

ISSUE OF SECURITIES

DOS

✓ Read the Prospectus/ Abridged Prospectus and carefully note:

- ✓ Risk factors pertaining to the issue.
- ✓ Outstanding litigations and defaults, if any.
- ✓ Financials of the issuer.
- ✓ Object of the issue.
- ✓ Company history.
- ✓ Background of promoters.
- ✓ Instructions before making application.

✓ In case of any doubt/problem, contact the compliance officer named in the offer document.

✓ In case you do not receive physical certificates/credit to demat account or application money refund, lodge a complaint with compliance officer of issuer company and post issue lead manager as stated in the offer document.

DON'TS

- ✗ Do not fall prey to market rumours.
- ✗ Do not go by any implicit/explicit promise made by the issuer or any one else.
- ✗ Do not invest based on bull run of the market index/scrips of other companies in same industry/issuer company.
- ✗ Do not bank upon the price of the shares of the issuer company to go up in the short run.

INVESTING IN DERIVATIVES

DOS

✓ Go through all rules, regulations, bye-laws and disclosures made by the exchanges.

✓ Trade only through - Trading Member (TM) registered with SEBI or authorised person of TM registered with the exchange.

✓ While dealing with an authorised person, ensure that the contract note has been issued by the TM of the authorized person only.

✓ While dealing with an authorized person, pay the brokerage/payments/margins etc. to the TM only.

✓ Ensure that for every executed trade you receive duly signed contract note from your TM highlighting the details of the trade along with your unique client-id.

✓ Obtain receipt for collateral deposited with Trading Member (TM) towards margin.

✓ Go through details of Client-Trading Member Agreement.

✓ Know your rights and duties vis-à-vis those of TM/ Clearing Member.

✓ Be aware of the risk associated with your positions in the market and margin calls on them.

✓ Collect / pay mark to market margins on your futures position on a daily basis from / to your Trading member.

DON'TS

- ✗ Do not start trading before reading and understanding the Risk Disclosure Documents
- ✗ Do not trade on any product without knowing the risk and rewards associated with it

COLLECTIVE INVESTMENT SCHEME (CIS)

DOS

✓ Before investing ensure that the entity is registered with SEBI.

✓ Read the offer document of the scheme especially the risk factors carefully.

✓ Check the viability of the project.

✓ Check and verify the background/expertise of the promoters.

✓ Ensure clear and marketable title of the property/assets of the entity.

✓ Ensure that the Collective Investment Management Company has the necessary infrastructure to carry out the scheme.

✓ Check the credit rating of the scheme and tenure of the rating.

✓ Check for the appraisal of the scheme and read the brief appraisal report.

✓ Read carefully the objects of the scheme.

✓ Check for the promise vis-a-vis performance of the earlier schemes in the offer document.

✓ Ensure that CIMC furnishes a copy of the Annual Report within two months from the closure of the financial year.

✓ Note that SEBI cannot guarantee or undertake the repayment of money to the investors.

DON'TS

- ✗ Do not invest in any CIS entity not having SEBI registration.
- ✗ Do not get carried away by indicative returns.
- ✗ Do not invest based on market rumours.

DEALING WITH BROKERS & SUB - BROKERS

DOS

✓ Deal only with SEBI registered intermediaries.

✓ Ensure that the intermediary has a valid registration certificate.

✓ Ensure that the intermediary is permitted to transact in the market.

✓ State clearly who will be placing orders on your behalf

✓ Insist on client registration form to be signed by the intermediary before commencing operations.

✓ Enter into an agreement with your broker or sub-broker setting out terms and conditions clearly.

✓ Insist on contract note/ confirmation memo for trades done each day

✓ Insist on bill for every settlement.

✓ Ensure that broker's name, trade time and number, transaction price and brokerage are shown distinctly on the contract note.

✓ Insist on periodical statement of accounts.

✓ Issue cheques/drafts in trade name of the intermediary only.

✓ Ensure receipt of payment/ deliveries within 48 hours of payout

✓ In case of disputes, file written complaint to intermediary/ Stock Exchange/SEBI within a reasonable time.

✓ In case of sub-broker disputes, inform the main broker about the dispute within 6 months.

