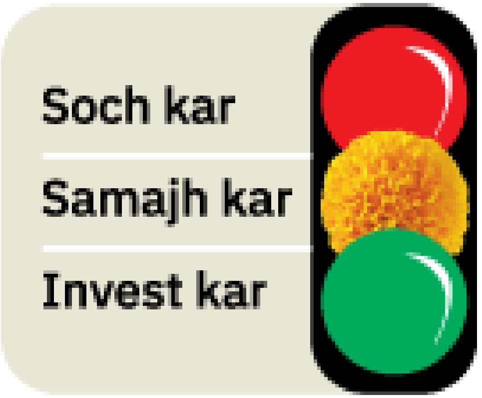
|| Samriddhi ||

Level 3 of Financial Literacy Program

<u>Important Aspects of Active Investing</u>



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.
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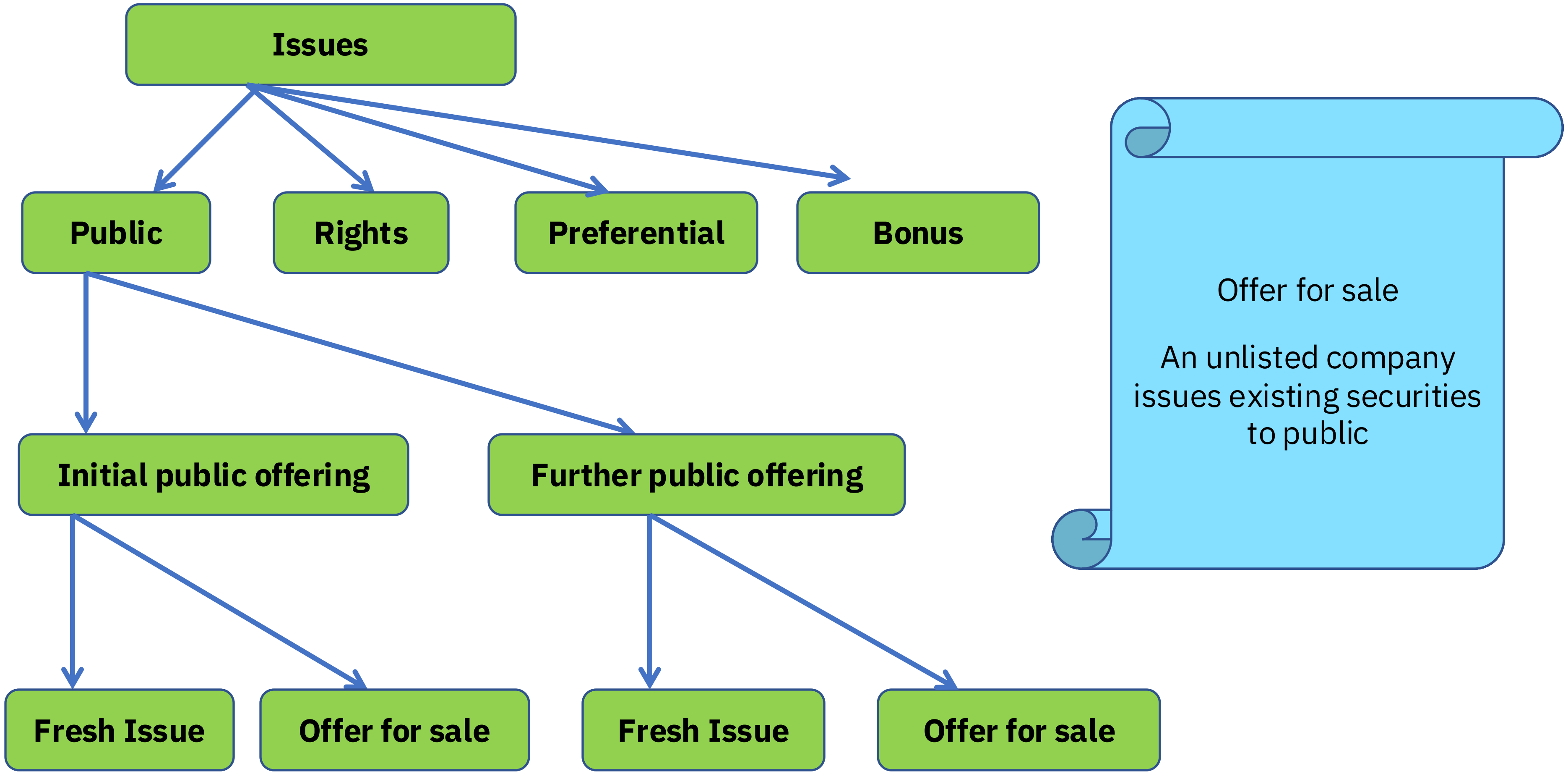
Who should go through this module?

