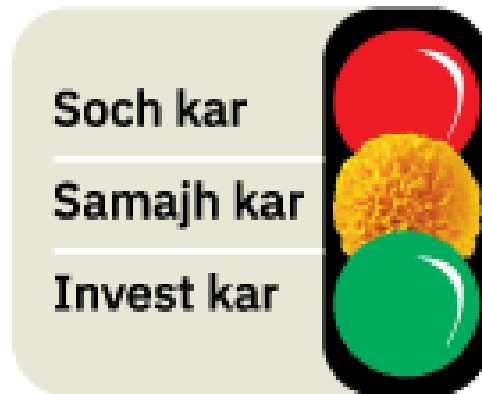


|| Samridhi ||

Level 3 of Financial Literacy Program

Important Aspects of Active Investing



Investor Awareness Program

Disclaimer

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Who should go through this module?

- Hello dosto !! We are Bhavesh & Bhawna from Bhavnagar.
- I am 35 years old. I run a departmental store. My wife is a professor, and we have twin girls.
- We both have been investing in stock market for 5-6 years based on suggestions received from broker and friends. Sometimes made money and sometimes lost money.
- We want to learn more about capital markets so we can both make our future financially secure.
- **Target: Plan for our children's higher education, marriage expense and regular income to live an enriching life.**



