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2. MARKET OPERATIONS

1. Trading Days, Hours and Trading Holidays

1.1. Exchange will have trading session from Monday to Friday for different commodities as under:

Particulars	Trade Start Time	Trade End Time	Client Code Modification Session
Non - Agri Commodities	9:00 AM	11:30 PM / 11:55 PM	11: 30 PM to 11:45 PM / 11:45 PM to 11:59 PM
Internationally Referencable Agri Commodities (Presently - Cotton ,CPO & RBDPMOLEIN)	9:00 AM	9:00 PM	09:00 PM to 09:15 PM
All Other Agri Commodities	9:00 AM	5:00 PM	05:00 PM to 05:15 PM

1.2. With regard to Muhurat Trading on Diwali (Lakshmi Poojan) day, Exchange shall jointly decide the common trade timing along with all National Commodity Derivatives Exchanges and notify the same to the market under prior intimation to SEBI.

1.3. Exchange may extend, advance or reduce trading hours by notifying the Members as and when it deems fit and necessary due to any technical or operational reasons.

1.4. With regard to trading holidays, Exchange shall jointly decide along with other National Commodity Derivatives Exchanges, the common holiday list within the broad framework of the Negotiable Instruments Act, 1881. Exchange shall also

[1] Substituted vide MCX Circular No. MCX/TRD/507/2018 dated December 3, 2018. Prior to substitution, it read as under:

Sr. No	Commodity Category	Trade Start Time	Trade End time after Start of US Day light Savings in Spring Season	Trade End time after End of US Day light Savings in Fall Season
1	Internationally Referencable Non-Agri Commodities	10.00 AM	11:30 PM	11:55 PM
2	Internationally Referencable Agri Commodities*	10.00 AM	9:00 PM	9:30 PM
3	All Other Commodities	10.00 AM	5:00 PM	5:00 PM
*Presently traded internationally referencable Agri commodities are Crude Palm Oil, Cotton and Kapas				

take into consideration Central/State/Local holidays. Exchange shall notify the holiday list to the market well in advance under prior intimation to SEBI. On such trading holidays, Exchange may permit trading of internationally referencable commodities in evening session i.e. post 5:00 PM, in case corresponding international markets are open.

2. Launch, Modifications, Delisting, Re-launch of Contracts[2]

2.1 Exchange shall launch trading in commodity futures contracts after obtaining approval from SEBI. The trading in futures contracts shall be subject to Rules, Byelaws and Business Rules / Regulations of the Exchange.

2.1 A [Exchange shall start trading in options contract after meeting such conditions as may be stipulated by SEBI from time to time and after taking prior approval from SEBI. The underlying in case of options contract shall be the corresponding commodity futures contracts, which are traded on Exchange platform.][3]

2.2 The contract specification in respect of each underlying commodity in which futures trading has to commence will be notified in advance to the market participants on the website of the Exchange specifying full details of the quality standards, delivery procedure and other trading and settlement parameters relating to tick size, Unit of Trading, unit of delivery, delivery centres, minimum and maximum order size and the basis in terms of quality etc., shall be binding on all members, clients and constituents trading on the Exchange.

2.2A [The contract specifications for the options with the specified commodity futures contract as underlying in which options trading has to commence, shall be notified in advance to the market participants on the website of the Exchange, and shall be binding on all members, clients and constituents trading on the Exchange.[4]]

2.3 Exchange may modify the futures contract specifications related to Ticker symbol, Basis, Maximum order size, Trading unit, Delivery unit, Quotation base value, Tick size, Delivery centres, additional delivery centres, issue related to Premium/Discount, Quality parameters and its relevant aspects such as Quantity variation and Tolerance limit in the futures contract specifications after informing the market participants and the Regulator in advance, before introduction of any modification in contract specifications along with reasons for the modifications.

2.4 In case of modifications in other specifications of the contract (other than those specified above), Exchange may do so after obtaining approval from SEBI.

2.5 Any contract entered into in violation of these norms or not confirming to the specifications laid down by the Exchange shall be considered as void.

2.6 In case of contracts approved for trading by SEBI:

2.7 If Exchange decides not to launch new contract for trading, then Exchange shall inform market participants well in advance and shall also keep the Regulator informed with adequate reasons for not launching of such contract.

2.8 If Exchange decides to de-list already running contract(s) having nil open interest, then

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[2] Inserted vide SEBI Circular SEBI/HO/CDMRD/DRMP/CIR /2016/88 dated September 20, 2016 and MCX Circular MCX/T&S/284/2016 dated September 21, 2016.

[3] Inserted vide MCX Circulars MCX/TRD/177/2017 dated June 13, 2017,MCX/TRD/373/2017 dated October 9, 2017 and MCX/TRD/377/2017 dated October 10, 2017.

[4] Inserted, *ibid.*

exchange shall keep the regulator informed with adequate reasons for delisting the contract(s).

2.9 The re-launch of new contracts in case of a and b above shall be with prior approval of SEBI.

3. Trading Parameters

3.1. Base Price [for Futures Contracts][5]:

At the time of making a contract available for trading on the system, the Exchange will decide its base price, which will be a notional price based on the spot market price of that commodity on the previous day and a notional carrying cost or a reference price available in any other Derivatives Exchange.

[3.1 A Base Price for Option Contracts:

At the time of making option contract available for trading on the system, the Exchange will decide its base price, which shall be the theoretical price on Black 76 option pricing model on the first day of the contract and on days when the contract is illiquid. On all other days, it shall be the Daily Settlement Price of the contract. The minimum/ maximum operating price range for options contract will be statistical daily price range computed based on Black76 option pricing model.

The formula for calculation of theoretical base price and statistical operating range as per Black76 model formula is as follows:

The options price for a Call shall be computed as per the following formula:

$C = \text{Max} [e^{A} -rt \{(F*N(dl) - K*N(d2)\},\text{Tick size}]$

and the price for a Put is:

$P = \text{Max} [e^{A} -rt \{(K*N(-d2) - F*N(-dl)\},\text{Tick size}]$

and

dl = [Log Normal [U/L Price (F) / Strike (K) } + {Volatility (V)^{A}2/2 } * Time To Expiry (T)] / [Volatility (V) * sqrt {Time to Expiry }]

d2 = dl- Volatility * sqrt (Time to Expiry)

where:

F = Underlying Price
K = Strike Price
V = Volatility
T = Time to expiry (Days to Expiry / No. of days in Year)
R = Interest rate

Exchange shall use Mumbai inter Bank offer rate (MIBOR) for the purpose of interest rates.[6]]

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[5] Inserted, *ibid.*
[6] Inserted, *ibid.*

3.2. Daily Price Limit (DPL) on First Trading [Futures][7] Day of the Contract (For Agri/Non-Agri Commodity Derivatives)

For fixing DPL slabs, base price shall be taken as previous day's closing price of the contract, however for the first trading day (launch day) of each contract, Exchange shall determine base price as under:

3.2.1 Volume Weighted Average Price (VWAP) of the first half an hour, subject to minimum of ten trades.

3.2.2 If sufficient number of trades are not executed during the first half an hour, then the VWAP of first one hour trade subject to minimum of ten trades.

3.2.3 If sufficient number of trades are not executed even during the first hour of the day then VWAP of the first ten trades during the day.

The base price arrived as per (3.2.1) or (3.2.2) or (3.2.3) above, as the case may be, shall be calculated by the Exchange and shall be used to determine DPL for the remaining part of the day.

