

(To be given on letter head of the Member)

Annual Compliance Report (2010-11)

To,
Compliance Department
Multi Commodity Exchange of India Ltd
Exchange Square,
Suren Road, Chakala,
Andheri (East),
Mumbai 400 093

I/We hereby certify and confirm that I/We, _____ a Member of the Exchange, carrying business with Membership ID _____ have complied, during the Financial Year 2010-11, with all the Rules, Bye-Laws, Business Rules, Circulars and directives issued by Multi Commodity Exchange of India Ltd., in general and in particular all the specific areas listed in the Annexure 1 of this Report except for non-compliance(s), deviation(s) and exception(s), if any, as listed therein.

Place: _____

For and on behalf of

Date: _____

Signature of Designated Director / Managing Director /
Managing Partner / Proprietor / Karta/ Authorized
Signatory/Compliance Officer

Name: _____

Rubber Stamp

Email ID: _____

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
1	Maintenance of Books of Accounts / Records / Registers			
1.1	Bye-law11.5 , Circular No. MCX/012/2006 dated January 10, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Sauda Book (Register of Transactions)		
1.2	Bye-law11.5 , Circular No. MCX/357/2006 dated September 02, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Exchange wise client ledgers		
1.3	Bye-law11.5 , Circular No. MCX/012/2006 dated January 10, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	General ledger		
1.4	Bye-law11.5 , Circular No. MCX/012/2006 dated January 10, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Journals		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
1.5	Bye-law11.5 , Circular No. MCX/012/2006 dated January 10, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Cash Book		
1.6	Bye-law11.5 , Circular No. MCX/012/2006 dated January 10, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Bank Pass Book		
1.7	Bye-law11.5 , Circular No. MCX/012/2006 dated January 10, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Register of Complaints		
1.8	Bye-law11.5 and Circular No. MCX/012/2006 dated January 10, 2006	Bank Book		
1.9	Bye-law11.5 and Circular No. MCX/012/2006 dated January 10, 2006	Margin Deposit Book		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
1.10	Bye-law11.5 and Circular No. MCX/012/2006 dated January 10, 2006	Trade log		
1.11	Bye-law11.5 and Circular No. MCX/012/2006 dated January 10, 2006	Order log		
1.12	Bye-law11.5 and Circular No. MCX/399/2009 dated September 30, 2009.	Evidence of client placing order		
1.13	Bye-law11.5 and Circular No. MCX/012/2006 dated January 10, 2006	Register of Commodities		
1.14	Bye-law11.5 and Circular No. MCX/012/2006 dated January 10, 2006	Records of Deliveries Received / Tendered Contract wise		
1.15	Bye-law11.5 and Circular No. MCX/012/2006 dated January 10, 2006	Records in Respect of Premium / Discount		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
1.16	Bye-law11.5 and Circular No. MCX/012/2006 dated January 10, 2006	Records in Respect of Brokerage		
1.17	Bye-law11.5 and Circular No. MCX/012/2006 dated January 10, 2006	Records in Respect of Service Tax		
2	Dealing with Clients			
2.1	Business Rules 27 (b) , Circular No. MCX/COMP/206/2008 dated June 16, 2008, Circular No. MCX/COMP/256/2008 dated July 31, 2008, Circular No. MCX/COMP/029/2009 dated January 19, 2009 Circular No. MCX/COMP/399/2009 dated September 30, 2009, Circular No. MCX/COMP/488/2009 dated November 27, 2009 and Circular No. MCX/COMP/113/2010	Obtained Know Your Client Forms complete in all respect along with supporting documents from all clients before accepting or placing orders on their behalf		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
	dated April 05, 2010			
2.2	Circular No. MCX/T&S/149/2008 dated April 23, 2008, Circular No. MCX/COMP/513/2009 dated December 15, 2009 and Circular No. MCX/COMP/298/2010 dated August 21, 2010	Not accepted orders in Inactive Client's accounts without an undertaking from them to re-open those accounts and in case there are material changes in the client details the required formalities of fresh KYC is done		
2.3	Circular No. MCX/T&S/155/2007 dated April 26, 2007, Circular No. MCX/COMP/206/2008 dated June 16, 2008, Circular No. MCX/COMP/029/2009 dated January 19, 2009 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	PAN Details of all clients obtained and uploaded to the Exchange		
2.4	Business Rules 27 (a) and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Executed Member Client Agreement as per format prescribed by the Exchange, with all Clients, before accepting or placing orders on their behalf		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
2.5	Business Rules 27 (c) , Circular No. MCX/COMP/206/2008 dated June 16, 2008 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Issued Risk Disclosure Documents to all clients and maintained their acknowledgement		
2.6	Bye-law 8 , Business Rule 27 (r) , Circular No. MCX/012/2006 dated January 10, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Collection of Margin from clients before entering any order for them		
2.7	Bye-law 5.21 , Circular No. MCX/342/2006 dated August 24, 2006, MCX/COMP/088/2008 dated March 04, 2006, MCX/COMP/317/2008 dated October 07, 2008 and Circular No. MCX/T&S/405/2008 dated December 20, 2008	Allotment of Unique Client Codes to clients		
2.8	Circular No. MCX/COMP/113/2010	Not allotted multiple client codes to the same client		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
	dated April 05, 2010			
3	Contract Notes			
