

Currency Underlying Exposure Declaration Letter to trade currency derivatives with Sunlight Broking LLP

To,
SUNLIGHT BROKING LLP
B50 Pravasi Estate
GMLR
Goregaon East
Mumbai 400063

Date: _____

Dear Sir,

The undersigned, hereafter referred to as "the Trader," hereby declares and agrees to the following terms and conditions concerning their trading activities with Sunlight Broking LLP ("ProStocks"):

1. **Engagement in Currency Trading:** The Trader acknowledges that they have previously engaged in currency trading through ProStocks and expresses their intent to continue such trading activities in the currency segments in the future on both the National Stock Exchange and Bombay Stock Exchange.
2. **Position Size Limitation and Management:** The Trader commits to maintaining their position size within a limit of one hundred million United States Dollars (USD 100,000,000) as specified by exchanges /RBI. Should the Trader's position size exceed this specified limit, the Trader agrees to manage the excess position through the use of an Authorised Dealer or Custodian, as appropriate.
3. **Compliance with Regulatory Requirements:** The Trader affirms compliance with clause 3.4 (i) (a) of the circular issued by the Reserve Bank of India (RBI) on January 5, 2024. The Trader confirms having underlying exposure to the currency derivative contracts they engage in through ProStocks in accordance with the said RBI directive.
4. **Evidence of Underlying Exposure:** The Trader agrees to provide, upon request by ProStocks , the relevant exchanges, or the RBI, sufficient evidence of the underlying exposure related to their currency derivative contracts. The Trader undertakes to furnish such evidence promptly and as may be required by the requesting party.
5. **Indemnification:** The Trader hereby indemnifies ProStocks and holds ProStocks harmless from any liabilities, losses, damages, or costs that may arise in the event the Trader is unable to produce the required evidence of underlying exposure as stipulated in point 4 above. This indemnification extends to any legal actions, claims, demands, or expenses incurred by ProStocks as a result of the Trader's failure to comply with these conditions.

By signing below, the Trader acknowledges their understanding and acceptance of these terms, and commits to adhere to the stipulations as outlined herein.

Signature: _____

User ID: _____