Agenda

Primary Markets

Due Diligence & ASBA

Secondary Markets – Trading & settlement

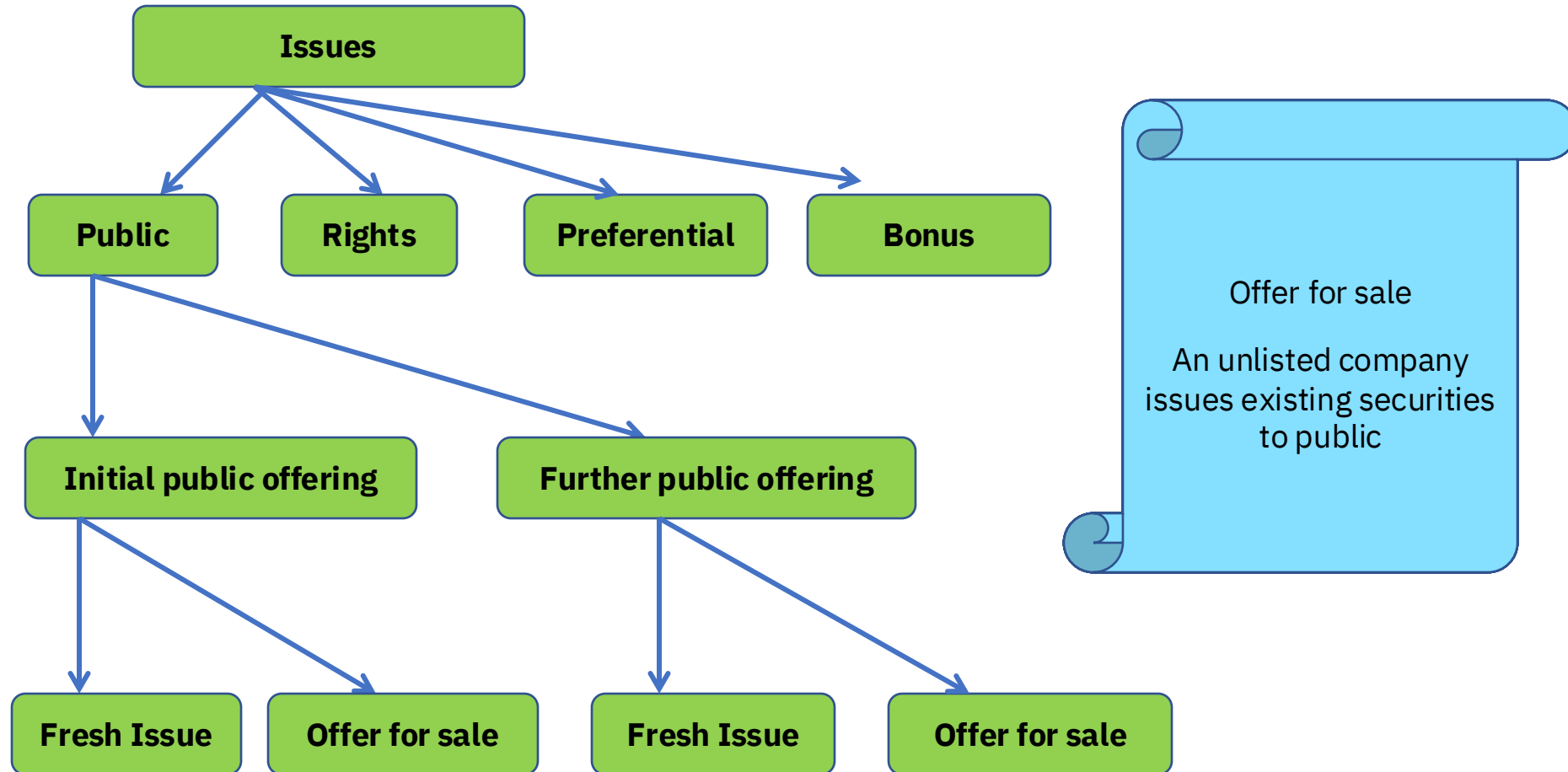
Investor Protection

Investor Grievance

CAS

Important Points to remember

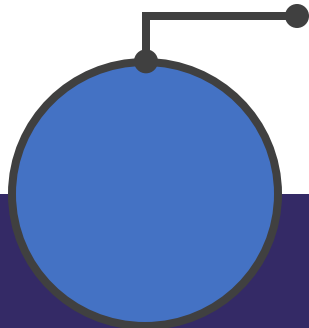
Primary Market



Due diligence?

Material Fact

- Company Financial Statement
- Company competitor
- Performance of the Sector



Due Diligence

Due diligence is the systematic process of analyzing, investigating the material and non-material facts before investing.

Non Material Fact

- Company management
- Company Corporate Governance
- Brand value of the company
- People perception about the company
- Satisfaction level of customer of the company
- Customer retention level of the company

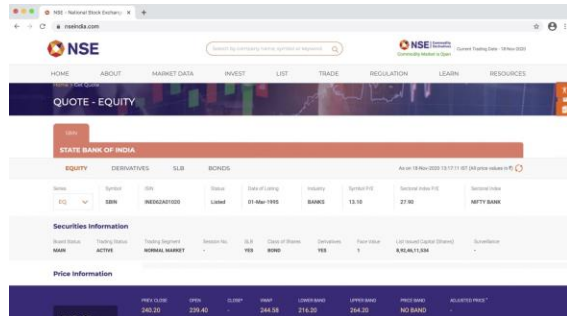
Why diligence?

Investment without due diligence is like driving on a highway blindfolded.



- Pro-active approach enabling investors to investigate about the potential / prospective investment.
- Better understand the past performance.
- Greater possibility of future growth of the investment.

Sources of Due Diligence



1

Stock Exchange Website



2

Company Website



RESEARCH REPORTS

3

4

Social Media



Due Diligence - Multi-layered Analysis

It helps you decide which stocks are worth investing for the long term. It is the study of a company's long-term prospects.



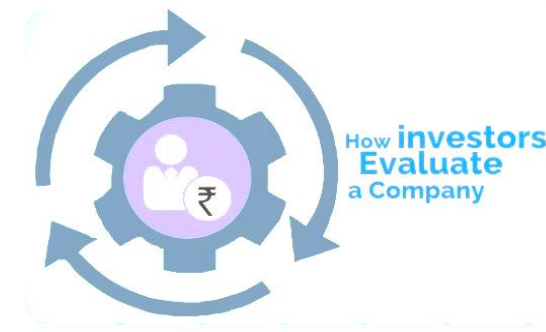
- Economy Analysis.
- Industry Analysis.
- Company Analysis.



Bottom-up or Top-down approach

Due Diligence - Company and Industry analysis

- Check data related to current macro and micro economic factors affecting company's growth and stock price.
- Understand business model of the company and its scope for future growth.
- Take into account the past track record of turnover and profitability.
- Corporate Governance Track record and reputation of Promoters and their shareholding.
- Company's financial health: examining cash flow statement, income statement, balance sheet for at least past two years., EPS, PE Ratio
- Total Debt of the Company and Net worth.
- Compare the company with the competitor
- Latest price and volume, historical data, corporate announcement, etc.