- 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

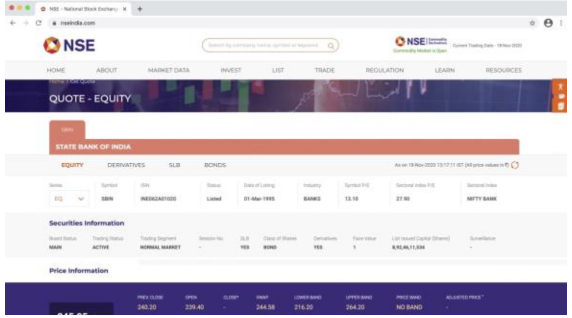
- Company management
- Company Corporate Governance
- Brand value of the company
- People perception about the company
- Satisfaction level of customer of the company
- Customer retention level of the company

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

3

RESEARCH
REPORTS

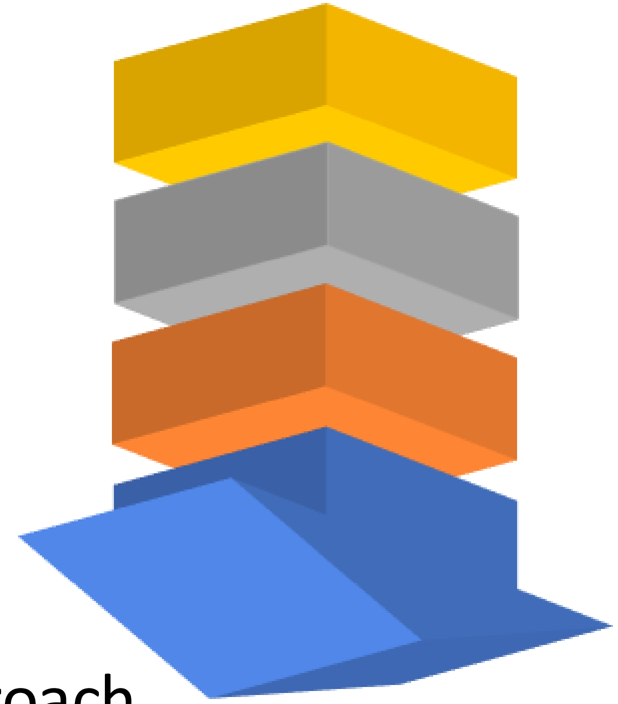
4

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

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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.

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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

