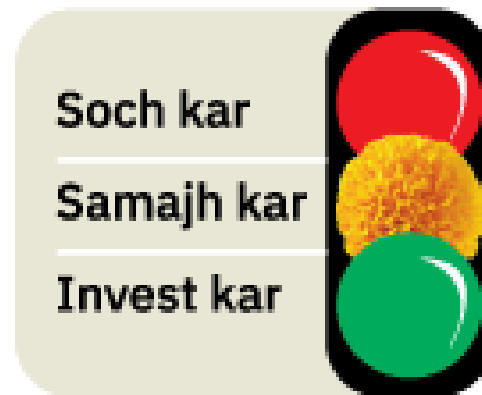


|| Pragati ||

Level 2 of Financial Literacy Program

Basics of Capital Markets



Investor Awareness Program

Who should go through this module?

- Hello, I am Pragati from Patna. Working in Delhi for an MNC from last 3 years.
- I am 28 years old and married recently.
- Invested my savings in FDs and Gold so far.
- **Target: To buy a house in Delhi after 5 years.**
- **Now exploring more advanced investment avenues. I know the basics, now want to learn more about capital markets, de-mat, broker, stocks investments.**



Participate in the quiz and win exciting prizes



Agenda

Capital Markets and its structure

Primary & Secondary Markets and Active v/s Passive Investing

Investing in Securities Market

Know your Broker

Account opening and other documentation for investing

Important aspects of clients dealing with their brokers

Myth busters

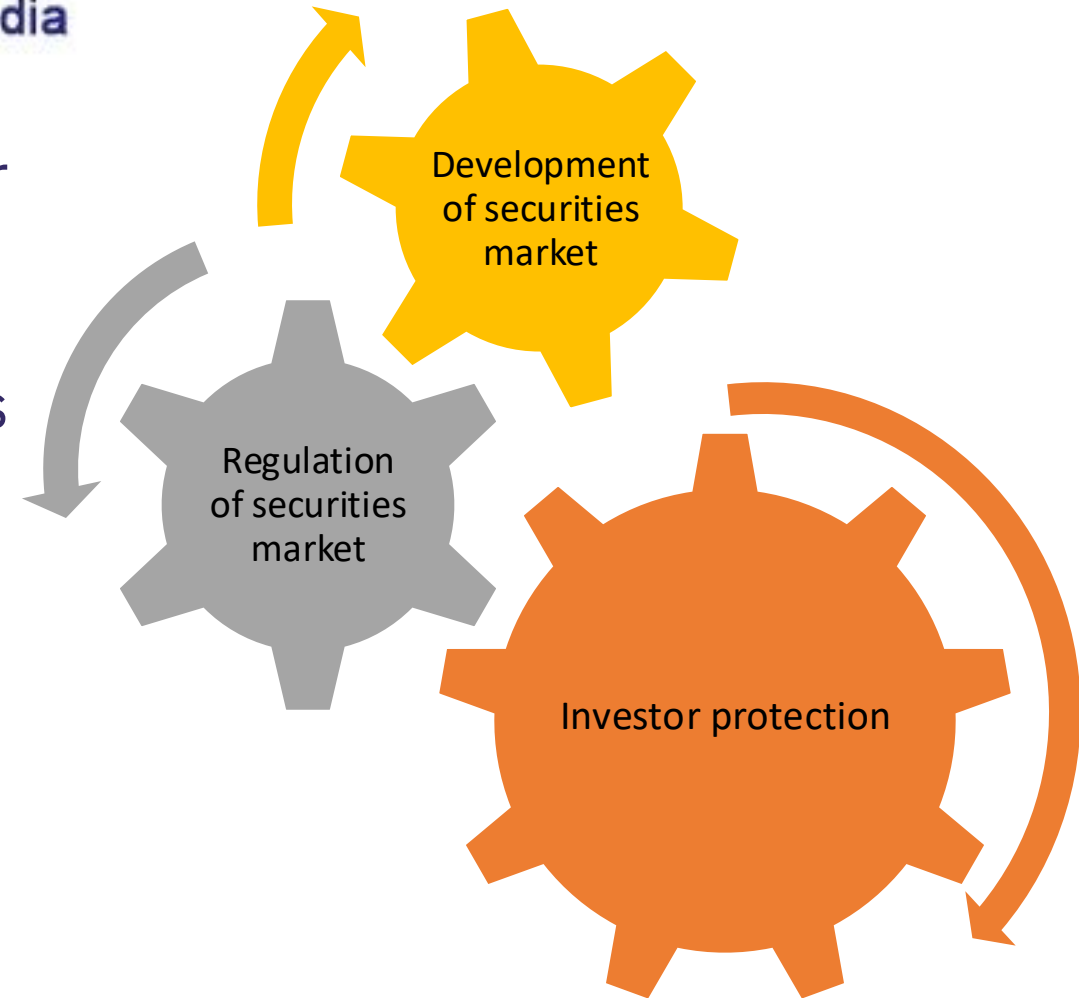
What is meant by Capital Market?

