

GUIDANCE NOTE DO's AND DON'Ts FOR TRADING ON THE EXCHANGE(S) FOR INVESTORS

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 Stock exchanges www.exchange.com and SEBI website 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/Stock exchanges.
- 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 favor 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 stock exchanges' 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 relevant Stock exchange. You may refer to 'NSE Investor Services Cell' on the NSE website www.nseindia.com or the Investor Service Centers of Metropolitan Stock Exchange of India Ltd. (website www.msei.com) or the Department of Investors Services of BSE Limited (website www.bseindia.com).

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 relevant Stock exchanges without delay. You may refer to 'NSE Investor Services Cell' on the NSE website www.nseindia.com or the Investor Service Centres of Metropolitan Stock Exchange of India Ltd. (website www.msei.com) or the Department of Investors Services of BSE Limited (website www.bseindia.com).

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 relevant Stock exchange. You may refer to 'NSE Investor Services Cell' on the NSE website www.nseindia.com or the Investor Service Centers of Metropolitan Stock Exchange of India Ltd. (website www.msei.com) or the Department of Investors Services of BSE Limited (website www.bseindia.com).

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 stock exchanges.

IN CASE OF TERMINATION OF TRADING MEMBERSHIP

- 16)** In case, a stock broker surrenders his membership, is expelled from membership or declared a defaulter; Stock exchanges 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 relevant Stock exchanges 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 relevant Stock exchange 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 relevant Stock exchange i.e. website www.nseindia.com, website www.msei.com and www.bseindia.com
- 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. 'You may refer to NSE Investor Services Cell' on the NSE website www.nseindia.com or the Investor Service Centers of Metropolitan Stock Exchange of India Ltd. (website www.msei.com) or the Department of Investors Services of BSE Limited (website www.bseindia.com). If you are not satisfied with the resolution of your complaint then you can escalate the matter to SEBI. You can lodge your grievances with SEBI at <http://scores.gov.in>. For any queries, feedback or assistance, please contact SEBI Office on Toll Free Helpline at 1800 22 7575 or 1800 266 7575.
- 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. The designated e-mail id for registering grievance is ig@centrum.co.in and the same is available on our website www.centrumgalaxc.com

CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED MANAGING YOUR DEMAT ACCOUNT WITH CDSL SIMPLE DOs and DON'Ts

- 1)** Verify your transaction statement carefully for all debits and credits in your account. In case of any unauthorized debit or credit, inform your DP or CDSL.
- 2)** Intimate any change of address or change in bank account details to your DP immediately.
- 3)** While accepting the Delivery Instruction Slip (DIS) book from your DP, ensure that your BO ID is pre-stamped on all the pages along with the serial numbers.
- 4)** Keep your DIS book safely and do not sign or issue blank or incomplete DIS slips.
- 5)** Strike out the empty space, if any, in the DIS, before submitting to DP.
- 6)** For market transactions, submit the DIS ahead of the deadline time. DIS can be issued with a future execution date.
- 7)** The demat account has a nomination facility and it is advisable to appoint a nominee to facilitate your heirs in obtaining the securities in your demat account, on completion of the necessary procedures.
- 8)** To open and operate your demat account, copy of PAN card of all account holders is to be submitted to the DP along with original PAN card, for verification.
- 9)** Register for CDSL's SMART (**SMS Alerts Related to Transactions**) facility and obtain alerts for any debits or credits due to a corporate action, in your demat account. If any unauthorized debit is noticed, the BO should immediately inform CDSL and the Main DP, in writing. An email may be sent to CDSL at complaints@cdslindia.com.
- 10)** Register for CDSL's Internet based facility "*easi*" to monitor your demat account yourself. Contact your DP or visit CDSL's website: www.cdslindia.com for details.
- 11)** In order to receive all the credits coming to your demat account automatically, you can give a one-time, standing instruction to your DP.
- 12)** Before granting Power of Attorney to anyone, to operate your demat account, carefully examine the scope and implications of powers being granted.
- 13)** 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
- 14)** Before sending securities for demat, record the distinctive numbers of the securities sent.
- 15)** POA is not mandatory for opening a demat account.

- 16)** 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.
- 17)** 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, e-mail- complaints@cdslindia.com
- 18)** Avoid over-writing, cancellations, misspellings, changing of the name and quantity of securities
- 19)** Do not sign blank DIS as it is equivalent to a bearer cheque.
- 20)** Always mention the details like ISIN, number of securities accurately. In case of any queries, please contact your DP or broker
- 21)** Ensure that all demat account holder(s) sign on the DIS.
- 22)** Cancellations or corrections on the DIS should be initiated or signed by all the account holder(s).