ASBA application

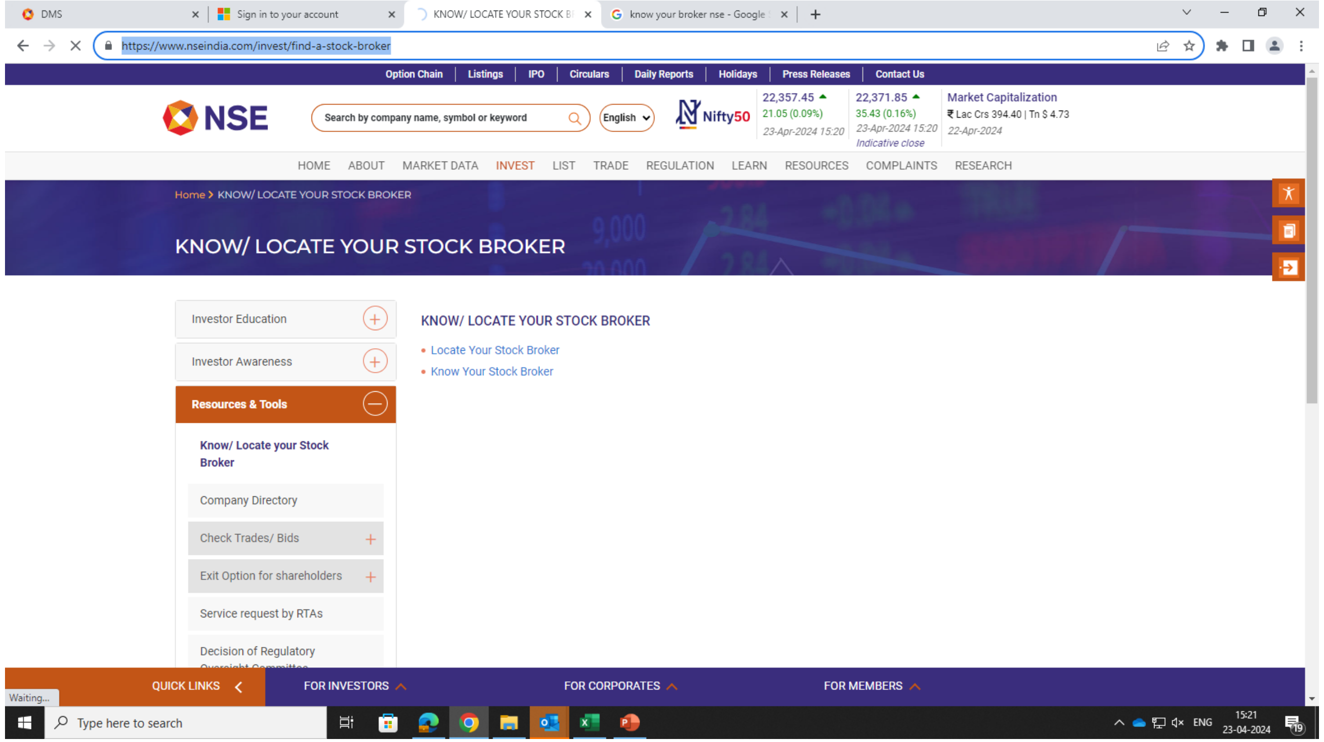
Amount for the applied issue blocked in the investor’s account

After allotment, the amount applicable debited and the balance amount unlocked

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)*

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.

Post Trade Payin & Payout of Funds & Securities

Buy Trade

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).