Capital market is a place where buyers and sellers indulge in trade (buying/selling) of financial securities like bonds, stocks, etc. The trading is undertaken by participants such as individuals and institutions. In India the capital markets is governed by Securities and Exchange Board of India - SEBI

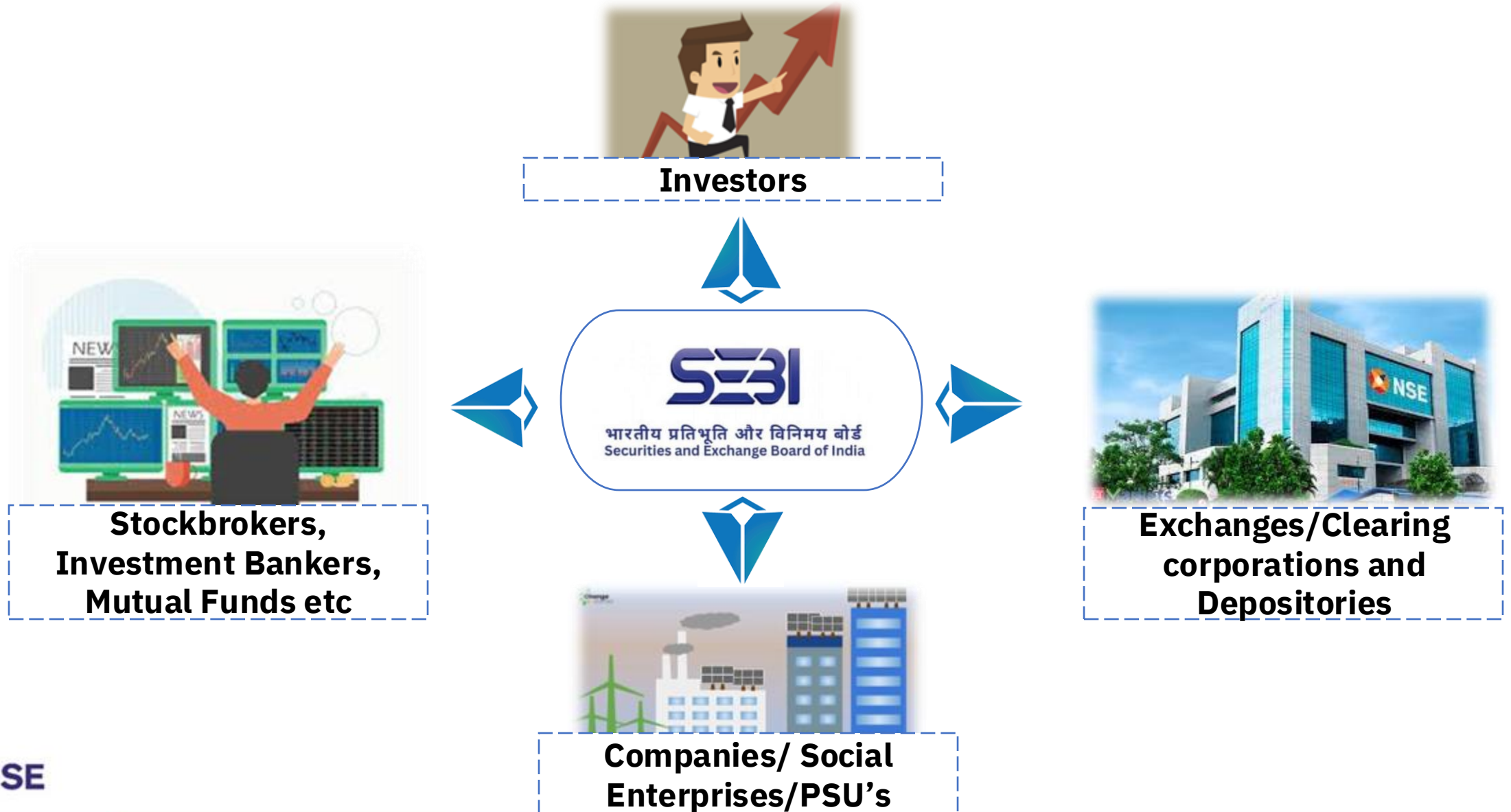




- Formed as an administrative body under Ministry of Finance in 1988
- Autonomous Regulator for Securities Market through the Act of Parliament
- Various Acts administered
 - SEBI Act, 1992
 - Depositories Act, 1996
 - Securities Contract Regulation Act, 1956
 - Various provisions under Companies Act