✓ Familiarise yourself with the rules, regulations and circulars issued by stock exchanges/SEBI before carrying out any transaction

DON'TS

- ✗ Do not deal with unregistered intermediaries
- ✗ Do not pay more than the approved brokerage to the intermediary.
- ✗ Do not undertake deals for others.
- ✗ Do not neglect to set out in writing, orders for higher value given over phone.
- ✗ Do not sign blank Delivery instruction slip(s) while meeting security payin obligation
- ✗ Don't accept unsigned/duplicate contract note/confirmation memo
- ✗ Don't accept contract note/confirmation memo signed by any unauthorised person.
- ✗ Don't delay payment/deliveries of securities to broker/ sub-broker.
- ✗ Don't get carried away by luring advertisements, if any.
- ✗ Don't be led by market rumours or get into shady transactions

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Disclaimer: The information has been compiled to present the reader with a broad understanding of the subject and is general in nature. The contents do not purport to explain or interpret Acts, Circulars, Rules, Regulations and Guidelines.

INVESTING IN MUTUAL FUNDS

DOS

- ✓ Read the offer document carefully before investing.
- ✓ Note that investments in Mutual Funds may be risky.
- ✓ Mention your bank account number in the application form.
- ✓ Invest in a scheme depending upon your investment objective and risk appetite.
- ✓ Note that Net Asset Value of a scheme is subject to change depending upon market conditions.
- ✓ Insist for a copy of the offer document/key information memorandum before investing.
- ✓ Note that past performance of a scheme is not indicative of future performance.
- ✓ Past performance of a scheme may or may not be sustained in future.
- ✓ Keep track of the Net Asset Value of a scheme, where you have invested, on a regular basis.
- ✓ Ensure that you receive an account statement for the money that you have invested.
- ✓ Update yourself on the performance of the scheme on a regular basis.

DON'TS

- ✗ Do not invest in a scheme just because somebody is offering you a commission or other incentive, gifts etc.
- ✗ Do not get carried away by the name of the scheme/Mutual Fund.
- ✗ Do not fall prey to promises of unrealistic returns.
- ✗ Do not forget to take note of risks involved in the investment.
- ✗ Do not hesitate to approach concerned persons and then the appropriate authorities for any problem.
- ✗ Do not deal with any agent/broker dealer who is not registered with Association of Mutual Funds in India (AMFI).

BUYBACK OF SECURITIES

DOS

- ✓ Read the special resolution regarding the proposed buy back in detail and then vote for it.
- ✓ Compare the price offered in buy back with market price during last few months, Earning per Share, Book Value etc.
- ✓ Determine whether the price offered is reasonable.
- ✓ Read the instructions for making the application for tendering of shares carefully and follow them.
- ✓ Ensure that your application reaches the collection centre well within time.
- ✓ If you don't get the letter of offer within reasonable period, contact the Merchant Banker.
- ✓ Mention all details as required in the letter of offer legibly.
- ✓ Furnish all the documents asked for in the letter of offer.
- ✓ Send application through the mode (post/courier/hand delivery/ ordinary post etc.) specified in the letter of offer.
- ✓ Contact Merchant Banker (MB) if no response is received from company/ MB regarding consideration for tendered shares within stipulated time.
- ✓ Contact Compliance Officer mentioned in the letter of offer in case of any grievance against the company.
- ✓ Contact the Registrar of Companies in case you feel that provision of the Companies Act has been violated.
- ✓ Contact the Merchant Banker in case of any grievance against the procedure followed in the buy back.

DON'TS

- ✗ Don't submit multiple applications.
- ✗ Don't forget to fill up the application legibly.
- ✗ Don't mutilate the application form.
- ✗ Don't cross/ cut in the application form.
- ✗ Don't send the application at wrong address.
- ✗ Don't send the application after the close of offer.
- ✗ Don't forget to give complete information in the application form.
- ✗ Don't forget to sign on application form.
- ✗ Don't give wrong/ contradictory information on the application form.

