

# Soch kar

# Samaj kar

# Invest kar



The heightened activity in the stock markets over the last few years has seen a significant rise in the investing population. A lot of investors face issues whilst trading in the market. One such important issue is the possibility of unauthorized trading in the account of the investor.

This is an initiative by NSE to create awareness about steps that investors should take to prevent unauthorized transactions in their accounts.

## Protecting your account from unauthorized trades

### PRE TRADING

#### Account Opening

- Complete the Know Your Client (KYC) Form, read through Member Client Agreement (MCA), Risk Disclosure Document (RDD) and execute them.
- In case you are dealing through a sub-broker, you need to execute a Tripartite Agreement i.e. an agreement between Investor-Sub-broker-Trading Member.
- Please provide proof of your identity, proof of your address and also a copy of the Permanent Account Number (PAN) card.
- Get a Unique Client Code allotted by the Trading Member to you.
- Before handing over the documents to Trading Member or his authorized representative retain a copy of all documents for your future reference.

#### Areas to watch out ....

1. Choose NSE as exchange of your choice. Strike off the name of the exchange on which you do not wish to trade.
2. Choose the market segment in which you wish to trade i.e. Capital Market (CM) Segment and / or Futures & Options (F&O) Segment of the Exchange without any compulsions. Strike off the segment you do not wish to trade in.
3. Check and clearly mark your option to receive order confirmations, contract notes and funds and securities statements in digital or physical form.

*If you choose digital form, ensure that*

- i The conditions for receiving digitally signed documents are understood
- ii The e-mail id regularly used by you is provided
- iii The e-mail id creation is not left to the discretion of others like Relationship Manager, Dealer, etc.
- iv The Trading Member acknowledges your e-mail id

*If you choose physical form, ensure that you confirm:*

- i Correct address to which you would like to receive the contract notes and other statements
  - ii Strike off e-mail id column and clearly write that "You do not wish to receive documents in digital form"
4. If you are registering for On-line / Internet trading please be sure that you have
    - i Working knowledge of computers.
    - ii Complete kit on familiarisation of the product offered by the Trading Member.
    - iii Verified version of software, confirmed installation and received hands-on training from the Trading Member, before you start trading.
    - iv Changed password issued in the welcome letter immediately on logging into your account. Design your password as per the prescribed guidelines only.
    - v Not shared your password and user id with anybody.
    - vi Understood the alternative methods of placing orders in case of network or other associated problems.
    - vii Checked for system confirmation after placing the orders and for trades executed.

5. Apart from the mandatory clauses in the agreement stipulated by NSE, there could be voluntary conditions that are agreed by you and the Trading Member. Please understand the implications of these voluntary conditions before agreeing for the same. Some of the illustrative voluntary clauses/documents agreed/executed between Trading Member and Investor which require careful consideration by investor are

**Running account** : Where the Investor agrees to receive funds and securities as and when he requests rather than receiving the same within 24 hours of pay-out by Exchange.

**Group Account** : Where investor authorises the Trading Member to adjust debit/credit balances with that of his/her family members.

**Power of Attorney** : Where the Trading Member is authorised to operate the Depository Account of Investor for settlement obligations to/from Exchange.

**Brokerages and Charges** : Where the Trading Member and the Investor agree upon the charges to be levied for the services rendered by the Trading Member.

## TRADING

1. Specify your name and client code before placing orders 2. Be specific and clear in terms like security details, quantity and price 3. Do not give blanket permission to place orders on your behalf 4. Make sure that orders given by you are entered in your Unique Client Code (UCC) that has been allotted to you 5. If you are an online investor, change your password at periodic intervals.