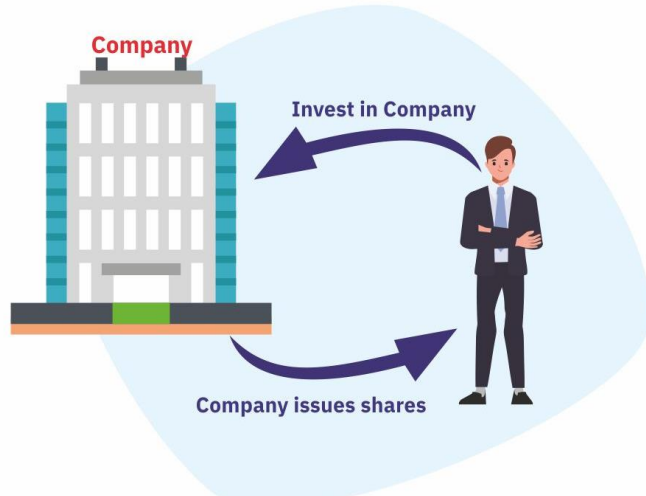


Structure of Indian Capital Market

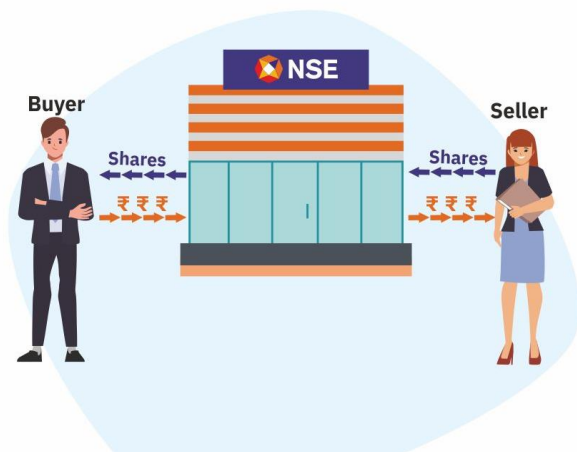


Primary Markets v/s Secondary Markets

Primary Markets



Secondary Markets






Features	Primary Market	Secondary market
Definition	Securities issued first time to public	Trading of already issued and listed securities
Price determination	Range is decided by Company in consultation with Merchant bankers	Supply and demand forces of market
Key intermediaries	Merchant bankers, Bankers, RTA	Stockbrokers, DP
Purpose	Raise capital for expansion, diversification	Trading of securities and Liquidity to investors

