



### BEFORE YOU BEGIN TO TRADE

1. Ensure that you deal with and through only SEBI registered intermediaries. You may check their SEBI registration certificate number from the list available on the NSE/BSE Website Address [www.nseindia.com](http://www.nseindia.com) [www.bseindia.com](http://www.bseindia.com) and SEBI website [www.sebi.gov.in](http://www.sebi.gov.in).
2. Ensure that you fill the KYC form completely and strike off the blank fields in the KYC form.
3. Ensure that you have read all the mandatory documents viz. Rights and Obligations, Risk Disclosure Document, Policy and Procedure document of the stock broker.
4. Ensure to read, understand and then sign the voluntary clauses, if any, agreed between you and the stock broker. Note that the clauses as agreed between you and the stock broker cannot be changed without your consent.
5. Get a clear idea about all brokerage, commissions, fees and other charges levied by the broker on you for trading and the relevant provisions/ guidelines specified by SEBI/NSE/BSE
6. Obtain a copy of all the documents executed by you from the stock broker free of charge.
7. In case you wish to execute Power of Attorney (POA) in favour of the Stock broker, authorizing it to operate your bank and demat account, please refer to the guidelines issued by SEBI/Exchanges in this regard.

### TRANSACTIONS AND SETTLEMENTS

8. The stock broker may issue electronic contract notes (ECN) if specifically authorized by you in writing. You should provide your email id to the stock broker for the same. Don't opt for ECN if you are not familiar with computers.
9. Don't share your internet trading account's password with anyone.
10. Don't make any payment in cash to the stock broker.
11. Make the payments by account payee cheque in favour of the stock broker. Don't issue cheques in the name of sub-broker. Ensure that you have a documentary proof of your payment/deposit of securities with the stock broker, stating date, scrip, quantity, towards which bank/ demat account such money or securities deposited and from which bank/ demat account.

12. Note that facility of Trade Verification is available on NSE/BSE websites, where details of trade as mentioned in the contract note may be verified. Where trade details on the website do not tally with the details mentioned in the contract note, immediately get in touch with the Investors Grievance Cell of the NSE/BSE
13. In case you have given specific authorization for maintaining running account, payout of funds or delivery of securities (as the case may be), may not be made to you within one working day from the receipt of payout from the Exchange. Thus, the stock broker shall maintain running account for you subject to the following conditions:
  - a) Such authorization from you shall be dated, signed by you only and contains the clause that you may revoke the same at any time.
  - b) The actual settlement of funds and securities shall be done by the stock broker, at least once in a calendar quarter or month, depending on your preference. While settling the account, the stock broker shall send to you a 'statement of accounts' containing an extract from the client ledger for funds and an extract from the register of securities displaying all the receipts / deliveries of funds and securities. The statement shall also explain the retention of funds and securities and the details of the pledged shares, if any.
  - c) On the date of settlement, the stock broker may retain the requisite securities/funds towards outstanding obligations and may also retain the funds expected to be required to meet derivatives margin obligations for next 5 trading days, calculated in the manner specified by the exchanges. In respect of cash market transactions, the stock broker may retain entire pay-in obligation of funds and securities due from clients as on date of settlement and for next day's business, he may retain funds/securities/margin to the extent of value of transactions executed on the day of such settlement in the cash market.
  - d) You need to bring any dispute arising from the statement of account or settlement so made to the notice of the stock broker in writing preferably within 7 (seven) working days from the date of receipt of funds/securities or statement, as the case may be. In case of



dispute, refer the matter in writing to the Investors Grievance Cell of the NSE/BSE/ without delay.

14. In case you have not opted for maintaining running account and pay-out of funds/securities is not received on the next working day of the receipt of payout from the exchanges, please refer the matter to the stock broker. In case there is dispute, ensure that you lodge a complaint in writing immediately with the Investors Grievance Cell of the NSE/BSE
15. Please register your mobile number and email id with the stock broker, to receive trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the NSE/BSE/

#### **IN CASE OF TERMINATION OF TRADING MEMBERSHIP**

16. In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; NSE/BSE gives a public notice inviting claims relating to only the “transactions executed on the trading system” of Stock exchange, from the investors. Ensure that you lodge a claim with the NSE/BSE within the stipulated period and with the supporting documents.

17. Familiarize yourself with the protection accorded to the money and/or securities you may deposit with your stock broker, particularly in the event of a default or the stock broker’s insolvency or bankruptcy and the extent to which you may recover such money and/or securities may be governed by the Bye-laws and Regulations of the NSE/BSE where the trade was executed and the scheme of the Investors’ Protection Fund in force from time to time.

#### **DISPUTES/ COMPLAINTS**

18. Please note that the details of the arbitration proceedings, penal action against the brokers and investor complaints against the stock brokers are displayed on the website of the NSE/BSE
19. In case your issue/problem/grievance is not being sorted out by concerned stock broker/sub-broker then you may take up the matter with the concerned Stock exchange. If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI.
20. Note that all the stock broker/sub-brokers have been mandated by SEBI to designate an e-mail ID of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints.



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### Do's and Don'ts

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#### Do's:

- Register for CDSL's internet based facility 'easi' to monitor your demat account yourself. Contact your DP for details.
- Register for CDSL's SMS Alert facility - SMART and obtain alerts for any debits or credits due to a corporate action, in your demat account.
- Accept the DIS book from your DP only if each slip has been pre-printed with a serial number along with your demat account number and keep it in safe custody.
- Always mention the details like ISIN, number of securities accurately. In case of any queries, please contact your DP or broker.
- Ensure that all demat account holder(s) sign on the DIS.
- Please strike out the any blank space on the slip.
- Cancellations or corrections on the DIS should be initialed or signed by all the account holder(s).
- Submit the DIS ahead of the delivery date for all type of market transactions. DIS can be issued with a future execution date.
- Intimate any change of address or change in bank account details to your DP immediately.
- Check the investor service record of the issuer company with your DP before deciding to send certificates for demat. The list of companies whose demat request are pending is published at [www.cdslindia.com](http://www.cdslindia.com).
- Before sending securities for demat, record the distinctive numbers of the securities sent.
- Before granting Power of Attorney(PoA) to anyone, to operate your demat account, carefully examine the scope & implications of powers being granted.
- POA is not mandatory for opening a demat account.
- The demat account has a nomination facility and it is advisable to appoint a nominee, in case of sole account holders.
- 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 and once a quarter if there have been no transactions in your account.
- Check your demat account statement on receipt. In case you notice any unauthorized debits or credits, contact your DP for clarification. If not resolved, you may contact CDSL's Investor Relations Officer, Ms. Tara Ajit, Central Depository Services (India) Ltd., 17th Floor, P.J.Towers, Dalal Street, Mumbai - 400 001, Tel. 2272 8629, email-[complaints@cdslindia.com](mailto:complaints@cdslindia.com)

#### Don'ts:

- Do not leave your instruction slip book with anyone else.
- Do not sign blank DIS as it is equivalent to a bearer cheque.
- Avoid over-writing, cancellations, misspellings, changing of the name and quantity of securities.
- We request you to meticulously follow the above instructions, to avoid any problem in operation of your demat account.