Sell Trade

PAY-IN OF SECURITIES

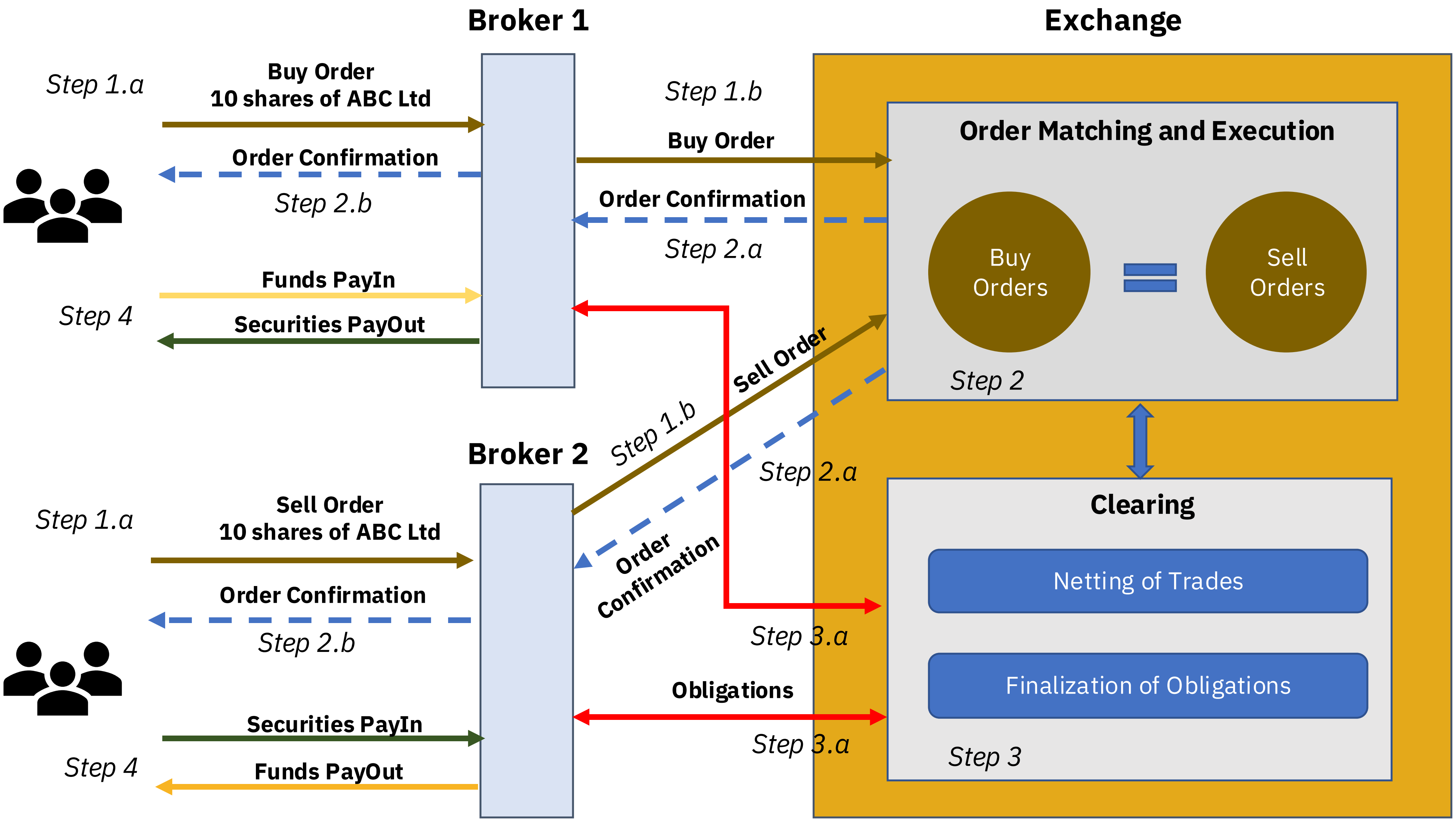
- Investor is advised to confirm the availability of shares prior to executing sale of shares.
- Transfer maximum by T day to Stockbroker
- In case DDPI / POA has not been given, ensure transfer of shares by giving DIS Slip

PAY-OUT OF FUNDS

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

CASH DEALING IS STRCTLY PROHIBITTED

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 RETUNS !! A Myth or Reality??