Active Investing

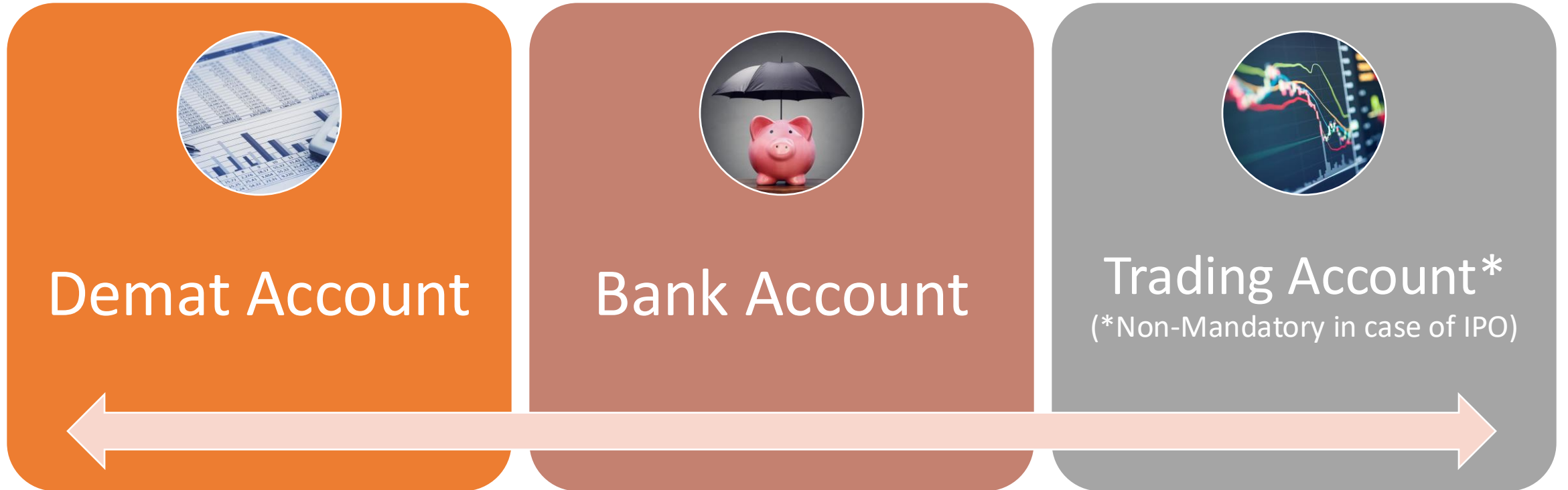
&

Passive Investing

1. You work for income - Aims to beat markets
2. Involves buying and selling shares
3. Outperform index 
4. Exit at your convenience 
5. Less tax efficient and high fees 

1. Money works for you - Aims to track markets
2. Involves holding ETF / MF's
3. Less likely to outperform index 
4. Transparency - know the stocks in index 
5. Lower fees & advantage of capital gains tax 

How to Invest in Securities Market?



- Account can be opened be carried out through offline and online mode.
- Ensure that you choose to provide nomination in all account or opt out of nomination.

Know Your Broker

Background Verification

- Registration Details, regulatory actions initiated by SEBI/Exchanges and complaints against the Stock-Broker ([Refer SEBI](#) & [NSE Website](#))

Other Details

- Modes of trading – Online (Trading Platform), offline (Branch Details)
- Brokerage and Other Key Charges
- Customer Services - Range of Facilities Offered like Mutual Fund, IPO etc
- Advisory & Research Facilities
- Tools for Education/Learning



Know Your Broker

Background Verification

- Registration Details, regulatory actions initiated by SEBI/Exchanges and complaints against the Stock-Broker (Refer SEBI & NSE Website)

Trading Modes

- Email, calls, SMS etc (Offline) & Mobile app and website (Online)

Charges

- Brokerage, STT, Stamp duty, clearing charges, SEBI Turnover charges, Exchange charges.

Range of customer Services

- Mutual Fund, IPO etc

Know Your Broker



Always ensure to transact with SEBI registered trading firm only.

