

**Guidance Note - Do's and Don'ts for Trading on the Exchange(s) for
Investor before begin to trade/investment**

Do's:

- Please deal with SEBI registered intermediaries only. Ensure that you have complete knowledge of the products and the risks involved before investing.
- Read all documents and conditions being agreed before signing the account opening form.
- Receive a copy of KYC, copy of account opening documents and Unique Client Code.
- Read the product / operational framework / timelines related to various Trading and Clearing & Settlement processes.
- Receive all information about brokerage, fees and other charges levied.
- Offering fixed/guaranteed/regular returns/ capital protection schemes in stock markets whether written or oral is not allowed. Brokers or any of their representatives or Authorized Persons cannot enter into any loan agreement to pay interest on the funds/securities offered by you.
- Register your mobile number and email ID in your trading, demat and bank accounts to get regular alerts on your transactions.
- Receive contract notes for trades executed, showing transaction price, brokerage, GST and STT etc. as applicable, separately, within 24 hours of execution of trades.
- Verify details of trades, contract notes and statement of account and approach relevant authority for any discrepancies. Verify trade details on the Exchange websites from the trade verification facility provided by the Exchanges.
- In case of any grievances, approach stock broker or Stock Exchange or SEBI for getting the same resolved within prescribed timelines.
- Ensure to fill all the required details in the 'KYC' document by yourself and receive duly signed copy of your 'KYC' documents from your broker.
- Opt for electronic (e-mail) contract notes/financial statements only if you are computer savvy and have your own e-mail account.
- Ensure that all your trades are executed as per your instructions.
- Ensure you receive the payout of funds and securities within 1 working day of settlement. In case you have chosen running account of funds, ensure your account is settled on first Friday of every month / quarter as opted for.
- Opt for Demat Debit and Pledge Instruction (DDPI) only for transfer of securities for deliveries/settlement obligations, initiating pledging of securities for margins, and for mutual fund/open offer transactions on Exchange platform. DDPI/POA

is optional and should not be insisted on for opening the account.

- Always keep your mobile number and email id updated with your broker. Don't ignore any SMSs / e-mails with regards to contract notes/trades/funds and securities balances sent by broker/Exchange. Verify the details of the same and report discrepancy, if any, to your broker in writing immediately.
- Please verify the bank account details of the broker from the website of broker/Exchange before transferring funds to the broker.
- Claims for funds or securities given to the broker under any arrangement/ agreement of indicative return or claims for funds, without transactions on the Exchange will not be accepted by the Exchange in case of default by your broker.
- Before dealing with any Investment Advisor, please check if it is registered with SEBI. To Know more about such SEBI registered Advisors, Please click: https://www.bseasl.com/IA_Member.aspx.
- In case your problem/grievance/issue is not being sorted out by concerned Member/Authorised Person then you may take up the matter with the concerned Commodity Exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.
- Please ensure that you have a documentary proof of having made the deposit of such money or property with the member, stating towards which account such money or property deposited.
- Obtain receipt for collaterals deposited with the Member towards margins.
- Go through the Rules, Bye-laws, Regulations, Circulars, Directives, Notifications of the Exchange as well as of the Regulators, Government and other authorities to know your rights and duties vis-à-vis those of the Member.
- Ask all relevant questions and clear your doubts with your Member before transacting.
- Freeze/Blocking your account in case of your absence for longer duration or in case of not using the account frequently and/or any unauthorised activity you are observed.
- Understand and comply with accounting standards for derivatives.
- Get a clear idea about all brokerage, commissions, fees and other charges levied by the Member on you for trading and the relevant provisions/guidelines specified by SEBI/Commodity exchanges.
- Scrutinize minutely both the transaction & holding statements that you receive from your Depository Participant.

Don'ts:

- Do not deal with unregistered stock broker.
- Do not forget to strike off blanks in your account opening and KYC.
- Do not submit an incomplete account opening and KYC form.
- Do not forget to inform any change in information linked to trading account and obtain confirmation of updation in the system.
- Do not transfer funds, for the purposes of trading to anyone other than a stock broker. No payment should be made in name of employee of stock broker.
- Do not ignore any emails / SMSs received with regards to trades done, from the Stock Exchange and raise a concern, if discrepancy is observed.
- Do not opt for digital contracts, if not familiar with computers.
- Do not share trading password.

- Do not fall prey to fixed / guaranteed returns schemes.
- Do not fall prey to fraudsters sending emails and SMSs luring to trade in stocks / securities promising huge profits.
- Do not follow herd mentality for investments. Seek expert and professional advice for your investments.
- Do not fall prey to emails, SMSs and online videos luring you to trade in stock/ securities / schemes promising high returns/profits.
- Do not share your login ID, password, OTP, TPIN with any person including employees of the broker or Authorized Person under any circumstances.
- Dealing in cash is prohibited. Do not place any securities with the broker or associate of the broker or authorized person of the broker. Do not transfers securities as margin/ collateral to the broker and such securities only must be pledged from the client demat account.
- Don't borrow money for investment.