[3.2A. Daily Price Limit for Option Contracts

The daily price limit for option contracts shall be as under:

The upper and lower price band shall be determined based on statistical method using Black76 option pricing model and relaxed considering the movement in the underlying futures contract. In the event of freezing of price ranges even without a corresponding price relaxation in underlying futures, if deemed necessary, considering the volatility and other factors in the option contract, the Daily Price Limit shall be relaxed by the Exchange.][8]

3.3. Daily Price Limit (DPL) for Commodity Contracts

3.3.1 DPL for agricultural commodity derivatives contracts[9]

DPL for agricultural commodity derivatives contracts shall be as under:

Commodity	Initial Slab	Enhanced Slab	Total DPL
Agricultural Commodities	3%	1%	4%

DPL shall have two slabs- Initial and Enhanced Slab. Once the initial slab limit is reached in any contract, then after a period of 15 minutes this limit shall be increased further by enhanced slab, only in that contract. The trading shall be permitted during the 15 minutes period within the initial slab limit. After the DPL is enhanced, trades shall be permitted throughout the day within the enhanced total DPL of 4%.

The above slab-wise DPL norm shall be applicable uniformly on all trading days.

[7] Inserted,*ibid*
[8] Inserted, *ibid.*
[9] Inserted vide SEBI Circular CIR/CDMRD/DMP/02/2016 dated January 1, 2016 and MCX/T&S/009/2016 dated January 15, 2016.

3.3.2Daily Price Limits (DPL) for [Futures][10] Non-Agricultural Commodity Contracts[11]

DPL of all non-agricultural commodity derivatives contracts shall be as under:

[10] Inserted, *Supra Note 3.*

[11]Inserted vide SEBI Circular SEBI/HO/CDMRD/DMP/CIR/P/2016/83 dated September?, 2016 and MCX/T&S/273/2016 dated September?, 2016.

Name of Commodity	Initial Slab of DPL	1st Enhanced Slab of DPL	2nd Enhanced Slab of DPL	Aggregate DPL
Gold	3%	3%	3%	9%
Other Non-Agri Commodities (Presently being traded on Exchanges)	4%	2%	3%	9%

3.3.2.I. DPL shall have three slabs as mentioned in table above. Once the trade hits the prescribed Initial slab, the DPL shall be relaxed further by 1st Enhanced Slab' without any cooling off period in the

trading. In case, '1st Enhanced Slab' is also breached, then after a cooling off period of 15 minutes, the DPL shall be further relaxed by '2nd Enhanced Slab'.

3.3.2.2. During cooling off periods trading shall continue to be permitted within the previous slab of DPL.

3.3.2.3. In case price movement in referencable international market is more than the aggregate DPL, the same may be further relaxed in steps of 3% by the Exchange. The Exchange shall immediately inform Integrated Surveillance Department (ISD) of SEBI about any such relaxation of DPLs beyond Aggregate DPL, along with all the relevant details and justification.

3.4. Exchange may prescribe DPL narrower than the slabs prescribed by SEBI in case it is required to do so based upon the analysis of price movements and the surveillance findings.

3.5. Closing Price

3.5.1 Close Price: At the end of a trading day, the system shall calculate the Closing Price of each and every contract traded on the system. The logic for calculation of Closing Price shall be as follows:

i. Closing Price is equal to weighted average price of all trades done during the last 30 minutes of a trading day.

ii. If the number of trades during last 30 minutes are less than 10, then it is based on the weighted average price of the last 10 trades executed during the day.

iii. If the number of trades done during the day are less than 10, then it is taken as the weighted average of all the trades executed during the day.

iv. If no trades have been executed in a contract on a day, then the official closing price of the last day is taken as the official Closing Price.

Provided that in such cases, the Exchange shall have the right to modify the Closing Price for the purpose of marking to market and making the open positions closer to the market.

3.5.2 [DELETED][12]

3.6. [DELETED][13]

[3.6A Fixation of Final Settlement Price for Options Contracts

Daily settlement price of underlying futures contract on the expiry day of options contract shall be the Final Settlement Price for Options Contracts][14]

3.7. Life of the Futures Contract:

The life of a [futures][15] contract shall mean the period when the contract will be available for futures trading i.e., the period between the start of trading and the day it expires. This period may also be known as the trading cycle of the contract.

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[12] Deleted. Prior to deletion it read as *"Method for change in Close Price in case of illiquid future contracts".* This is now governed by MCXCCL. Refer *MCXCCL Master Circular MCXCCL/C&S/004/2018 dated August 31, 2018.*

[13] Deleted. Prior to deletion it read as *"Fixation of Final Settlement Price (FSP)for Futures Contracts."* This is now governed by MCXCCL. Refer *MCXCCL master circular MCXCCI/C&S/004/2018 dated August 31, 2018.*

[14] Inserted, *Supra note 3*

[15] Inserted, *Supra note 3*

[3.7A Life of Options Contract:

The life of options contract shall mean the period when the contract will be available for options trading and the last day of the trading pursuant to which it will devolve into futures contract, based on the various conditions, as may be applicable to the options contract and shall be specified by the Exchange in the contract specifications.][16]

3.8. Expiry Date:

Each Contract shall expire on the date specified in the contract specification or at such other date as may be informed by the Exchange from time to time.

3.9. Change in expiry date:

Exchange may advance expiry date of running contract in case physical market is closed in the notified basis centre on the expiry day of the contract, due to festivals, strikes, erratic weather conditions, etc. Decision about advancing expiry of running contract shall be intimated to the trade participants at least 10 days before the revised expiry date. The delivery period may be advanced accordingly for contract having staggered delivery. The FSP of such contract shall be fixed as per the above procedure (para 3.6 above as per modified expiry date).

3.10. Contractual Liability Termination:

Members can extinguish their contractual liabilities by either entering into an offset deal or by delivery [or by such other method as may be specified from time to time.][17]

3.11. Invalidation of a Traded Contract:

The Exchange may invalidate a matched contract if according to the Exchange; a member has attempted to conclude the transaction in violation of the Bye-laws of the Exchange or with an intention of price manipulation, price rigging or price distortion.

3.12. Governing Law / Jurisdiction:

Every Futures contract transacted as per Bye-laws of the Exchange shall take effect as a contract made in Mumbai in the State of Maharashtra and shall be governed by Indian Laws under the jurisdiction of the High Court, Mumbai.

3.13. Force-Majeure:

In case Import of Specified commodities (which are substantially dependent upon import from outside) under Open General License (OGL) is banned/canalised during the trading session and the official announcement is made about the same, then the outstanding contracts will be settled on the basis of preceding day's closing price. If however the official announcement regarding banning/canalising of Imported Specified commodities is made after the closing of trading then the outstanding contracts will be settled on the basis of the current day's closing price.

Any fluctuation / change in Import duty structure is on sellers' account.

In case of any natural calamity like flood, earthquake, strikes etc., which has such a substantial bearing on the physical market of that commodity that the availability of the commodity in the country is expected to reduce [****][18], making delivery of the commodity virtually impossible, then the Board will have

[16] Inserted, *Supra note 3.*
[17] Inserted, *Supra note 3.*
[18] Deletion of "at least by 50%", *Supra note 3.*

the power to settle the contract before maturity, as per the official closing price, subject to Regulator's approval.

In case of system related problems, while the Exchange will attempt to rectify the problem at the earliest, it will not be responsible for the consequential losses, if any.

3.14. [In case of option contracts, the Exercise style, Strike Intervals and Minimum number of Strikes available for trading shall be specified in the contract specifications.][19]

[19] Inserted, *Supra note 3.*

4. User ID[20]

For every TWS to be used by a member, he shall be required to obtain registration of the Approved User in the specified format who will be responsible for such TWS.

a. [The Exchange has introduced a new web portal called 'elllMS' (Electronic User ID Management System), an internet enabled application, with effect from December 3, 2018 for allowing Members to submit online requests for the following functions:

- Online Application for User ID
- Online Application for Change of User Name
- Online Application for Change of Terminal Address
- Online Application for Cancellation of User ID

b. Additionally, the Exchange has prescribed the formats for Mapping / Availing Pro account trading facility of User IDs. Members are requested to submit the application(s) in the formats prescribed as under:

Annexure A.l - Mapping of Member Administrator / Approved Users to the mode of connectivity
Annexure A.2 - Application for continuing the Pro account trading facility from terminals located from more than one location (To be submitted only with change of pro enab. user id application. Please refer circular no: MCX/T&S/147/2016)
Annexure A.3 - Members (TM/TCM/ITCM) desirous to avail the Trading facility on behalf of Custodial participants. (Please refer circular no: MCX/T&S/160/2009)

- The applications as mentioned in point b. above should be on the letter-head of the member.
- All columns prescribed in the format should be duly filled up.
- The application form should be signed by Authorised Signatories (designated director in case of company / proprietor in case of individual/ managing partner in case of Partnership firm.)][21]

5. Order Management

5.1. Order Types

The Exchange Members will be able to submit the following types of orders:

- ***Limit order,*** specifying the price at (or better than) which the trade should be executed.
- Market Order which derives its price in the following order:
  i. It gets executed at the best counter side order price.
  ii. If there is no counter side order, it takes the best price of same side order book.

