upstox

To,

RKSV Commodities India Pvt. Limited
Sunshine Tower, 30th Floor,
Senapati Bapat Marg, Dadar-West
Mumbai- 400 013

Dear Sir / Madam,

Sub: Consent for trading in Commodity Options

Client Code:-_____

PAN No. _____

1.I/We _____ are registered with you as a client for trading in commodity derivatives.

2.I/We understand that SEBI has allowed trading in commodity options. Exchanges are soon likely to launch option contracts with commodity or commodity derivatives as underlying.

3.I/We have gone through the additional risk disclosure document sent by you and have appraised myself/ourselves with the risk of trading in commodity options.

4.I/We are interested in trading in commodity options and hereby accord my/our consent to trading in commodity options with confirmation of having received additional risk disclosure document disclosing risk of trading in commodity options.

5.This consent is valid till I/we revoke the same. I/We understand that I/we have right to

withdraw the same at any point of time.

Yours Sincerely,

Signature of Client: _____

Name of Client: _____

Date: _____ **Place: _____**

Note : In case of existing clients who are Corporate/ Trust/ Partnership, a resolution from Board of Directors/ Trustees/partners is required clearly stating that the Corporate/ Trust/ Partnership are authorized to trade in Commodity Options and they intend to trade in Commodity Options on recognized Exchanges

Registered Office: 807, New Delhi House, Barakhamba Road, Connaught Place, New Delhi, 110 011
Correspondence Office: RKSV Securities India Private Limited, Salasar Business Park, Off 150 Feet Flyover Road, Bhayander West, Thane, Maharashtra 401101
Telephone: +91-22-6130-9999 | **Fax:** +91-22-6710-7492 | **Email:** vidya.jadhav@rksv.net / harishchandra.sawant@rksv.net, www.upstox.com

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.