OPEN OFFER UNDER TAKEOVER REGULATIONS

DOS

- ✓ Ensure that you are aware of all competitive offers and revision of offer before deciding on accepting the offer
- ✓ Refer to national dailies/ SEBI website for details of competitive offers or revisions of offers.
- ✓ Note that the offer would be subject to statutory approvals, if any, mentioned in the Letter of Offer
- ✓ Check whether the offer will result in delisting of the company.
- ✓ In case of dematerialised equity shares ensure credit is received to the Special Depository Account before the closure of the Offer.
- ✓ Carefully note the timings/days for hand delivery of the documents mentioned in the letter of offer.
- ✓ Wait till last date for Offer Revision (i.e. 7 working days prior to date of closing of offer) before tendering acceptance.
- ✓ Submit the Form of Withdrawal accompanying the Letter of Offer at any specified collection center upto 3 working days before date of closing of the Offer in case you want to withdraw the shares tendered.
- ✓ Ensure that signatures on Form of Acceptance, Transfer Deed, Depository Instruction and Form of Withdrawal are in same order and same as those lodged with the company.
- ✓ In case of non receipt of Offer Document, you can tender or withdraw from the Offer by making an application on plain paper giving the necessary details

DON'TS

- ✗ Don't wait for the last date for the closure of the offer for tendering your acceptance.
- ✗ Don't fill in the details of the buyer/transferee in the transfer deed to be sent.
- ✗ Don't file an incomplete application form/invalid documents.

DEALING IN SECURITIES

DOS

- ✓ Transact only through Stock Exchanges.
- ✓ Deal only through SEBI registered intermediaries.
- ✓ Complete all the required formalities of opening an account properly (Client registration, Client agreement forms etc).
- ✓ Ask for and sign "Know Your Client Agreement".
- ✓ Read and properly understand the risks associated with investing in securities / derivatives before undertaking transactions.
- ✓ Assess the risk – return profile of the investment as well as the liquidity and safety aspects before making your investment decision.
- ✓ Ask all relevant questions and clear your doubts with your broker before transacting.
- ✓ Invest based on sound reasoning after taking into account all publicly available information and on fundamentals.
- ✓ Give clear and unambiguous instructions to your broker / sub-broker / depository participant.
- ✓ Be vigilant in your transactions.
- ✓ Insist on a contract note for your transaction.
- ✓ Verify all details in contract note, immediately on receipt.
- ✓ Crosscheck details of your trade with details as available on the exchange website.
- ✓ Scrutinize minutely both the transaction and the holding statements that you receive from your Depository participant.
- ✓ Keep copies of all your investment documentation.
- ✓ Handle Delivery Instruction Slips (DIS) Book issued by DP's carefully.
- ✓ Insist that the DIS numbers are pre-printed and your account number (client id) be pre stamped.
- ✓ In case you are not transacting frequently make use of the freezing facilities provided for your demat account.
- ✓ Pay the margins required to be paid in the time prescribed.
- ✓ Deliver the shares in case of sale or pay the money in case of purchase within the time prescribed.
- ✓ Participate and vote in general meetings either personally or through proxy.
- ✓ Be aware of your rights and responsibilities.
- ✓ In case of complaints approach the right authorities for redressal in a timely manner

DON'TS

- ✗ Don't undertake off-market transactions in securities.
- ✗ Don't deal with unregistered intermediaries.
- ✗ Don't fall prey to promises of unrealistic returns.
- ✗ Don't invest on the basis of hearsay and rumors; verify before investment.
- ✗ Don't forget to take note of risks involved in the investment.
- ✗ Don't be misled by rumours circulating in the market.
- ✗ Don't be influenced into buying into fundamentally unsound companies (penny stocks) based on sudden spurts in trading volumes or prices or non authentic favorable looking articles / stories.
- ✗ Don't follow the herd or play on momentum - it could turn against you.
- ✗ Don't be misled by so called hot tips.
- ✗ Don't try to time the market.
- ✗ Don't hesitate to approach the proper authorities for redressal of your doubts / grievances.
- ✗ Don't leave signed blank Delivery Instruction Slips of your demat account lying around carelessly or with anyone.
- ✗ Do not sign blank Delivery Instruction Slips(DIS) and keep them with Depository Participant(DP) or broker to save time. Remember your carelessness can be your peril.



MESSAGE FOR INVESTORS

relating to

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