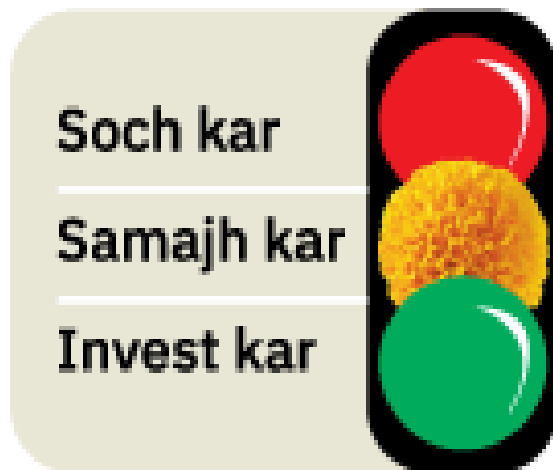


|| Pragati ||

Level 2 of Financial Literacy Program

Basics of Capital Markets



Investor Awareness Program

Disclaimer

- This presentation is prepared to provide information related to securities market for education and awareness purposes only, to the public. The information provided is of a general nature and is not intended to be professional advice, to any user. You may seek appropriate professional advice from a qualified person to suit your individual circumstances.
- It does not intend to promote any product/ service or provide any advice on particular stocks, trading strategies, etc.
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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.**



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?

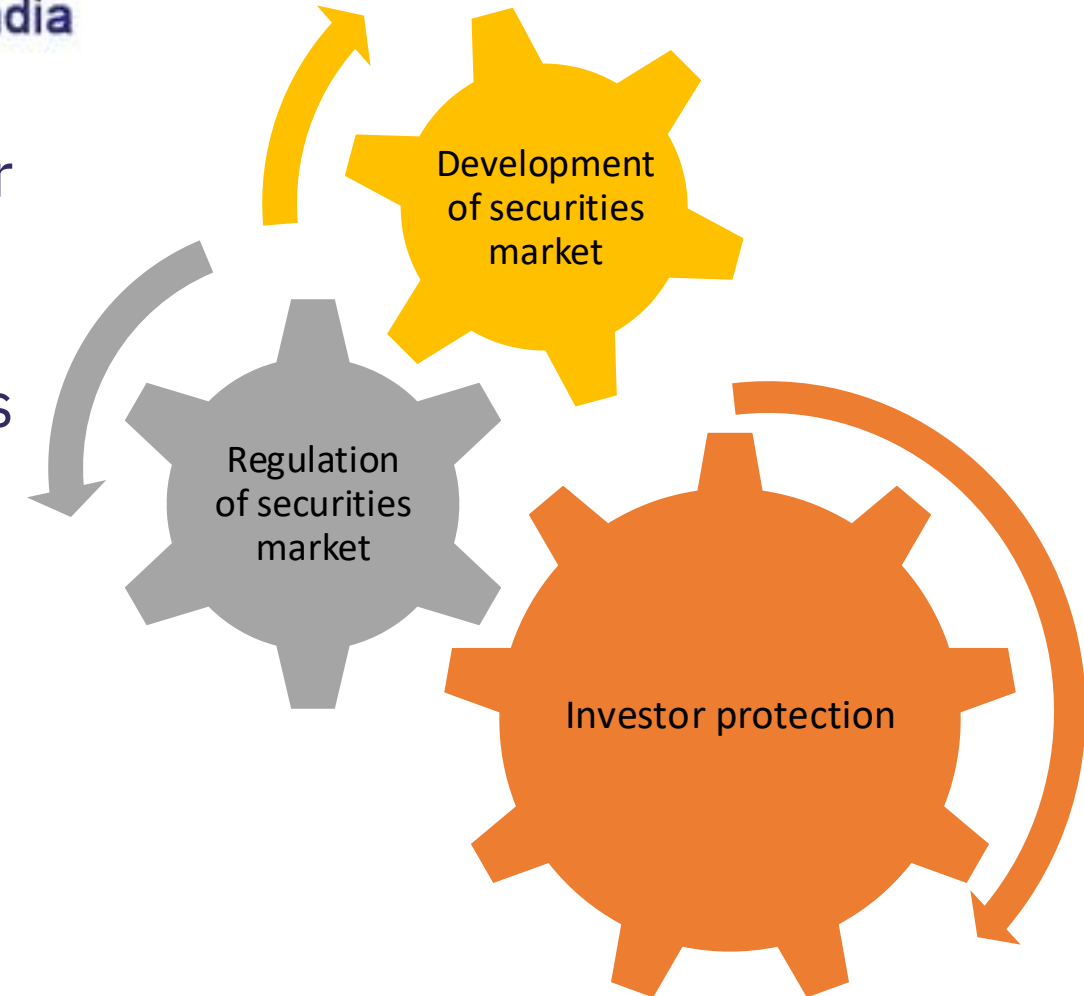
Capital market is a place where buyers and sellers indulge in trade (buying/selling) of financial securities like bonds, stocks, etc. The trading is undertaken by participants such as individuals and institutions. In India the capital markets is governed by Securities and Exchange Board of India - SEBI



