
NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

Circular to all members of the Exchange

Circular No : NCDEX/COMPLIANCE-009/2025

Date : March 26, 2025

Subject : Clarification regarding modes of order placement by the Trading Members

Members' attention is drawn to SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/110 dated August 09, 2024. As per Para no. 34 on "Prevention of Unauthorized Trading by Stock Brokers," all brokers shall execute trades of clients only after keeping evidence of the client placing such order. The following modes have been prescribed for order placement by the Trading Members on behalf of clients: -

- a. Physical record written & signed by client.
- b. Telephone recording.
- c. Email from authorized email id.
- d. Log for internet transactions.
- e. Record of messages through mobile phones.
- f. Any other legally verifiable record.

It has been observed that certain trading members initiate buy/sell order(s) on behalf of the clients and communicate to the clients through IVR (Interactive Voice Response) system. Such clients are asked to press a predefined number/ option during the said IVR call to obtain the confirmation of order placement. Few examples of such practices of sending recorded message through IVR system and seeking confirmation are listed below:

1. Buy 50 shares of XYZ Ltd. at Rs.200/-. If you wish to proceed with buying, Press 1.
2. There is a credit balance of Rs.1,00,000/- in your account with us. Select Option/Press 1 to buy liquid bees of the said amount.
3. You may sell liquid bees held in your demat account with us. Press 2 to Sell the same.

In this regard, it is hereby clarified that orders initiated by the trading members on behalf of clients through IVR (Interactive Voice Response) system and order confirmation taken as enumerated in the aforesaid scenario shall not be considered as the legally verifiable record of order placement.

The Trading Members are advised to take note of the above and ensure compliance by April 30, 2025.

For and on behalf of

National Commodity & Derivatives Exchange Limited

Pranesh Shetty

Senior Vice President – Inspection & Enforcement

For further information/clarifications, please contact

1. Customer Service Group on toll free number: 1800 26 62339
2. Customer Service Group by e-mail to : askus@ncdex.com