## POST TRADING

1. Make sure that you receive contract notes for all your trades from the Trading Member within the stipulated time of 24 hours from the execution of trade 2. In case you have opted for digital contract notes, please verify your email account on a daily basis so that all transactions in your account

come to your knowledge 3. Review the transaction in your beneficiary owner's (demat) account regularly 4. Ensure that securities movement in your demat account have been for valid transactions that have been executed on your behalf 5. Give and receive all funds/securities to and from Trading Member's account only 6. Make payments only by way of account payee cheque/demand draft/pay order in favour of trading member 7. Make sure that you receive quarterly statement of funds and securities from your Trading Member. Review the statements for accuracy.

### Temporary suspension of trading activities or closing of account

1. In case you decide to stop trading for a specific period (in case you are travelling / under going medical treatment, etc.) intimate the Trading Member in writing and take an acknowledgement for the same.  
2. In case you decide to close your trading account, ensure that you have completed the formalities and received a closure letter from the Trading Member.

### Remember to ....

1. Verify your trades on [www.nseindia.com](http://www.nseindia.com) on a regular basis. NSE website provides 5 days trade data 2. Check transactions in the contract notes or the quarterly statements of funds and securities. If you notice that any transaction is not as per your instructions, raise the issue with the Compliance Officer of the concerned Trading Member in writing within 10 days from the date of transaction 3. Receive response / resolution of your complaint within 15 days from the Trading Member, failing which lodge your complaint with the Investor Services Cell (ISC) of the Exchange 4. Exercise caution while accepting the offer to recover losses by placing further trades into your account as the same may result in indirectly giving consent to the past unauthorized trades.

### Disclaimer

The information and material contained in these pages and the terms, conditions, and descriptions that appear are subject to change without prior notice. The information contained in this brochure are provided on an 'as is', 'as available' basis and NSEIL does not warranty the accuracy, adequacy or completeness of this information and expressly disclaims liability for errors or omissions in this information and material.

## LIST OF INVESTOR SERVICES CENTRES:

**MUMBAI:** National Stock Exchange of India Limited  
'Exchange Plaza', C-1, Block G, Bandra-Kurla Complex, Bandra East,  
Mumbai - 400 051.  
Tel No: 26598190 Fax No: 26598191  
e-mail: [ignse@nse.co.in](mailto:ignse@nse.co.in)

**KOLKATA:** National Stock Exchange of India Limited  
1st Floor, Park View Apartments, 99, Rash Behari Avenue, Kolkata - 700 029.  
Tel No: (033) 24631802-1805, 24631809-1812  
Fax No: (033) 24631791, 24631806  
e-mail: [nseiskol@nse.co.in](mailto:nseiskol@nse.co.in)

**HYDERABAD:** National Stock Exchange of India Limited  
H No.3-6-322, Mahavir House, 2nd Floor, Chamber no.203 & 204,  
Basheerbagh, Hyderabad - 500029  
Tel No: (040) 23227084, (040) 23227085 Fax No: (040) 23227086  
e-mail: [nseischyd@nse.co.in](mailto:nseischyd@nse.co.in)

**DELHI:** National Stock Exchange of India Limited  
4th Floor, Jeevan Vihar Building, Parliament Street, New Delhi - 110 001  
Tel No: (011) 23344313 to 23344327 Fax No: (011) 2336 6658  
e-mail: [nseiscdel@nse.co.in](mailto:nseiscdel@nse.co.in)

**CHENNAI:** National Stock Exchange of India Limited  
7th Floor, Arihant Nitco Park, 90, Dr. Radhakrishnan Salai, Mylapore,  
Chennai - 600 004  
Tel No: (044) 2847 5100 / 2847 3670 Fax No: (044) 2847 3633  
e-mail: [nseiscchen@nse.co.in](mailto:nseiscchen@nse.co.in)

**AHMEDABAD:** National Stock Exchange of India Limited  
406 Sakar II, Near Ellis Bridge, Ahmedabad - 380 006  
Tel No: (079) 2658 0212/ 2658 0213 Fax No: (079) 2657 6123  
e-mail: [nseiscahm@nse.co.in](mailto:nseiscahm@nse.co.in)

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