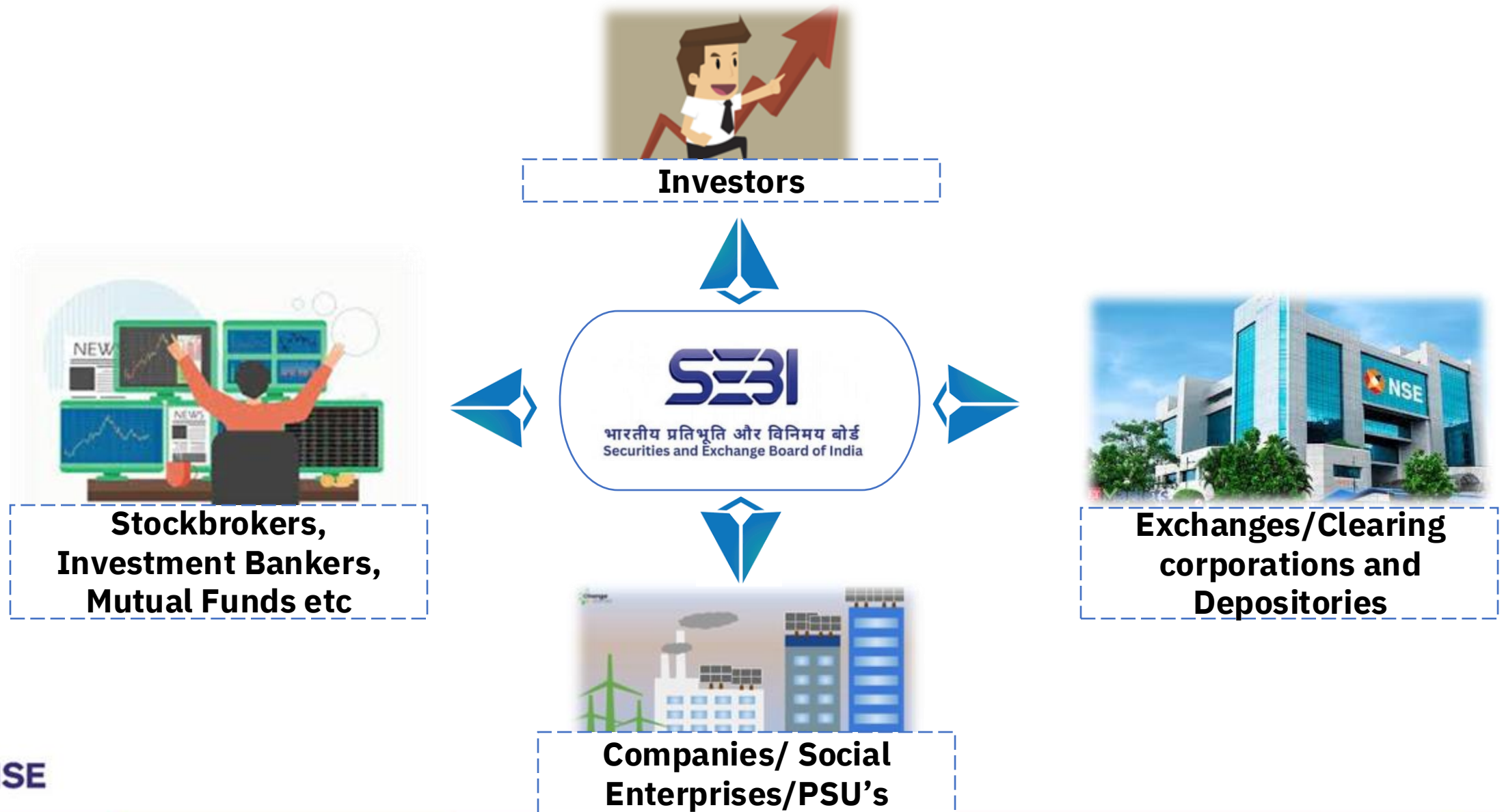


भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

- 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

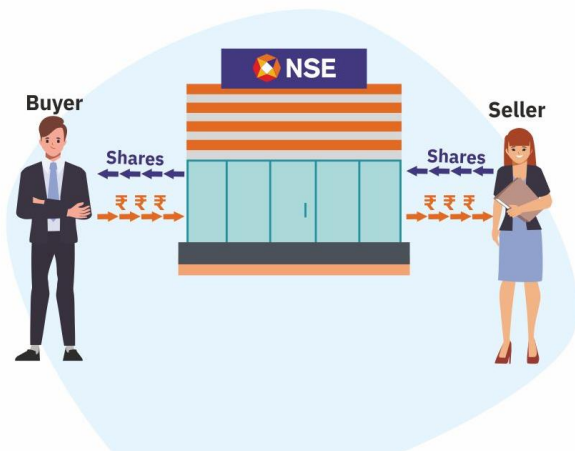


Primary Markets v/s Secondary Markets

Primary Markets






Secondary Markets



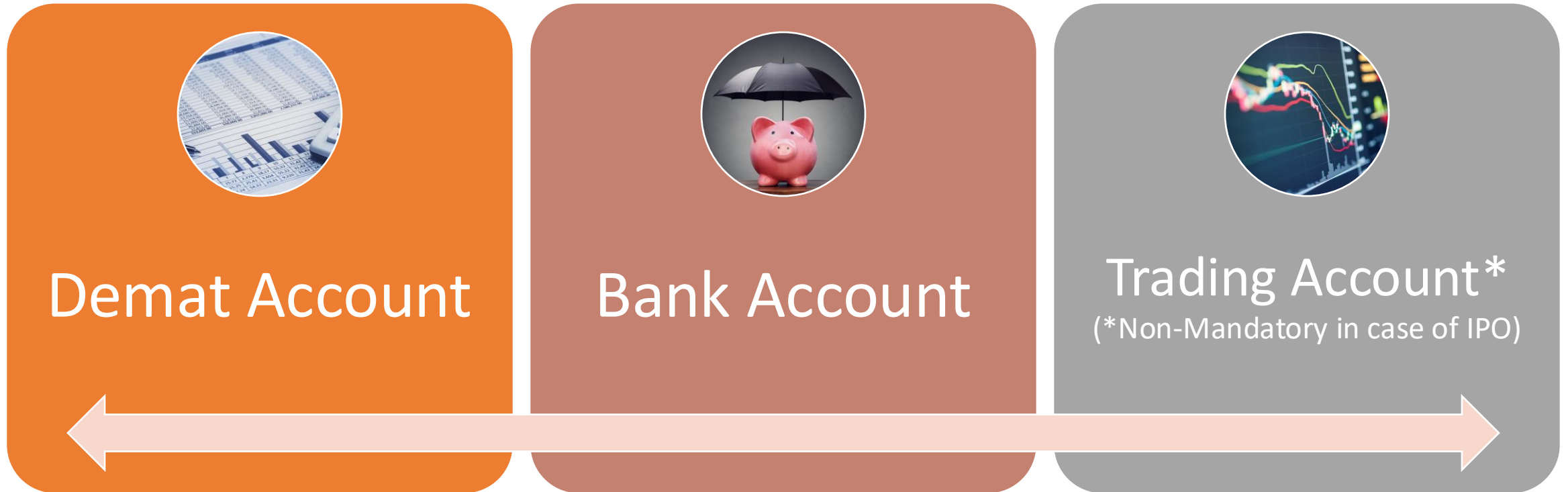
Features	Primary Market	Secondary market
Definition	Securities issued first time to public	Trading of already issued and listed securities
Price determination	Range is decided by Company in consultation with Merchant bankers	Supply and demand forces of market
Key intermediaries	Merchant bankers, Bankers, 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

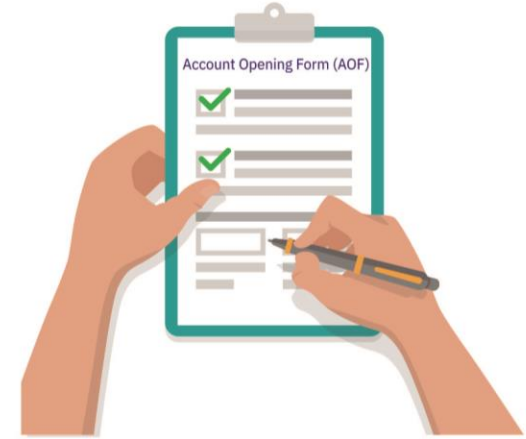
**Documentation for your
trading and dealing
with Broker**

