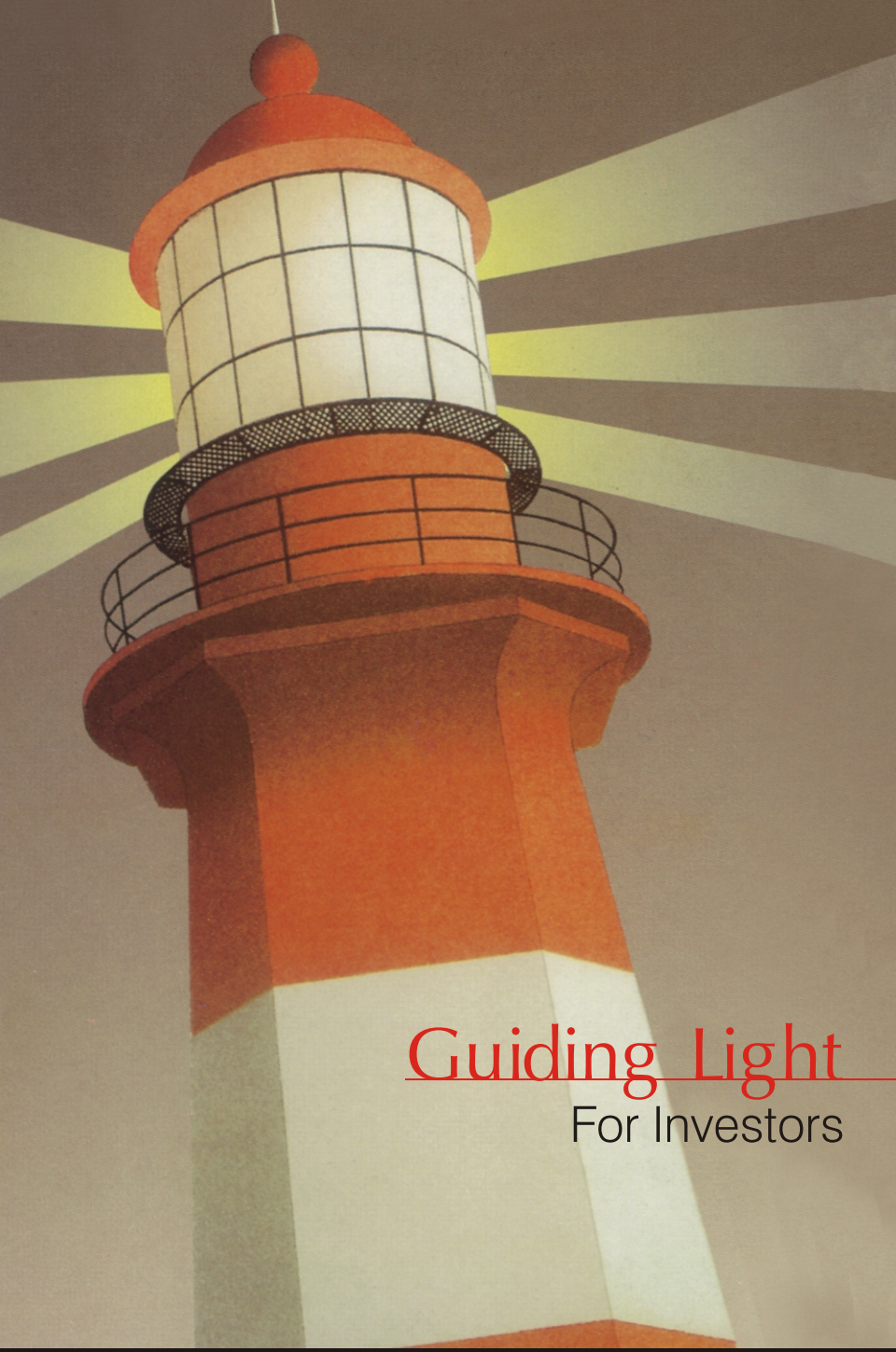

Guiding Light

For Investors

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Guiding Light

Some Frequently asked questions by Investors

Introduction

National Stock Exchange of India is India's leading stock exchange set up as a company limited by shares and recognised in the year April 1993. NSE has set up infrastructure that serves as a role model for the securities industry in terms of trading systems, clearing and settlement practices and procedures. The standards set by NSE in terms of market practices, products and technology have become industry benchmarks and are being replicated by many other market participants. It provides screen-based automated trading system with a high degree of transparency and equal access to investors irrespective of geographical location. The high level of information dissemination through on-line system has helped in integrating retail investors across the nation. The Exchange has a network in around 258 cities (June 2007) across the geographical area of the country and reports an average daily turnover of about Rs. 9221.34 crores and average no. of trades 35.77 lacs in the Capital Market Segment per day (June 2007). Also, an average no. of contracts is about 1463401 and average value of contracts is Rs. 38,406.77 crores. The Wholesale Debt Market Segment of NSE, which provides a trading platform for Government Securities, also has been reporting record turnover and at times surpasses the volume in the cash market. The Derivatives Market has been on a developing trend with introduction of Index Futures, Stock Futures, Stock and Index Options on individual securities. The Exchange has also introduced retail trading in government securities.

At NSE, we strive to continuously upgrade our service levels and make the system more investor friendly. Since investors are the backbone of the securities market, awareness among investors is the foremost concern. It is of paramount importance to all concerned to protect the interest of the investors. However, the endeavour to safeguard the interest of the investors will have limited effect unless investors exercise certain precautions while making investment decisions. This booklet is meant to educate the investors in respect of the various market practices and serve as a quick reference guide.

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Some Frequently Asked Questions by Investors

Queries pertaining to Issues prior to trading on the NSE

Queries pertaining to Issues prior to trading on the NSE

Dealing through NSE trading member/SEBI registered sub-broker

1. Where do I go for buying/selling of shares?

To buy or sell securities you could approach either SEBI registered trading member of the NSE, or SEBI registered sub-broker of a trading member of the NSE

2. What care should I take while investing?

Before making any investment, you must ensure that you:

1. obtain written documents explaining the investment,
2. read and understand such documents,
3. verify the legitimacy of the investment,
4. find out the costs and benefits associated with the investment,
5. assess risk-return profile of the investment,
6. know the liquidity and safety aspects of the investment,
7. ascertain if it is appropriate for your specific goals,
8. compare these details with other investment opportunities available,
9. examine if it fits with other investments you are considering or you have already made,
10. deal only through an authorised intermediary,
11. seek all clarifications about the intermediary and the investment,
12. explore the options available to you if some thing goes wrong, and then, if satisfied, make the investment. We call this the **Twelve Steps to Investing.**

3. Why should I trade on a Stock Exchange?

Any trade in securities outside stock exchanges other than spot transactions, are illegal. Hence you do not get any protection if you trade outside an exchange. Besides, the stock exchange like NSE offers a ready market for your securities. If you are trading outside an exchange, you have to waste considerable time to find out the right person who is willing to undertake a corresponding transaction with you. Other benefits of trading on an exchange include: you have the right to receive the best price prevailing at that time for the trade; you do not take counterparty risk which is assumed by a clearing corporation; you have access to the investor grievance redressal mechanism of stock exchanges; you have protection upto a limit from the Investor Protection Fund and you have access to all company related information to enable an informed decision, etc.

4. Is it necessary to deal with a SEBI registered broker/sub-broker/NSE trading member ?

You are advised to deal only with registered intermediaries as it ensures speedy settlement as well as a speedy dispute resolution mechanism. The exchange can ensure the settlement and handle disputes/claims arising out of only those trades which are executed on NSE through registered trading members/ or registered sub-brokers. Thus, in case of any trade executed through a non-NSE entity, the investor may not be able to approach the investor services cell of the exchange in case of non-settlement or a dispute arising out of the same.