3.1	Bye-law 4.7, Business Rule 27(p) and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Issued Contract Notes to all clients		
3.2	Circular No. MCX/COMP/195/2008 dated June 06, 2008	Issued contracts notes within 24 hours of the execution of trades		
3.3	Circular No. MCX/409/2005 dated December 06, 2005, Circular No. MCX/012/2006 dated January 10, 2006, Circular No. MCX/LEGAL/363/2008 dated November 15, 2008 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Issue of Contract Notes as per format prescribed by the Exchange and with running serial number initiated at the start of every financial year		
3.4	Circular No. MCX/COMP/399/2009 dated September 30, 2009	Maintained evidence of dispatching Contract Notes		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
3.5	Circular No. MCX/COMP/113/2010 dated April 05, 2010	Maintained the proof of receipt of Contract notes by the clients		
3.6	Circular No. MCX/012/2006 dated January 10, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Maintained duplicate Copy of Contract Notes		
3.7	Circular No. MCX/409/2005 dated December 06, 2005, MCX/012/2006 dated January 10, 2006, Circular No. MCX/COMP/304/2007 dated September 01, 2007 and Circular No. MCX/LEGAL/363/2008 dated November 15, 2008	Complied with requirements related to issue of Digital Contract Notes		
3.8	Circular No. MCX/032/2007 dated January 22, 2007, Circular No. MCX/166/2007 dated April 30, 2007, Circular	Modification of client codes, if any, was done on the trading system only and no modification of client codes has been done beyond the stipulated time period		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
	No. MCX/196/2007 dated May 23, 2007 and Circular No. MCX/198/2007 dated May 25, 2007			
4.	Brokerage			
4.1	Business Rule 28 and Circular No. MCX/012/2006 dated January 10, 2006	Brokerage has been charged separately and same has been mentioned separately from the price on the Contract Notes		
4.2	Business Rule 28 and Circular No. MCX/012/2006 dated January 10, 2006	Brokerage has been charged within Permissible Limit		
4.3	Circular No. MCX/357/2006 dated September 02, 2006	Not shared brokerage with another member/employee of another member/person for or with whom members are forbidden to do business/ /or unregistered intermediaries		
5	Handling Funds			
5.1	Bye-law 9.2 and Business Rule 19 (c)	Maintaining Separate Client and Own Bank accounts		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
5.2	Bye-law 9.2 , Business Rule 27 (q) , Circular No. MCX/012/2006 dated January 10, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Segregation of Client's and Own Funds		
5.3	Business Rule 27 (q) and Circular No. MCX/COMP/429/2010 dated December 04, 2010 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Not mis-utilized Clients' Funds/ Commodities		
5.4	Circular No. MCX/COMP/304/2007 dated September 01, 2007 and Circular No. MCX/COMP/401/2009 dated October 01, 2009	Not involved in cash transactions with clients		
5.5	Business Rule 19(c) , Circular No. MCX/012/2006 dated January 10, 2006, Circular No. MCX/COMP/304/2007 dated September 01,	Full Pay-out of Funds has been made to all clients within 48 hours of receiving relevant payout from the Exchange		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
	2007 and Circular No. MCX/COMP/113/2010 dated April 05, 2010			
5.6	Circular No. MCX/COMP/399/2009 dated September 30, 2009	Maintained evidence of making payments to clients for Mark to Market gains		
5.7	Business Rule 27 (d) and Circular No. MCX/COMP/304/2007 dated September 01, 2007	Statement of Accounts for funds (with error reporting clause) has been sent to all clients, with periodicity not exceeding 3 months		
6	Trading			
6.1	Rule 36 (c), Business Rule 30 , Circular No. MCX/332/2005 dated September 30, 2005, Circular No. MCX/CTCL/042/2007 dated January 31, 2007, Circular No. MCX/CTCL/043/2007 dated February 2, 2007 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Use of Trading Terminals by Approved Users only		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
6.2	Circular No. MCX/CTCL/042/2007 dated January 31, 2007, Circular No. MCX/CTCL/043/2007 dated February 02, 2007, Circular No. MCX/CTCL/171/2008 dated May 15, 2008, Circular No. MCX/CTCL/011/2009 dated January 10, 2009 and Circular No. MCX/CTCL/120/2009 dated March 20, 2009	Not used any software facilitating matching/grouping of orders between clients		
6.3	Circular No. MCX/CTCL/042/2007 dated January 31, 2007, Circular No. MCX/CTCL/043/2007 dated February 02, 2007, Circular No. MCX/CTCL/171/2008 dated May 15, 2008, Circular No. MCX/CTCL/011/2009 dated January 10, 2009,	All orders were routed to the trading system of the Exchange for matching		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
	Circular No. MCX/CTCL/120/2009 dated March 20, 2009 and Circular No. MCX/COMP/113/2010 dated April 05, 2010			
6.4	Circular No. MCX/358/2006 dated September 02, 2006, Circular No. MCX/CTCL/042/2007 dated January 31, 2007, Circular No. MCX/CTCL/043/2007 dated February 02, 2007 and Circular No. MCX/CTCL/433/2010 dated December 10, 2010	Periodic System Audit of CTCL and IBT conducted		
6.5	Circular No. MCX/241/2006 dated June 15, 2006, Circular No. MCX/347/2006 dated August 29, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	All trades in own account were done in PRO code only and such trades were done in approved locations only		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
6.6	Bye-law 6.1.7 and Business Rule 29 (b)	Traded only through approved work station(s) from approved location(s)		