[20] Inserted vide MCX Circular MCX/T&S/289/2016 dated September 26, 2016.
[21] Substituted vide MCX Circular No. MCX/TRD/494/2018 dated November 26, 2018. Prior to Substitution it read as ***"Guidelines for Application of User ID Creation/Change or Cancellation ..... "***

iii. If there are no order(s) on the same side, it takes the last traded price.

iv. If there are no trades for the day, it takes the previous close price.

- ***Day orders*** are available for execution during the current trading session until executed or cancelled. All day orders will get cancelled at the end of the day during which such orders were submitted.
- ***Good till date,*** which should be available for execution till end of the date indicated in the order or till the last trading day of that contract month, whichever is earlier.
- ***Good till cancel,*** which is available for execution till maturity of the contract or till it is cancelled, whichever is earlier.
- ***Stop loss orders,*** which are kept by the system in suspended or abeyance mode and are activated only on trigger of a price, as defined by the member.
- ***Immediate or Cancel (IOC)*** orders will get cancelled if not executed on submission of such an order. Such orders will not remain in the order book.

5.2. Modification and cancellation of orders

A Member shall be permitted to modify or cancel his orders. The order can be modified by effecting changes in the order input parameters.

Time priority on order modification will not change for an order due to decrease in its quantity or decrease in disclosed quantity, otherwise the time priority of the order will change.

5.3. Order Validation

Orders entered into the Trading System by the Members shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as may have been decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Trading System.

- The Exchange may specify the minimum disclosed quantity for orders that will be allowed.
- The Exchange may specify the number of days after which Good Till Cancelled orders will be cancelled by the system.
- The Exchange shall specify the lot size in which orders can be placed for a contract traded on the Exchange.
- The Exchange shall specify from time to time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.

5.4. Cancellation Of Orders :

Members unable to cancel orders from the Member Admin Terminal / User Terminals shall request the Exchange to carry out the order cancellations on their behalf by giving the request to the Exchange in the format prescribed in **Annexure B**

[5.4.1 In the event of a delayed start due to unwarranted or unavoidable circumstances or market disruption, during trading hours or special session, the Exchange shall cancel all type of pending orders once system is restored and no separate time to be given to members for cancellation of orders. Market participants will be required to place fresh orders on resumption of trading.

The Exchange shall not be responsible or held liable for any incidental, special or consequential damages including but limited to loss of profit.][22]

[22] Inserted vide MCX circular no. MCX/TRD/085/2022 dated February 16, 2022

[22] Inserted. *Supra note 3.*

5.5. [Turnover Limit:

A facility is available whereby Members may request the Exchange to set the turnover limit in order to increase/Decrease the Turnover Limit in the format prescribed in **Annexure C.** This facility is also available on the Member Admin Terminal provided by the Exchange.][22]

5.6. Square-Off Open Position:

A facility is available whereby Members may request the Exchange to reduce the open positions in case of emergency situations in the format prescribed in **Annexure D**

5.7. LTP Based Calendar Spread Trading Facility[23]

- The LTP based calendar spread facility will be available in combinations of 2 underlying futures contracts- Near month and Far month contract. A spread order once executed results into trades of near month and far month futures contract.
- 'Buying' spread implies selling near month futures contract and buying far month futures contract. Similarly, 'selling' spread means buying near month futures contract and selling far month futures contract.
- The price of a spread order is quoted as the difference between the prices at which the near month and far month contracts will be traded. The spread price may be positive, negative or zero. While there would be a separate order book, matched orders would result into trades in the respective futures contracts. In respect of the near month futures contract, the trade is generated at near month contract's Last Traded Price while in the far month contract, trade is generated at 'near month contract's Last Traded Price + spread price'.

[23] Inserted vide MCX Circular MCX/T&S/082/2015 dated March 19, 2015.

- Since trades resulting from the spread facility automatically result in near month and far month contracts positions, the margin and other obligations are computed based on the positions in the respective near and far month contracts.
- The trades generated on account of LTP based calendar spread trading facility shall not be considered for the day open /high / low / close price computation of the respective near month and far month futures contract.
- The calendar spread trading facility will be available for the following combination of expiry months of the same commodity:
    a. Near Month and Second available Month
    b. Near Month and Third available Month
    c. Second available Month and Third available Month.
- In the Trader Work Station, Members have to select the symbols while placing the orders as per the combinations of the different expiry months made available. The Symbol will be of maximum 10 characters which will be combination of the following:
    i) First Three characters will represent commodity symbol
    ii) Next Three (Fourth to Sixth) characters will represent the near month
    iii) Next Two (Seventh and Eighth) character will represent the far month
    iv) Last Two characters will be the year of the far month contracts
    v) For a given combination of symbols, trading facility will be available till the date of expiry of the near month.

5.8. Spread IOC functionality[24]

Spread IOC Order functionality facilitates placing orders simultaneously in two different maturity contracts of same underlying. In order to deter the market participants from placing large number of orders outside the tradable range of the prevailing market price leading to large number of cancelled orders, Exchange levies a charge based on the Order to Trade Ratio applicable in case of Spread IOC Orders (originating through any mode) only at Member level as under:

Daily Order to Trade Ratio Member-wise	Charge (Per Order)
Up to 20	NIL
More than 20 up to 40 (On incremental basis)	1 paise
More than 40 up to 60 (On incremental basis)	3 paise
More than 60 (On incremental basis)	5 paise

Further, in case the number of Spread IOC Orders per day per Member exceeds 5 lacs orders but is less than 10 lacs orders and where it exceeds 10 lacs spread IOC orders, the charge levied will increase to two and four times respectively of the charge structure specified in the above table.

6. Matching Rules

a) The Exchange may launch more than one order book running either parallel or at different time spans, either with the same order matching rules or with different matching rules. The Exchange is also entitled to modify or change the

[24] Inserted vide MCX/T&S/400/2010 dated November 12, 2010.

matching rules relevant to any market or order books any time where it is necessary to do so.

b) Without prejudice to the generality of the above, the order matching rules will have the following features:

- Orders in the Normal market will be matched on price -time priority basis.
- Best buy order shall match with the best sell order.

(The best buy order would be the one with the highest price and the best sell order would be the one with the lowest price.)

c) The Exchange shall prevent self-matching orders through Self Match Prevention Functionality (SMPF). The potential Self-Match orders shall be identified at the PAN level. When an active buy/sell order gets potentially matched with a passive sell/buy order (where the PAN of both the orders is same), the active order shall be cancelled. On cancellation, the status of the respective order shall change from 'Active' to 'Cancelled' with reason as 'Cancelled by Exchange due to SMPF'. However, partial execution of the active order shall be done, till the point the potential self-match order is not encountered. Once a potential self-match order is encountered, the remaining quantity of the active order shall be cancelled.

d) SMPF shall be applicable for all order categories and clients (including *OWN* and INST clients). Further, it will not be applicable to Spread IOC/2L/3L orders and auction orders.