5. How do I verify the authenticity and the conduct of the trading member/sub-broker ?

All the SEBI registered trading members/sub-brokers get the SEBI registration certificate/number. You may ask a trading member to furnish the same documents. You may verify the authenticity and the validity of the registration with the

Exchange, or from the respective Stock Exchange and in case of NSE trading member, at its website www.nseindia.com/content/members/mem_directory.htm. General reputation of a trading member/sub-brokers can be known from the existing clients. The Exchange issues press releases as and when it approves the surrender application of any trading member. It also issues press releases when it expels any trading member or declares any trading member a defaulter. A list of active members is also available on NSE website.

6. What are my general rights and obligations?

As an investor, you have the right to receive all documents evidencing your investment. If you are trading on NSE, you should get the best price at that point of time and receive money and securities in time. Your general obligations are to remain informed about the intermediary and securities you are dealing with/in, to pay/deliver funds/securities as and when called upon, to exercise all rights conferred on you and to remain vigilant.

Registration as a Client

7. What are the formalities for registration as a client for NSE trading member/registered sub-broker ?

You should register yourselves with registered trading member/sub-brokers by:

- Filling up Know Your Client (KYC) Form
- Filling and signing up member client agreement form (MCA)
- Filling and signing up risk disclosure document (RDD)
- Submitting PAN details
- Signing up tripartite agreement (broker- sub-broker -client agreement), if dealing through a sub-broker

Obtain a copy of the above documents for your records

The member-constituent agreement/tripartite agreement contains the terms and conditions including order/trade confirmation, brokerage charged by a trading member/ registered sub-broker, delivery of securities and funds and therefore helps reduce the chances of disputes. This agreement is mandatory for all persons registering as a new client with a NSE trading member/SEBI registered sub-broker. On registration with a trading member, the trading member will allot unique client code for trading purpose which is required to be incorporated by the member/sub-broker in all transactions on NSE.

8. What check points/precautions should one take before signing the member-constituent agreement/sub-brokers-client agreement ?

a. You should read various terms and conditions carefully and understand their implications before entering into this agreement with the trading member/registered sub-broker.

b. A check should be done whether the agreement is on the stamp paper of requisite value and whether the stamp paper is valid. Date of agreement should be within the validity period of the stamp paper.

c. Your name and address and the name and address of the trading member/sub-broker should be clearly mentioned in the agreement. All the pages of the agreement should be paginated and duly signed by the trading member as well as by you. The witnesses should also put their names and addresses against their signature.

d. You should check whether the trading member/registered sub-broker or their representatives have the authority (such as board resolution, power of attorney etc.) to

sign the member-constituent agreement/ tripartite agreement.

e. You should not sign blank documents such as KYC, MCA, RDD or any other document or leave any blanks inside the documents.

Performance of companies

9. How do I know of the performance of companies whose securities I want to trade in?

There are a number of sources from where information about the company can be received. In terms of listing agreement, the companies are required to make continuous disclosures about the price sensitive information. These disclosures are disseminated through the websites of the exchanges. Besides, SEBI provides EDIFAR (Electronic Data Information Filing and Retrieval System), which contains information about (i) financial statements comprising of balance sheets, profit and loss account and full version of the annual report, half yearly financial statements (ii) corporate governance reports (iii) shareholding pattern and (iv) action taken against the company by a regulatory body. Apart from the above, the details of a company are also available with the various market participants and numerous public online sites. News magazines also carry out analysis of the companies periodically.

Trading Related Issues

Giving purchase/sale instructions

10. How do I give sale/purchase instructions to my trading member/registered sub-broker?

A trading member will have to be communicated the order instructions in writing. The order instructions should clearly indicate the security name, whether the order is for buy or sell, the quantity for each of the security, rate specifications, and other relevant instructions. This reduces chances of miscommunication between the client (investor) and the trading member/registered sub-broker at the time of placing the deals on behalf of the client. You are advised to quote your uniform and unique client id, while communicating with the trading member or the sub-broker.

Price at which traded

11. What is price-time priority?

The system arranges all orders in the priority of price and within price by time. Let us say, Investor 'A' has placed a buy order for 100 shares of company ABC at Rs.285, thereafter Investor 'B' places a buy order at Rs.290 for shares of company ABC, then Investor 'C' places a sell order in company ABC also at Rs. 285. In this situation, sell order placed by 'C' will be first matched with the buy order of investor 'B' as he has given a better price. This is price priority. Let us say, 'A' & 'B' have placed orders Rs.285 as the price at which they want to buy shares of company ABC, then sell order is placed by 'C' at Rs. 285 then the order of investor 'A' will be matched as it was placed first in time.

12. How do I know my TM has given me the best price?

The NSE trading system matches orders following such an algorithm that the order gets executed at a price which is either equal to or better than the specified price but never worse than it. Therefore, if you have given an order for selling 100 shares at the rate of Rs.50, your order will be traded in the system in such a way that you will get a sale price of Rs.50 or more but never less. Similarly, if you have given an order for buying 100 shares at the rate of Rs.50, your order will get executed in the system in such a way that you will get a buy price of Rs.50 or less but never more.

13. How do I know that the broker has given me the correct price ?

Regulations provide that the investor (client) receives a contract note indicating details like order number, order time, trade number, trade time, price, brokerage, etc. within 24 hours of the trade. In case of any doubts about the details of the contract note, you can avail the facility provided by NSE, wherein you can verify the trades on our website www.nseindia.com/content/equities/eq_trdverify.htm. Trade details for the last 5 trading days will be available on the website. That is, trades executed on 'T' day, can be verified till the T+4th day.

Contract Note

14. What is a contract note? What is the need for it? What is important in a contract note?

'Contract Note' is a confirmation of trades done on a particular day on behalf of the client. It establishes a legally enforceable relationship between the client and the trading member with

respect to the settlement of the trades. It also helps to settle disputes/claims/differences in terms of the contract note. It is a prerequisite for filing a complaint or arbitration proceeding against the trading member/sub-broker in case of a dispute. A valid contract note should be in the prescribed form, under the name, address, and SEBI Registration number of trading member containing trade details such as order no., trade no., trade date, trade time, quantity, price, client code, stamped with requisite value and duly signed by the authorized signatory. Contract notes are made in duplicate, the trading member and the client should keep one copy each. Mode of receipt of Contract Note (physical or electronic) is to be specified while signing Member-Constituent-Agreement. Do not accept the unsigned contract note.

15. Will a contract note be issued even if the trade has been executed through a registered sub-broker?

Yes. In case an order is executed through a registered sub-broker, the trading member is required to issue contract notes to you, giving details of all transactions done by the sub-broker through the trading member's terminal.

16. What if the details contained in the contract note are incorrect or includes some transaction not pertaining to my orders/trades?

Counter-check the details contained in the contract note with the details of order place by you. Check whether the order number, trade number and other details in order placed by you with those on contract notes. In case of discrepancy, bring the same to the notice of the trading member/registered sub-broker immediately by way of written communication.

17. What are the points to be checked by me to check the validity of a contract note?

To ensure that the contract note issued to you by the trading member is a valid one, you must verify the following details:

(a) The contract note should be in the prescribed format (as per annexure)

(b) Name and address of the trading member

(c) SEBI registration no. of the trading member

(d) Details of trades like order no., order time, trade no., trade time, security name, quantity, price, brokerage, client code etc.

(e) The trade price should be separately shown from the brokerage charged

(f) Signature of the authorized person.

Brokerage

18. What is the brokerage chargeable ?

As stipulated by SEBI, the maximum brokerage chargeable by a trading member in respect of trades executed on the Exchange is fixed at 2.5% of the trade value. This maximum brokerage is inclusive of the brokerage charged by a sub-broker which shall not exceed 1.5% of the trade value. Apart from the above, the trading member can charge statutory levies. In case the brokerage is agreed at reduced rates, it is advisable to have the same in writing. When trading member charges higher rate of brokerage than agreed reduced rate but within the statutory limit of 2.5% of the trade value, such agreed reduced rates are as per the mutual understanding between the trading member and client and cannot become a matter of dispute at Investor Services Cell of the Exchange.

