

## DO'S & DON'TS FOR INVESTORS

### DEALING IN DEPOSITORY

#### Do's

- Complete all the required formalities of opening an account properly (Client registration, read and understand right and obligations, Policies and procedures of Depository Participant)
- Scrutinize minutely both the transaction and the holding statements that you receive from your Depository participant, report any discrepancy before 30 days.
- 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.
- Transfer of ownership of physical shares should be executed by a valid, duly completed and stamped transfer deed
- Give clear and unambiguous instructions to depository participant.
- Loss of DIS Book informed immediately to depository participant.
- Strike off unused rows in the DIS.

#### Don't's

- 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.

### INVESTING IN DERIVATIVES

#### Do's

- Go through all rules, regulations, bye-laws and disclosures made by the exchanges.
- Trade only through – Trading Member (TM) registered with SEBI or authorized person of TM registered with the exchange.
- While dealing with an SB/AP, ensure that the contract note has been issued by the TM.
- While dealing with an SB/AP, 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 Trading 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't's

- 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.

### **CAUTION NOTICE : NO CASH DEALING IS ALLOWED BY WAY2WEALTH BROKERS PRIVATE LIMITED**

**In case of any grievance / complaint against the Stock Broker / Depository Participant:**  
Please contact Compliance Officer of the Stock Broker/ Depository Participant **Raghavendra B**  
[raghavendrab@way2wealth.com](mailto:raghavendrab@way2wealth.com) / [grievance@way2wealth.com](mailto:grievance@way2wealth.com) ☎ 080 43676862

## DO'S & DON'TS FOR INVESTORS

### DEALING IN SECURITIES

#### Do's

- Transact only through Stock Exchanges and Deal only through SEBI registered intermediaries.
- Complete all the required formalities of opening an account properly (Client registration, read and understand right and obligations, RDD and Policies and procedures of Stock Broker
- 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.
- 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.
- Keep copies of all your investment documentation.
- 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 T+2.
- 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.
- In case physical deliveries are received, check them as per the Good/Bad delivery guidelines issued by SEBI.
- Educate other investors (Friends, Family etc.) about these Dos & Don'ts
- Draw cheque only in favour of stock broker

#### Don't's

- Given the benefits of trading on stock exchange it is advisable to avoid off-market transactions.
- 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.
- Do not follow investment advice from news channel experts – do your own research.
- Do not invest under peer pressure.
- Don't fall prey to unsolicited SMS/research calls
- Don't issue cheque/cash to SB/AP/officials of the broker