6.1. Maximum Order Size Limits[26]

The maximum order size limits in value terms shall be based on the margin deposits placed by the member with the Exchange. The following slabs shall be made applicable in this regard:

Deposit of a Member with the Exchange	Maximum Order Size
Upto ' 2.5 lacs	10 times of deposit
Above ' 2.5 lacs upto ' 5 lacs	' 65 lacs
Above ' 5 lacs upto ' 25 lacs	1.30 crore
Above ' 25 lacs upto ' 1 crore	' 2 crore
Above ' 1 crore upto ' 5 crore	' 3 crore
Above ' 5 crore upto ' 10 crore	' 4 crore
Above ' 10 crore upto ' 25 crore	5 crore
Above' 25 crore	6.5 crore

6.2. The maximum order size limit shall be subject to maximum order size as specified in contract specifications of the respective commodities. Members desiring to increase the maximum order size beyond ' 65 lacs, shall make a request for increase / reduction in the maximum order size beyond/below' 65 lacs to the Exchange in the prescribed format attached as **Annexure E.**

6.3. The Exchange reserves the right to review each request of increase on a case to case basis based on aspects like track record of operations of the Member, number of

years of continued operations of the Member, continuous period during which deposits of the Member are available with the Exchange etc.

6.4. The Exchange reserves the right to refuse any request made by the Member/s for increase in maximum order size without assigning any reason thereto and decision of the Exchange in this respect shall be final and binding on the Members.

6.5. Reset of Member Administrator password: Members can request the Exchange to reset the

[26] Inserted vide MCX Circulars MCX/T&S/343/2013 October 11. 2013 and MCX/T&S/140/2011 dated April 20. 2011.

password of the member's administrator (Member Admin) terminals by sending a request to the Exchange in the Format prescribed in Annexure F, In case of reset of password of the user terminals, members can use the facility provided in the Member Admin terminal.

7. **Disclosure of Proprietary Trading and "Pro-account" Trading Terminal**[27] All trading members shall disclose to their clients whether they do client based business or proprietary trading as well. The members may do so in one of the following methods:

   a) Disclose the information of proprietary trading to the existing clients by sending letter and / or email.

   b) Update the information on their company website (if any).

   c) Disclose the proprietary trading information on the Contract Notes issued to the clients.

   d) For new clients, disclose the information of proprietary trading upfront at the time of entering into the Know Your Client agreement.

   e) In case of a trading member who at present does not trade on proprietary account, chooses to do so at a later date, he shall be required to disclose this to his clients before carrying out any proprietary trading.

"Pro account" trading terminals

1. The facility of placing orders on "pro-account" through trading terminal / CTCL terminal shall be extended only at one location, (default location) as specified by the member. The application for enablement of trading terminal at default location shall be made to the Exchange in the format prescribed in **Annexure G.l**
2. Trading terminals / CTCL terminals located at places other than the default location shall have facility to place orders only for and on behalf of the clients by entering the client code details as specified by the Exchange / SEBI.
3. In case any member requires the facility of using "pro-account" through trading terminals from more than one location, such member shall be required to submit an undertaking in the format specified in Annexure G.2 Further, member shall be required to apply for enablement of "pro-account" facility specifying the location and reason for enablement in the format specified in Annexure G.3
4. CTCL Ids mapped to an Exchange user id which is enabled for "pro-account" trading shall be automatically enabled for "pro-account" trading. Members shall therefore ensure that no trades in "pro-account" should be executed through any CTCL Id unless the approvals are taken from the Exchange.

[27] Inserted vide SEBI Circular SEBI/HO/CDMRD/DMP/CIR/P/2016/49 dated April 25. 2016. MCX Circulars MCX/T&S/147/2016 dated May 17. 2016 and MCX/T&S/l96/2016 dated July 7. 2016.

8. Hedge Policy[27]

8.1. Policy

The hedge limit to be granted by the Exchange to the bona fide hedgers shall be in addition to the normal position limit allowed to it. Such hedge limit is non- transferrable and shall be utilized only by the Hedger to whom the limit has been granted and not by anyone else.

a) This hedge limit granted for a commodity derivative shall not be available for the near month contracts of the said commodity from the date of applicability of near month limit.

b) Hedge limits for a commodity shall be determined on a case to case basis, depending on applicant's hedging requirement in the underlying physical market based upon:

(i) his/its Export or import commitments
(ii) Stocks held
(iii) Past track record of Production or Purchase or Sales
(iv) Processing capacity and
(v) Other factors as the Exchange may deem appropriate.

c) Exchange shall grant hedge limits to the applicant on verification of documentary evidence of the underlying exposure and ensuring that the hedge limit granted is genuine and does not have the potential to disturb the equilibrium of the market of that particular derivative contracts.

d) The hedge limit may also be made available in respect of the short open position acquired by an entity for the purpose of hedging against the stocks of commodities owned by it and,

i. pledged with the Scheduled Commercial Banks/Co- operative Banks or
ii. lying in any Government Entity's warehouse/ WDRA Approved warehouses or
iii. lying in any other premises (warehouse, factory etc.), provided the premises is either owned by the hedger or taken on lease by the hedger in its name.

e) With regard to point (e) above, Exchange shall ascertain that such premises are well equipped with quality control safeguards for storage of the relevant commodity. In order to ascertain this, Exchange shall obtain a certification from the management of the Company / firm to this extent. Exchange may also require a certificate from a third party assayer / warehouse service provider / independent auditor. Further, relevant Bank Certificate/Warehouse Receipt, as the case may be, provided by the Hedger shall be subject to verification regarding ownership of the stocks etc., by the Exchange.

f) At any point of time during the hedge period, hedging positions taken in derivatives contracts by hedger, across multiple Exchanges/ Contracts, shall not exceed his/its actual/anticipated exposure in the physical market, even if there is a usable hedge limit available as per allocation made by the Exchanges to the hedger.

g) The margins for any commodity prescribed by the Exchange for the other market participants shall also be applicable to the hedgers.

i) If under any circumstances a hedger is found availing hedge limit in contrary to the guideline framed by the SEBI/Exchanges or submits false document or fails to inform the Exchange in a timely manner about reduction of underlying exposure based upon which it has been allocated hedge limit by Exchange, it shall be liable for expulsion from membership/prohibition from trading as the case may be. Such action shall be without prejudice to other disciplinary actions including penalties prescribed by the Exchange.

j) A Hedger having availed of benefit of hedge limits shall preserve relevant records for a period of minimum three years for inspection by SEBEExchange.

k) The hedge limit approved by the Exchange shall be valid for a period as mentioned in the approval letter and such hedge limit shall stand cancelled automatically upon expiry of such period without any notice. The Exchange shall review periodically the maximum quantum of hedge limits to be sanctioned to each applicant subject to fulfilment of prescribed conditions. Currently the hedge limit to be sanctioned shall be not more than the applicable client level position limits. For e.g. If

the client level positon limits in Cardamom is 160 lots then the additional hedge limit shall not exceed 160 lots.

l) The Exchange shall be disclosing on its website the hedge position allocated to various hedgers, indicating the period for which approval is valid, in an anonymous manner. The disclosure shall be made in the following format:

Sr No	***Name of the Commodity***	***Hedger***	***Long Hedge Limits***	***Short Hedge Limits***	***Date of making application***	***Application Approval Date***	***Approval Start Date***	***Date till Approval is valid***
1		Hedger 1						
2		Hedger 2						

Guidelines

1. The request for additional open position shall be considered only on receipt of all the documents, complete in all respects. The Exchange reserves the right to reject any application or to stipulate any additional conditions or ask for additional documentation before and / or after sanctioning hedge limit.

2. Members shall:

   i. Not put through any trade by a Hedger violating the limit or any of the terms or conditions on which hedge limits are sanctioned.

   ii. Monitor the Hedger's position continuously to ensure that it does not exceed the sanctioned limit.

   iii. Ensure that the Hedger has not kept open the additional hedge limit (granted) in the near month contract.

   iv. Immediately inform the Exchange of any violation of limit or terms and conditions by a Hedger.