Documents to be given by the TM/Registered Sub Broker

19. What documents should I receive from the trading member in respect of trade ?

1. Contract notes for the trades executed by clients are required to be issued by the trading member each day to the respective clients within one working day of the date on which trades are executed.

2. Statement of account together with statement of holding of securities, if any , is required to be sent to each of the clients by all the trading members within 30 days from the end of the calendar quarter, for the trades executed in that quarter.

Clearing and Settlement related Issues

Rolling settlement

20. What is rolling settlement?

Under rolling settlement, all transactions, to the extent not closed out during the day, known as open positions at the end of the day mandatorily result in payment/ delivery 'n' days later. Currently trades in rolling settlement are settled on T+2 basis where T is the trade day. For example, a trade executed on Monday is mandatorily settled on Wednesday (considering two working days from the trade day). The funds and securities pay-in and pay-out are carried out on T+2 day.

Table 1

	Activity	Day
Trading	Rolling Settlement Trading	T
Settlement	Securities and Funds pay in	T+2 working days
	Securities and Funds pay out	T+2 working days
Post Settlement	Auction	T+3 working days
	Auction settlement	T+5 working days

For exact schedule of pay-in and pay-out, kindly refer to www.nse-india.com/content/nsccl/cm_sett_calendar.htm for Capital Market segment and www.nse-india.com/content/nsccl/fao_sett_calendar.htm for Futures & Options segment.

Pay-in and Pay-out of securities and funds

21. When and how do I pay/receive payment for the securities that I have bought/sold?

You should pay for your purchases within 24 hours of trade. The payment has to be made by way of account payee cheque/demand draft in the name of the trading member

only. It is necessary that no payment should be made by way of cash or into the personal account of the trading member or sub-broker or any of its employees. You should receive payment for securities within 24 hours (one working day) of declaration of pay-out by the Stock Exchange. Ensure that cheque / money transfer is done to trading member from the bank account specified in 'Know Your Client' form, at the time of opening trading account with the trading member.

22. When and how do I deliver and receive securities?

- In case of a sale transaction, to ensure timely pay-in of securities by your trading member to The National Securities Clearing Corporation Ltd., a wholly owned subsidiary of the Exchange (NSCCL), you should deliver securities within 24 hours of trade. For this, instructions should be given to the DP to transfer securities from your beneficiary account to the pool account of your trading member. Ensure to fill up delivery instruction slip on your own, verify each detail including settlement details, and do not leave any field or row blank. Ensure that security deliveries are made to trading member from your own beneficiary account, which was specified in 'Know Your Client' form, while opening the trading account.
- In case of purchase, you should receive securities (in your beneficiary account with DP), within 24 hours of the securities payout by the NSCCL. For this, standing instructions should be given to the DP to receive securities in your beneficiary account from the pool account of your trading member.
- Check on the pay out day whether your depository account is credited with securities purchased or your bank account is credited through electronic fund transfer representing sale consideration.

23. What are the margins payable on securities and transactions? How do I meet my obligations?

Based on the Contract notes issued by the trading member, arrange to meet pay-in obligation as under:

1. In case of securities sold on the Exchange, handover delivery instruction to your DP.
   (1) from your own beneficiary account
   (2) with correct settlement
   (3) member account details depending upon the Exchange in which securities are sold and ensure that DP effects delivery to the trading member a day prior to pay-in day, crediting the specified pool account of the trading member.
2. Note that although the deliveries are to be made by T+2 day from the trade day, Depositories NSDL /CDSL have specified timings to receive delivery instruction by their depository participants. You have to verify the timings by which delivery instruction can be deposited with your depository participant to facilitate them to effect delivery to avoid short delivery.
3. Ensure that deliveries of securities are made to trading member from your own beneficiary account, which was specified in 'Know Your Client' form, while opening the trading account.
4. Confirm with the depository participant as also the trading member that the delivery instructions have been correctly executed by them to the required settlement number and / or for required quantity.
5. In case of securities bought, arrange to issue a cheque in the trade name of the trading member / or transfer of money through electronic funds transfer to trading members' settlement / business account before the pay-in day.

6. Ensure that cheque / money transfer is done to trading member from the bank account specified in 'Know Your Client' form, at the time of opening trading account with trading member.

The Exchange/Clearing Corporation prescribes margin rules from time to time and such margining rules are posted on the website of the Exchange. Currently, the Exchange calculates margins on the basis of value at risk principles as well as mark to market basis. The margins are charged on client level positions. You are advised to educate yourselves about the margining principles. According to the terms and conditions of the member-client- agreement / tripartite agreement, the trading member has a right to close out the position of a client and / or sell off securities deposited as margin / security deposit by the client, if margin money and / or loss and / or debit balance is not paid / deposited, as required by the member. Please refer to specific clauses in the member-client-agreement relating to closing out of position/ sell off of securities. Therefore, it is necessary for you to keep track of the margin requirements in order to avoid square off by the trading member on account of shortfall in margin or selling off securities deposited as margin/security deposit.

24. Do I need to keep any deposit with the trading member /sub-broker?

The regulations relating to Capital Market Segment do not mandate any such requirement. It depends on your understanding with the trading member /sub-broker. You are, however, required to pay upfront margin to the member in respect of any order that you want to get executed in the Futures & Options Segment and also forthwith pay differential margin amount, if any, payable on account of the Exchange debiting the margin amount to the member account during the day.

Settlement Guarantee Fund

25. What is Settlement Guarantee Fund?

The NSCCL has set up the Settlement Guarantee Fund (SGF) that is intended primarily to guarantee financial settlement for trades executed in the regular market. The SGF, therefore, ensures that the settlement is not delayed on account of failure of trading members to meet their obligations and all other trading members who have completed their part of the obligations are not affected in any manner whatsoever.

26. Is an investor affected, in case a counter trading member fails to pay-in funds as per his obligation?

No, the investor is not affected in case the counter trading member fails to meet his obligation since NSCCL guarantees the net financial settlement obligations. The clearing corporation guarantees financial settlement through SGF in case of any default by the trading member towards his obligation.

Demat Settlement

27. What is a depository ?

A depository is like a bank wherein the deposits are securities (viz., shares, debentures, bonds, government securities, units etc.) in electronic form. Besides holding securities, a depository also provides services related to transaction in securities.

28. Who is Depository Participant?

Depository provides its services to investors through its agents called depository participants (DPs). These agents are appointed by the depository with the approval of SEBI. According to SEBI regulations, amongst others, three categories of entities i.e. Banks, Financial Institutions and Members of Stock Exchanges registered with SEBI [TMs] can become DPs.

29. What is dematerialisation?

Dematerialisation is the process by which physical certificates of an investor are converted to an equivalent number of securities in electronic form and credited in the investor's account with his Depository Participant (DP).

30. What is the procedure for dematerialization ?

In order to dematerialize certificates, you will have to first open an account with a DP and then request for the dematerialization of certificates by filling up a Dematerialization Request Form (DRF), which is available with DP and submitting the same along with the physical certificates. Ensure that the certificates are defaced by marking: "Surrendered for Dematerialisation" on the face of the certificate before the certificates are handed over to the DP.

31. Why should I hold securities in depository and is it compulsory for every investor to open a depository account to trade in the capital market?

Holding securities in depository enables immediate transfer of securities in case of purchases. The stamp duty to be paid on transfer of securities is not needed, all risks associated with physical certificates like fake securities, forgery, bad

delivery, etc. are not involved. Also, since more than 99% of the settlement at the stock exchanges is taking place in the demat form, it is advisable that securities be held in demat form with any Depository Participant (DP).

32. How do I receive demat shares in my account towards my purchase transaction and pay-in demat shares towards my sale obligation ?