IMPORTANT

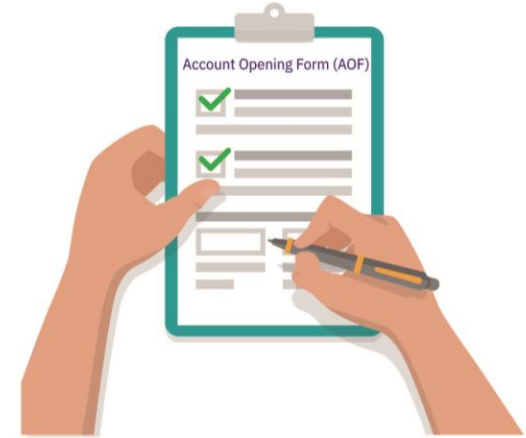
**Documentation for your
trading and dealing
with Broker**

Account Opening Form (AOF) and other details

- Can be opened - offline as well as online.
- Account Opening Form has two type of documents - Mandatory and Voluntary documents.

Documents required

- Proof of Identity – PAN, Aadhar
- Proof of Address - Online - signature image, camera



**Copy of account
Opening Form**



UCC



**Address &
Contact Details**



**User id and
password**



**Complaint
Details**



**Contract Note
& Statement**



Weekly balance

What do I Receive on & After Account Opening ?

Communication from Exchange

Welcome email

Free SMS & Email Alerts

Weekly Balance (Funds & Securities)

What do I do with this information?