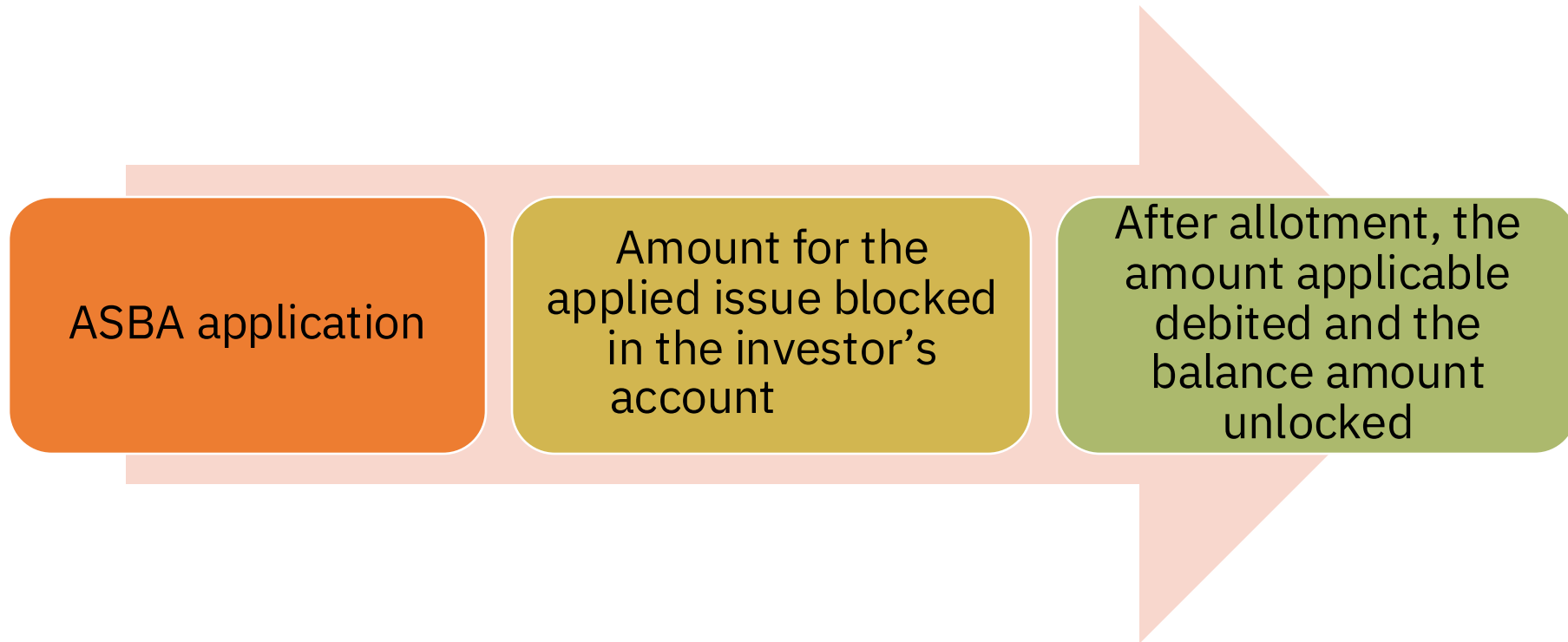


Importance of Due Diligence in Trading



Do you know why conducting due diligence before trading is crucial? Watch this video to know more.