For receiving demat securities in case of purchases made, you may give a one-time standing instruction to your Depository Participant. This standing instruction can be given at the time of account opening or later. Alternatively, you may choose to give a separate receipt instruction to your Depository Participant for receiving every credit.

For pay-in obligations, you should instruct your DP to give 'Delivery Out' instructions to transfer the shares from your beneficiary account to the pool/principal account of your trading member through whom you have sold the shares. The details of the pool/principal account of your trading member/ clearing member to which shares are to be transferred, security, quantity etc. should be mentioned in the 'Delivery Out' instructions given by you to your DP.

The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the 'Delivery Out' instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems etc.

Auction of Shares

33. What is an auction ?

1. If any member fails to deliver the quantity of any security or any security vis-à-vis the deliverable obligation of the member, such quantity of securities or such securities are put up for auction by the Exchange. The Exchange purchases the requisite quantity of the security in auction market and delivers them to the buying trading members, who either did not receive or received part delivery.
2. On account of short / non delivery of securities, the selling trading member's account is debited on T+2 day with an amount equal to the value of these securities. This value is arrived at by considering the closing price into the quantity of each of the securities short / not delivered. The closing price is the price prevailing on preceding day to the pay-in day.
3. On T + 3 day, the Exchange places an order in the auction market to buy these undelivered quantity of securities.

Based on the auction price four scenarios can emerge.

Scenario 1. Where the auction value equals the debited amount

For the securities bought in auction, the trading member who did not deliver the securities does not have to pay any additional amount by way of auction difference.

Scenario 2. Where the auction value is greater than debited amount.

For the securities bought in auction, the trading member who did not deliver the securities will be required to pay the difference if the amount for the securities bought in auction is greater than the amount debited.

Scenario 3. Where the auction value less than debited amount.

For the securities bought, the trading member who did not deliver the securities will not get difference. This amount will go to Investor Protection Fund. (Please refer point 4.2 mentioned below)

Scenario 4. Failure to receive securities through auction.

If the short quantity of the security or the security is either not available in auction market or when the selling member in the auction fails to deliver in part or full the quantity of the security against his obligation to deliver, on auction pay in day, the Exchange effects the close-out at the highest price prevailing in the Exchange on the day of the original trade till the day of the closing out(end of auction day) or 20% above the official closing price on the auction day, whichever is higher.

The four scenarios are explained with an example in the table given below:-

Assume 10 shares of XYZ Company are sold at a price of Rs.100 in normal market on a Trading Day (T).

Table 2

Price details for securities of XYZ Company in the Normal Market.

Price of xyz security	Open	High	Low	Close
Trading Day	100	105	97	100
T + 1	100	102	99	100
T + 2 (Pay-in day)	101	103	98	101
T+3(Auction day)	99	102	99	100

Table 3

Calculation of Auction Difference for each Scenario

Particulars	Scenario 1 (Auction Price = Rs. 100)	Scenario 2 (Auction Price = Rs. 110)	Scenario 3 (Auction Price = Rs. 90)	Scenario 4 (No auction)
	Auction value equal to debited amount	Auction value greater than debited amount	Auction value less than debited amount	No securities in auction (Close out price)
Amount debited to Short Delivering TM (Valuation debit) (Rs.100*10 Qty.)	1000	1000	1000	1000
Auction Price / Close out price	1000	1100	900	1200
Auction Difference amount	-	(+)100	(-) 100	(+) 200

In the table, the highest price prevailing from the date of trade to the date of close out is Rs.105.00 and closing price on Auction day in normal market is Rs.100. Therefore applicable close out price in the above case will be Rs. 105.00 (highest price during the period) or Rs.120.00 (i.e. 20% above the closing price on the auction day in the normal market), whichever is higher. In this case, closing price shall be Rs. 120.00

4. As per the SEBI directive, the difference between the debited amount and the auction value is treated as under:

   4.1 Where auction value is more than the debited amount, the difference amount is debited to and recovered from the short / non-delivering member.

   4.2 Where auction value is less than the debited amount, the difference amount is to be credited to the Investor Protection Fund.

   4.3 Auction settlement is held two days after auction trade day (i.e. auction takes place on T+3 day, therefore auction settlement takes place on T+3+2 = T+5 days)

34. Can I avail the benefit of the auction mechanism, if I have shares to deliver ?

Yes, you can inform your trading member to sell your securities in the auction. However, you should ensure that the securities are readily available for delivery. Securities not delivered on auction pay-in day are directly closed out at a price specified by the Exchange/Clearing Corporation.

Redressal of Complaints

Complaints to be addressed to

35. Whom should I approach if I have a grievance against a sub-broker/TM/company?

You should bring it to the notice of the broker with whom the sub-broker is affiliated. In case the sub-broker/broker fails to resolve the dispute and in case of complaints against a broker/ company, you should take up the matter with Investor Services Cell of the Exchange. The Cell takes up complaints for redressal in respect of trades executed on the exchange or trades pertaining to companies traded on the exchange. You should lodge the complaints in the prescribed form with all associated documents such as contract notes, purchase/ sale notes, bills, statement of accounts and the member-client agreement.

36. Whom should I approach for Redressal of my Complaints ?

Despite all the precautionary measures taken by you and the Exchange, there might be some grievances. The Exchange tries to solve and sort out all the grievances, in addition to this you also have the freedom to take up the grievance with SEBI or Court of Law, after you have exhausted the redressal mechanism of the Exchange (including arbitration).

37. Whom should I address my complaint against a trading member/registered sub-broker or against company traded on NSE

You should address the complaint to the Mumbai office or the Regional office of NSE based on the dealing office where the deals were executed as given below:

State in which dealing office of the trading member is located where trade was executed	**Complaint to be addressed to**
Maharashtra, Gujarat, Goa, Daman, Diu, Dadra & Nagar Haveli, MadhyaPradesh, Chattisgarh	Investor Services Cell *National Stock Exchange of India Ltd.* Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. Tel. No. (022) 26598190 Fax No. (022) 26598191 email : ig_nse@nse.co.in
Delhi, Haryana, Punjab, UttarPradesh, Uttaranchal, HimachalPradesh, Jammu & Kashmir,Chandigarh, Rajasthan	*National Stock Exchange of India Ltd.* 4th Floor, Jeevan Vihar Building,Parliament Street, New Delhi-110001. Tel No: (011) 23344313 to 23344327 Fax No: (011) 2336 6658 email : ig_nse@nse.co.in
West Bengal, Bihar, Jharkhand,Orissa, Assam, Arunachal Pradesh,Mizoram, Manipur, Sikkim,Meghalaya, Nagaland, Tripura,Jharkhand	*National Stock Exchange of India Ltd.* 1st Floor, Park View Apartments 99, Rash Behari Avenue, Kolkata – 700 029. Tel No : (033) 24631802-1805, 24631809-1812 Fax No : (033) 24631791, 24631806 email : ig_nse@nse.co.in

Andhra Pradesh, Karnataka, Kerala,Tamilnadu, Andaman & Nicobar,Lakshwadeep, Pondicherry	*National Stock Exchange of India Ltd.* 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 email : ig_nse@nse.co.in

38. What complaints are taken up for redressal by the ISC ?

The following types of complaints are taken up for redressal:

Complaints against trading members:

1. Capital Market Segment:
    - Non-issuance of documents by the trading member
    - Non-receipt of funds on account of sale of securities
    - Non-receipt of credit balance (As per statement of account)
    - Non receipt of securities purchased
    - Non-refund of margin / security deposit
    - Non-receipt of corporate benefit (dividend /interest / bonus etc.) (on securities kept as margin/ purchased)
    - Auction value/Close out value received or paid
    - Unauthorized trading

- Excess brokerage charged by trading member /sub-broker (In excess of 2.5%)
- Levying of unwarranted charges / penalties