Read & understand the doc

Verify documents

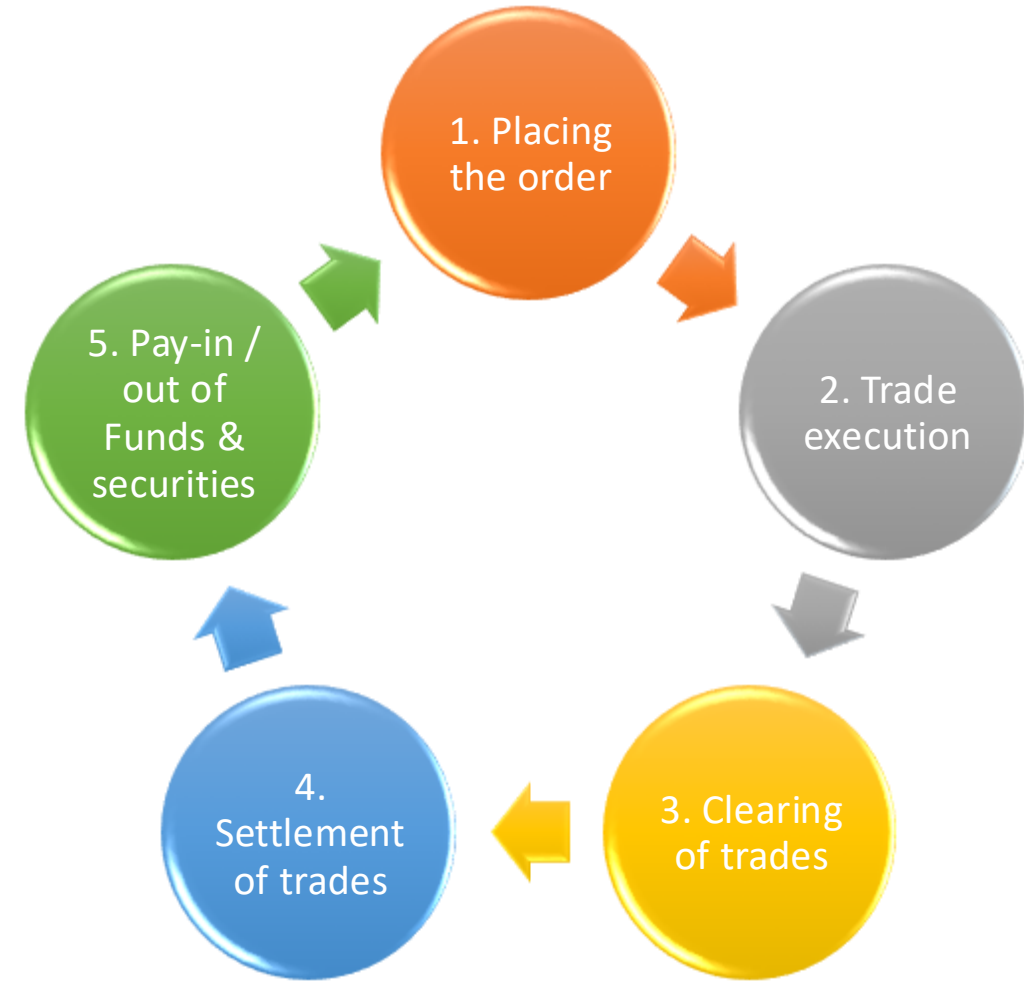
Report discrepancy

How does a Secondary Market Function?

Modes of Order Placement

- Visit to broker's Office.
- Trade via Phone Call (Call via registered mobile Number only)
- Through an email to Stockbroker.
- By using Stockbroker's website / app on mobile (Online)

Broker is required to maintain recordings of order placement such as voice recordings / email / written communication, etc.



Contract Note

- Contract Note is an evidence of the trade done through stock broker.
- It must be signed and issued within 24 hours of execution
- Must contain —————>

Digital Signature	CONTRACT NOTE CUM TAX INVOICE (Tax Invoice under Section 31 of GST Act)	ORIGINAL FOR RECIPIENT
Trading Member Name, Address, SEBI regd No.		
NAME OF COMPLIANCE OFFICER:		
DEALING OFFICE ADDRESS :		

CONTRACT NOTE NO.:		Equity	
TRADE DATE 2021-01-01		SETTLEMENT NO	
		SETTLEMENT DATE	
Name of the Client Address of the Client(Place of Supply) PAN of Client UCC of Client Trading Back office code*			

	Equity	Futures and Options
*Trading/ Back Office Code (If Different from UCC)		

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

Order No	Order Time	Trade No	Trade Time	Security/ Contract description	Buy(B)/ Sell(S)	Exchange	Quantity	Gross Rate/ Trade Price Per unit (in foreign currency) ¹	Gross Rate/ Trade Price Per unit (Rs) ²	Brokerage per Unit (Rs)	Net Rate per unit (Rs)	Closing Rate per Unit(only for Derivatives) (Rs)	Net Total (Before Levies) (Rs)	Remarks
Equity														
	11:12:13	9416400	11:20:24	HEMIPROP / INE0AJG01018	S		57		91.65		91.6500		5224.05	

	Equity	Futures and Options	NET TOTAL
PAY IN/ PAY OUT OBLIGATION	45825.00		45825.00
Brokerage and other charges	(0.01)		(0.01)
Net Pay-in / Pay-out	(1.37)		(1.37)



Pledging of Securities by client/broker for Margin





Demat Debit and Pledge Instruction (DDPI)

Let's Talk
about **DDPI**

Important aspects of clients dealing with their brokers

1. Contract note must be provided within 24 hours of trade
2. Monthly / Quarterly settlement on first Friday
No trade in last 30 days, stockbroker must return the funds
3. No trade in last 30 days, stockbroker must return the funds
4. Running account of securities not allowed & for funds -Voluntary
5. Stockbroker to transfer shares with 24 hours of payout
6. For margin purposes, use the "Margin Pledge" mechanism

Famous sayings of famous investors

- Look at quality businesses and not just stocks
- Are you willing to own a stock for 10 years? If no, then don't own it even for 10 minutes
- Check thousands of stock and look for very high bargains
- Scrutinise how well the management is using the resources
- Always stay away from hot stocks
- Get rid of the weeds and water the flowers— not the other way around
- Market timing is a practical and emotional impossibility. Since you cannot predict the behaviour of the markets, you must learn to predict and control your behaviour

Demystifying - Securities Market

Myth

Reality

Stock Market is Gambling

Gambling transfers wealth from a winner to loser. Investing increases overall wealth