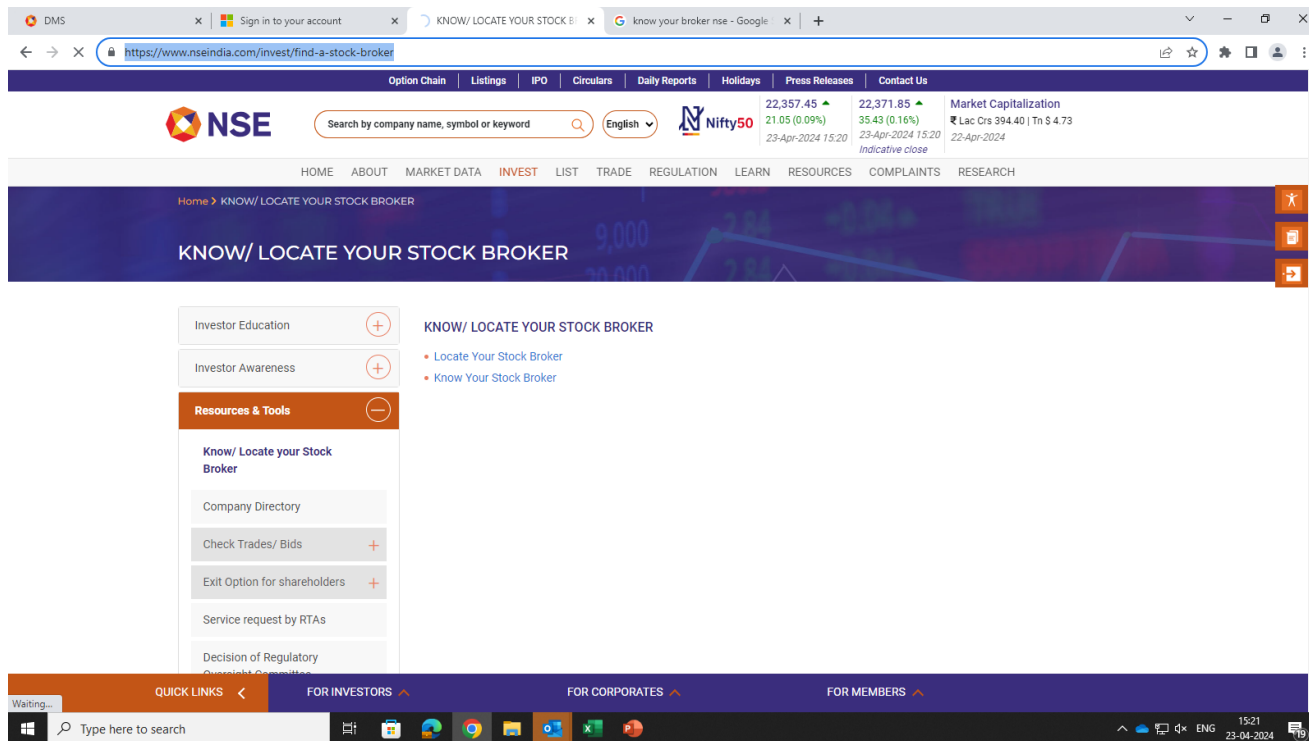
ASBA – Application supported by blocked amount



KNOW your BROKER- NSE WEBSITE

1. Path of the report on NSE Website:

<https://www.nseindia.com/invest/find-a-stock-broker>



Details available in the report :

- a. Registered Office
- b. SEBI Registration no.
- c. List of AP Registered with Member
- d. Investor Grievance Email ID
- e. Compliance officer details
- f. Disciplinary action taken by Exchange
- g. Details of Complaints/Arbitration matters for the past 3 years
- h. Number of branches/employees/AP
- i. Name of associates of Member
- j. Details of client bank accounts (*may be used by clients before making payments*)

Post Trade Payin & Payout of Funds & Securities

PAY-IN OF FUNDS

Cash segment

- Upfront Margin, Balance before T+1

PAY OUT OF SECURITIES:

- Shares should be received in Beneficiary Account of investor within 24 hours of receiving the payout (T+1).

PAY-IN OF SECURITIES

- Investor is advised to confirm the availability of shares prior to executing sale of shares.
- Transfer maximum by T day to Stockbroker
- In case DDPI / POA has not been given, ensure transfer of shares by giving DIS Slip