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

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Beware while dealing in Unsolicited Stock Tips

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

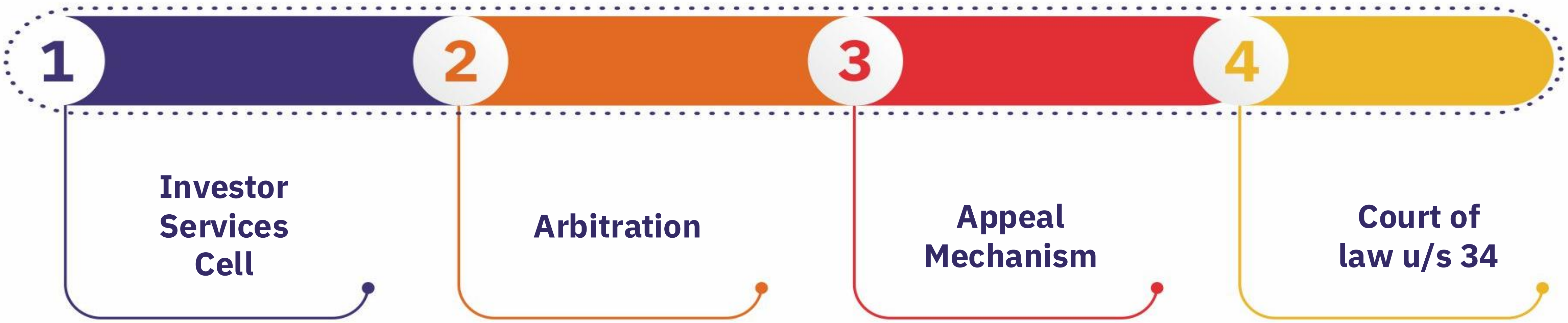
- Unregulated platform offering Algo, Automated Trading, Binary options on currencies etc
- Strategies claiming huge returns and assigned ratings
- Reference about past performance and expected returns out of Algo trading
- Investors will not be covered for grievance redressal for trading in unregulated 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

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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

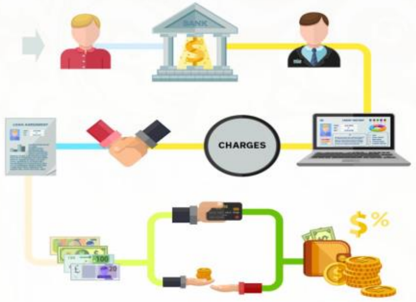
Do not fall prey to fraudster sending emails and SMS promising huge profits

Points to remember while investing

Always update your Mobile No. and email Id with TM

Regularly login into your account to verify balances

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



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

Make payments only through banking channels

Savdhani Bartein !!!! Satark Rahein

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SPOT THE SCAMMERS BEFORE THEY SPOT YOU!

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

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

NSE

Here are 9 TACTICS SCAMMERS USE – Investors must be aware of

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.

4. “DEEPFAKE 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 platforms allows people to bet real money on the likelihood of specific events happening or not happening. Moreover, the events can range widely from political outcomes and sports scores to financial market movements. It’s a SCAM – stay away

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.

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?

- Do not get lured with assured / fixed returns in the securities market. Assured returns is illegal in the securities market. Do not accept any offer at face value.
- Avoid unsolicited messages from unknown sources.
- Do not download unregulated 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://www.nseindia.com/trade/members-compliance/list-of-mobile-applications
- Transfer funds only to registered client bank accounts of the stock broker. Verify the bank accounts on https://enit.nseindia.com/MemDirWeb/form/tradingMemberLocator_beta.jsp
- Starting October 1st, 2025, investors can pay any SEBI registered intermediary using the standard UPI mechanism (abc.brk@validbank)
- Report any fraudulent activity to www.cybercrime.gov.in or call 1930

SCAM FEAR?

SCAN HERE!

List of SEBI Registered Intermediaries

For investor support call

1800 266 0050

File a complaint at National Cyber Crime Portal

Online Bond Platforms

- Investors now have easier access to various fixed-income instruments through the online bond platforms.