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**



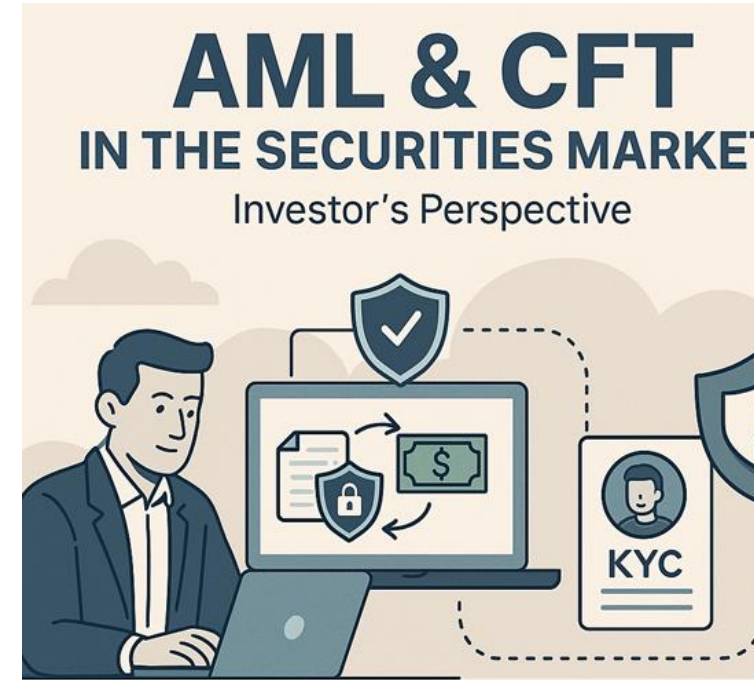
**Contract Note
& Statement**



Weekly balance

AML & CFT Guidelines in Securities Market

- SEBI mandates intermediaries to follow Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) guidelines.
- Investor Responsibilities & Protections
- Investors must undergo Client Due Diligence (CDD) including identity verification, beneficial ownership disclosure, update personal and financial information regularly with intermediaries.
- Avoid anonymous or fictitious accounts. High-risk clients (e.g., PEPs, NGOs, foreign investors) require enhanced scrutiny/due diligence.
- Investors should be aware of the risks and cooperate with intermediaries during onboarding and transactions.
- Investors must provide accurate and complete KYC documents.
- Transactions are monitored for suspicious activity; STRs (Suspicious Transaction Reports) may be filed without investor notification.
- SEBI ensures confidentiality and protection of investor data under AML/CFT framework.



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

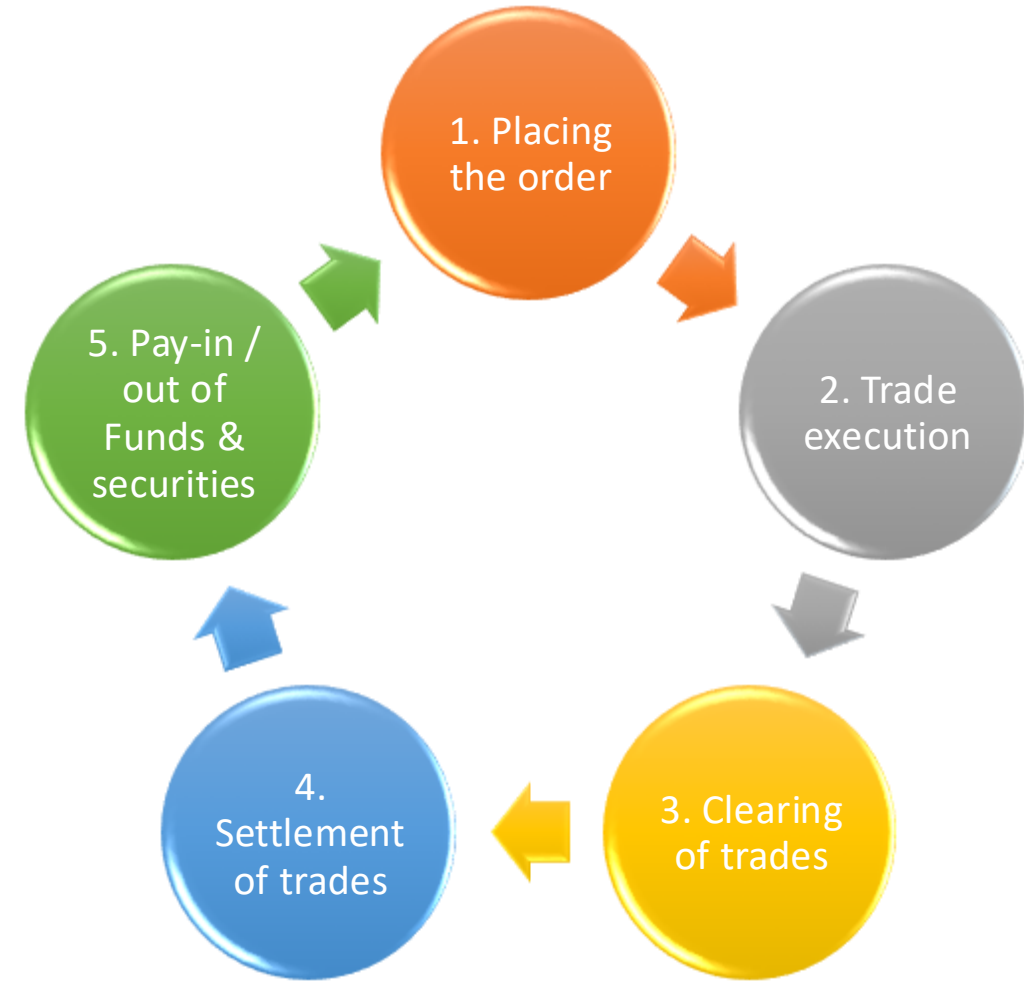
Report discrepancy

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)														
<p style="font-size: x-small;">Sir/Madam,</p> <p style="font-size: x-small;">I / We have this day done by your order and on your account the following transactions:</p>														
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
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

