

Authorization Letter to enable trading facility on new segment / new exchange

To,

Aditya Birla Money Limited,
Ali Centre, No. 53, Greams Road,
Chennai -600006

Dear Sir,

Sub: Request to enable trading facility on new segment / new Exchange

Ref: Trading account number: _____

I am an existing client of Aditya Birla Money Limited having trading account number as mentioned above.

I wish to trade in the following new segments / new Exchange with you and hereby request you to kindly activate my below referred trading preference at the earliest and enable me to carry out my transaction.

Name of Exchange	Name of Segment	* Existing / New Privilege	Client Signature (Please sign against the relevant boxes where you wish to trade and strike-off the segments that are not applicable)
National Stock Exchange of India Limited	Cash		
	Futures and Options		
	Currency Derivatives		
	Mutual Funds (MFSS)		
Bombay Stock Exchange Limited	Cash		
	Futures and Options		
	Mutual Funds (BSE Star MF)		
MCX Stock Exchange Limited	Currency Derivatives		
United Stock Exchange Limited	Currency Derivatives		

NOTE PAN
PROOF
REQUIRED
FOR
MFSS
ONLY

* If you are already having trading privileges in a particular segment, please specify Existing and sign across that segment in the Client Signature column.

Please Note: If, in future, you wish to trade on any new segment/new Exchange, a separate authorization/letter would required to be taken from the client.

I am furnishing the following additional information / document to enable activation of trading in the Derivative segments of the respective Exchange.

Income Range (in Rs. / Per Annum – Last three years): (Please tick the appropriate option)

Above 25,00,000	
10,00,000 – 25,00,000	
5,00,000 – 10,00,000	
1,00,000 – 5,00,000	
Below 1,00,000	

I'm also enclosing a copy of my _____
(any one proof as per the list appended below) as proof of financial details, along with this letter.

Copy of ITR Acknowledgement	
Copy of Form 16 in case of salary income	
Latest Salary Slip not more than 3 months old	
Net worth Certificate	
Bank Account statement for the last 6 months	
Copy of latest demat account Holdings Statement	
Latest Annual Accounts (Balance Sheet & Profit & Loss account)	

Yours truly,

Client Signature

Other mandatory information **

S.No	Particulars	
1	Client Name	
2	Gender	
3	Address for correspondence	
4	Mobile Number	
5	Landline Number	
6	E-mail Id	
7	Occupation	

** Please ensure that you furnish the same details as specified by you in the KYC Application Form

INSTRUCTIONS TO CLIENT FOR TRADING IN FUTURE & OPTIONS SEGMENT

Risks associated with trading in derivatives:

Investors must understand that investment in derivatives has an element of risk and is generally not an appropriate avenue for someone of limited resources/ limited investment and/ or trading experience and low risk tolerance.

An investor should therefore carefully consider whether such trading is suitable for him or her in the light of his or her financial condition. An investor must accept that there can be no guarantee of profits or no exception from losses while executing orders for purchase and/ or sale of derivative contracts.

Investors who trade in derivatives at the exchange are advised to carefully read the Model Risk Disclosure Document and the details contained therein.

This document is given by the broker and must be read, the implications understood and signed by the investor. The document clearly states the risks associated with trading in derivatives and advises investors to bear utmost caution before entering into the markets.

Example 1 :	Example 2 :
An investor purchased 100 Nifty Futures @ INR 4200 on June 10. Expiry date is June 26.	An investor purchased 100 ABC Ltd. Futures @ INR 2500 on June 10. Expiry date is June 26.
Total Investment: INR 4, 20,000. Initial margin paid: INR 42,000.	Total Investment: INR 2, 50,000. Initial Margin paid: INR 37,500.
On June 26, suppose Nifty index closes at 3,780	On June 26, suppose ABC Ltd shares closes at
Loss to the investor $(4200-3780)*100 = \text{INR } 42,000$.	INR 2,000,
The entire initial investment (i.e. INR 42,000) is lost by the investor.	Loss to the investor $(2500-2000)*100 = \text{INR } 50,000$.
Example 3 :	Example 4 :
An investor buys 100 Nifty call options at a strike price of INR 4000 on June 15. Nifty index is at 4050.	An investor buys 100 ABC Ltd, put options at a strike price of INR 400 on June 15. ABC Ltd share price is at 380.
Premium paid = INR 10,000 @ 100 per call *100 calls.	Premium paid= INR 5,000 @ 50 per put * 100 calls.
Expiry date of the contract is June 26.	Expiry date of the contract is June 26.
On June 26, Nifty index closes at 3900,	On June 26, ABC Ltd, share closes at INR 410,
The call will expire worthless and the investor loses the entire 10,000 paid as premium.	The put will expire worthless and the investor loses the entire 5000 paid as premium.
Example 5 :	Example 6 :
An Investor sells 100 nifty call option at strike price of INR 5100 on June 15 Nifty Index is at 5000	An investors sells 100 nifty put option at strike price of INR 5100 on June 15
Premium Received = INR 4000 @ 40*100	Nifty Index is at 5000
Expiry date of contract 26 June	Premium Received = INR 4000 @ 40*100
On June 26 Nifty Index close at 5200	On June 26 Nifty Index Close at 4875
The call has closed higher than strike + premium the Investor lose 6000	The put has closed lower than strike, hence $\text{strike}-\text{premium}=5100-40=5060$
$5200-5140*100 \quad 6000$	$5060-4875*100= 18500$

Disclaimer : The material provided here is for general information purposes only. There can be no guarantee as regard to accuracy, completeness of its contents and nothing here should be relied upon as document to make investment decision or form basis for any claim, demand or cause for action. Actual scenario may differ and the market conditions can lead to substantial profit or loss. Investors are advised to seek adequate product and market knowledge as well as proper investment advice before trading in derivatives.

Client Signature _____