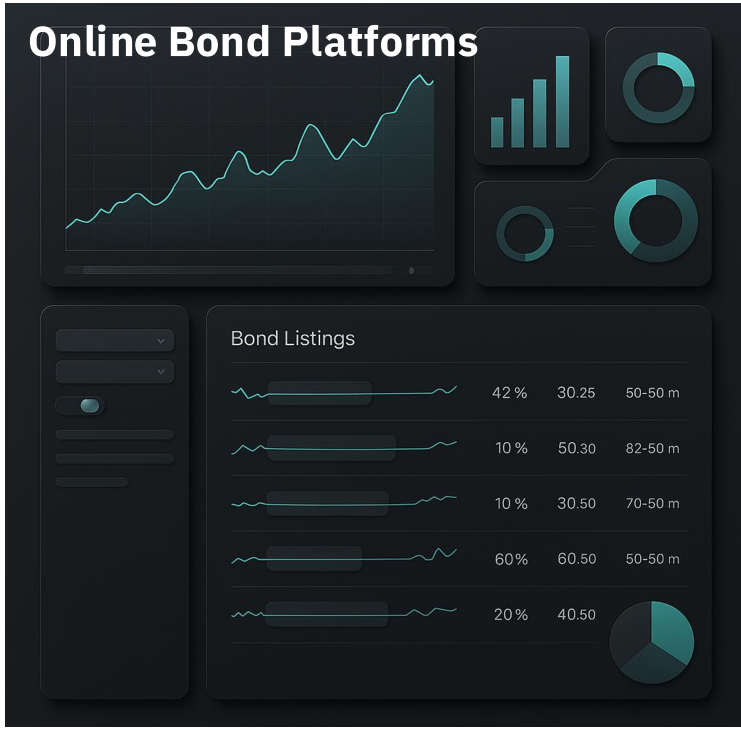
- Investors must understand the underlying features, risks, and costs associated with such investments.

- 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)



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.

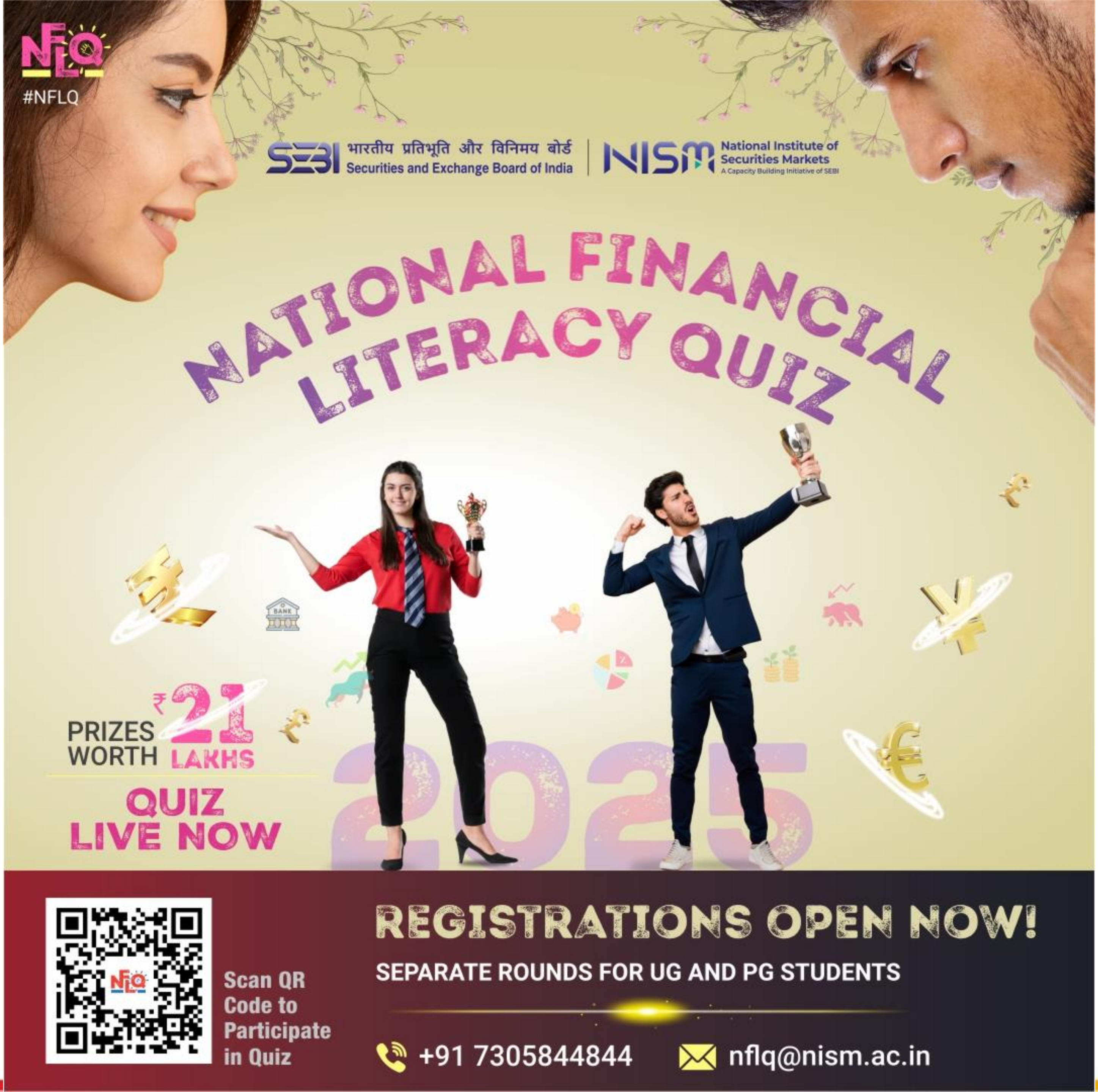
I am maintaining a long-term perspective when investing and avoiding speculation.

