

**Commodity Options Segment Activation Form**  
**(To be taken on the letterhead in case of non-individual client)**

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

To

Aditya Birla Money Limited  
Ali Centre, No-53 Greams Road  
Chennai-600 006

Dear Sir,

I/We \_\_\_\_\_ (name of the client Individual / Non-individual), having trading account with Unique Client Code \_\_\_\_\_ allotted to me/us by your broking house situated at \_\_\_\_\_ (branch name) since \_\_\_\_\_ (date of activation of the account).

This has reference to the recent launch of Commodity Option Trading on the MCX /NCDEX platform. Further to my/our KYC details.

I/We intend to trade in Commodity Options subject to regulatory requirements of the Exchange and SEBI from time to time

I/We hereby consent for Brokerage charge of Rs.100/- per lot of Commodity Options Contract and also for all statutory levies including delivery charges, if any.

I/We have read and understood Additional Risk Disclosure documents for Options Trading about Risk of Option Holders and Risk of Option Writers as per Annexure 1

I/We further confirm that I/We have completed all the KYC formalities and submitted all the required documents thereof (Proof of identity, Address Proof, Bank Proof, PAN, etc.), at the time of opening the trading account originally at the time of enrolling as a client with you.

There are no material changes in respect of my/our KYC details / information provided to you earlier.

In case my / our trading account is dormant / inactive, you are requested to reactivate my trading account and allow trade with immediate effect.

Yours Faithfully,

Signature \_\_\_\_\_

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

**Note:** In case of Corporate/ Trust, a resolution from Board of Directors/ Trustees clearly stating that the Corporate/ Trust are authorized to trade in Commodity Options and they intend to trade in Commodity Options on Multi Commodity Exchange of India Limited.

**Annexure 1**  
**Additional Risk Disclosure documents for Options Trading**

**Risk of Option holders:**

1. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells his option in the secondary market nor exercises it prior to its expiration will necessarily lose his entire investment in the option. If the price of the underlying does not change in the anticipated direction before the option expires, to an extent sufficient to cover the cost of the option, the investor may lose all or a significant part of his investment in the option.
2. The Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances.

**Risks of Option Writers:**

1. If the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.
2. The risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.
3. Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination transactions, such as option spreads, are more complex than buying or writing a single option. And it should be further noted that, as in any area of investing, a complexity not well understood is, in itself, a risk factor. While this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.