3. An Exporter/ Importer availing hedging limit on open position on account of his unfulfilled export/ import commitment should in the event of his not being able to

   ship the goods during the contract period, either for reason of non-availability of freight or for any other reason, forthwith liquidate his equivalent open position

   exceeding the limit prescribed specifying reasons to the Exchange. Failure to do so would render him ineligible for availing hedging limit on open position in respect of his export/ import contracts thereafter.

4. If any member / non-member (client hedger)) is found availing hedging limit in any manner without having stock of physical goods / export commitment or submits false document, availing hedging limit on the same stock at two different Exchanges, he shall be liable to expulsion/ debarment and other severe disciplinary measures and penalties. Therefore, the member, while seeking limit on behalf of their clients, shall exercise due diligence on their part during the period of hedge.

5. Hedge limits would be valid till underlying exposure in physical market such as stocks held, Domestic/Import/Export commitments, anticipated sales/purchases are open. Positions established in the hedge code should be liquidated in an orderly manner in accordance with sound commercial practices. The initiation and unwinding of hedge positions should correspond to the underlying position in the physical markets.

6. As the hedge positions are typically larger than the normal client level limits, the member may, in addition to Exchange prescribed margins, also collect additional margins based on the assessment of the risk profile of the client.

7. The approved hedge limit will be valid from the date of sanction for a period as specified,in the. sanction letter. Jn case a member,/ non- mejnber (hedger), intends to avail the additional open position limits beyond the specified date, he will have to approach the Exchange stating the reasons thereof, for extension, at least a month before expiry of the hedge limit sanctioned period, failing

which the hedge limit will stand cancelled upon expiry. In such a case member concerned shall square off the additional limit acquired on or before the date of expiry. The Exchange may at its discretion, however, direct the parties concerned to liquidate the approved excess positions before expiry without assigning reasons thereto. All the members and their clients are advised to follow the guidelines while availing additional open position limits.

8. The hedger will be sanctioned hedge limits either for long positions or short positions but not for both in same commodity. Hence the applicant has to state clearly if the application is for long or short position. A fresh application will be needed if the Hedger needs an opposite position in lieu of the existing sanctioned position. Once the hedge limit is sanctioned for opposite position the erstwhile limit already sanctioned stands cancelled.

9. Exchange reserves the right to amend / modify the terms and conditions for sanctioning additional open position at any time without any notice and the

member / non- member client (hedger) shall accordingly be bound by them. **Application Process and Documentation**

Documents to be submitted for sanction of Hedge Limits

1. Application Form in the format prescribed in **Annexure H.l**
2. Write up on Hedge rationale in **Annexure H.2**
3. PAN copy of the prospective hedger.
4. Declaration for availing hedge limits in **Annexure H.3**
5. Complete details of client seeking Hedge Limits along with copy of PAN of all Directors/Partners/Proprietor/Trustee/Karta in **Annexure H.4**
6. A statement containing details of hedge positions taken in derivatives contracts by the hedger in other Exchanges/Contracts for past 6 months or actual period as the case may be in **Annexure H.5**
7. In case hedge limit is based on Physical Stock, the following documents are required:
   - A statement containing details of Physical stocks owned by the applicant along with warehouse address duly certified by a practicing Chartered Accountant in **Annexure H.6**
   - Copies of financial statement of last 2 years certified by a Chartered Accountant
   - Proof of ownership / stock of goods held in the warehouse.
   - Bank certificate in case stock of commodities is pledged with the Scheduled Commercial banks/ Co-operative banks.
8. In case of Domestic/ Export/Import Commitments, the following documents are required:
   - A statement containing summary of Commodity details of outstanding Domestic/Import/Export commitments duly certified by a practicing Chartered Accountant in **Annexure H.7**
   - Copies of financial statement of last 2 years certified by a Chartered Accountant.
   - Import/Export documents in the form of invoice or shipping/cargo bills.
9. In Case Hedge Limit is based on Past track record of Production/ Purchase/Sales/Processing capacity.
   - A statement containing details of month wise actual sales for past two years.
   - A statement showing month wise projected purchases/sales for a period of at least 12 months along with assumptions and methodology applied for such projection.
   - Copies of financial statement of last two years certified by a Chartered Accountant.
   - A statement showing details of installed capacity along with utilized capacity of all the plants during the past two years for the company.

   Note: If the applicant entity is in existence for less than 2 years then the above statements will

be applicable for the actual period.

Monthly Documents required after sanction of hedge limits:

- A statement containing details of Physical stocks owned by the applicant along with warehouse address duly certified by a practicing Chartered Accountant in **Annexure H.6**
- A statement containing summary of Commodity wise details of outstanding Domestic/Import/Export commitments duly certified by a practicing Chartered Accountant in **Annexure H.7**
- Updating of any information provided in any annexures/application.

Documents at the time of renewal:

- Application Form in the format prescribed in **Annexure H.l**
- Write up on Hedge rationale in **Annexure H.2**
- PAN copy of the prospective hedger.
- Declaration for availing hedge limits in **Annexure H.3**
- A statement containing details of Physical stocks owned by the applicant along with warehouse address duly certified by a practicing Chartered Accountant in **Annexure H.6**
- A statement containing summary of Commodity details of outstanding Domestic/Import/Export commitments duly certified by a practicing Chartered Accountant in **Annexure H.7**

^ofation°^argis to be levied and other disciplinary actions that would be jni^iated jb^.the Exchange for non-compliance of provisions governing the

Sr. No.	**Nature of violation**	**Amount of Violation charges**
1.	Violation of overall hedge limits as prescribed by the Exchange : To avail hedge limits even when there is no corresponding physical stock held by the hedger or when there is no import / export commitment.	whichever is higher.
2.	Submission of forged / fake documents for availing hedge limit	Suspension of membership/debannent of client together with financial penalty as deemed appropriate by the Exchange.
3.	Procedural violation of terms and conditions of approval of Hedge limits as amended from time to time like delay in submission of statement or any other docmnent etc.	Rs.5,000/- per instance.
4.	Any violation not covered above	As may be decided on case to case basis by the Relevant Authority of the Exchange.

8.2. [Participation of Eligible Foreign Entities (EFEs).

SEBI vide circular no SEBI/HO/CDMRD/DMP/CIR/P/2018/134 dated October 09, 2018 has decided to permit foreign entities having actual exposure to Indian commodity markets, to participate in the commodity derivative segment of recognized Stock Exchanges for hedging their exposure. Such foreign entities shall be known as “Eligible Foreign Entities” (EFEs). SEBI has also prescribed the detailed regulatory framework for participation by the EFEs. The participation of EFEs will be as per the conditions laid down in the aforesaid circular or any other circular issued by SEBI

and Exchange from time to time.][28]

9. SMS and E-mail alerts to investors[29]

9.1. Uploading of mobile number and E-mail address by stock brokers

i. Exchanges shall provide a platform to stock brokers to upload the details of their clients, preferably, in sync with the UCC Updation module.

ii. Stock brokers shall upload the details of clients, such as, name, mobile number, address for correspondence and E-mail address.

[28] Inserted vide MCX Circular No. MCX/TRD/511/2018 dated December 4, 2018.
[29] Inserted vide SEBI Circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/92 dated September 23. 2016 & MCX/T&S/297/2016 dated September 27. 2016

iii. Stock brokers shall ensure that the mobile numbers/E-mail addresses of their employees/sub-brokers/remisiers/authorized persons are not uploaded on behalf of clients.

iv. Stock Brokers shall ensure that separate mobile number/E-mail address is uploaded for each client. However, under exceptional circumstances, the stock broker may, at the specific written request of a client, upload the same mobile number/E-mail address for more than one client provided such clients belong to one family. 'Family' for this purpose would mean self, spouse, dependent children and dependent parents.

9.2. Verification by the Exchange

After uploading of details by the stock brokers, Exchange shall take necessary steps to verify the details by any mode as considered appropriate by them which may include the following:

a. By way of sending SMS and E-mail directly to the investors at the numbers/E- mail address uploaded by the stock brokers.

b. By way of sending letters to the address of the investors uploaded by the stock brokers.

