

Monarch Network Capital Limited

Declaration / consent for trading in options

To,

Date.....

Monarch Network Capital Limited.

Monarch House, Nr. Ishwar Bhuvan , Commerce Cross Road,

Navrangpura , Ahmedabad -380014

Sub :- Requesting for allowing trading in commodities options through my/our Account

[Please tick (V) wherever applicable]

Dear Sir,

I/We below named client hereby request MNCL to allow us / me for trading in commodities options through my client account

I/We hereby request you to allow us for trading in commodity options as I/We declare that I/We abide to rules and regulations of Exchanges and SEBI , which may vary from time to time.

I/We further undertake that I/We have gone through Annexure 1 containing Risk Disclosure documents of commodities options and are fully aware of commodity option Holders and commodity option Writers.

In case of Corporates /Trust, separate Board resolution from Board of directors of Corporate/Trust is required, stating to authorize Corporate/ Trust to trade in commodities options.

In case of Firms / LLP, authorization letter from Firm/LLP is required, in which Firm / LLP authorize declare their intention to trade in commodities options.

Trading Code

Name of account holder

Signature of account holder

Regd Office : 901/902, 9th Floor, Atlanta Centre, Opp. Udyog Bhawan, Sonawala Road, Goregaon (E),
Mumbai - 400 063. Tel: 022-3064 1600 Fax : 022-2685 0257 Website: www.mnclgroup.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.