6.7	Business Rule 29(b) , Business Rule 30 , Business Rule 32 , Circular No. MCX/COMP/113/2010 dated April 05, 2010	Not provided Trading (TWS / CTCL) terminals to unauthorized intermediaries or unauthorized extension of trading network		
6.8	Bye-law 6.1.7 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Not submitted required details of CTCL terminals to the Exchange		
6.9	Bye-law 8.6.1 , Circular No. MCX/T&S/166/2007 dated April 30, 2007 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Not indulged in any activity resulting in to margin evasion including transfer of trades		
7	Membership Requirements			
7.1	Rule 26(b) , Circular No. MCX/150/2006 dated April 06, 2006, Circular No. MCX/476/2006 dated November 09, 2006, Circular No. MCX/151/2007 dated	No change in Shareholding Pattern or Sharing Pattern /Director or Partner/Name/Dominant Promoter Group without approval of the Exchange		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
	April 20, 2007 and Circular No. MCX/MEM/132/2008 dated May 15, 2008			
7.2	Rule 21(i) , Circular No. MCX/MEM/259/2009 dated June 16, 2009 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Maintained Net-Worth as per Exchange requirement		
7.3	Circular No. MCX/207/2006 dated May 19, 2006	Appointment of Compliance Officer		
7.4	Circular No. MCX/COMP/183/2008 dated May 27, 2008, Circular No. MCX/COMP/129/2010 dated April 23, 2010 and Circular No. MCX/COMP/210/2010 dated June 18, 2010	Submitted Annual Compliance Report – FY: 2009-2010		
7.5	Circular No. MCX/COMP/183/2008 dated May 27, 2008 and Circular No. MCX/MEM/318/2010	Submitted Annual Returns – FY: 2009-2010		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
	dated September 09, 2010			
8	Others			
8.1	Circular No. MCX/007/2005 dated January 03, 2005, Circular No. MCX/003/2006 dated January 03, 2006, Circular No. MCX/012/2006 dated January 10, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Not Issued Advertisement without prior approval from the Exchange		
8.2	Circular No. MCX/069/2004 dated August 05, 2004, Circular No. MCX/COMP/374/2009 dated September 16, 2009 and Circular No. MCX/COMP/085/2010 dated March 18, 2010	Not used MCX Logo/Emblem		
8.3	Bye-law 14.9 , Circular No. MCX/011/2006 dated January 10, 2006	Not doing business with / for any entity / member who are prohibited to transact including		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
	and Circular No. MCX/357/2006 dated September 02, 2006	suspended/expelled/defaulter entities / members, defaulting constituents and employees of other trading member		
8.4	Circular No. MCX/551/2006 dated December 13, 2006, Circular No. MCX/561/2006 dated December 15, 2006, Circular No. MCX/COMP/399/2008 dated December 18, 2008 and Circular No. MCX/COMP/261/2010 dated July 26, 2010	Not indulged directly or indirectly in any activity in the nature of Portfolio Advisory Services/ Portfolio Management Services		
8.5	Circular No. MCX/COMP/488/2009 dated November 27, 2009 and Circular No. MCX/COMP/313/2010 dated September 03, 2010	Complied with Anti Money Laundering and Know Your Customer(KYC) Norms		
8.6	Circular No. MCX/012/2006 dated January 10, 2006 and Circular No. MCX/COMP/304/2007	Maintained Investor's Grievances records and no complaints were pending for more than 30 days		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
	dated September 01, 2007			
8.7	Circular No. MCX/MEM/282/2010 dated August 07, 2010 and Circular No. MCX/MEM/317/2010 dated September 07, 2010, Circular no. MCX/MEM/047/2011 dated February 23, 2011	Complied with the requirements related to dealings through Authorised Persons		
8.8	Circular No. MCX/MEM/282/2010 dated August 07, 2010, Circular No. MCX/MEM/290/2010 dated August 16, 2010; Circular No. MCX/MEM/428/2010 dated December 01, 2010, Circular No. MCX/MEM/002/2011 dated January 03, 2011 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Stopped dealing with market intermediaries other than registered Authorised Persons w.e.f. Feb 01, 2011		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
8.9	Business Rule 24 (d)	Not indulged in Circular Trading, Cross Dealing, Price Rigging, Price Manipulation and Any other Market Abuses		
8.10	Rules, Bye-laws, Business Rules and Circular No. MCX/COMP/113/2010 dated April 05, 2010	No Offices/Branches/Franchises or User ID's/ Trade Work Stations (TWS) or Trading Terminal are being used for doing unauthorized / illegal trading / fictitious transactions or any trade outside the purview of the Exchange		
8.11	Circular No. MCX/295/2006 dated July 28, 2006 and Circular No. MCX/COMP/113/2010 dated April 05, 2010	Display of Notice Board as per Exchange requirement		
8.12	Circular No. MCX/TRN/087/2008 dated March 03, 2008	MCCP Certification obtained by at least one of the employees		
8.13	Bye-law 4.8 and Circular No. MCX/101/2005 dated March 14, 2005, Circular No. MCX/181/2005 dated May 11, 2005 and	Stamp Duty paid		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
	Circular No. MCX/COMP/113/2010 dated April 05, 2010			
8.14	Bye-law 4.8 , Circular No. MCX/176/2005 dated May 06, 2005, Circular No. MCX/C&S/071/2010 dated March 09, 2010, Circular No. MCX/COMP/113/2010 dated April 05, 2010 and Circular No. MCX/COMP/019/2011 dated January 20, 2011	Services Tax/ Sales Tax/ VAT paid		
8.15	Circular No. MCX/176/2005 dated May 06, 2005, Circular No. MCX/238/2005 dated June 29, 2005, MCX/267/2005 dated July 22, 2005, Circular No. MCX/309/2005 dated September 02, 2005 and Circular No. MCX/405/2005 dated December 03, 2005	Complied with all requirements pertaining to delivery / receipt of commodities		