Fraud & Scam Prevention Campaign



An Investor Awareness Initiative by



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

#SEBIvsSCAM

Spot The **Scammers** Before They Spot You!

#SEBIvsSCAM

Here's how you can safeguard your investments by recognizing these everyday tactics.

**Issued in the interest of investor safety by Securities Exchange Board of India and National Stock Exchange of India Ltd.*



9 Tactics Scammers Use – Investors must be Aware of

#SEBIvsSCAM

1. "FOREIGN PORTFOLIO"

Scammers provide fraudulent trading platforms falsely claiming or suggesting affiliation with its registered Foreign Portfolio Investors (FPIs). These platforms are misleading individuals by claiming to offer them trading opportunities through FPI or Foreign Institutional Investor (FII) sub-accounts or institutional accounts with special privileges.



2. "FAKE TRADING APPS"

Scammers create unregulated trading apps that appear legitimate to lure investors into disclosing their account information. The apps' 'apk' files are sent to investors to download using various social media and are not listed on official stores. **NEVER DOWNLOAD UNKNOWN FILES** even if sent by friends or contacts listed on your phone or computer.



3. "UNREGISTERED INVESTMENT ADVICE VIA SOCIAL/MESSAGING PLATFORMS"

"FOLLOW MY CHANNEL" and "JOIN MY CHAT GROUP" are amongst the biggest red flags to spot! SEBI registered stockbrokers **NEVER OFFER TIPS** and advice on chat groups. Do not trust any testimonials or credit receipts from other investors claiming to have received expert advice and returns from these chats as they are fabrications designed to lure you.



9 Tactics Scammers Use – Investors must be Aware of

#SEBIvsSCAM

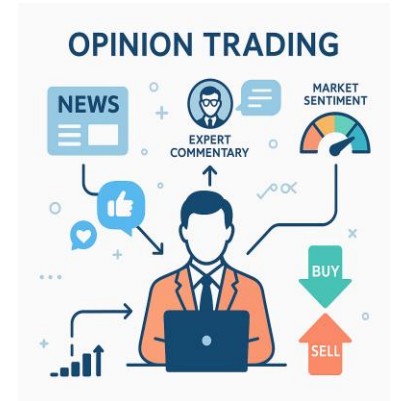
4. “DEEFAKE VIDEOS OF INFLUENCERS/PUBLIC FIGURES”

The faces of celebrities, public figures, professors, chief analysts, people of repute, the Govt. official emblem, and other well-established organizations are often illegally used to convince investors of their endorsements. NEVER SUBSCRIBE TO UNVERIFIED CLAIMS AND PROFILES. In a world of rapidly developing AI, ACCEPT NOTHING AT FACE VALUE.



5. “OPINION TRADING”

Opinion trading scams in the securities market mislead users into betting on financial outcomes under the guise of legitimate trading, without involving actual securities. These platforms mimic stock market behavior but operate outside SEBI’s regulation, exposing users to high risk and no legal protection.



6. “GOOD DIGITAL PRACTICES”

Registered stockbrokers NEVER ASK FOR YOUR LOGIN ID & PASSWORD. Providing your account credentials to anyone gives them direct access to your funds. This ultimately leads to your account being flushed and deleted without any chance of recovery. CHANGE YOUR PASSWORDS REGULARLY and NEVER SHARE YOUR CREDENTIALS WITH ANYONE.

9 Tactics Scammers Use – Investors must be Aware of

#SEBIvsSCAM

7. “PAID TRADING COURSE WITH GUARANTEED RETURNS...”

Don't fall for stock tips or investment advice provided under the guise of providing free / paid trading courses. "You'll definitely make money"—nobody can promise that. Scammers also use fake success stories and flashy ads to trick people into paying. If someone guarantees profits, it's a big warning sign—stay away! Fake agents may also present themselves as SEBI-registered intermediaries who are making large returns through stock trading. If they offer to trade on your behalf with advertisements that say – ‘ASSURED’ ‘GUARANTEED’ ‘5X’ ‘10X’ and sometimes even ‘100X RETURNS!’ - it's a SCAM!