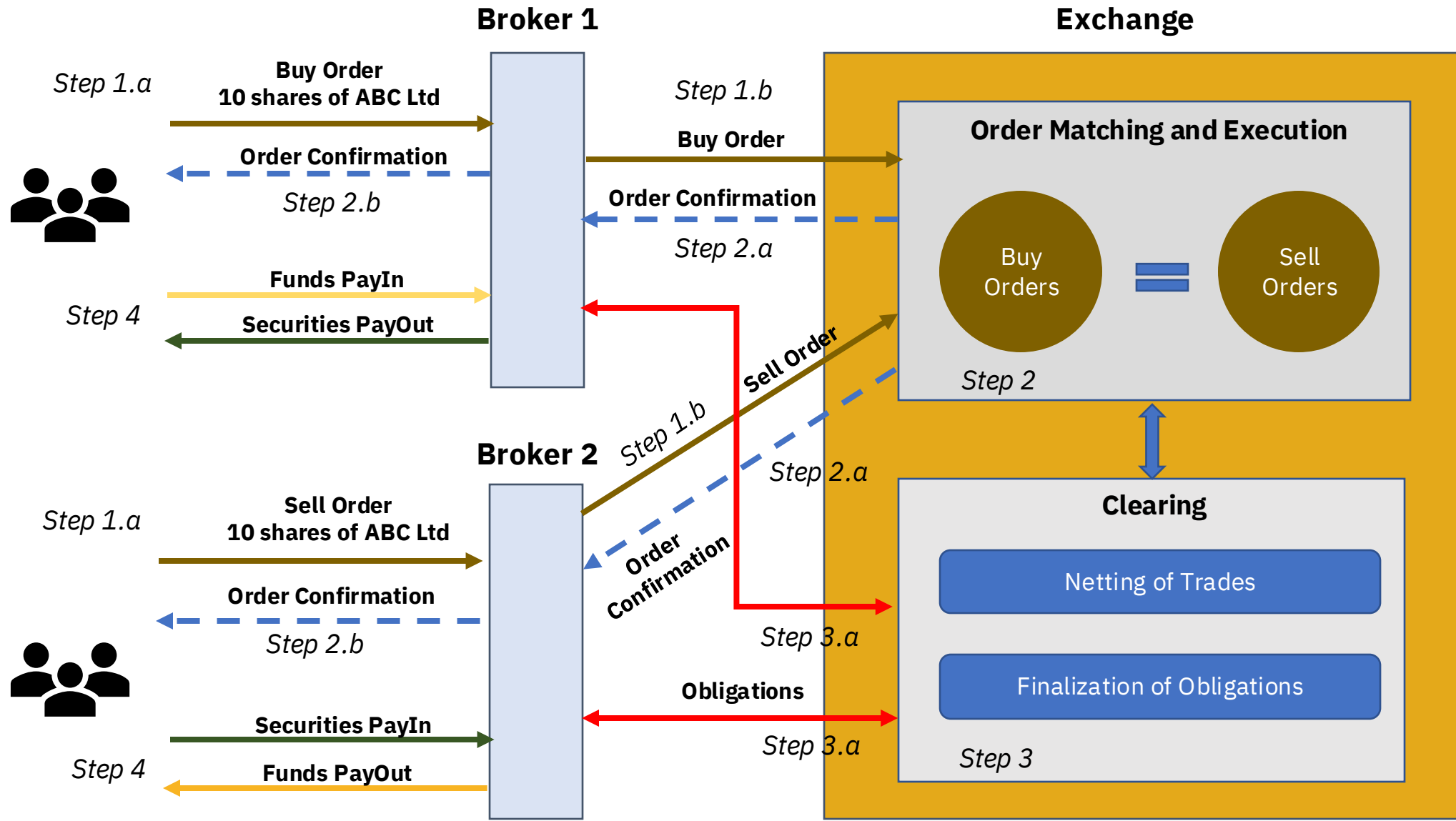
PAY-OUT OF FUNDS

- **Cash Segment** – 24 hours from Payout (T+1)

Buy
Trade

Sell
Trade

Trading and Settlement Mechanism



Test Your Understanding

Q. Which of the following is not advisable while investing in securities market?

A. Always Dealing in Cash

B. Consult with a SEBI registered Investment Advisor

C. Keep record of all documents signed

D. Regular check running account

Q. What is the minimum guarantee / fixed return that is promised in securities market

A. Only your invested capital is protected and not returns.

B. The minimum guarantee / return has to be agreed between you and the Broker before trading

C. Average return of 12% to 18% is guaranteed

D. Returns are subject to market risks and there is no guarantee / fixed return in securities market.

Case Study

Message received through Whatsapp / Telegram / SMS / calls.

- Invest Min 1 lac and get
- GUARANTEED 8 – 10 % MONTHLY RETURNS
- No need to know the dynamics of trade !!
- No need trade, We shall take care of that !!
- The more you invest the more you get !!!

What do you do

GUARANTEED RETURNS !! A Myth or Reality??

