

SECONDARY MARKETS

DOS

- ✓ Take a holistic view of your financial goals and invest accordingly
- ✓ Invest only after adequate research / analysis
- ✓ Be aware that value of your investments is subject to ups and downs of the market. They do not offer guaranteed returns like bank deposits
- ✓ Deal only with SEBI registered brokers / Depository Participant (**DP**)
 - this list is available on SEBI, Stock Exchange (**SE**) and Depositories websites
- ✓ Check and satisfy yourself about the credentials and experience of the intermediary
- ✓ Ensure you have PAN card and Bank account
- ✓ Strike off all blank / irrelevant fields / clauses in the
 - agreement(s) executed
 - Registration of Know Your Customer (**KYC**)
- ✓ Obtain Unique Client Code (**UCC**) from stock broker
- ✓ Get all your trades executed only through your UCC
- ✓ Insist that your demat a/c number is preprinted / pre stamped on the Delivery Instruction Slips (**DIS**)
- ✓ Be aware that an intermediary or its staff making a recommendation, is required to disclose their interest/ position in that scrip
- ✓ If you avail internet trading facility,
 - grant Power of Attorney (**PoA**) only for auto debit of funds / securities for settlement obligation for investment / subscription
 - Opt for digital contract note
 - Ensure adequate infrastructure and safety measures
- ✓ Make payments only
 - through A/c payee cheques / drafts / EFT
 - to the stock broker and not to the sub broker, dealing persons / employees of broker / sub broker
- ✓ Keep a record of all
 - instructions and transactions with broker / DP
 - correspondences of complaints against broker / DP
- ✓ Ensure that contract note (physical or digital) is signed by an authorized person
- ✓ Keep track of your portfolio in your Demat A/c on a regular basis
- ✓ In case of any dispute / difference / grievance, contact the compliance officer of broker / DP
 - Be aware that all brokers/ DPs are required to have a dedicated Email ID for registering your complaints
- ✓ Be aware that investor complaints against brokers / DPs are displayed on the websites of SE / Depositories
- ✓ Approach SEBI, if your grievance is not resolved
- ✓ Be aware that details of arbitration proceedings and penal actions against brokers / DPs are displayed on the websites of SE / Depositories

- ✓ Freeze your demat a/c, if you are not using it regularly

DON'TS

- × Do not invest with borrowed money
- × Do not expect unrealistic / guaranteed returns
- × Do not be influenced by advertisement / advices / rumours / unauthentic news promising unrealistic gains and windfall profits in mass media
- × Do not be guided by astrological predictions on share prices and market movements
- × Do not fall prey to market rumours / 'hot tips'/ 'opportunity knocks only once' kind of advice
- × Do not invest in scrips on sudden spurts in trading volumes / prices without proper research
- × Do not be swayed by market sentiments
- × Do not invest on any explicit/ implicit promises made by anyone
- × Do not indulge in impulse investing
- × Do not participate in unauthorised and illegal trades outside the stock exchange mechanism (dabba trading)
- × Do not give wrong / contradictory / incomplete information in the client registration form
- × Do not execute PoA in favour of employee / representative of broker / DP
- × Do not reveal your trading / demat account passwords to any body
- × Do not allow others to trade in your account
- × Do not trade in anybody else's account
- × Do not pay money to anyone to trade on your behalf for assured returns
- × Do not entrust management of your money / securities with broker / sub broker
- × Do not sign blank forms (account opening forms/ DIS / Demat Request Form (DRF))
- × Do not engage in practices that distort demand / prices artificially

RIGHTS

- ✓ To receive copies of all documents of client registration including PoA, if any
- ✓ To get the applicable brokerage rates / tariff / charge structure in writing from your broker / DP
- ✓ To receive the best price prevailing at the time of trade for transactions executed through stock exchange
- ✓ To receive contract note for all your transactions within 24 hours
- ✓ To receive payment / deliveries within three days of the transaction
- ✓ To refuse granting PoA in favour of the broker / DP
- ✓ To revoke the PoA granted to broker / DP at any time and have your revocation request date stamped

- ✓ To file complaint with Exchange / Depository for any dispute against broker / DP
- ✓ To file for arbitration, available at SE / Depository, against broker / DP

RESPONSIBILITIES

- ✓ To invest your hard earned money only with sufficient knowledge and analysis
- ✓ Invest only after carefully analyzing the suitability in the context of your financial goals and risk taking capacity
- ✓ Peruse the extensive disclosures on listed companies available on SE website(s)
- ✓ Read and understand the client agreement before signing it
- ✓ If you choose to grant PoA in favour of broker / DP, read and understand its contents before signing
- ✓ Give correct and full details at the time of registration and update it regularly
- ✓ Fully understand the contents of Risk Disclosure Document before trading
- ✓ Avail nomination for your demat account without fail
- ✓ Ascertain the face value of the share before investing
- ✓ Give clear, unambiguous and timely instructions to your broker / DP
- ✓ Verify all details in contract note, immediately upon receipt
- ✓ Crosscheck details of your trade(s) on the exchange website
- ✓ Bring any discrepancy to the notice of broker / DP immediately.
- ✓ Ensure timely pay-in of shares and monies
- ✓ Scrutinize minutely both the transaction and the holding statements issued by DP
- ✓ Handle DIS book issued by DP's with the same care as a Cheque book
- ✓ Inform the DP in writing incase of loss of DIS book

Disclaimer: The aforesaid information provided as a service to investor(s) and general in nature. It is neither a legal interpretation nor a statement of SEBI policy. If you have questions concerning the meaning or application of a particular act or rule or regulation or circular, please consult your legal advisor.