	Rules/ Bye-laws/ Business Rules / Circulars of the Exchange	Particulars	Complied (Yes/No/ N.A.)	Remarks
8.16	Business Rule 10 and Circular No. MCX/FIN- ACCT/097/2010 dated March 25, 2010	Taken insurance policy		
8.17	Circular No. MCX/COMP/127/2011 dated April 16, 2011	Segregation of BPO/KPO services from Commodity Derivatives Market		

Place: _____

For and on behalf of _____

(Name of member)

Date: _____

Signature of Designated Director/Managing
Director/ Managing Partner/Proprietor/Karta/
Authorized Signatory/Compliance Officer

Name: _____

Rubber Stamp

Notes:

- 1 Please note that the report is to be signed by Designated Director/Managing Director/ Managing Partner/Proprietor/Karta/ Authorized Signatory/Compliance Officer only.
- 2 All pages are to be initialed by Designated Director/Managing Director/ Managing Partner/Proprietor/Karta/ Authorized Signatory/Compliance Officer only.
- 3 Please note to enter only one of the alternatives- Yes/No/N.A.- whichever is appropriate, in the column “Status of Compliance” for each of the items. **Members may please note that ‘Yes’ in the fourth column of the ACR format implies compliance with the circular while ‘No’ implies non compliance with the circular mentioned in the second column. Yes/ No is not with respect to the particulars given in the third column.**
- 4 Please note that for items referred as “Not Applicable”, the member must provide reason for non applicability in the respective remarks column.
- 5 Please also note that no item shall be left blank and that any item that is left blank will be construed as not complied with.
- 6 Where space in remarks column is not sufficient for comment, please enclose self certified annexure/s.
- 7 Members are required to ensure that the reporting to be made in ACR is done after proper scrutiny of their records and incorrect reporting will attract a penalty of Rs.2,500/- per instance.