9.3. Sending of alerts by the Exchange

Upon receipt of confirmation from the investors, Exchange shall commence sending the transaction details generated based on investors' Permanent Account Number, directly to them.

9.4. Handling of discrepancies, if any.

If any discrepancy is observed by the Exchange in the details uploaded by the stock brokers including non-confirmation by investors, bounced E-mails, undelivered SMS/letters, etc., the Exchange shall inform the respective stock broker.

10. **Disclosure by Exchange on its website**[31]

To promote transparency in the markets Exchange shall disclose following info on their website

a. Position of top 10 trading clients in buy side as well as sell side in order of maximum open interest in anonymous manner every day after the end of trading session

b. The delivery intent of the hedgers on a daily basis in an anonymous manner

c. The percentage of proprietary trade and client trade done and also specify as to what percentage of this trade is by algorithmic trading/HFT. This information shall be displayed before opening of the markets on the next day.

[31] Inserted vide SEBI Circular SEBI/HO/CDMRD/DMP/2016/101 dated September 27, 2016 and MCX/T&S/305/2016 dated September 28, 2016

11. **[DELETED][32]**

12. [Participation of Mutual Funds in Commodity Derivatives Market

SEBI vide its circular SEBI/HO/IMD/DF2/CIR/P/2019/65 dated May 21, 2019 has permitted mutual funds to participate in Exchange Traded Commodity Derivatives (ETCDs). The participation of mutual funds in ETCDs will be as per the conditions laid down in the aforesaid circular or any other circular issued by SEBI and Exchange from time to time.][33]

13. [Participation of Portfolio Managers in Commodity Derivatives Market in India

SEBI vide its circular SEBI/HO/IMD/DF2/CIR/P/2019/65 dated May 21, 2019 has permitted Portfolio Managers to participate in Exchange Traded Commodity Derivatives (ETCDs). The participation of mutual funds in ETCDs will be as per the conditions laid down in the aforesaid circular or any other circular issued by SEBI and Exchange from time to time.][34]

14. [Design of Commodity Indices and Product Design for Futures on Commodity Indices

As per SEBI circular no. SEBI/HO/CDMRD/DNPMP/CIR/P/2019/71 dated June 18, 2019, SEBI has allowed recognised stock exchanges with commodity derivative segment to introduce futures on commodity indices. Construction of commodity indices shall conform to the guidelines, and futures on commodity indices shall conform to the product design, as laid down in the aforesaid circular or any other circular issued by SEBI and Exchange from time to time.][35]

15. [Transaction Fee

The Exchange will levy a transaction fee on the transactions registered with the Exchange. Such transaction fee will be computed on value basis or volume basis, as may be decided from time to time, which will be computed on both purchases and sales separately. Transaction fee shall be charged at the rates as below:

Transaction Fee Rates

Effective from October 1, 2018

1. Group A Commodities (as per the list given below):

Average daily turnover *	Transaction fee rates (per Rs. 1 lakh of turnover)
Upto Rs. 350 crore	Rs. 2.60
On incremental turnover above Rs. 350 crore	Rs. 1.75

[32] Deleted. Prior to deletion it read as *"Spot Price Polling Mechanism"*. This is now governed by MCXCCL. Refer *MCXCCL Master Circular MCXCCL/C&S/004/2018 dated August 31, 2018.*

[33] Inserted vide MCX Circular No. MCX/TRD/265/2019 dated May 21, 2019

[34] Inserted vide MCX Circular No. MCX/TRD/267/2019 dated May 22, 2019

[35] Inserted vide MCX Circular No. MCX/TRD/321/2019 dated June 19, 2019

*Average daily turnover will be calculated at the end of every month by way of dividing the total turnover of the member by the total number of trading days.

2. Group B Commodities

Commodity	**Transaction fee rates (per Rs. 1 lakh of turnover)**
BLACK PEPPER	Rs. 0.05
BRASS	**Rs. 0.50**
CASTORSEED	Rs. 0.50
RBDPALMOLEIN	Rs. 1.00

- No transaction fee would be applicable for option contracts traded on the Exchange up to March 31, 2020.

3. List of Commodities in Group A are as under:

Sr. No.	**Commodity**	**Sr. No.**	**Commodity**
1	ALUMINI	15	GOLDPTLDEL
2	ALUMINIUM	16	LEAD
3	BRCRUDEOIL	17	LEADMINI
4	CARDAMOM	18	MENTHA OIL
5	COPPER	19	NATURALGAS
6	COPPERM	20	NICKEL
7	COTTON	21	NICKELM
8	CPO	22	RUBBER
9	CRUDEOIL	23	SILVER
10	CRUDEOILM	24	SILVER1000
11	GOLD	25	SILVERM
12	GOLDGUINEA	26	SILVERMIC
13	GOLDM	27	ZINC
14	GOLDPETAL	28	ZINCMINI

- No contracts are presently available for Brent Crude, Gold Petal Delhi and Silver 1000.

The transaction fee shall be debited on a monthly basis to the settlement account of the members in the first week of the succeeding month. The transaction fee shall form part of the obligation report of the due date and would be recovered by MCXCCL accordingly.][36]

[36] Inserted vide MCX Circular No. MCX/TRD/405/2018 dated September 28, 2019.

ANNEXURES

Annexure A.l

Application for Mapping of Member Administrator / Approved Users to the mode of connectivity
(On Members Letter-Head)

Date:_____

To,
The Trading Department
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093
Fax No.: 022 - 67269556/57

Sub: Mapping of Member Administrator / Approved Users to the mode of connectivity

Dear Sir,

I/We_____(Trade name of Member) hereby apply for the mapping of Member Administrator / Approved Users for trading through Internet/VSAT/Lease Line connectivity.

We hereby confirm that we intend to access and trade on Multi Commodity Exchange of India Limited as per mode of connectivity chosen below.

Sr. No	Member ID	User ID	Approved User Name	Mode of Connectivity (VSAT/Lease Line/ Internet)	IP Address (Primary/ Secondary)

Regards,
Name of the Member

(Authorised Signatory) Name and Designation Member ID___ Contact No:_____

Annexure A.2

Application for continuing the Pro account trading facility from terminals located from more than one location

(On Members Letter-Head)

(Only to be submitted with Change of Pro Enabled User ID)

Date:_____

To,
The Trading Department
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093
Fax No.: 022 - 67269556/57

I/We,_____, (name of Trading Member and Member Id) Trading Member of MCX wish to continue the facility of placing orders on "Pro-account" through trading terminals from more than one location. I/We hereby confirm that the undertaking for availing proprietary account order entry facility has been submitted by us to the Exchange.
In this regard, Ewe are furnishing the following details: -

A. Default location where Pro-account is be being availed:

Sr. No.	User Id	User Name	CTCL Id (if applicable)		Postal Address	VSAT /Lease Line /Internet	
			Pin Code (First 6 Digits of CTCL ID)	Branch ID (Next 3 Digits of CTCL ID)		Primary	Back Up

B. Additional locations (Can be provided as separate Annexure)

Sr. No.	User Id	User Name	CTCL Id (if applicable)		Postal Address with Pin Code	VSAT /Lease Line /Internet		Name of the Director (s)/ Partner(s)/ Authorised Supervising Person * stationed at the location	Reason
			Pin Code (First 6 Digits of CTCL ID)	Branch ID (Next 3 Digits of CTCL ID)		Primary	Back Up		

* In case of Authorised Supervising Person, kindly provide a copy of a letter duly signed by two Directors / Partners/ Proprietor authorizing the Authorised Supervising Person for supervising the Pro-account trading at the specified location.

Regards,
Name of the Member (Authorised Signatory) Name and Designation Member ID___ Contact No:
_____

Annexure A.3

Application for availing the Trading facility on behalf of Custodial Participants
(On the letter head of the Member (TM/ TCM/ITCM)

Date:_____

To,

The Trading Department
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093
Fax No.: 022 - 67269556/57

Dear Sir,

Sub: **Enabling Member ID /User ID for Institutional trading facility**

You are hereby requested to allow us the Trading facility on behalf of Custodial Participants for the following Users:

S. No	**Member Id/ User ID**	**User Name**

1/ We shall be solely responsible for all the orders/ trades placed through the aforesaid user Ids.