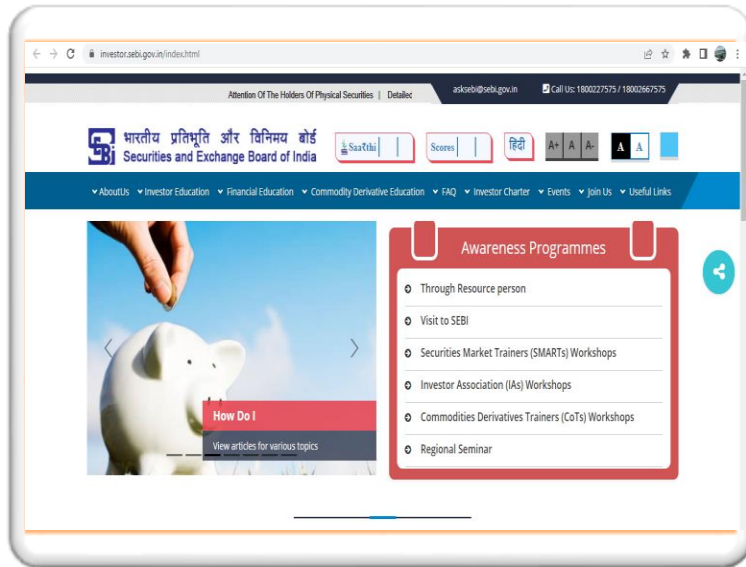
What goes up must come down and vice versa

Trend consists of a series of advances and retreats, resulting in a net increase over time. Don't try to time the market

Buy What's In The News

By the time you hear the news, professional trading organizations have react faster than you can log into your account

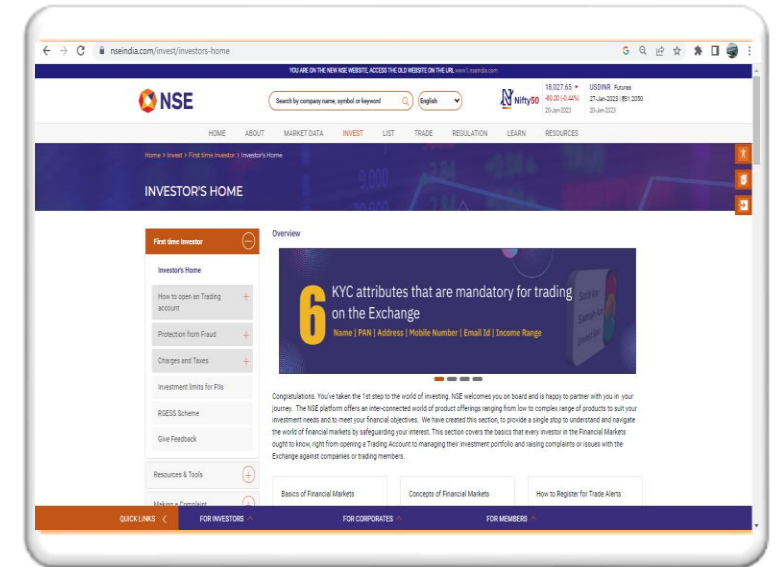
To know more about securities market.....



[investor.sebi.gov.in/
index.html](http://investor.sebi.gov.in/index.html)



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INVESTOR AWARENESS PLEDGE

I, [Your Name], hereby pledge that as an investor, am recognizing that taking informed decisions is key to achieving my financial goals and managing potential risks.

I am prioritizing the safety of my investments by conducting research before investing.

I am refraining from investing based on any unsolicited stock tips from any mode of communication.

I am never sharing my passwords and confidential information with anyone.

I am maintaining a long-term perspective when investing and avoiding speculation.

I am not getting influenced by market ups and downs, and I am maintaining my investments aligned to the financial goals.

By taking this Investor Awareness Pledge, I am affirming my commitment to being an informed and responsible investor.

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37 Common Investor Service Centers Pan India



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Securities and Exchange Board of India



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Free

Think you know the basics of securities market?