2. F & O Segment
   - Non-issuance of documents by the trading member
   - Non-receipt of credit balance as per the statement of account
   - Non-receipt of funds / securities kept as margin / security deposit
   - Unauthorized trading
   - Excess brokerage charged (other than on option premium)
   - Levying of unwarranted charges / penalties

Complaints against companies:

- Non-Receipt of Dividend
- Non-Receipt of Interest on Debentures / Bonds
- Non-Receipt of Interest on Delayed Refund In Case of Public Offer
- Non-Receipt of Redemption Amount
- Non-Receipt of Allotment Advice
- Non-Receipt of Refund Order
- Non-Receipt of Sale Proceeds of Fractional Entitlement
- Non-Receipt of Letter of Offer for BuyBack
- Non-Receipt of Common Application Form for Rights Offer
- Non-Receipt of Securities on Account of Initial Public Offer

- Non-Receipt of Securities on Account of Right Offer
- Non-Receipt of Securities on Account of Bonus / Demerger /Merger / Stock Split
- Non-Receipt of Securities after Dematerialization
- Non-Receipt of Security after Transfer / Transmission
- Non-Receipt of Duplicate Certifiate relating to Securities
- Non-Receipt of Annual Reports

However, in case of the following complaints, it would not be possible for the Exchange to render any assistance:

- Complaints received for trades that are not executed on the Exchange.
- Complaints received which do not fall within the purview of the listing agreement and are not related to the Exchange.
- Complaints for compensation for mental agony and harassment.
- Complaints for refund of postal charges, telephone expenses and miscellaneous charges.
- Complaints for claims of sub-broker/authorized persons for private commercial dealings with the trading member.
- Complaints in relation to the matter where arbitration award has already been passed/received and implemented by the Exchange.
- Complaints pertaining to encashment of cheques by third parties/transfer of securities to unknown parties, allegations of criminal intimidation by the trading member and where court proceedings are already in progress.

- Complaints pending with ISC and the complainant/ member has simultaneously filed an application for arbitration
- Complaints pertaining to securities not traded on the Exchange.
- Complaints pertaining to notional loss due to delay in receipt of shares sent for transfer or after IPO.
- Complaints pertaining to pledged and assigned shares.
- Complaints will not be taken up if proof of shareholding during the relevant period is not provided for non-receipt of annual reports.
- Complaints where the complainant fails to establish ownership of security
- Complaints received after a period of six months from the date of transactions if so established based on the supporting submitted. (To avoid attracting provision of byelaw 3 pertaining to limitation).
- Complaints in cases where the sub-broker or broker has surrendered his membership and the complainant has approached the Exchange after expiry of time mentioned in the public notice issued in this regard.
- Complaints in cases where an agreement has been reached between the trading member and the complainant for settlement of claim and the complainant states that he is not satisfied with the settlement, after receiving the consideration as per the terms of the agreement.
- Complaints lodged after the expiration of time mentioned in the public notice in case of a surrendering member/ expelled member/defaulter .

40. How do I lodge a complaint with the ISC ? What documents do I need to enclose for the same ?

You are requested to use the following forms for lodging complaints:

Investor Complaint Form - I (ICF-I) for lodging complaints against members/registered sub-brokers.

Investor Complaint Form - II (ICF-II) for complaints in respect of companies traded on NSE.

- The complaint forms are available at NSEIL website (www.nseindia.com>Home>Assistance>Investors'Services>Complaint Forms).

Documents to be submitted – Complaints against Companies

Sr. No	Documents to be submitted by the Investors for complaint against the Listed Companies
1.	**Non receipt of Dividend**
	1. In case of Dematerialized Form- Statement of Holding as on record date 2. In case of Physical form- a. Allotment Advice/ Copy of share certificate Previous dividend warrant received and b. Declaration by the investor that he/she has not effected the sale transaction of the security/ redeemed (option exercised)/ transferred this security from the date of allotment upto the record/ book closure date.

2.	**Non receipt of Interest** **a) On debenture/ Bonds/ Tradable warrant** **b) On delayed refund in case of Public Offering**
	1. In case of Dematerialized Form- Statement of Holding as on record date. 2. In case of Physical form- a. Allotment Advice/ Copy of share certificate/ Previous dividend warrant received and b. Declaration by the investor that he/she has not effected the sale transaction of the security/ redeemed (option exercised)/ transferred this security from the date of allotment upto the record/ book closure date.
3.	**Non receipt of Redemption Amount**
	1. In case of Dematerialized Form- Statement of Holding as on record date/ Letter from the Company or Registrar and Transfer Agent advising proposed redemption or maturity 2. In case of Physical form- a. Letter from the Company or Registrar and Transfer agent advising proposed redemption or maturity/Copy of the documents forwarded or details submitted to company or registrar and transfer agent in relation to the maturity/ redemption of debenture/ bonds/ any other security b. Declaration by the investor that he/she has not effected the sale transaction of the security/ redeemed (option exercised)/ transferred this security from the date of allotment upto the maturity date/redemption date.

4.	**Non receipt of Allotment Advice**
	1. Copy of acknowledgement given by the Syndicate Member/ Bank (in case of Rights/ Preferential Offer) 2. Copy of Bank Statement/ Bank Passbook showing proof of payments made.
5.	**Non receipt of Refund Order**
	1. Copy of acknowledgement given by the syndicate member/ Bank. 2. Copy of Bank Settlement/ Bank Passbook showing proof of payments made.
6.	**Non receipt of sale proceeds of Fractional entitlement**
	1. In case of dematerialized form Statement of holding as on Record date/ Book closure date Letter of Entitlement for fractional proceeds received from Company/ Registrar and Transfer Agent or allotment advice 2. In case of physical form-Allotment advice or Copy of share certificate or letter of entitlement for fractional sales proceeds received from company/registrar and transfer agent
7.	**Non receipt of letter of offer for Buyback**
	1. In case of dematerialized form-Statement of holding as on specified date 2. In case of physical form-Allotment advice or Copy of share certificate 3. Declaration by the investor that he/she has not effected the sale transaction of the security/ redeemed transferred this security from the date of allotment up to the specified date

8.	**Non receipt of common application form for rights offer**
	1. In case of dematerialized form- Statement of holding as on record date 2. In case of physical form- Allotment advice or Copy of share certificate or previous dividend warrant received 3. Declaration by the investor that he/she has not effected the sale transaction of the security/ redeemed (option exercised)/ transferred the security from the date of allotment upto the record/book closure date
9.1	**Non receipt of securities- Initial Public Offer/ Follow on public offer**
	1. Copy of acknowledgement given by the syndicate member/ Bank (in case of Rights/ Preferential Offer) 2. Copy of Bank Statement/ Bank Passbook showing proof of payments made.
9.2	**Non receipt of securities- rights offer**
	1. In case of dematerialized form- Statement of holding as on record date/ book closure date 2. In case of physical form- Allotment advice or Copy of share certificate 3. Declaration by the investor that he/she has not effected the sale transaction of the security/ redeemed (option exercised)/ transferred the security from the date of allotment upto the record/book closure date

9.3	**Non receipt of securities- Bonus/demerger/merger/stock split**
	1. In case of dematerialized form- Statement of holding as on record book closure date 2. In case of physical form- Allotment advice or Copy of share certificate 3. Declaration by the investor that he/she has not effected the sale transaction of the security/ redeemed (option exercised)/ transferred the security from the date of allotment upto the record/book closure date
9.4	**Non receipt of securities after dematerialization**
	In case of physical form- Copy of acknowledgement given by the DP or copy of share/ bond/ debenture certificate etc or letter if any issued by the DP/ company/ Registrar and Transfer Agent in this regard.
9.5	**Non receipt of securities after transfer/ transmission**
	1. In case of physical form- Copy of acknowledgement given by the DP or copy of share/ bond/ debenture certificate etc or letter if any issued by the DP / Company/ Registrar and Transfer Agent in this regard. 2. In case of dematerialization form- Statement of holding of the demat account.
10	**Non receipt of Duplicate Certificate**
	1. Copy of acknowledgement given by the company or RTA 2. Copy of share/ bond/ debenture certificate etc 3. Letter if any issued by the DP/company/ registrar and transfer agent in this regard 4. Copy of indemnity letter issued to company/ RTA 5. Copy of FIR lodged with police 6. Declaration by the investor that he/she has not effected the sale transaction of the security/ redeemed (option exercised) / transferred the security from the date of allotment upto the date of request of duplicate certificate.