8. “PUMP & DUMP SCAM”

Don't fall for the hype. It is a fraudulent market practices that may leave investors with significant loss. Scammers buy stocks in large quantity and then artificially inflate its price using fake news and hype. Scammers then sell these stocks which crashes the prices.



9. “DABBA TRADING”

Dabba Trading is an illegal trading in which prices of securities on recognized stock exchanges are used as benchmarks and the investor's trades do not get executed on the stock exchange system but in the dabba operator's books only. Trading outside the Stock Exchange through unregistered entities is prohibited by law. No compensation or support is available for such dealings. Always trade with SEBI registered intermediaries.

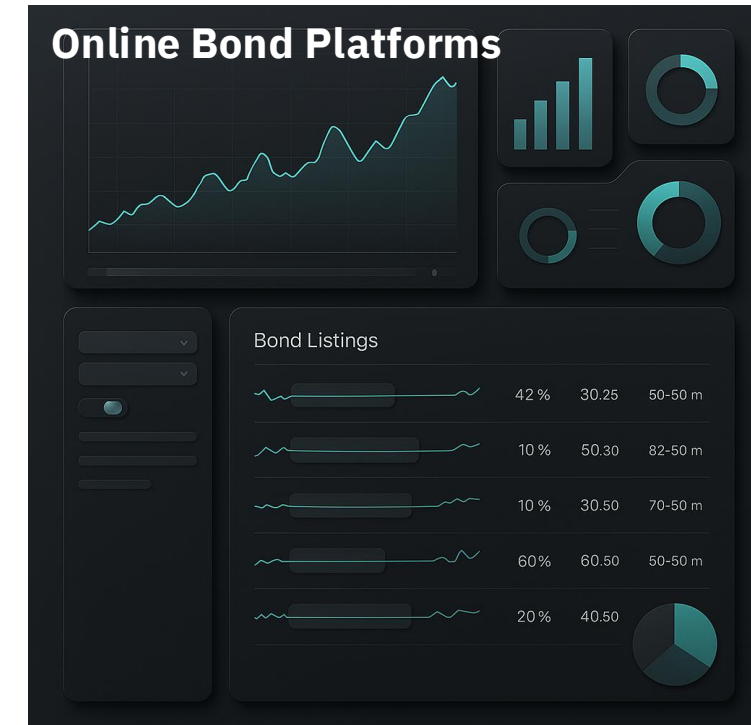
How can You **Protect Yourself?**

#SEBIvsSCAM

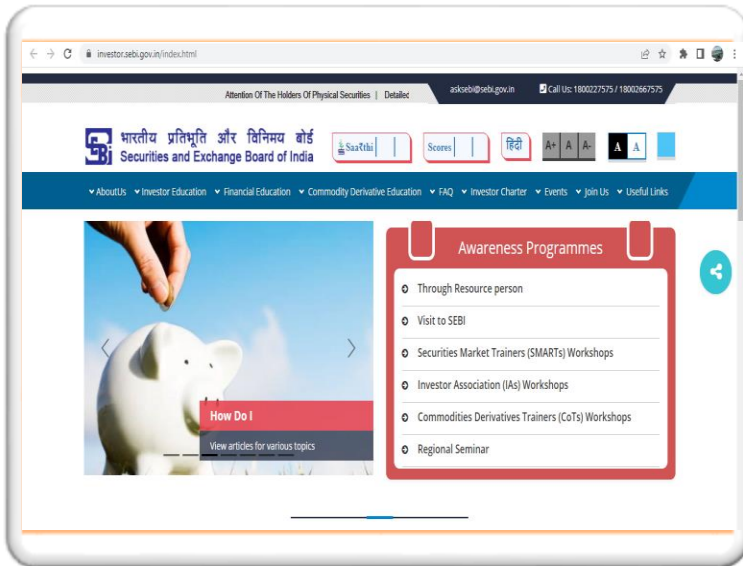
- ❖ Do not get lured with guaranteed / fixed returns in the securities market. Guaranteed returns are illegal in the securities market. Do not accept any offer at face value.
- ❖ Avoid unsolicited messages from unknown sources. Verify any news from official websites like SEBI, NSE, company website.
- ❖ Do not download unregulated trading apps or join chat groups offering advice.
- ❖ Deal only with SEBI registered intermediaries. Verify the details of the intermediary on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>
- ❖ Download trading apps of only SEBI registered Trading Members from App Store or Google. Verify the details of the apps on <https://investor.sebi.gov.in/Investor-support.html>
- ❖ Transfer funds only to registered client bank accounts of the stockbroker. Verify the bank accounts on https://enit.nseindia.com/MemDirWeb/form/tradingMemberLocator_beta.jsp
- ❖ Starting October 1st, 2025, SEBI has introduced Structured UPI mechanism with features like thumbs-up inside a green triangle & SEBI check before making payment to any SEBI registered intermediary. This feature facilitates you to make payments only to SEBI registered intermediaries. (abc.brk@validbank)
- ❖ Report any fraudulent activity to www.cybercrime.gov.in or call 1930.
For investor support call 1800 266 0050

