUT ON THE MCX, I AGREE THAT

- 1) I have read the Risk Disclosure Document appended hereto and understand the trading & risks involved in the trading these instruments and am fully responsible for my dealings in these instruments.
- 2) I shall be bound by the Bye-Laws, Rules, Business Rules and Customs of the MULTI COMMODITY EXCHANGE OF INDIA LIMITED and the Clearing House of the Exchange.
- 3) I shall deposit with you monies, Warehouse Receipts or other property, which may be required to open and / or maintain my account or maintain my position.
- 4) I shall not, acting alone or in concert with others, directly or indirectly, hold and control excess number of permitted futures contracts as fixed from time to time by the Exchange.
- 5) I shall not exercise a long or short position where, acting alone or in concert with others, directly or indirectly I will have exercised in excess of the number of permitted futures contracts as may be fixed from time to time by the Exchange.
- 6) All monies, Warehouse Receipts or other property, which you may hold on my account, shall be held subject to a general lien for the discharge of my obligations to you under this agreement.
- 7) I hereby authorize you at your discretion, should you deem it necessary for your protection to buy, sell or close out any part or all of the derivative contracts held in my account with you. I will reimburse any or all such incidental expenses incurred by you.
- 8) Since you are issuing contract note bearing the order number and trade number on daily basis, Please do not issue the order or trade confirmation slip as generated from the trading system unless and otherwise requested by me in writing. I hereby agree that I will check my email for account and trade confirmation receipt and the account confirmation numbers. In case of any discrepancy it will be informed by me within 24 hours.

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

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

For Adventures India

(X4)

Signature of the Applicant(s)

Authorised Signatory

Witness :

Witness :

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

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

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

SIGNED for and on behalf of

The Member : ADVENTURES INDIA

By :

Signature :

Title :

Witness :

SIGNED for and on behalf of

The Client :

By :

Signature :

Title :

Witness :

INVESTOR TYPE :

Individual / Partnership Firm / Financial Institution / NBFC / Corporate

For Individual (If Employed) :

Employer's Name :

Address :

Designation :

Working with the Present Employer Since : Yrs Mths

For Individual (If Self Employed) :

Establishment Name :

Address :

Designation :

Established Since : Yrs Mths

For Partnership Firm / Corporate / Bank / Financial Institution / NBFC :

Name :

Exchange Registration No. (If applicable) :

Total No. of Employees :

No. of Employees in the Back Office :

Networth of the Company :

No. of Directors of the Entity :

Name and Addresses of the Directors of the Company :

S.No.	Name	Address
1		
2		
3		
4		

Bank Account Details:

Bank Name (Multi Banks then Give Details) :

Branch :

Address :

Account No. :

Account Type: Savings / Current / NRI :

Telephone No. :

Fax No. :

Trading Experience :

..... Years in Commodities
 Years in Derivatives
 Years in Stocks
 Years in Any other Investment Related Field

Whether Registered with any other Member :
 Name of the Member :
 Name of the Exchange :
 Client Code No. :
 Collateral's Submitted to the Trading Firm :

S.No.	Collaterals	Declared Value	% Haircut	Assigned Value
	Cash			
	Warehouse Receipts			
	Bank Guarantees			
	Immovable Property			
	Others (Specify)			

References :

Client Introduced by :
 (Surname) (Name) (Father's / Husband's Name)

Introducing Client Code :

The details furnished by me/(name of the entity) are true to the best of my/(name of the entity) knowledge and belief. In case if any of the above information is found to be false or untrue then I am/(name of the entity) to be held liable for it.

(Signature of the Individual Client)

In case of Partnership Firm / Financial Institution / Corporates

(Signature of the Directors of the Company Attested by the Company Seal)

Personal Details of Partners / Promoters / Directors :

1. Copy of Income Tax Return
2. Salary Certificate
3. Proof of Residence (Copy of Passport / Ration Card / Driving Licence / Voters Identity Card)
4. Letter from the Banker Certifying the Account Number

A Copy of the following (only Relevant) may be taken :

1. Income Tax Statement for the Last 2 Financial Years
2. Copy of the Balance Sheet for the Last 2 Financial Years
3. Copy of the Partnership Deed in case of a partnership firm
4. Copy of the Board of Directors Resolution for Participation in Derivatives Trading
5. Copy of the Valuers Certificate in case of Immovable Property
6. In case of an Individual, submit a copy of
 - Passport
 - Ration Card
 - 3 Photographs (As per Requirements of the Member)
 - Copy of the salary slip of the Client for the Last Month
7. Memorandum and Articles of Association