11	**Non receipt of annual reports**
	1. Copy of letter sent to the company in this regard. 2. Copy of share/ bond/ debenture certificate.

The documents to be requested from the investors

Sr. No	Documents to be submitted by the Investor
1.	**Non-issuance of documents by the trading member**
	Proof of registration with the trading member 1. Know your client form / member constituent agreement (MCA) / risk disclosure document
2.	**Non-receipt of funds on account of sale of securities**
	1. Contract notes 2. Bills 3. Statement of account for the relevant transactions / period 4. Delivery details by way of transaction statement 5. If securities were in physical form : i. DNR no, share certificate no. ii. If details of security not available then copies of most recent dividend warrants counterfoils or contract notes for purchase of shares and proof of payment toward such purchase transaction

3.	**Non-receipt of credit balance (As per statement of account)**
	1. Contract notes 2. Bills 3. Statement of account for the relevant transactions / period 4. In case of credit balance on account of sale of securities i. Demat Transaction Statement for deliveries in demat form ii. In case the securities were in physical form : a) DNR no., share certificate no. b) If details of security not available then copies of most recent dividend warrants counterfoils or contract notes for purchase of shares and proof of payment toward such purchase transaction 5. In case of credit balance emanated from payments made: proof of payment (copy of passbook of the bank account or bank confirmation letter)
4.	**Non receipt of securities purchased**
	1. Contract notes 2. Bills 3. Statement of account for the relevant transactions / period 4. In case the purchase is funded by sale of securities i. Demat Transaction Statement ii. In case the securities were in physical form: a) DNR no., share certificate no. b) If details of security not available then copies of most recent dividend warrants counterfoils or contract notes for purchase of shares and proof of payment toward such purchase transaction 5. In case of payments made for purchase of securities: proof of payment (copy of passbook of the bank account or bank confirmation letter)

5.	**Non-refund of margin money/securities**
	1. In case margin is in the form of money : proof of payment (copy of passbook of the bank account or bank confirmation letter) 2. In case margin is in the form of securities ii. Demat Transaction Statement iii. In case the securities were in physical form: a) DNR no., share certificate no. b) If details of security not available then copies of most recent dividend warrants counterfoils or contract notes for purchase of shares and proof of payment toward such purchase transaction
6.	**Non-receipt of corporate benefit (dividend /interest/ bonus etc.)**
	1. Statement of account for the relevant transactions / period 2. In case securities have been delivered for margin purpose i. Demat Transaction Statement ii. In case the securities were in physical form: a) DNR no., share certificate no. b) If details of security not available then copies of most recent dividend warrants counterfoils or contract notes for purchase of shares and proof of payment toward such purchase transaction 3. In case securities have been purchased and continue to be in possession of the trading member i. Contract Notes ii. In case of payments made for purchase of securities: proof of payment (copy of passbook of the bank account or bank confirmation letter)

7.	**Auction / Close out rate confirmation**
	1. Contract notes and bills or copies thereof for purchase or sale of securitiies 2. Proof of payment incase of debit on account of auction
8.	**Closing out trades (buying/selling) of shares by the TM (Due to Loss/margin shortfall/debit balance)**
	1. Contract notes and bills or copies thereof 2. Statement of account 3. Margin statement
9.	**Unauthorised trading**
	1. Contract notes and bills or copies thereof 2. Statement of account 3. Margin statement
10.	**Excess brokerage charged by trading member/sub-broker (In excess of the statutory limit - 2.5%)**
	1. Contract notes and bills or copies thereof 2. Proof of payment of brokerage
11.	**Levying of unwarranted charges/penalties**
	1. Contract notes 2. Bills 3. Ledger statements/Proof of payment

41. What steps are taken by the ISC to ensure speedy redressal of the complaints by the trading members/registered sub-brokers and companies?

Complaints against trading members/registered sub-brokers

Complaints received from the investor if accompanied by relevant documents as mentioned above are forwarded to the respective trading member/registered sub-broker asking them to provide their comments or for resolving the case.

The trading members are expected to file their replies within seven days.

In case of the trading member/registered sub-broker disputes the claim of the investor, the response of the trading member is forwarded to the investor. If required both the parties are called for a joint meeting. Most of the complaints are resolved in this manner. In cases where the disputes remain unresolved in ISC, the parties may refer the matter for arbitration if they so desire.

Complaints against Companies

Complaints received from the investors are forwarded to the respective Companies/Share Transfer Agents for necessary action at their end. In case no response is received from the Company/Share Transfer Agents within 21 days, a follow up by way of letters, telephone calls and personal meetings is undertaken to expedite their replies.

Investor Protection Fund

42. What protection is available from Investor Protection Fund?

The Exchange maintains an Investor Protection Fund to make good investor claims, which may arise out of non settlement of obligations by the trading member, who has been declared a defaulter, in respect of trades executed on the Exchange. The maximum amount of claim payable from the Fund is Rs. 10 lakh in respect of trades on NSE.

Investors – Rights and Obligations

KEY POINTS – RIGHTS & DUTIES AT A GLANCE

No	Key Point	Right	Duty and Time stipulation
1	Opening of trading account	Read and understand all documents carefully.	Provide correct and complete information before trading.
2	Signing of documents to open trading account a. Member client agreement b. Know your client	To receive copies of all documents executed.	Ensure that copies of documents are received latest within 10 calendar days.
3	Initiate trading	To Know - Contact person at TM's office. - Essentials of how to place order (writing, telephone or internet)	Inform TM in writing about name of person placing order on your behalf before placing an order.
4	Placing of order	To receive confirmation for order placement. To receive confirmation by end of day.	To confirm details of order placed to avoid misunderstanding.

5	Trade execution	To receive contract note for trades executed within 2 working days of trade.	To be doubly sure, verify trades using NSE facility to "verify trades" on the website within 5 trading days of the trade date.
6	For purchase of securities	To get credited securities to your beneficiary account latest within 2 working days of pay out by the Exchange.	Issue cheque in the name of trading member only and from the account disclosed in the KYC which is linked to your trading account latest by T+1 day.
7	Sale of securities	To get credit of funds to your bank account disclosed in KYC through electronic funds transfer or receive cheque latest within 2 working days of payout by the Exchange.	To issue immediately delivery instruction slip with correct details and duly signed, delivering shares to the pool account of trading member from own beneficiary account disclosed in the KYC latest on T+1 day to avoid shortage.
8.	Non receipt of securities after purchase within 2 working days of pay-out by the Exchange.	To seek information from trading member for shortages.	To check with trading member for status of receipt of delivery of securities, within 2 working days of trade.

9	Statement of account	To receive quarterly for both CM and F & O.	To verify whether statement of account is received within one month after expiry of quarter.
10	Demand from trading member	If any of the documents listed above or payment / securities not received within stipulated time, demand in writing within 30 calendar days from the date of non- receipt by you.	To ensure to make demand during stipulated time and not to delay.
11	Complaint with the Exchange in the prescribed form	If you fail to receive a response from the trading member as desired in point no. 10 above , file in writing a complaint with the Stock Exchange within 30 calendar days from the date of transaction / settlement date.	To ensure to file the complaint with the Stock Exchange and seek response.

DON'T'S

1. Undertake any deal for or on behalf of any other person (including close relatives) / entity.
2. Deal with any un-registered intermediary / unauthorized person / third party.