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

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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Securities and Exchange Board of India
National Institute of Securities Markets
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National Institute of Securities Markets
A Capacity Building Initiative of SEBI
Certificate
SEBI- Investor Awareness Test
Available in Hindi and English languages
FREE
(Study Material and No Exam Fee)
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
SCAN FOR REGISTRATION
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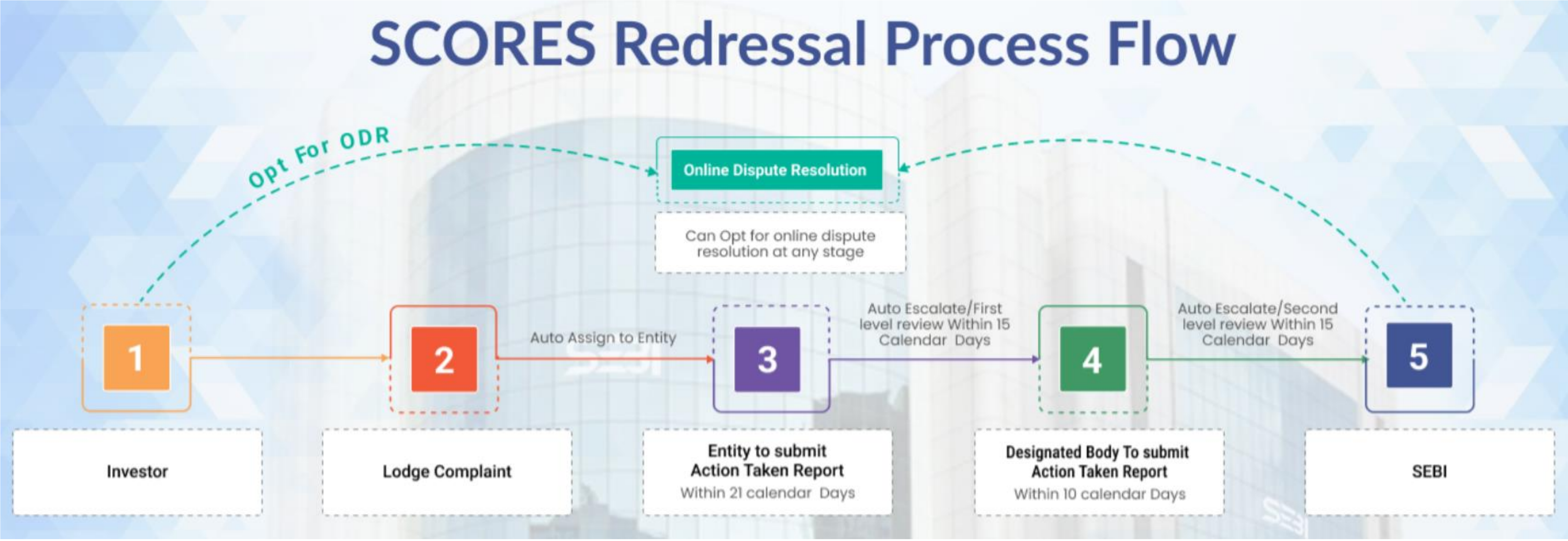
SAA₹THI APP