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UNLOCK THE **WEALTH OF KNOWLEDGE**
AT THE SEBI INVESTOR WEBSITE

Empower yourself in the world of investing

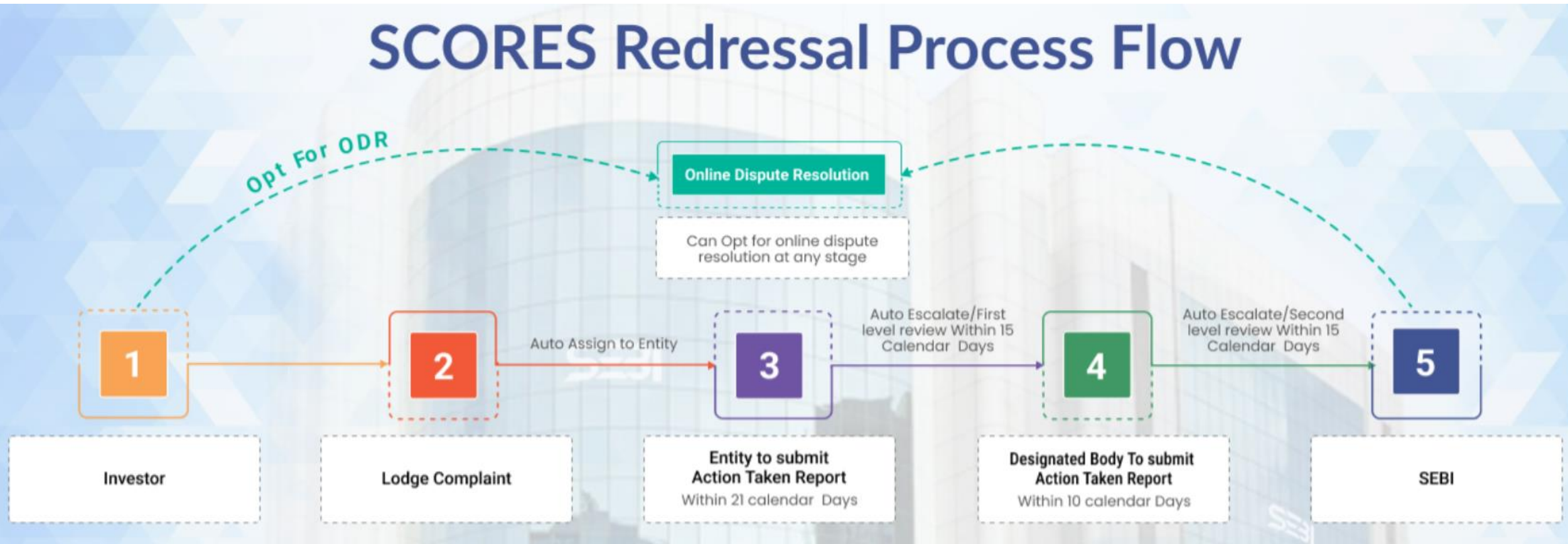


TO VISIT THE SEBI
INVESTOR WEBSITE,
SCAN THE QR CODE



SCORES 2.0 - Online Grievance Redressal Facilitation Platform

SCORES Redressal Process Flow



ODR – ONLINE DISPUTE RESOLUTION

The SMART ODR Portal - Securities Market Approach for Resolution Through ODR Portal, has been established by the 7 Market Infrastructure Institutions together with ODR Institutions to help investors access efficient dispute resolution fully online.

Follow the steps below to resolve a dispute.

- 1 Register on SMART ODR Portal**
Click on Create Account to register on the platform.
- 2 File a New Dispute**
Click on File a New Dispute to begin.
- 3 Select Intermediary**
Select the Intermediary against whom you wish to file a dispute.
- 4 Select Category**
Select the relevant Categories for your dispute.
- 5 Enter Dispute Details**
Fill details of the dispute and attach relevant files or documents.
- 6 Track Resolution Progress**
Once your dispute is filed, track progress easily under the Dispute Timeline.

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Soch kar

Samajh kar

Invest kar



Thank You !