3. Forget to get one copy of the Member-Client-Agreement, for your record.

4. Forget to get one copy of the clauses / agreement (if they are separate documents), for your record.

5. Deposit monies and / or securities with the trading member unless deposited specifically as margin / security deposit or in relation to any trades executed on the trading system of the Exchange.

6. Accept unsigned and / or duplicate contract notes / bills.

7. Forget to demand contract notes / bills / statement of account, if any one is not received, within stipulated period.

8. Make payment in the personal / beneficiary account of the authorized persons, sub-brokers, employees or directors of the trading member.

9. Give delivery of shares in to beneficiary account of the authorized persons, sub-brokers, employees or directors of the trading member.

10. Delay payment of funds and / or deliveries of securities to the trading member towards margin and / or settlement liability.

11. Make payment in cash and / or delivery of shares from any account other than your own beneficiary account.

12. Sign blank delivery instruction slip towards security pay-in obligations.

13. Get carried away to luring advertisement, if any.

14. Be led by market rumours and / or get into / participate in shady transactions (not apparently looking to be normal transactions).

15. Delay to demand pay-out of money and / or securities if not received within one working day.

16. Delay to lodge your complaint with the Exchange if you have a grievance against any sub-broker or trading member beyond 30 calendar days from the date of transaction / latest date by which the member ought to have forwarded the document as above / the member ought to have settled the claim made by you.

17. Accept cheques / securities from the personal bank / beneficiary accounts of Authorized Person, Sub broker, employees, directors in the settlement of any trade executed by you.

18. Transfer balances between several accounts of relatives.

19. Subscribe to trading in complex leverage products offered by the trading members without completely understanding the implications of all the features offered in such products

20. Blindly follow rumors / market call on securities given by any entity.

CONTRACT NOTE
(CAPITAL MARKET SEGMENT OF NSE)
(PURSUANT TO REGULATION 3.5)

Dealing Office Address of the Member
Tel. No.
Fax. No.

Name of the Member
Address of the Member
SEBI Regn. No. of the Member
Trading Member Code No.

To
Name of the Constituent
Address of the Constituent
Unique Client Code No.
Trading Code No. of the Constituent
PAN of Constituent

To be stamped as per the provisions applicable under the relevant Stamp Act

CONTRACT NOTE NO.
TRADE DATE
SETTLEMENT NO.
SETTLEMENT DATE

Sir/ Madam,

I / We have this day done by your order and on your account the following transactions :

				BOUGHT FOR YOU							SOLD FOR YOU						
Order No.	Order Time	Trade No.	Trade Time	Security	Quantity	Gross Rate Per Security (Rs)	Total (Rs)	Brokerage *(Total) (Rs)	Service Tax * (Rs)	Securities Transaction Tax * (Rs)	Security	Quantity	Gross Rate Per Security (Rs)	Total (Rs)	Brokerage * (Total) (Rs)	Service Tax * (Rs)	Securities Transaction Tax * (Rs)

OTHER LEVIES, IF ANY:

* Alternatively, these details may be furnished separately as Annexure to the Contract Note.

Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to the Rules, Bye-laws and Regulations and usages of National Stock Exchange of India Limited.

In matters where the Exchange is a party to the dispute, the Civil Courts at Mumbai shall have exclusive jurisdiction and in all other matters, proper courts within the area covered under the Regional Arbitration Centre shall have jurisdiction in respect of the arbitration proceedings falling under or conducted in that Regional Arbitration Centre.

This contract constitutes and shall be deemed to constitute as provided overleaf an agreement between you and me/us, and in the event of any claim (whether admitted or not) , difference or dispute in respect of any dealings, and contracts of a date prior or subsequent to the date of this contract (including any question whether such dealings , transactions or contracts have been entered into or not) shall be referred to arbitration as provided in the Rules , Bye-laws and Regulations of National Stock Exchange of India Limited.

The provisions printed overleaf form a part of the contract.

Date :
Place :

Yours faithfully,
For _____ (Name of Trading Member)
Name & Signature of Partner / Proprietor / Authorised Signatory

P.T.O.

EXTRACTS FROM THE BYELAWS & REGULATIONS PERTAINING TO ARBITRATION

(1) All claims, differences or disputes between the Trading Members inter se and between Trading Members and Constituents arising out of or in relation to dealings, contracts and transactions made subject to the Bye-Laws, Rules and Regulations of the Exchange or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions and contracts have been entered into or not shall be submitted to arbitration in accordance with the provisions of these Byelaws and Regulations.

(2) In all dealings, contracts and transactions, which are made or deemed to be made subject to the Byelaws, Rules and Regulations of the Exchange, the provisions relating to arbitration as provided in these Byelaws and Regulations shall form and shall be deemed to form part of the dealings, contracts and transactions and the parties shall be deemed to have entered into an arbitration agreement in writing by which all claims, differences or disputes of the nature referred to in clause (1) above shall be submitted to arbitration as per the provisions of these Byelaws and Regulations.

(3) All claims, differences or disputes referred to in clause (1) above shall be submitted to arbitration within six months from the date on which the claim, difference or dispute arose or shall be deemed to have arisen. The time taken in conciliation proceedings, if any, initiated and conducted as per the provisions of the Act and the time taken by the Relevant Authority to administratively resolve the claim, differences or disputes shall be excluded for the purpose of determining the period of six months.

(4) Save as otherwise specified by the Relevant Authority, the seat of arbitration for different regions shall be as follows:

Seats of Arbitration – REGIONAL ARBITRATION CENTRES (RAC)	STATES & UNION TERRITORIES COVERED BY THE RAC
DELHI	Delhi, Haryana, Uttar Pradesh, Uttaranchal, Himachal Pradesh, Punjab, Jammu & Kashmir, Chandigarh, Rajasthan
KOLKATA	West Bengal, Bihar, Jharkhand, Orissa, Assam, Arunachal Pradesh, Mizoram, Manipur, Sikkim, Meghalaya, Nagaland, Tripura, Chattisgarh
CHENNAI	Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Andaman & Nicobar, Lakshadweep, Pondicherry
MUMBAI	Maharashtra, Gujarat, Goa, Daman & Diu, Dadra & Nagar Haveli, Madhya Pradesh

(5) Save as otherwise specified by the Relevant Authority, the criteria for selection of seat of arbitration for a particular matter is as follows:

Parties to Dispute	Place of filing the Application for Arbitration	Place of hearing
TM* V/s TM	a) If the dealing offices of both Trading Members from where the dealing was carried is situated in any one of the states covered by a particular RAC then the Application for Arbitration shall be filed by the Applicant-Trading Member in that RAC. b) If the dealing offices of both Trading Members from where the dealing was carried out are situated in states covered by different RAC then the Application for Arbitration shall be filed in the RAC covering the state in which the Respondent –Trading Member's dealing office is situated.	The hearing shall be held at the RAC where the Applicant-Trading Member has filed the Application for Arbitration and the Respondent-Trading Member shall attend the hearing in that particular RAC.
TM V/s C*& CV/ TM	The Application for Arbitration shall be filed by the Applicant at the RAC covering the state in which the **Constituent ordinarily resides.**	The hearing shall be held in that RAC where the Applicant has filed the Application for Arbitration and the Respondent shall attend the hearing in that particular RAC.

(6) Unless otherwise specifically agreed in writing between the Trading Member and the Constituent, in respect of any claims, disputes and differences arising out of internet trading between the Constituent and Trading Member, the seat of arbitration shall be the Regional Arbitration Centre within the area in which the Constituent ordinarily resided at the time of relevant trading, provided however in respect of a Non-Resident Indian Constituent, the seat of arbitration shall be the RAC in the area of which the correspondence office of the Trading Member is situated.

* **"TM" stands for "Trading Member" and "C" stands for "Constituent."**

For more details please refer to Chapter XI of the Byelaws and Chapter 5 of Capital Market Trading Regulations of National Stock Exchange of India Limited.