Online Bond Platforms

- ❖ Investors now have easier access to various fixed-income instruments through the online bond platforms.
- ❖ Investors must understand the underlying features, risks, and costs associated with such investments.
- ❖ YTM is not a guaranteed return—it can fluctuate based on factors such as changes in market interest rates, liquidity conditions, time to maturity, and the creditworthiness of the issuer.
- ❖ Coupon rate refers to the fixed annual interest paid by the issuer which provides regular income. Payments are not risk-free and dependent on the financial health and credit reliability of the issuer. Bond prices and yields have an inverse relationship
- ❖ Before investing through any online bond platform, investors must take into account several important factors such as checking the bond's credit rating, the issuer's track record in timely repayments, the liquidity of the instrument, settlement timelines, and the tax implications of the investment.
- ❖ Additionally, it is crucial to verify that the platform is a SEBI-registered Online Bond Platform Provider (OBPP)



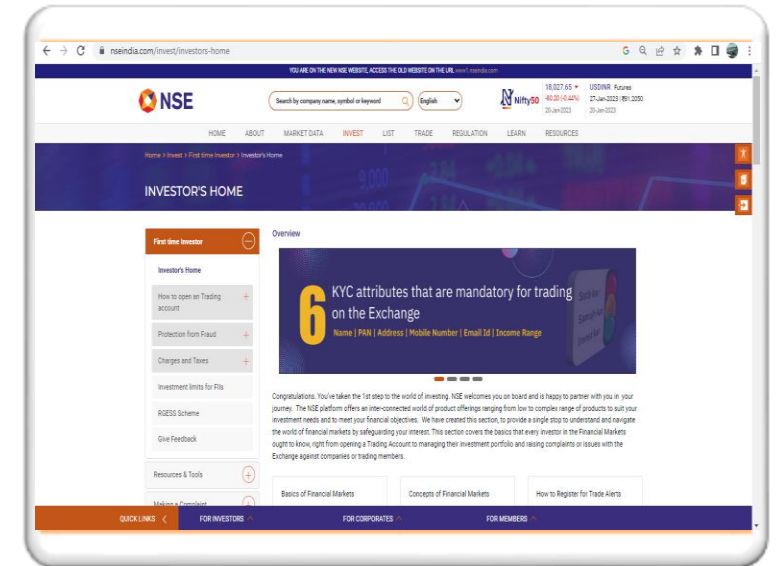
To know more about securities market.....



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



Saarthi App



www.nseindia.com

COMMON INVESTOR SERVICE CENTRES



Common Investor Service Centres

A mission to empower every Indian in their investment journey

37 Common Investor Service Centers Pan India



With an aim to enhance access and facilitate resolution of investor complaints, Common Investor Service Centres have been operationalised across the country. To find a CISC near you, click here:

<https://www.nseindia.com/contact/investor-services-centre>



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National Institute of
Securities Markets
A Capacity Building Initiative of SEBI

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SEBI- Investor Awareness Test

Available in Hindi and English languages

Exam Objectives:

- To create Investor awareness and education in securities markets
- To scale up securities market related knowledge among the investing public
- To develop right attitude/behavior when investing in the market

FREE

(Study Material
and No Exam
Fee)



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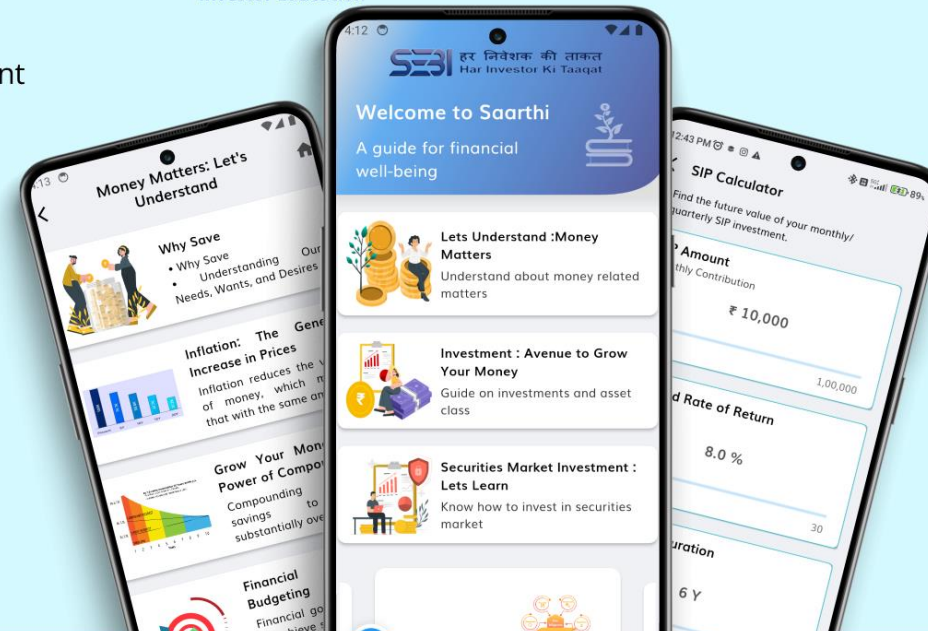
Saaṛṛthi App