Regards,
Name of the Member

(Authorised Signatory) Name and Designation Member ID___ Contact No:_____

Annexure B

Cancellation of Order
(On Member's letter head)

Date:

To,

The Trading Department
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093
Fax No.: 022 - 67269556/57

Sub: Application for Cancellation of Order

Dear Sir,

Since 1/ We am/are not able to participate in trading due to_____(reason), I / We request the Exchange to cancel my pending orders on my behalf as detailed below:

User ID:
Client ID:
Order Number (s):
Name of the contract:
Buy/Sell:
Quantity:

Regards,
Name of the Member

(Authorised Signatory)
Name and Designation Member ID_____
Contact No:_____

Annexure C

Date:

Increase/Decrease in Turnover limit
(On Member's letter head)

To,

The Trading Department
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093
Fax No.: 022 - 67269556/57

Sub: Increase / Decrease in Turnover Limit

Dear Sir,

You are requested to increase/Decrease the Turnover Limit as mentioned below:

User Id	**Buy Limit**	**Sell Limit**

Regards,
Name of the Member

(Authorised Signatory)
Name and Designation Member ID_____
Contact No:_____

Annexure D

Square-off open position
(On Member's letter head)

Date:_____

To,
The Trading Department
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093
Fax No.: 022 - 67269556/57

Sub: Square-off open position

Dear Sir,

Since E We am/are not able to participate in trading due to_____(reason), E We request the Exchange to square-off my / our open position at market price on my /our behalf as detailed below:

Sr No	Symbol	Expiry	Existing Position (Long / Short)*	Request to Exchange (Sell / Buy)#	Quantity	User Id	Client ID

In case of long positions, please mention long and vice versa
 # In case of existing long positions, please mention Sell and vice versa

I/We understand that the above said transaction(s) so done by the Exchange will get reflected in the trade report and daily obligation report provided by the Exchange on FTP (Extranet) Server. I / We shall be responsible for the losses incurred (profit earned) during the process of squaring-off

Regards,
Name of the Member

(Authorised Signatory) Name and Designation Member ID____ Contact No:_____

Annexure E

Date:

Increase / Decrease of Maximum Single Order Size
(On Member's letter head)

To,

The Trading Department
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093
Fax No.: 022 - 67269556/57

Sub: Increase / Decrease of Maximum Single Order Size

Dear Sir,

You are requested to increase / decrease the single order size of Member ID / User ID_ to '____with immediate effect, based on our current deposit available with the Exchange.

We hereby agree to maintain the minimum required deposit prescribed by the Exchange for availing the facility of increase in Maximum Single Order Size at all the times. We irrevocably authorize the Exchange to reduce or withdraw the benefit of increase in Maximum Single Order Size extended to us at any point of time without assigning any reason thereto, in case of our pay-in default or our deposits being reduced to the level lower than the requirement etc.

We also undertake to confirm that the Exchange reserves the right to refuse our application for increase in maximum order size and decision of the Exchange in this regard shall be final and binding on us.

Regards,
Name of the Member

(Authorised Signatory) Name and Designation Member ID____ Contact No:_____

Reset of Member Admin Password
(On Member's letter head)

To,

The Trading Department
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road, Chakala, Andheri (East),

Annexure F

Date:
Mumbai - 400 093
Fax No.: 022 - 67269556/57

Sub: Reset of Member Admin password

Dear Sir,

You are requested to unlock and / or reset the password of the following member Id/user ID(s). (Please strike off whichever is not applicable)

Member Id:_____

User ID(s):_____

Regards,
Name of the Member

(Authorised Signatory)
Name and Designation Member ID_____
Contact No:_____

Annexure G.l

Application for Pro account trading facility from one location

(On Member's letter head)

Date:_____

To,

The Trading Department
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093
Fax No.: 022 - 67269556/57

I/We,_____(name of the member and member ID) Trading Member of MCX, wish to avail of the facility of placing orders on "Pro-account" through trading terminals from default location.
In this regard, Ewe are furnishing the following details: Default location where Pro-account is to be enabled:

Sr. No.	User Id	User Name	CTCL Id (if applicable)		Postal Address and Pin Code	VS AT /Lease Line /Internet	
						Primary	Back Up
			Pin Code (First 6 Digits of CTCL ID)	Branch ID (Next 3 Digits of CTCL ID)			

Regards,
Name of the Member

(Authorised Signatory)
Name and Designation Member ID_____
Contact No:_____

Annexure G.l

UNDERTAKING FOR AVAILING PROPRIETARY ACCOUNT ORDER ENTRY FACILITY

I/We_____, an individual / a firm registered under the Indian Partnership Act, 1932/a Company/Body Corporate incorporated under the Companies Act of 1956/_____Act, 19 , and residing at/having our registered office at/_____
_____give this UNDERTAKING on this the___day of____20 at__IN FAVOUR of Multi Commodity Exchange of India Limited, a company incorporated under the Companies Act of 1956, with its office at Exchange Square, CTS No 255, Suren Road, Andheri (East), Mumbai - 400093 (hereinafter called "MCX"),

WHEREAS

1. MCX provides the Trading Software to enable its Trading Member to trade. In addition MCX also permits Computer to Computer Link (hereinafter called "CTCL") facility to Trading members for order entry, receipt of order and trade confirmations and also for receipt of data relating to its trade quotations.

2. MCX, has prescribed that the facility of placing orders on "Pro-account" through trading terminals shall be availed by the Trading Members only at one or more locations of the Trading Members as specified/required by the Trading members. Further, any trading terminal located at a place other than the above location in excess of requirements shall have a facility to place order only for and on behalf of a Constituent by entering client code details as required by MCX/SEBI; and in case any Trading Member requires the facility of using "Pro-account" through trading terminals from more than one location, such Trading Member shall request MCX stating the reason for using the "Pro-account" at multiple locations.

3. MCX as a precondition while permitting the facility of using "Pro-account" through trading terminals from more than one location requires me/us to furnish the undertaking in the manner and on the terms herein below:-

NOW THEREFORE IN CONSIDERATION OF MCX having agreed to allow me/us at my/our request to avail the Pro-account facility from more than one location, I/We hereby IRREVOCABLY AND UNCONDITIONALLY UNDERTAKE and agree to abide by and be bound by the following terms and conditions:-

1. That I/We undertake to enter proprietary orders only from the Pro-account terminals permitted by MCX and undertake not to misuse the said "Pro-account" facility and state that the proprietary trades on the Pro-account terminals pertain to proprietary trades and not client trades.

2. That Ewe state that our Director(s)/Partner(s)/Authorized Supervising Persons/ is/are based at the location where the "Pro-account" trading terminals are located. The Pro-account facility shall be made available to the Approved Users only after obtaining the prior written consent of MCX and subject to such terms and conditions as may be prescribed by MCX from time to time.

3. That I/We undertake not to use the "Pro-account" trading terminals for purposes other than the defined reasons.

4. That I/We undertake to take all such steps and/or precautions to ensure and keep ensured that the "Pro-account" facility is not extended to a location other than the location of the trading terminals where the "Pro-account" facility is permitted by MCX and CTCL terminals shall not be extended beyond the location of such permitted trading terminals.

5. That MCX, at its absolute discretion, may make the Pro-account facility available to me/us only from the date of my/our enablement on the Pro-account facility till such time as it may deem fit and further that the Pro-account facility may at any time be withdrawn by MCX at its discretion without giving me/us any notice or any reasons whatsoever.

6. That I/We shall execute, sign, and subscribe, to such other documents, papers, agreements, covenants, bonds, and/or undertakings as may be prescribed or required by MCX from time to time.