CONTRACT NOTE
(FUTURES & OPTIONS SEGMENT OF NSE)
(PURSUANT TO REGULATION 3.6)

Dealing Office Address of the Member
Tel. No.
Fax. No.

Name of the Member
Address of the Member
SEBI Regn. No. of the Member
Trading Member Code No.

To
Name of the Constituent
Address of the Constituent
Unique Client Code No.
Trading Code No. of the Constituent
PAN of Constituent

To be stamped as per the provisions applicable under the relevant Stamp Act

CONTRACT NOTE NO.
TRADE DATE
SETTLEMENT NO.
SETTLEMENT DATE

Sir/ Madam,

I / We have this day done by your order and on your account the following transactions :

				BOUGHT FOR YOU							SOLD FOR YOU						
Order No.	Order Time	Trade No.	Trade Time	Security (Contracts Description)	Quantity	Gross Rate Per Security (Rs)	Total (Rs)	Brokerage *(Total) (Rs)	Service Tax * (Rs)	Securities Transaction Tax * (Rs)	Security (Contracts Description)	Quantity	Gross Rate Per Security (Rs)	Total (Rs)	Brokerage * (Total) (Rs)	Service Tax * (Rs)	Securities Transaction Tax * (Rs)

OTHER LEVIES, IF ANY:

* Alternatively, these details may be furnished separately as Annexure to the Contract Note.

Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to the Rules, Bye-laws and Regulations and usages of National Stock Exchange of India Limited.

In matters where the Exchange is a party to the dispute, the Civil Courts at Mumbai shall have exclusive jurisdiction and in all other matters, proper courts within the area covered under the Regional Arbitration Centre shall have jurisdiction in respect of the arbitration proceedings falling under or conducted in that Regional Arbitration Centre.

This contract constitutes and shall be deemed to constitute as provided overleaf an agreement between you and me/us, and in the event of any claim (whether admitted or not) , difference or dispute in respect of any dealings, and contracts of a date prior or subsequent to the date of this contract (including any question whether such dealings , transactions or contracts have been entered into or not) shall be referred to arbitration as provided in the Rules , Bye-laws and Regulations of National Stock Exchange of India Limited.

The provisions printed overleaf form a part of the contract.

Date :
Place :

Yours faithfully,
For _____ (Name of Trading Member)
Name & Signature of Partner / Proprietor / Authorised Signatory

P.T.O.

EXTRACTS FROM THE BYELAWS & REGULATIONS PERTAINING TO ARBITRATION

(1) All claims, differences or disputes between the Trading Members inter se and between Trading Members and Constituents arising out of or in relation to dealings, contracts and transactions made subject to the Bye-Laws, Rules and Regulations of the Exchange or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions and contracts have been entered into or not shall be submitted to arbitration in accordance with the provisions of these Byelaws and Regulations.

(2) In all dealings, contracts and transactions, which are made or deemed to be made subject to the Byelaws, Rules and Regulations of the Exchange, the provisions relating to arbitration as provided in these Byelaws and Regulations shall form and shall be deemed to form part of the dealings, contracts and transactions and the parties shall be deemed to have entered into an arbitration agreement in writing by which all claims, differences or disputes of the nature referred to in clause (1) above shall be submitted to arbitration as per the provisions of these Byelaws and Regulations.

(3) All claims, differences or disputes referred to in clause (1) above shall be submitted to arbitration within six months from the date on which the claim, difference or dispute arose or shall be deemed to have arisen. The time taken in conciliation proceedings, if any, initiated and conducted as per the provisions of the Act and the time taken by the Relevant Authority to administratively resolve the claim, differences or disputes shall be excluded for the purpose of determining the period of six months.

(4) Save as otherwise specified by the Relevant Authority, the seat of arbitration for different regions shall be as follows:

Seats of Arbitration – REGIONAL ARBITRATION CENTRES (RAC)	STATES & UNION TERRITORIES COVERED BY THE RAC
DELHI	Delhi, Haryana, Uttar Pradesh, Uttaranchal, Himachal Pradesh, Punjab, Jammu & Kashmir, Chandigarh, Rajasthan
KOLKATA	West Bengal, Bihar, Jharkhand, Orissa, Assam, Arunachal Pradesh, Mizoram, Manipur, Sikkim, Meghalaya, Nagaland, Tripura, Chattisgarh
CHENNAI	Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Andaman & Nicobar, Lakshadweep, Pondicherry
MUMBAI	Maharashtra, Gujarat, Goa, Daman & Diu, Dadra & Nagar Haveli, Madhya Pradesh

(5) Save as otherwise specified by the Relevant Authority, the criteria for selection of seat of arbitration for a particular matter is as follows:

Parties to Dispute	Place of filing the Application for Arbitration	Place of hearing
TM* V/s TM	a) If the dealing offices of both Trading Members from where the dealing was carried is situated in any one of the states covered by a particular RAC then the Application for Arbitration shall be filed by the Applicant-Trading Member in that RAC. b) If the dealing offices of both Trading Members from where the dealing was carried out are situated in states covered by different RAC then the Application for Arbitration shall be filed in the RAC covering the state in which the Respondent –Trading Member's dealing office is situated.	The hearing shall be held at the RAC where the Applicant-Trading Member has filed the Application for Arbitration and the Respondent-Trading Member shall attend the hearing in that particular RAC.
TM V/s C* & CV/TM	The Application for Arbitration shall be filed by the Applicant at the RAC covering the state in which the dealing office of the Trading Member from which the dealing was carried out is situated.	The hearing shall be held in that RAC where the Applicant has filed the Application for Arbitration and the Respondent shall attend the hearing in that particular RAC.

(6) Unless otherwise specifically agreed in writing between the Trading Member and the Constituent, in respect of any claims, disputes and differences arising out of internet trading between the Constituent and Trading Member, the seat of arbitration shall be the Regional Arbitration Centre within the area in which the Constituent ordinarily resided at the time of relevant trading, provided however in respect of a Non-Resident Indian Constituent, the seat of arbitration shall be the RAC in the area of which the correspondence office of the Trading Member is situated.

*** "TM" stands for "Trading Member" and "C" stands for "Constituent."**

For more details please refer to Chapter XI of the Byelaws and Chapter 5 of Futures & Options Trading Regulations of National Stock Exchange of India Limited.

List of Investor Service Centre:

MUMBAI:
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
Tel. Nos.: 26598190
Fax Nos: 26598191
e-mail address: ignse@nse.co.in
Website http://www.nseindia.com

DELHI:
National Stock Exchange of India Ltd.
4th Floor, Jeevan Vihar Building,
Parliament Street,
New Delhi-110001.
Tel No: (011) 23344313 to 23344327
Fax No: (011) 2336 6658
email : ig_nse@nse.co.in

KOLKATA:
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 address: ignse@nse.co.in

CHENNAI:
National Stock Exchange of India Ltd.
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 address: ignse@nse.co.in

HYDERABAD:
National Stock Exchange of India Ltd.
H No.3-6-322
Mahavir House, IInd Floor
Chamber no.203 & 204
Basheerbagh
Hyderabad : 500029
Tel No: (040) 23227084
(040) 23227085
Fax No: (040) 23227086
e-mail address: ignse@nse.co.in

AHMEDABAD:
National Stock Exchange of India Ltd.
406 Sakar II
Near Ellis Bridge
Ahmedabad - 380 006
Tel No : (079) 2658 0212/ 2658 0213
Fax No : (079) 2657 6123
e-mail address: ignse@nse.co.in

For further information and for more copies of this booklet please write to the above address of Mumbai Office.

Notes

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Please refer to relevant regulations and circulars in case of specific cases and problems.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India

Tel: +91 22 26598100 / 66418100 Fax: +91 22 26598120

E-mail: cc_nse@nse.co.in Web site: www.nseindia.com

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