Risk Disclosure Document

(Business Rule - 27)

(THIS DOCUMENT SHOULD BE READ BY EACH AND EVERY PROSPECTIVE CLIENT BEFORE ENTERING INTO DERIVATIVES TRADING AND SHOULD BE READ IN CONJUNCTION WITH THE REGULATIONS OF MULTI COMMODITY EXCHANGE OF INDIA LIMITED (MCX))

MCX has not passed the merits of participating on the Exchange but has passed the adequacy or accuracy of this disclosure document. This brief statement does not disclose all of the risks and other significant aspects of trading. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Risk of loss in trading in derivatives can be substantial. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial and emotional temperament. In case of any consequences or loss in trading on the Exchange, the Client shall be, solely responsible for such loss and the Exchange or Forward Markets Commission shall not be responsible for the same and it will not be open for any Client to take the plea that no adequate disclosure was made or he was not explained the full risk involved by the member. The Client will be solely responsible for the consequences and no contract can be rescinded on that account.

RISKS INVOLVED IN TRADING IN DERIVATIVES CONTRACTS

Effect of "Leverage" or "Gearing"

The amount of margin is small relative to the value of the derivatives contract so the transactions are 'leveraged' or 'geared'. Derivatives trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the principal investment amount. But transactions in derivatives carry a high degree of risk. You should therefore completely understand the following statements before actually trading in derivatives trading and also trade with caution while taking into account one's circumstances, financial resources, etc. If the prices move against you, you may lose a part of or whole margin equivalent to the principal investment amount in a relatively short period of time. Moreover, the loss may exceed the original margin amount.

- A. Futures trading involves daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the index. If the index has moved against you, you will be required to deposit the amount of loss (notional) resulting from such movement. This margin will have to be paid within a stipulated time frame, generally before commencement of trading next day.
- B. 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 a part of or the whole position or substitute commodities. In this case, you will be liable for any losses incurred due to such Close Outs.
- C. Under certain market conditions, a Client may find it difficult or impossible to execute transactions. For example, this situation can occur due to factors such as illiquidity i.e. when there are insufficient bids or offers or suspension of trading due to price limit or circuit breakers etc.
- D. In order to maintain market stability, the following steps may be adopted : changes in the margin rate, increase in the cash margin rate or others. These new measures may be applied to the existing open interests. In such conditions, you will be required to put up additional margins or reduce your positions.
- E. You must ask your Member of the Exchange to provide the full details of the derivatives contracts you plan to trade i.e. the contract specifications and the associated obligations.

Risk-reducing orders or strategies

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

Suspension or restriction of trading and pricing relationships

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

Deposited cash and property

You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, 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 Bye Laws and Regulations of the Exchange.

Commission and other charges

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

Trading Facilities

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

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

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

(x7)

Customer Signature

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

Date : _____ (DD/MM/YYYY)

Check List / enclosure :

1. Certified true to copy of any of the following proof of identity should be submitted - Pan Card / Passport / Driving License Voters Identity Card.
2. Each CLIENT has to give us one registration form. In case of Family MEMBERS please submit separate forms for each person.
3. In case of individuals, a copy of the latest income tax return should be attached if he is a tax payer.
4. Photograph should be signed across by the CLIENT and verified by the authorized signatory of his/her Bank.
5. Originals may be required for verification at the time of submission of the application.
6. Certified true copy of the latest Salary certificate (in case of employee). This is not required if the income tax return is being furnished.
7. Certified true copy of Certificate of Incorporation and Memorandum and Articles of Association (in case of Body Corporate or of partnership deed and certified true copy of partnership firm registration with registrar of firms (in case of partnership firms) or other constitutional documents as the case may be.
8. Certified true copies of Annual Reports and accounts for the last three years. (in case of Body Corporate or firm)
9. Certified true copies of Certificate of Incorporation. (in case of Body Corporate)
10. Letter from the Banker, certifying the Account Number and the period from which the account is in operation.
11. Details of all the partners / Directors / Authorised Signatories as per Annexure.
12. Certified true copy of a resolution passed by the Board of Directors or managing committee authorizing the concerned persons named therein to trade in derivatives and authorizing the person/s who has / have signed this application on behalf of the body corporate to so sign (in case of body corporate).



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Commodity Traders - MCX

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