

Undertaking/Consent Letter for Commodity Option Trading

To,
Econo Broking Pvt. Ltd.
Registered Address: Plot No. 2137, Near Golden Arc, Atabhai Chowk, Bhavnagar – 364 002.
(Gujarat)
Correspondence Address: EVA-1, 105 to 112, Opp. Jogger's Park, Atabhai Chowk, Bhavnagar -
364002

This is with reference to my/our Account opening with **Econo Broking Pvt. Ltd.**, I/We, _____ (Client Name) in MCX. Further to our KYC details submitted to you, we intend to trade in commodity option segment subject to regulatory requirements of the Exchange and SEBI from time to time.

I/We had read and understood Risk Disclosure documents for Options Trading and also aware of Risk of Option Holders and Risk of Option Writers.

I/we hereby undertake and consent to deal/trade in Commodity Option segment and shall abide by regulatory requirement.

Segment	Signature
Commodity Option Segment	

I/we agree to below mentioned brokerage for Commodity Option Segment.

Particulars	Brokerage
Commodity Option Segment	

I/we understand Apart from Brokerage as mentioned above, charges levied by Exchanges, SEBI, Clearing Member and Central/State/Union Government in Commodity Option segment shall be levied upon me as actual.

Further, GST Applicable: YES/ NO. (If Yes, Provide below Details)

GSTIN No.	Place of Business	State Code

Place:

Client Code -

Date:

Client Name -



Client Signature

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.

DECLARATION:-

I/We hereby confirm having read and understood the contents of Additional Risk Disclosure documents for Options Trading. I/We do hereby agree to be bound by such provisions as outline in this document. I/We have also been informed that the standard set of documents has been displayed for Information on Member's designated website, if any.

Place:

Client Code -

Date:

Client Name -



Client Signature