ONE CAN TRADE BASED ON TIPS!! A Myth or Reality??



Beware while dealing in Unsolicited Stock Tips



Beware while dealing in
**unsolicited stock
market tips**

through YouTube, WhatsApp, Telegram, SMS,
Calls, Social Media, etc.



Test Your Understanding

Q. On what basis do you make your investment decisions

- Trusted Advisors advice
- Hot Investment Tips
- Favorite investment program on TV
- Neighbors & friends say
- Your own research
- Returns assured by the brokers
- Others who may have profited from their investment decisions

Source of due Diligence

Stock
Exchange
Website

Company
Website

Industry
Research

Newspapers
Magazines

Trading in unregulated products & platforms

Unregulated platform offering Algo, Automated Trading, Binary options on currencies etc

Strategies claiming huge returns and assigned ratings

Reference about past performance and expected returns out of Algo trading

Investors will not be covered for grievance redressal for trading in unregulated products and platforms

Investor Grievance Redressal - NSE

Have a Dispute?

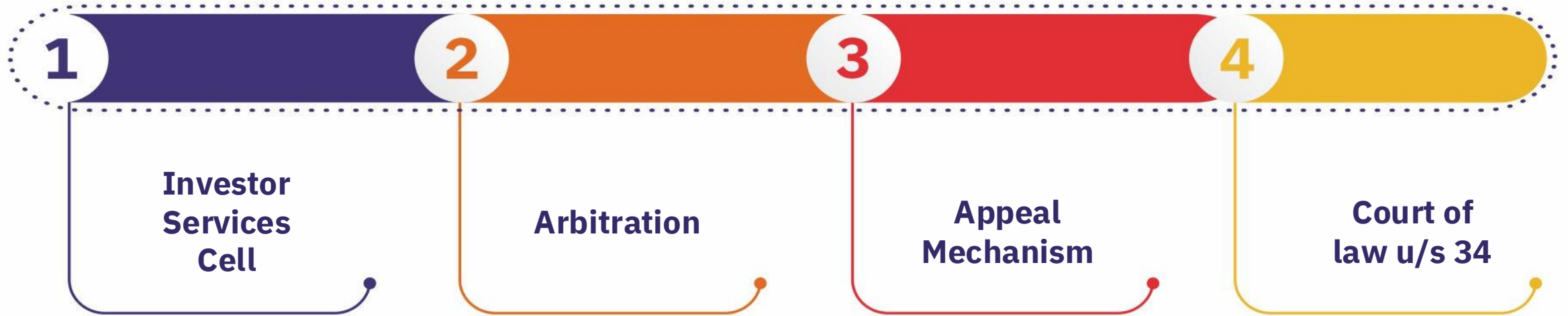
Immediately seek clarification from your Stockbroker

Not satisfied, Complain in writing to Stockbroker

Retain copies of communication.

Complaint not addressed, file complaint

Investor Grievance Redressal - NSE



Complaints can be filed by Investor via -

- Online portal of the Exchange: www.nseindia.com
- SCORES portal of SEBI
- Email
- Physical letter at any Investor Service Centre of the Stock Exchange/ Depository
- Complaint can be filed by investor at the nearest Investor Service Centre (ISC)

How to file a Complaint on Scores



Client consolidated statement for all its investments

- Consolidated view of his/her financial assets Provides insight into his/her portfolio across various asset classes

- CAS includes investments in equity shares, preference shares, mutual funds units, sovereign gold bonds, corporate bonds, debentures, securitized instruments, money market instruments and government securities held in demat.

- It also includes details of your investment in mutual fund units which are kept in statement or folio form with different mutual fund companies

Validating Rumours & Media Influence



Making informed investment decisions is vital. Validate rumours and media articles as they greatly impact investor sentiment. Always prioritize thorough verification to ensure you make informed decisions!

Be Alert Investor!