UNLOCK THE **WEALTH** OF **KNOWLEDGE** WITH **Saaṛṛthi App**

-  User-friendly interface with comprehensive tools aimed at simplifying complex financial concepts.
-  Resources and Educational Videos designed to increase investor awareness.
-  Unbiased, Objective and Trusted Source of Investment Awareness
-  Reliable and essential insights into the securities market.
-  Vital for young investors, who are at the beginning of their financial journey
-  Access a range of Financial Tools and Calculators,
-  Do your Financial Health Check-up,

Empower yourself in the world of investing



SEBI INVESTOR WEBSITE



<https://investor.sebi.gov.in>



Dive into Money Matters to grasp Personal Finance concepts.



Educational Resources, related to investments, including securities market



Access a range of Financial Tools and Calculators.



Evaluate your Financial Health with the easy check.

Join on a journey of informed decision-making and confident participation in the securities market.

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

Empower yourself in the world of investing

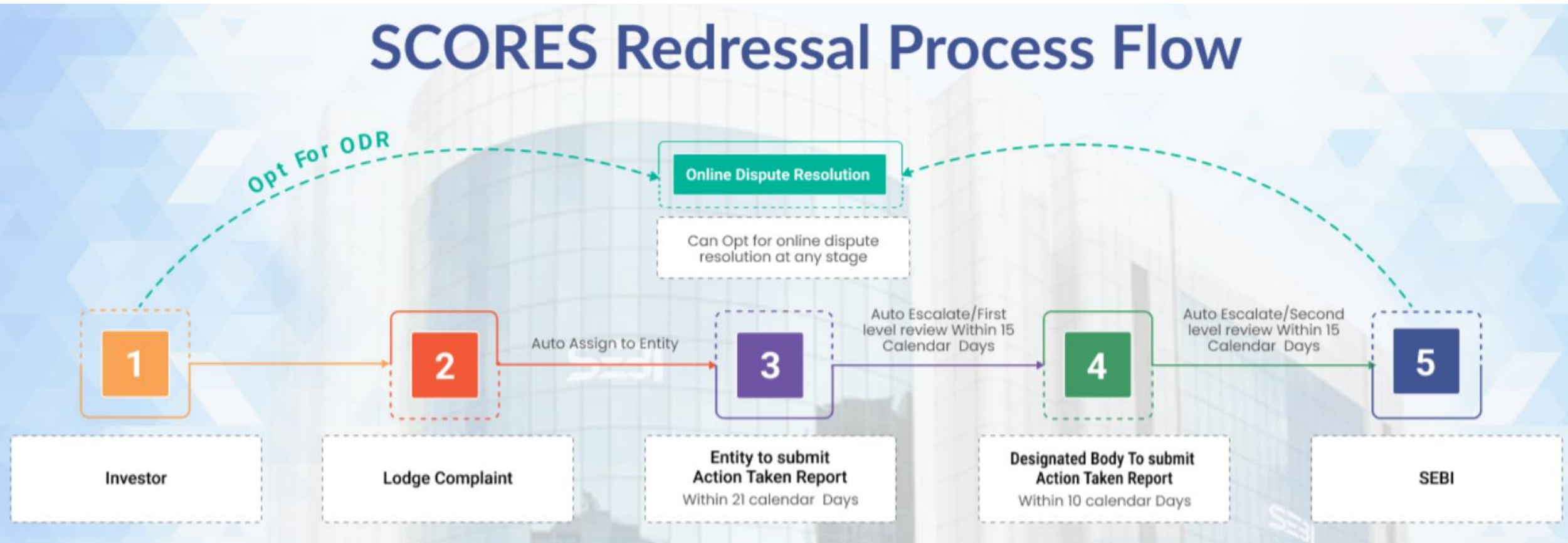


TO VISIT THE SEBI
INVESTOR WEBSITE,
SCAN THE QR CODE



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.

We're also on

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FEEDBACK

NSE Investor Awareness Program



Soch kar

Samajh kar

Invest kar



Thank You !