हर निवेशक की ताकत
Har Investor Ki Taaqat
UNLOCK THE WEALTH OF KNOWLEDGE WITH Saa₹thi 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
Saa₹thi
Investor Education
Download on the App Store
GET IT ON Google Play
Money Matters: Let's Understand
Why Save
Inflation: The Increase in Prices
Financial Budgeting
Welcome to Saarthi
A guide for financial well-being
Lets Understand :Money Matters
Understand about money related matters
Investment : Avenue to Grow Your Money
Guide on investments and asset class
Securities Market Investment : Lets Learn
Know how to invest in securities market
SIP Calculator
₹ 10,000
8.0 %

SEBI INVESTOR SURVEY

SCORES 2.0 - Online Grievance Redressal Facilitation Platform



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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We're also on

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Your interest means a lot!🙏

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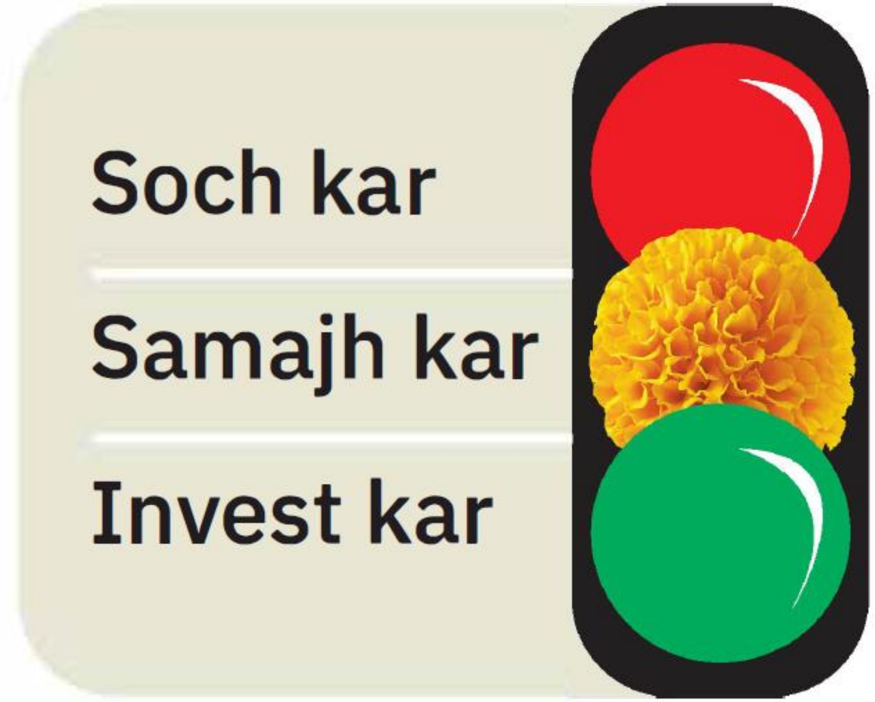
FEEDBACK

NSE Investor Awareness Program



Thank You !