**No cash dealings/
No assured returns**



**Do not sign blank KYC
Read thoroughly before
signing**



**Do not deal with
Unregistered
Intermediaries**



**Do not share
password**



**Do not keep your funds
idle with stock broker**



**Avoid herd
mentality**



**Invest in businesses
that you understand**



**Do no try to time
the markets**



**Do not trade based on
stock tips from
unauthenticated sources**



**Do not fall prey to
fraudster sending
emails and SMS promising
huge profits**

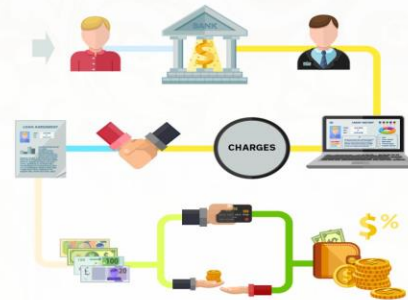
Points to remember while investing



Always update your
Mobile No. and
email Id with TM



Regularly login into
your account to
verify balances



Be informed about
all brokerage, commissions,
fees, other charges levied
by broker



Make payments only
through banking
channels



Opt for ECN only
if you are
Computer Literate and
have your email Id

Savdhani Bartein !!!! Satark Rahein

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.

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>



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India



National Institute of
Securities Markets
A Capacity Building Initiative of SEBI

TEST YOUR KNOWLEDGE WITH

SEBI-Investor Certification Exam

The registration process is easy just use your Aadhaar and OTP. Don't miss this opportunity to test your financial skills and stay ahead



Free

Think you know the basics of securities market?



Test your knowledge of securities Markets and investment.



Test your knowledge about investment process and associated risks



Test your attitude and behaviour towards Investment



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- 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 SURVEY



<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

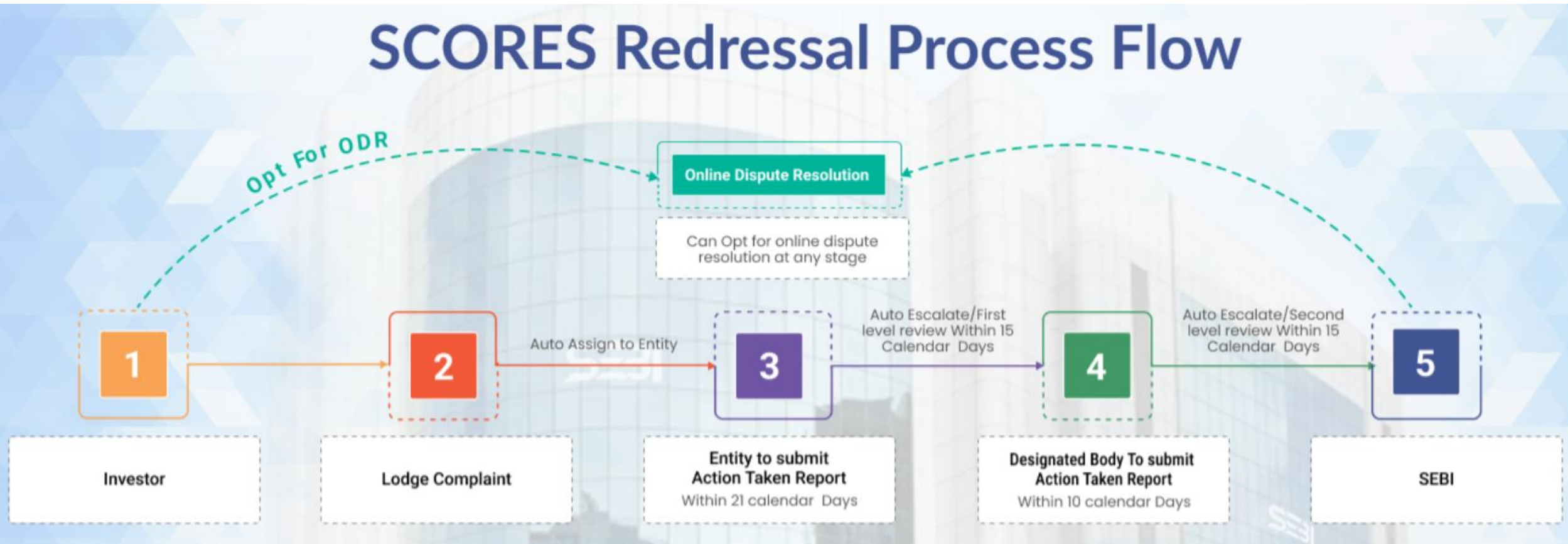


TO VISIT THE SEBI
INVESTOR WEBSITE,
SCAN THE QR CODE



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 !