Guidance Note - Do's and Don'ts for Investor (Depository Participant)

- Always deal with a SEBI registered Depository Participant for opening a demat account.
- Read all the documents carefully before signing them
- Before granting Power of Attorney (POA) / DDPI to operate your demat account to an intermediary like Stock Broker, Portfolio Management Services (PMS) etc., carefully examine the scope and implications of powers being granted.
- Always make payments to registered intermediary using banking channels. No payment should be made in name of employee of intermediary.
- Accept the Delivery Instruction Slip (DIS) book from your DP only (pre-printed with a serial number along with your Client ID) and keep it in safe custody and do not sign or issue blank or partially filled DIS slips.
- Always mention the details like ISIN, number of securities accurately. In case of any queries, please contact you're DP or broker and it should be signed by all demat account holders.
- Strike out any blank space on the slip and Cancellations or corrections on the DIS should be initiated or signed by all the account holder(s).
- Do not leave your instruction slip book with anyone else.
- Do not sign blank DIS as it is equivalent to a bearer cheque.
- Inform any change in your Personal Information (for example address or Bank Account details,

- email ID, Mobile number) linked to your demat account in the prescribed format and obtain confirmation of updation in system
- Mention your Mobile Number and email ID in account opening form to receive SMS alerts and regular updates directly from depository.
- Always ensure that the mobile number and email ID linked to your demat account are the same as provided at the time of account opening/updation.
- Do not share password of your online trading and demat account with anyone.
- Do not share One Time Password (OTP) received from banks, brokers, etc. These are meant to be used by you only.
- Do not share login credentials of e-facilities provided by the depositories such as e-DIS/demat gateway, SPEED-e/easiest etc. with anyone else.
- Demat is mandatory for any transfer of securities of Listed public limited companies with few exceptions.
- If you have any grievance in respect of your demat account, please write to designated email IDs of depositories or at NSDL <https://www.epass.nsd.com/complaints/websitecomplaints.aspx> or you may lodge the same with SEBI online at <https://scores.sebi.gov.in/>
- Keep a record of documents signed, DIS issued and account statements received.
- As Investors you are required to verify the transaction statement carefully for all debits and credits in your account. In case of any

unauthorized debit or credit, inform the DP or your respective Depository.

- Appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
- Register for Depository's internet based facility or download mobile app of the depository to monitor your holdings.
- Ensure that, both, your holding and transaction statements are received periodically as instructed to your DP. You are entitled to receive a transaction statement every month if you have any transactions.
- Do not follow herd mentality for investments. Seek expert and professional advice for your investments
- Beware of assured/fixed returns.

NSDL's Various Investor Centric Initiatives

- For the safety of investors and make them prudent, NSDL has regularly launched various investor centric initiatives to provide the highest standards of investor education, investor awareness and timely services so as to enhance Investor Protection and create awareness about Investor Rights. Few of the initiatives including Dos and Don'ts for the investors are as follows:

NSDL SPEED-e Mobile APP:

To track, view the holdings of demat account details with value, investors can download NSDL SPEED-e Mobile App, which is available for download at Google Play and App Store.

eServices (SPEED-e):

To submit instructions online (market and off-market), investor can register for SPEED-e facility (<https://eservices.nsdl.com>). Investors submit MF redemption and confirm off-market instructions as well on SPEED-e facility. Further, in case of e-Token User of SPEED-e facility, investor can freeze their demat accounts.

eServices (IDeAS) :

IDeAS facilitates viewing of holdings in the demat account with value including transactions. Further, IDeAS also provide certain value added services viz., view and download of NSDL-CAS, e-Voting and download of Form 26 AS.

NSDL SMS Facility:

NSDL provides SMS Alert facility for demat account holders whereby they can receive SMS alerts directly from NSDL. Investors are requested to register for NSDL's SMS alert facility to ensure to track their demat accounts.

Online update of opt-in / opt-out nomination:

Investors can register for opt-in/opt-out nomination for select Participants at <https://eservices.nsdl.com/instademat-kycnomination/#/login>

Online update of email / income range:

To update email ID and income range in the demat account, investors can visit the web-link <https://eservices.nsdl.com/kyc-attributes/#/login>

Registering for eCAS:

Investors can register to receive NSDL-CAS in electronic form by registering at NSDL micro site - <https://nsdlcas.nsdl.com>

Furthermore, NSDL has uploaded the Investor Charter on the NSDL website. The same is available on link https://nsdl.co.in/publications/investor_charter.php for information.