7. That I/We undertake to abide by all the provisions of the Byelaws, Rules, Regulations and Circulars/norms and requirements that may be in force from time to time relating to use and operation of the Trading System (including use of CTCL software) and that they shall also mutatis mutandis become applicable to the use and operation of the Pro-account facility.

8. That I/We undertake to render all possible assistance and cooperation to MCX by providing all information in any form as it may require and shall produce such documents, records, accounts books, data howsoever stored including data stored in magnetic tapes, floppy diskettes, etc. and any other information as may be required by MCX at its discretion.

IN WITNESS WHEREOF this Undertaking is executed by the undersigned on the day, month, year and the place first mentioned above.

Signed by, for and on behalf of:

Before me

Annexure G.3

Application for Pro account trading facility from terminals located from more than one location

(On Member's letter head)

Date:_____

To,

The Trading Department
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093
Fax No.: 022 - 67269556/57

I/We,_____, (name of Trading Member and Member Id) Trading Member of MCX wish to avail of the facility of placing orders on "Pro-account" through trading terminals from more than one location. I/We hereby confirm that the undertaking for availing proprietary account order entry facility has been submitted by us to the Exchange.

In this regard, Ewe are furnishing the following details: -

C. Default location where Pro-account is be being availed:

Sr. No.	User Id	User Name	CTCL Id (if applicable)		Postal Address	VSAT /Lease Line /Internet	
			Pin Code (First 6 Digits of CTCL ID)	Branch ID (Next 3 Digits of CTCL ID)		Primary	Bac kUp

D. Additional locations (Can be provided as separate Annexure)

Sr. No.	User Id	User Name	CTCL Id (if applicable)		Postal Address with Pin Code	VSAT /Lease Line /Internet		Name of the Director (s)/ Partner(s)/ Authorised Supervising Person * stationed at the location	Reason
			Pin Code (First 6 Digits of CTCL ID)	Branch ID (Next 3 Digits of CTCL ID)		Primary	Back Up		

* In case of Authorised Supervising Person, kindly provide a copy of a letter duly signed by two Directors / Partners/ Proprietor authorizing the Authorised Supervising Person for supervising the Pro-account trading at the specified location.

Regards,
Name of the Member

(Authorised Signatory) Name and Designation Member ID____ Contact No:_____

Annexure H.l

Application Form for sanction of Hedge Limit

(On Member's letter head)

To,
Trading Department

Multi Commodity Exchange of India
Limited Exchange Square, CTS No.
255,
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093

1. **Member Name and Member ID:**
2. **Name of the Client applying for Hedge Code:**
3. **Hedge Code:**
4. **PAN of Client:**
5. **Details of hedge limit required:**

Commodity/ies in which additional open position limit is sought	**Hedge limit sought**		**1 Period for which ^Ithe additional —J open position limit ~~||is required**
	Long open position (QTY in	**Short open L position r (QTY in ■-**	

6. Hedge limit sought against: (Tick appropriate option)

a) Physical stock
b) Export/Import commitments
c) Past track record of Production or Purchase or Sales
d) Processing capacity
e) Others (Please specify)

7 . Details of client codes allotted under the current Member and any other Memher:Memher TD	**Member Name**	**Client code**

For Member

Authorised Signatory
Name & Contact
No:
Designation:

Signature of Client seeking Hedge:
Name of Client seeking Hedge Limits:

Annexure H.l

Write Up on Hedge Rationale
(On Member's letter head)

Date:

To,
Trading Department
Multi Commodity Exchange of India
Limited Exchange Square, CTS No.
255,
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093

A. Brief Business Profile of the Hedger Client:

B. Rationale for availing Hedge Limits

For Member

Authorised Signatory Name & contact No:
Designation:

Signature of Client seeking Hedge: Name of Client seeking Hedge Limits:

Annexure H.l

Declaration for Availing Hedge Limits
(On Member's letter head)

I / We,_____, hereby declare that:

1. I/W earn/are trading through_____***(Name of the applying member)*** using the client codes_____.

2. I/We undertake that I/we shall not violate the hedge limits as sanctioned to me/us and understand that such hedge limits will not be available in the near month contracts.

3. I/We undertake to inform the Exchange, the details of all our positions taken in different capacities and which are required to be clubbed as per guidelines of MCX.

4. The decision of the Exchange to permit or deny a hedge position, shall be final and binding on the Member / Hedger. The Exchange has the right to inspect the physical stock against which hedge position has been permitted with or without prior intimation and the hedge position limit is subject to review during the specified period. We undertake to extend necessary cooperation during the inspection.

5. The hedge position permitted shall be for the period till which it is approved or revoked by the Exchange, whichever is earlier.

6. No churning of positions shall be carried out.

7. Hedge limit is not sought against the offsetting positions.

8. We understand that we have to seek extension of limit from time to time and if we fail to do so, we will square off the additional open position limit granted to us. We understand that Exchange has the necessary authority to square off the said positions on expiry of the approved period.
9. I / We shall abide by the terms and conditions under which the hedge limits will be sanctioned by the Exchange. We shall also abide by the Rules, Bye- laws and Business Rules ot the Exchange.

10.1/We hereby declare that the information given in this form and the Annexure/s hereto are true and correct to the best of our knowledge. We shall intimate the Exchange any material change in the facts mentioned herein above as soon as possible.

Signature of the Client
Member Seeking Hedge Limits

Signature of the

Name of the Client:
With Stamp

Place:

Date:

Name of the Member & Signatory With stamp

Place:

Date:

Director's/Partner's Details
(To be filled by the client/member seeking hedge limits)

Annexure H.l

Name of client applying for hedge limits:

Hedge Code:

Status of Client:

Company
Partnership Firm (incl. LLP)
HUF
Proprietorship/Individual.
Trust
Others, if any

A. Details of Partners/Directors/Karta/Trustees:

Name:
PAN:
Father's Name:
Address
City: State: Pin Code:
Contact/Mobile No:

B. Details of Firm/Companies/Trust/HUF where the Partners/ Directors / Trustees /Karta hold positions (wherever applicable):

Name of the Entity:
PAN:
Address
City: State: Pin Code:

I/We hereby confirm that the information given in this Annexure hereto are true and correct to the best of our knowledge.

Signature of the Authorised Person of Client Seeking Hedge Limits along with Stamp

Name:

Designation:

Date:

Place:

Annexure H.l

Details of Hedge positions held as on Date:_____
(On letter head of Client)

Hedge Client Name:
Hedge Code: Indicative Format:

Commodity	**Quantity held (in Units)**	
	Hedge positions on other Exchanges for past 6 months or actual period.	**Cross Hedging positions**

I/We hereby declare that the information given in this form and the Annexure/s hereto are true and correct to the best of our knowledge.

Signature of the Authorised Person of Client Seeking Hedge Limits along with Stamp

Date:

Place:

Annexure H.l

Statement of Physical stocks owned by the applicant
(To be certified by Chartered Accountant)

Hedge Client Name:
Hedge Code:_____

Commodity	**Hedge Limit (Long/Sho**	**Month End Physical Stock**	**Location of Physical stock**

Stock Position held by Client as on_____

Attached:

I afi^Wfi^iiVaStASW gPefeM&ihfcwl^sftith the Scheduled

Commercial banks/ Co-operative banks

Place:
Date:

Annexure H.l

Statement of Commodity wise details of outstanding Domestic/Import/Export commitments.

(To be certified by Chartered Accountant)

Member Name and ID: Hedge Client Name: Hedge Code: Indicative Format:

Name of Commodit y	Long Physical position			Short Physical position	
	Current stock(in units and Details of Warehouse	Import commitment s (in units)	Total Long (in units)	Export commitment s (in units)	Domestic Commitment s

Statement of Hedge requirements

Name of the commodity	Long Position (Qty in units)	Short Position (Qty in units)

Place:
Date:

[27] Inserted vide SEBI Circular SEBI/HO/CDMRD/DMP/CIR/P/2016/71 dated August 19, 2016